

## Reserves Policy

### 1. Purpose

The purpose of this document is to state the reserves policy of Watford & District u3a to allow this to be agreed by the Committee and viewable by the membership. This policy considers what sum is needed to

- Effect the orderly closure of the charity in an emergency.
- Continue operating when income is suddenly curtailed e.g. during the 2020s Covid epidemic

### 3. Requirement

The requirement for reserves is defined within the Charity Commission Guidance (CC19): 'How to set a reserves policy for your charity': <https://www.gov.uk/guidance/charity-financial-reserves> but the guidance advises that there is no fixed amount for a charity's reserves level.

Reserves of Watford & District u3a are regarded as being the amount of money needed to function for **at least the next 6 months** to allow orderly closure, and to fulfil all anticipated financial charges in that period.

### 4. Basis

The previous year's expenditure and next year's budget (expenditure) will enable a best estimate of what amount of money might be needed as a reserve. Reserves are meant to cover a range of items including, but not limited to:

- Running costs to allow a managed closure of the u3a
- Costs of ongoing contracts e.g. room bookings
- Purchases to add or replace assets such as computers

### 5. Conclusion

An actual reserves requirement will be calculated every year and declared in the Annual Accounts.

If it appears that reserve levels in the forthcoming year could fall below requirements, then a review of income and expenditure will be undertaken.

This policy was adopted on: 16/1/2026  
Policy review date: 1/2029