

Oasis Centre – Cornwall Reserves Policy

The Trustees have adopted this policy regarding the reserves held by the Charity. Underlying this policy are the following key considerations: -

- Money that has been donated to the Charity for a specific purpose is a Restricted Fund that cannot form part of the Charity's reserves.
- Money that the Charity has set aside out of its General Fund for a specific purpose is treated as a Designated Fund that can only form part of the Charity's reserves if the Trustees decide to abandon that specific purpose.
- Thus, all Restricted and Designated funds are to be ignored for the purposes of the calculation mentioned below and the Charity's reserves are to be accumulated within and to form part of the Charity's General Fund.
- The focus of this policy and the fundamental risk that this policy is designed to address is the ever-present danger that, due to economic causes or other circumstances outside the control of the Trustees, grant income may cease to be available and/or donations from other sources may dry up, thus creating a financial emergency.

The adequacy of the Charity's reserves is to be determined having regard to the following general principles: -

1. The reserves must first of all be sufficient to cover the Charity's routine monthly overheads for running its office and keeping its general activities going for a minimum period of six calendar months assuming the absence of any incoming revenues. The rationale behind this is that this period will be sufficient to enable the Trustees to –
 - (1) identify the problem; and
 - (2) reduce overheads; and
 - (3) boost revenues in order to remedy matters.
2. These reserves must be augmented by a realistic sum to cover all longer term contractual liabilities incurred by the Charity that demand more than one month's notice. The rationale behind this is that, if the emergency continues, the Trustees should by the end of the first two or three months of the period mentioned in principle 1 above be able, if deemed necessary, to take steps to terminate its longer term commitments.
3. A further addition will, if deemed necessary, be made to the reserves to cover specific activities for which Restricted grants or donations have been received. The addition will be based upon the running costs to maintain the necessary administration until the Restricted funds run out. The rationale behind this is that the Charity is committed to continue each such activity until the Restricted funding is exhausted.

An illustration showing the manner in which this calculation is to be made appears in the Annexe to this policy. The calculation will be adjusted as necessary on each occasion on which this policy is reviewed.

Adopted by the Trustees on 29th January 2018 and to be reviewed annually in January.

Annexe – Calculation of the Reserves

Date: 31 October 2017	£	£	£
The Charity's Total Resources at the above date			£31,666.61
The Charity's Restricted Funds at the above date	£13,117.30		
Designated Funds (for which the purposes have not been abandoned) at the above date	£0.00		
Total funds excluded from the charity's reserves at the above date			£13,117.30
The Charity's General Fund (within which its reserves are held) at the above date thus totals			£18,549.31
Estimate of the Charity's monthly operating costs	£2,000.00		
The Charity's operating costs for a six month period thus total		£12,000.00	
Reserve for the Charity's long-term commitments under principle 2 at the above date		£0.00	
Principle 3 Reserve	£		
Archbishop's Council for Mission Fund	£0.00		
Awards for All Fund	£500.00		
Cornwall Community Foundation - Comic Relief Fund	£0.00		
Cornwall Rural Communities Council	£0.00		
Crisis Fund	£0.00		
Food Bank Fund	£0.00		
Grantscape Fund	£0.00		
Santander Discovery Fund	£0.00		
St Breock Fund	£0.00		
St Columb Institute Fund	£0.00		
Winter Warmth Fund	£0.00		
Addition to the reserves in accordance to principle 3 at the above date		£500.00	
Total Reserves at the above date			£12,500.00
General Fund Balance or Shortfall			£6,049.31