



The Northern Lights Community Choir

Financial Reserves Policy

Reasons why the Northern Lights Community Choir (NLCC) may need reserves

There are three reasons for this reserves policy:

- to ensure financial continuity in the event of a large variation in income;
- to maintain a positive cash flow, particularly before concerts;
- to cover specific future projects as they are agreed

This will ensure that the choir has the best opportunity of financial sustainability.

Level or Range of Reserves

The trustees believe that NLCC should operate at the following reserves:

The bottom level of this range should be £5,000 at the end of any financial year (January). This will ensure sufficient funds are available to meet routine monthly costs and provide the choir with a contingency fund to enable it to function for 12 months without revenue, if necessary.

Steps the Trustees will take to establish or maintain at the agreed level or range

The Trustees will ensure that reserves fall within the prescribed range throughout the financial year using the following actions:

- Review forecast end year financial position regularly (at least quarterly).

- Plan and deliver concert programmes within budget restrictions agreed in advance.
- Encourage payment of membership donations to bring funds in during the financial year.
- Develop strategies for raising funds including merchandise sales and other fund raising activities identified by the trustees.

Account generating interest

The trustees will ensure that reserves are held in a savings account which generates interest for the charity. They will ensure that the best account is identified and where necessary move the funds to achieve the best interest rate.

Arrangements for monitoring and reviewing the policy

The reserves policy will be reviewed by the trustees in committee no more frequently than every two years.

