



RESERVES POLICY

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1. Introduction

The policy **governs** how and when the Board of Trustees sets and reviews its level of reserves.

2. Purpose

The Charity Commission expects the Board of Trustees to decide, publish, implement, and monitor their charity's reserves policy so that they can comply with their legal duties to:

- act in the interests of their charity and its beneficiaries;
- protect and safeguard the assets of their charity;
- act with reasonable care and skill;
- ensure their charity is accountable.

3. Scope

The reserves policy:

- identifies and plans for the maintenance of essential services for beneficiaries;
- reflects the risks of unplanned closure associated with the charity's business model, spending commitments, potential liabilities, and financial forecasts;
- helps to address the risks of unplanned closure on their beneficiaries (in particular, vulnerable beneficiaries), and volunteers.

All Trustees are responsible for:

- making sure the reserves policy (even if not required to by law) is published and tailored to the charity's circumstances.
- making sure that their reserves policy is put in place and operated.
- regularly monitor and review the effectiveness of the policy in the light of the changing funding and financial climate and other risks.

4. Policy Statement

u3a York had unrestricted reserves of £136,812 on 31st July 2025.

u3a York collects membership subscriptions from 1 June each year and these are utilised to meet its fixed obligations, particularly the annual rent of £24,000 and payments to the Third Age Trust and Beacon fee and the charity's running costs. As scope for obtaining additional income during the financial year is limited, u3a York retains one year's budgeted costs as reserves. These are currently estimated at £60,000.

Measure have been put in place to reduce the excess reserves in the year to 31 July 2027 and this policy, and the amount of reserves, will be reviewed during this and future years to ensure the continued operation of the charity at a level appropriate to its membership numbers.

5. Roles and Responsibilities

All Trustees are required to:

- read, understand, and comply with this policy.
- avoid any activity that might lead to, or suggest, a breach of this policy.
- immediately report any concerns to the Treasurer or Chair of the u3a.

6. Breach of the Policy

Any breaches of this policy will be reported to the Board of Trustees.

7. Training and Infrastructure

None

8. Governance

The Treasurer is responsible for reporting the reserves position at each meeting of the Board of Trustees and how that relates to the unrestricted reserves held.

The Board of Trustees is responsible for regularly monitoring and reviewing the effectiveness of the policy in the light of the changing funding and financial climate and other risks.

The Board of Trustees will use the annual report to tell donors, funders, and other stakeholders:

- why u3a York keeps money aside instead of spending it on its charitable aims;
- how much u3a York holds in reserve;
- why u3a York needs to hold this level of reserves.
- what u3a York reserves can be spent on.

9. Other Relevant Policies

None