



FIRST STOP CENTRE

RESERVE FUNDS POLICY

1. First Stop Centre is a registered charity (number 803170) and is reliant on grants and donations for its income, thus enabling it to assist those residents of the Braintree District who are disadvantaged in some way and require a wide variety of interventions to enable them to improve their lives and living circumstances.
2. The Centre employs a small staff/volunteer team, all of whom work part time.
3. The Centre operates from premises close to the centre of Braintree. The premises are owned by Salvation Army Housing Association (SAHA). The Centre has a licence from SAHA (running since 1997). Running costs and maintenance need to be met by the Centre.
4. With no guaranteed income and a lease agreement, there are financial risks to the Centre. The Centre's trustees agreed that a reserve fund should be held to meet potential staff redundancy costs and any other costs arising from closure of the Centre.
5. At its meeting on 21 June 2021, the trustees were advised that, generally, around three to nine months' running costs are held by many charities in reserve accounts. In order to ensure sufficient funds to cover redundancy costs in the event of closure or to cover other unexpected costs, it was agreed that £50,000 would be an appropriate amount. This would also ensure that the reserve did not exceed the current account level.
6. The trustees accordingly approved the retention of £50,000 in its reserve fund. This amount would be reviewed.