

Forest of Hearts RESERVES POLICY

Purpose

We have a reserve in order to cover:

- a) The risk of unforeseen emergency or other unexpected need for funds, eg an unexpected large repair bill or finding 'seed-funding' for an urgent project.
- b) Covering unforeseen day-to-day operational costs, eg employing temporary staff
- c) A source of income, eg a grant, not being renewed. Funds might be needed to give the trustees time to take action if income falls below expectations.
- d) The need to fund short-term deficits in a cash budget, eg money may need to be spent before a funding grant is received.

Our policy

The Forest of Hearts' policy is to keep approximately six months running costs in reserves. This is also to cover emergency work.

Monitoring of Reserves Policy

This policy is reviewed on an annual basis. This policy was adopted at the Meeting of FOREST OF HEARTS's Trustees and Directors held on 12th October 2022.