



## DORCHESTER COMMUNITY PLAYS ASSOCIATION (DCPA)

### RESERVES POLICY

#### **1 Introduction**

- 1.1 The DCPA Board of Trustees are responsible for ensuring that DCPA manages its resources responsibly, and acts in the best interests of the Association.
- 1.2 As a registered charity, DCPA is required to meet relevant legal and regulatory requirements and to manage charitable funds responsibly.
- 1.3 This policy is mindful of the regulatory requirements of the Charities Commission, our regulator, and of our legal obligations under the Companies Act 2006.
- 1.4 This policy sets out the framework we have in place to confirm the level of reserves we have determined is appropriate for our organisation.

#### **2. Policy**

- 2.1 It is the policy of DCPA to ensure that at the end of every project it undertakes, there are sufficient funds left in reserves to provide seedcorn capital for the next or other future projects.
- 2.2 DCPA is also mindful of the need to ensure that the Association has sufficient funds to sustain it during the periods between projects in order to ensure its ongoing viability.
- 2.3 Additionally, there are always cashflow implications in the financing arrangements of any project. A sum should therefore be kept in reserves to be called upon to manage any cashflow issues that might arise.

#### **3. Determining the level of reserves**

- 3.1 Each year the Association will set a budget for the coming year. At this point the Treasurer will recommend a level of reserves to the Board. The Board will determine the level of reserves to be held for the year having regard for the Treasurer's views but is not required to follow the recommendation.
- 3.2 The Board, at its absolute discretion, can decide to expend reserves after the level has been set, in the event that not releasing some or all of the reserves would jeopardise the likelihood of a production going ahead, but should do so having in mind the policy set out above.

#### **4. Approval and monitoring of the policy**

- 4.1 The Board has responsibility for approving and monitoring the implementation of this policy.
- 4.2 The policy should be reviewed annually.

Approved by the DCPA Board on: 8/03/2023

Next review due: 8/03/2024

V2 final