

## **Reserves Policy and Review**

Crossfields Institute is aware of the need to secure long term viability beyond the immediate future. In order to be able to provide reliable service long term the Institute must be able to absorb setbacks and take advantage of change and opportunity.

The Institute needs reserves in order to:

1. Meet obligations to learners in the unlikely event that the Institute has to close
2. Meet unexpected costs such as the breakdown of office machinery or unexpected growth or stagnation/reduction in income
3. Ensure that the charity can provide a stable and quality service to those who needs it
4. Meet contractual obligations should the organisation have to close.

Expenses under above points 1-4 pertain to staff costs associated with the Institute's obligations to registered learners as well as administration overheads, IT suppliers, costs of hardware and software, consultants and governance overheads.

The trustees consider that an appropriate level of reserves is such as to support learners to the natural conclusion of certification with the Institute and to cover when possible about six months of standard operational expenditure.

The level of reserves should be calculated and monitored every 3 months by the Chief Executive Officer and reported to the Board of Trustees.

**Policy and Review updated by:** Chief Executive Officer

**Last updated: September 2018**

**Next Update: September 2019**