



Mevagh Family Resource Centre

Reserves Policy

Document:	Reserves Policy & Statement
What is this?	This is Mevagh Family Resource Centre's (Mevagh FRC) current Reserves Policy & Statement
CRA Code Sections:	4.4
Use of Document:	Board of Directors of Mevagh FRC - CRA Compliance
Date Policy Approved:	This Policy & Statement was approved by the Board of Directors of Mevagh FRC at its meeting on 18.11.24
Review Date:	This Policy will be reviewed by the Board of Directors of Mevagh FRC on 18.11.27

Current Reserves

Mevagh FRC has reasonable cause to set aside and hold reserves in case of scenarios which may cause temporary or short-term instability to the core activities of the FRC.

Reasons as to why Mevagh FRC hold reserves are as follows:

- It is a requirement of funders of the FRC.
- To ensure a contingency fund is in place for emergencies that can cover the loss of core funding to the FRC.

Mevagh FRC recognises the need to retain €122,653 which equates to three months running costs and are working to achieve this. Mevagh FRC have €5986.46 of reserves and are direct debiting €100 per month into our Credit Union Account. The Credit Union account is solely for the purpose of reserves. This account will be reviewed annually.

Risk Assessment

Mevagh FRC has agreed the following as accepted scenarios whereby operational reserves may be used:

- **Working Capital:** ensure reserves are available to pay staff and meet bills where income is irregular or delayed.
- **Essential Internal Development Costs.**
- **Capital Costs:** set aside a minimum amount for the repair and replacement of equipment and assets deemed essential to the organisation's day to day operation.

Future Activity Level

The FRC is going to build up the required level of reserves from the following sources:

- Generated unrestricted income

Mevagh FRC's Commitment as follows:

Mevagh FRC is dedicated to its commitment of extending the supports and services offered by it to the Mevagh community in line with the FRC Constitution.

Note: The FRC's accounts must be clear and transparent and include a statement as to why the organisation needs and holds reserves — particularly organisations with charitable status. It is advisable that the FRC works with its accountants/auditors.

Mevagh FRC Reserves Statement

A formal policy on reserves was agreed and reviewed at a meeting of the Board of Directors on 18.11.24.

The Board of Directors has set this Reserves Policy which requires:

- Reserves to be maintained at a level which ensures that the FRC's core activity could continue during a period of unforeseen difficulty.
- The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.
- Monitoring and review of the reserves policy annually or more frequently, if required.

Mevagh FRC has considered its planned activity and organisation commitments.

Reporting Use of Reserve Funds

Mevagh FRC will report to the Board of Directors on the status of any reserves used. Relevant staff and sub-groups will report at least quarterly, and more regularly if possible.

Authority to access reserves is as follows:

- Eva Byrne, Chairperson
- Derek Little, Treasurer

With Assistance from:

- Gráinne Sheils, Project Manager
- Caroline Connor, Project Administrator

Monitoring and Reviewing Reserves

Mevagh FRC reserves will be monitored on a quarterly basis, and this policy reviewed at end of the year by the Board of Directors in consultation with relevant financial advisors (Accountant and Auditors) and FRC Staff (Manager and Administrator)

Relevant Policies

- Financial Policies and Procedures
- Risk Assessment Policy
- Fundraising Policy

