

Wishing Well Music for Health Reserves Policy

Guiding Principles

- to create financial security and the best chance of sustainability for the charity
- to make best possible use of unrestricted income to safeguard the charity itself whilst ensuring maximum potential for running programmes and achieving our aims.

At all times, we will keep between 3 and 6 months running costs in reserves. We define “running costs” as the costs the charity needs to cover every year which includes:

Insurance
Payroll
Accountancy fees
HMRC contributions
Memberships, subscriptions and website
CEO salary plus reasonable expenses
CEO pension
freelance fundraising consultant
freelance comms assistant
Bookkeeper
contingency

- The trustees will keep reserves under review on a quarterly basis, or more frequently in times of financial difficulty or concern. Should the reserves fall to a level where the charity is at risk of insolvency, external advice will be sought and proper procedure followed.
- If our reserves are above 6 months, we will consider using the excess for a purpose to be agreed by the board. For example, match funding to lever in bigger grants/piloting new ideas and ways of working.

Policy adopted: 23rd May 2023
Policy to be reviewed: 23rd May 2025