

## 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 aim to 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  
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*