

Broughton Playing Fields & Village Hall Association

Investment and Reserves Policy

(Revised July 2022)

Aims and Objectives

The Broughton Playing Fields and Village Hall has funds and reserves.

This Policy defines what these funds are for and how they are managed, partly to meet standard Charity Commission Governance requirements, but also to explain and to promote better understanding within the local community.

This policy has been developed from the Reserves policy, agreed by the Village Hall Committee on 9th September 2014.

Responsibility

The responsibility for the Investment and Reserves Policy lies with the Management Committee of the Broughton Playing Fields and Village Hall Association.

The responsibility for implementing and administering the Policy lies primarily with the Treasurer but also with the other Committee members, particularly those who are signatories on the accounts.

Investment Policy Statement

The Broughton Playing Fields and Village Hall Association acknowledges that it is a registered Charity and that most of its funds comes from donations, local fund-raising events, third-party grants and hire fees paid by local community groups. As such, the prime objective of the Investment Policy is Capital Preservation, with a secondary objective of receiving satisfactory income (for example, interest) from the funds.

It follows that the Association should invest its funds at well-respected banks, building societies and financial institutions which:

- (a) are financially sound institutions, with Government guarantees underpinning them
- (b) can meet the Association requirement for two signatories for payments and cash withdrawals.

Reserves Policy Statement

The Broughton Playing Fields and Village Hall Association has funds, which are not currently being spent. These funds fall into two categories of reserve:

1. Contingency Reserves Policy

The Contingency Reserves fund is held for the purpose of maintaining the smooth running of the Broughton Playing Fields and Village Hall in the event of an unforeseen incident or disaster, which might impact normal operations through interruption in capability or income.

For example, these funds may be used to help finance asset replacement, where the asset cost is too large to be covered by the budget for that year. The Committee have agreed that the Contingency Reserves should cover a period of up to a year. The level of Reserves will be reviewed by the Treasurer annually as part of the Village Hall risk analysis prior to insurance renewal in November. The Management Committee will formally vote to agree any recommended changes in the Contingency Reserves level.

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The Association will maintain a separate Account to hold Contingency Reserves.

2. Development Fund Policy

The Broughton Playing Fields and Village Hall Association has a documented medium to long-term Development Plan, which lays out a vision for the development and improvement of the Village Hall facilities for the benefit of the people of Broughton and Little Cransley. The Development Plan requires substantial funding.

The Association will maintain a separate Account to hold monies to fund the Development Plan.

Donations and/or grants specifically for Development projects will be allocated to this Account if the project has not yet been initiated.

The Management Committee will formally vote to agree:

- (a) any transfers to the Development Fund from current or prior year operating surplus.
- (b) any drawdowns from the Account for specific projects.

Implementation

Cash account

The Treasurer will not ordinarily keep any amount of cash-in-hand¹. As a general rule payments will not be made in cash.

Where cash is required, for example to fund floats for the annual Village Show, the Treasurer shall prepare a cash requirements summary, which must be authorised by the Chair before cash is withdrawn from the current account.

The Treasurer shall bank cash receipts promptly.

Bank & Savings Accounts

The Association will maintain sufficient bank and/or savings accounts to meet the Investment policy as described in this document. All such accounts will require two signatories from current members of the Village Hall Committee to make payments². The Committee will vote formally to agree and minute changes to the Accounts and signatories. The Treasurer is responsible for reporting the levels of all accounts at each Management Committee meeting.

1. Current Bank Account

The Association will maintain a current bank account at the Kettering branch of NatWest plc. It is the responsibility of the Treasurer to bank promptly all monies received.

¹ The Occasional Bookings Secretary may hold cash deposits for bookings for a period of up to one week, provided that the total amount of such deposits held does not exceed £250 at any time.

² BACS payments made be made by the Treasurer, provided that payment approval is obtained beforehand from the Chair or another Trustee.

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It is the responsibility of the Treasurer to manage and report to the Committee on the cash flow through the current bank account.

It is the responsibility of the Committee to ensure that there are sufficient monies available in the current bank account to transact the business of the Village Hall.

2. Contingency Reserves Account

The Association has placed the Contingency Reserve in a National Savings & Investments account.

3. Development Fund Account

The Association has placed the Development Fund in an account at the Market Harborough Building Society, which provides security for the fund. If the Development Fund exceeds the Government Guarantee, additional accounts will be opened with other financial institutions to manage the risk. The Treasurer is responsible for monitoring the interest rate(s) provided to ensure that they are competitive.

Periodic Review

This policy shall be reviewed at least once per annum, prior to the Annual General Meeting of the Association.

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