

## **Healthwatch Central Bedfordshire**

### **Reserves Policy**

Healthwatch Central Bedfordshire is committed to following good practice in all financial matters. This policy sets out the amount of reserves that will be maintained to enable Healthwatch Central Bedfordshire to meet its obligations in terms of outstanding pay, statutory redundancy payments and any other liabilities in respect of contracted services and leased premises.

It is accepted good practice that organisations maintain three to four months' operating costs in their reserves. The Trustees have agreed a level of reserves that is sufficient to manage the end of contract closure and transition costs whilst also providing adequate funding to generate new income streams to build the longer term sustainability of Healthwatch Central Bedfordshire.

A minimum of 5% of income will be transferred to reserves annually and in addition every opportunity will be taken to increase reserves at the earliest possible time to a minimum of £36,000, approximately equivalent to three months' expenditure.

Each financial year when grant funding is received half of the amount will be transferred to the Reserves account to allow interest accrual for a minimum of six months.