

FYLDE DECORATIVE AND FINE ARTS SOCIETY.

Reserves Policy

The Committee has decided that for prudent finance reasons the free general reserves should be maintained at a level calculated to be sufficient to meet any unexpected expenditure.

It has been agreed that the level of reserves will be calculated by two methods using the higher amount to determine the minimum level of reserves required at any time.

Calculation Method 1:

The amount of required reserves using this method will be a full year's expenditure based on the last audited accounts, no account of expenditure on special interest days, trips, or holidays will be included.

Calculation Method 2:

The amount of reserves will be calculated using the following:

- ⌚ Six months' expenditure based on the last audited accounts
- ⌚ Commitments for:
 1. Lecturers – Lecturer Fee only
 2. Lecturers fees for Special Interest Days
 3. Rent for venue
- ⌚ Estimate for any capital expenditure (e.g. replacement of computer etc.)

The Treasurer will ensure that at each Committee Meeting the actual general reserves are compared to the above methods of calculating the required reserves.

It should be noted that any funds held on the Good Causes Account are omitted from the calculations.

04/01/13