

Walford Parish Council

Reserves Policy

Policy statement

The purpose of this policy is to ensure that in so far as is possible and reasonable, the Council holds sufficient funds in reserve to meet unexpected expenditure.

Procedure

1. The Responsible Financial Officer will include reserves in the annual accounts in accordance with the policy guidelines.
2. The Parish Council will review the need for these reserves and, with adjustments as necessary, approve them.
3. During the year, the Finance Committee or Full Council may agree to allocate funds from a reserve account to cover significant unexpected expenditure.

Reserve levels

General reserve

The Council has no legal power to hold revenue reserves other than for reasonable working capital or for specifically earmarked purposes. Therefore, the year-end general reserve should not be higher than the annual precept.

Designated reserves

The Council may have designated reserves for specific projects, where funds are allocated for specific purposes but possibly will not be spent in that financial year. These reserves should not be higher than the annual expenditure budget for each project. The level of, and continued justification for, designated reserves should be reviewed by Council on a regular basis, and not less than annually.

The cost of contested elections for a Council can be relatively high, but the frequency of such elections is difficult to predict and budget. The Council will, therefore, hold an election reserve equivalent to the cost of holding an election.

Document control

Revision number	1.1	Written by	RFO
Last approved by the Parish Council	27 March 2019		
Date for next review	1 April 2020		