



## Reserves Policy

The Graduate Union's current level of reserves and its policy on the holding of reserves are set out as follows.

	Current Year (end 15-16)	Previous Year (end 14-15)
<b>Unrestricted</b>		
On Deposit		£52,021
Current Account		£107, 989
<b>Restricted</b>		
On Deposit		
Current Account		£9,000
<b>Total</b>		£169,010
<b>Reserves as months of operating expenditure (based on 16-17 budget)</b>		11 months

It is the view of the Trustees that the level of the charity's reserves should mitigate risk to the GU's ability to meet its objects by maintaining the financial security of the organisation in the event of disruption to funding streams. Although the majority of the GU's funding derives from a relatively secure University grant, any interruption to this or other streams has the potential to present significant risk to the charity and its members.

The current level of reserves is the product of a strategic aim to build funds in order to finance significant expansion. The GU appointed a full-time Manager for the first time in 2015, and is set to elect a second sabbatical officer, increasing its sabbatical team to 2.5 officers for the first time in Michaelmas Term 2016. These positions are being part-funded by increases to funding received from the University and the GU budgets to match this with up to £30,000 from reserves in the 2016-17 financial year.

The long-term aim, once the staff and officer team has stabilised, is for the charity to maintain reserves equivalent to approximately six months of operational expenditure<sup>1</sup>. The Trustees believe this to be an appropriate amount to ensure organisational resilience and the continuation of key services in the event of an interruption to funding streams.

The Trustees will review reserves held at each Board meeting alongside financial performance. This policy will be reviewed annually.

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<sup>1</sup> Within the GU's 2014-15 audited accounts, Chater Allan recommend an appropriate level of reserves for an organisation the size of the GU as approximately £100,000.