

Marlingford and Colton Parish Council

Reserves Policy

Introduction

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three main purposes:

- A **working balance** to help cushion the impact of uneven cash flows, such as the time lag between the start of the new financial year and the receipt of the first precept payment and the upfront payment of VAT prior to reclaiming
- A **contingency** to cushion the impact of unexpected events or emergencies
- **Earmarked reserves:**
 - A means of building up funds, to meet known or predicted requirements
 - Money held for specific purposes such as CIL (Community Infrastructure Levy)
 - Money pledged but payments unmade
- **Capital reserves:**
 - Money for capital projects (the purchase of buildings or land)

Notes to the Annual Accounts will detail the movement of reserves during the financial year.

The Council's specific requirements are detailed in appendix 1

Reviewed December 2022
Next review December 2023

Appendix 1

Working Balance

The Council has considered the need for a working balance for 2023/24

	Use	Budget
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment	£1000
VAT payments	The payment of VAT prior to reclaim	£1000
Total		£2000

Contingency

The Council has considered the need for a contingency for 2023/24

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£1000
Election	The potential cost of a by-election	£2000
Unexpected costs	To cover the cost of unexpected events such as travellers or other community needs	£1000
Total		£4000

Earmarked Reserves

Anticipated earmarked reserves at the end of 2022/23:

CIL receipts - £5,699.20 (awaiting maintenance invoice, Dec 22)

Ditch set aside - £2700

Any further earmarked reserves identified before the year end will be shown in the end of year accounts.