CORNWALL FEDERATION OF WOMEN'S INSTITUTES

RESERVES POLICY

The Charity Commission requires trustees to develop and publish a reserves policy that establishes the level of reserves that is right for the charity and explain why holding these reserves is necessary.

The Charity Commission states that the reserves policy should explain the nature and amount of the designation and when the funds set aside are likely to be spent.

Reserves are defined as that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. This definition excludes restricted income funds and endowment funds, although holding such funds may influence the charity's reserves policy. Reserves also normally exclude tangible fixed assets such as land, buildings and other assets held for the charity's use and amounts designated for essential future spending.

CFWI's reserves exclude money held for bursaries, new WIs, suspended WIs, the Chy Noweth an Conteth property and other tangible assets funds.

They also exclude designated funds, which mainly comprise the unspent VAT refunds set aside for specific membership projects over a number of years.

CFWI's investments are included in its reserves. CFWI requires reserves to manage fluctuations in income and to manage the potential financial impact of risks identified in the CFWI risk register. Reserves provide a buffer so that services can be maintained in the short term and adjusted in a planned manner if this proves necessary.

The trustees review the policy and the target level of reserves annually.

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