**NEH Financial Reserves Policy**

**Introduction**

North East Humanists (NEH) is a charitable organisation requiring members to pay an annual membership fee for which they receive a monthly newsletter. This income, together with additional donations that some members give, represents the main income for our Charity. Most of this income occurs early in the calendar year. Other income may come from entrance fees for our monthly talks (which are open to the public) and from occasional bequests. Gift Aid is claimed on all donations, where appropriate.

It is important to recognise that our income is relatively small compared to many charities, and in terms of donations can prove volatile.

Our physical assets include a printer, projector, microphone/speaker system and various banners. We do not own premises, have no employees, and rely on volunteers for IT and administrative support. We have at the current time no loans or overdrafts.

The Trustees of NEH have a responsibility to use the charity’s income and physical assets for the promotion of the objects set out in our Constitution. Trustees are also aware of their personal responsibilities to funders and creditors to keep reserves at a level which preserves financial stability.

Most expenditure is planned by the preparation of an annual budget and includes planned payments for venues/expenses for our monthly meetings and publicity/communication with our members and supporters.

**Our Reserves Policy**

**Financial reserves are monitored and reviewed both during and at the end of each calendar year.** The reserves are seen as a source for new projects and “special events”. They may be regarded as a platform for asset purchase and general development and for projects in line with our strategic objectives.

**We have a policy of keeping at least a minimum reserve at all times.** We consider that a minimum reserve is needed mainly to meet unforeseen issues or problems, for example, breakdown of equipment requiring major repair or replacement. The minimum reserve, and use of reserves generally, is determined by the Trustees and reviewed annually. The budget for the following calendar year, planned each December, will be constrained as necessary to keep the reserves above the minimum level.

**We have a policy of not building reserves** unless there is a particular project that necessitates it. In practice therefore, in any one year, when expenditure is significantly below budget or we have received significant extra income, the Trustees will plan how to use any extra reserves in line with the NEH Constitutional Objectives. The same applies when the reserves have crept up over several years. The converse is also true, that if reserves should fall below the minimum there will be a policy to reinstate the reserves as soon as practicable.