



Portsmouth North End Cycling Club Financial Reserve Policy

It is the policy of Portsmouth North End Cycling Club to operate an effective reserve policy as part of our financial management and controls, and the recommendation of Sport England.

1. The reserve policy shall be approved by the Committee and available to all members.
2. The Reserve Policy is maintained and implemented by the Treasurer on behalf of the committee
3. The Essential Spend and Reserve shall be defined by the treasurer in the Club Annual Budget.
4. The reserve shall be monitored and reported regularly to the committee by the Treasurer.
5. Portsmouth North End Cycling Club shall maintain and manage a cash reserve equal to the 3 years of Essential Spend.
 - 3 yrs is consistent with the PNECC Budget Planning Forecast and considered sufficient to manage variations and control/ recovery actions.
6. Essential Spend refers to expenses defined within the club budget as “required to keep the club operational”.
7. The 3 year reserve shall take into account
 - The historical average, were activities or cost are stable
 - The budget plan, where planned changes to Essential Spend must be taken into account.
 - Other factor may be proposed by the treasurer as relevant
8. The treasurer shall inform the committee in the event of the reserve being outside of control limits or at risk of being out of control.
9. The control limit for reserve action is an unplanned deviation 20% above or below the agreed level.
10. Action to control and manage the reserve shall be agreed and monitored.
11. The club reserve shall be held in the club account and readily available to use as required.
12. The reserve policy shall be reviewed annually prior to the setting of the Annual Budget, or additionally should the need arise.

Any matter relating to the PNECC Reserve shall be addressed to the treasurer promptly in the first instance, thereafter a trustee.