Reserves Policy

United African Association

Registered Charity CIO 1192725
Unit F5B Barratt House Kingsthorpe Road Northampton NN2 6EZ
www.uaassociation.org

Policy owner	Board of Trustees
Version	1.0
Approval status	Approved by the Chair
Approval date	October 2026
Next review	October 2027
Applies to	Trustees staff volunteers contractors and relevant partners

Purpose

This policy explains why UAA holds unrestricted reserves, how trustees set the target range and how reserves may be used.

Scope

This policy applies wherever UAA works, including Barratt House, Leicester Street Community Centre, partner venues, the foodbank and food larder, community meals, welcoming spaces, youth activities, football, swimming, wellbeing sessions, allotment work, trips, outreach, home or hospital visits, online sessions, social media and transport arranged by UAA.

Legal and good practice framework

- Charities Statement of Recommended Practice where applicable
- Charity Commission guidance on charity reserves
- UAA governing document

Responsibilities

Role	Responsibility
Board of Trustees	Approves the policy, receives assurance, provides resources and remains accountable.
Chief Executive or delegated manager	Implements the policy, allocates competent leads and escalates significant matters.
Policy lead	Maintains procedures, records, training and contact details and reports themes to trustees.
Staff volunteers and contractors	Follow the policy, attend required training and report concerns promptly.

Definition

Free reserves are unrestricted funds available to spend on UAA's purposes, excluding restricted funds, designated funds committed for a stated purpose and amounts tied up in fixed assets where they are not readily available.

Target range

Trustees aim to hold free reserves equal to three to six months of essential operating expenditure. The annual calculation uses the approved budget and risk assessment and considers payroll, rent, utilities, food support continuity, contract commitments, restricted funding end dates, redundancy or closure costs, emergencies and income concentration.

Below or above target

If reserves fall below the target, trustees approve a recovery plan, timetable and monitoring frequency. If reserves exceed the target without a planned use, trustees consider responsible investment in charitable delivery, designation for a defined risk or explaining the reason for continued holding.

Use and authority

Use of free reserves requires trustee approval in line with the financial authority schedule. Restricted funds are never treated as available reserves. Designations are documented and may be changed only by trustees.

Reporting

Management reports the reserve position regularly. The annual report explains the policy, target, actual level, material designations and action where the target is not met.

Records and confidentiality

UAA will keep proportionate, accurate and secure records. Access is limited to people who need the information for their role. Records are retained and disposed of in line with the Data Protection and GDPR Policy and any legal, insurance or funding requirement.

Training and communication

The policy lead will include this policy in induction and arrange refresher or role-specific training where the level of risk requires it. Current procedures and reporting routes will be accessible to staff and volunteers.

Monitoring and review

The policy lead will monitor incidents, complaints, near misses, audit findings and feedback. The Board will review this policy at least annually and sooner after a serious incident, material legal or operational change, significant complaint or identified control failure.

Related UAA policies

- Financial Controls Policy
- Conflicts of Interest Policy
- Incident and Serious Incident Reporting Policy

Approval

Approved by the Chair



Raymond
Chair of UAA
Approval date: October 2026
Next review date: October 2027