

## **JELLYTOTS PLAYGROUP RESERVES POLICY**

Jellytots Playgroup holds financial reserves in a Santander Business Saver Account.

As a charity we have trustees who are financially liable should the Playgroup be unable to cover its costs. While we have adequate insurance to cover most eventualities, future redundancy payments are not covered.

We have a legal responsibility to have funds available to cover redundancy payments for all staff if circumstances arise which cause the Playgroup to close permanently.

### **Reserves Held**

The Playgroup holds sufficient in the Saver Account to fully cover the redundancy costs of all staff.

### **How Reserves can be Spent**

Reserves can be spent in the eventuality that the Playgroup closes and redundancy payments need to be paid.

Reserves can be used temporarily to cover the costs of the Playgroup if the Council Funding payment is delayed at any time, in leaving the Playgroup short of funds for everyday expenses, for example rent or wages. In this instance, the Reserve funds would be replaced as soon as possible.

### **Policy Review**

The Total needed to be held in the Reserve account is reviewed on an annual basis, and increased in line with legal redundancy payment requirements.

This policy will be reviewed on an annual basis.

*Policy Re-adopted 9<sup>th</sup> October 2024 – R Cockbill Chairperson*