

EASTOFT PARISH COUNCIL

FINANCIAL RESERVES POLICY

ADOPTED 14 JANUARY 2019

MINUTE REF

CHAIR

REVIEW JANUARY 2020

PURPOSE

The Eastoft Parish Council is required to maintain adequate financial reserves to meet the needs of the parish council. The purpose of this policy is to set out how the council will determine and review either level of such reserves, and how they will be used. Local government legislation requires parishes to have regard to the level of reserves needed for meeting estimated future expenditure, when calculating their budget. However, there is no specified minimum or maximum level of reserves that an authority should hold, and it is the responsibility of the responsible financial officer (Clerk) to advise the Council about the level of reserves, and to ensure that there are key protocols for their establishment and use.

#### Types of Reserves

Reserves can be categorised as earmarked, general (held to cushion the impact of uneven cashflows or unexpected events), or ring fenced (held for one purpose only and cannot be transferred).

Earmarked and Specific reserves are not held.

Ring fenced reserves-not applicable.

Agreed General reserve sum to be £4000. Agreement from full council is required to authorise expenditure from this reserve.

Policy Agreed 14 January 2019

Policy Review date January 2020