



RESERVES POLICY

SNAPS aims to provide a high-quality service to our clients and their families, and supportive and challenging jobs for staff, paid and voluntary. To be able to do this, we need to have a solid financial infrastructure. Part of this is having financial reserves, which can be used in emergency situations – such as a sudden loss of funding, the urgent need to replace equipment, or, in extremis, to close the organisation and lay off the employees.

It is considered best practice to have a Reserves Policy. The ideal level of reserves is to ensure that all the financial commitments facing the organisation in case SNAPS was required to close down suddenly, can be covered - this means the salary and redundancy commitments towards our employees, the contractual commitments towards our specialists employed on contracts for services, and rental and other contractual agreements. SNAPS has operated in recent years on an 'asset light' basis, in that the charity rents operating space, and has few other physical assets beyond computers and play equipment. We do not utilise a rented office space, which makes a significant difference in terms of financial liabilities.

In line with guidance from the charity commission and considering SNAPS operating costs in recent years and our 'slim line' operating model, the charity aims to hold roughly 4 months of unrestricted reserves. Additional funds are held in anticipation of further development and expansion of the core services, both to current and future operating sites.

Restricted funds fall outside the definition of reserves, but the nature and amount of such funds may impact on the charity's reserves policy. Where significant amounts are held as restricted funds the nature of the restrictions is considered as such funds may reduce the need for reserves in particular areas of the charity's work.

The Trustees are committed to working within budgets to maintain adequate levels of reserves and will continue to review the level of reserves to ensure that it meets all possible future requirements, as identified in our Business Plan.

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