



TANKERTON FOOTBALL CLUB

www.tankertonfc.co.uk

Registered Charity no. 1154570

Tankerton Football Club (TFC) - Financial Reserve Policy

1. PURPOSE

The purpose of the Financial Operating Reserve Policy for TFC Charitable Incorporated Organisation (CIO) is to ensure the stability of the club and enabling it to operate in delivering its core charitable objectives for a sustainable period. The Financial Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as Trustee/Coach/Volunteer development, or investment in infrastructure and facilities. Financial Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

It is the intention of TFC for Financial Operating Reserves to be used and replenished within a reasonably short period of time. The Financial Operating Reserve Policy will be implemented in concert with the other governance and financial policies of TFC and is intended to support the goals and strategies contained in related policies and in strategic and operational plans.

2. DEFINITIONS AND GOALS

Policy	Version	Effective Date	Next Review	Author	Page
Financial Reserves	3.0	2.1.24	1.1.25	RM	1/4

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The Financial Operating Reserve Fund is defined as a designated fund set aside by action of the Trustees. The minimum amount to be designated as the Financial Operating Reserve will be established as an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The Financial Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum Financial Operating Reserve Fund is equal to a minimum of six months (but ideally will be established and maintained at 12 months) of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as all outgoings on kit, facilities, hire, referee and officials' fees, course expenditure, professional services and fees (such as ground maintenance and insurance costs) and all other general operating costs. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The amount of the Financial Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the Executive Committee and the Trustees, and included in the regular financial reports.

3. ACCOUNTING FOR RESERVES

The Financial Operating Reserve Fund will be recorded in the financial records as TFC CIO's Financial Operating Reserve. The Fund will be funded and available in cash or cash equivalent funds. Financial Operating Reserves may be maintained in a segregated bank account or investment fund OR commingled with the general cash and investment accounts of the Charity, in accordance with any investment policies.

4. FUNDING OF RESERVES

The Financial Operating Reserve Fund will be funded with surplus unrestricted operating funds. The Trustees may from time to time direct that a specific source of revenue be set aside for Financial Operating Reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.

5. USE OF RESERVES

Use of the Financial Operating Reserves requires three steps:

Policy	Version	Effective Date	Next Review	Author	Page
Financial Reserves	3.0	2.1.24	1.1.25	RM	2/4

1. *Identification of appropriate use of reserve funds:* The Chief Executive/Chair and Executive Committee will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.
2. *Authority to use Financial Operating Reserves:* Authority for use of Financial Operating Reserves is delegated to the Chief Executive/Chair in consultation with the Treasurer and/or Chair of the Finance Committee. The use of Financial Operating Reserves will be reported to the Executive Committee and Trustees at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds and plans for replenishment to restore the Financial Operating Reserve Fund to the target minimum amount. The Chief Executive/Chair must receive prior approval from the Trustees if the Financial Operating Reserves will take longer than 12 months to replenish.
3. *Reporting and monitoring:* The Chief Executive/Chair is responsible for ensuring that the Financial Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Financial Operating Reserve funds, the Chief Executive/Chair will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the Finance Committee/Trustees of progress to restore the Fund to the target minimum amount.

6. RELATIONSHIP TO OTHER POLICIES

TFC shall maintain the following Trustee approved policies, which may contain provisions that affect the creation, sufficiency, and management of the Financial Operating Reserve Fund: *See website and TFC Policy control document.*

7. REVIEW OF POLICY

This Policy will be reviewed every other year, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Trustees.

Policy	Version	Effective Date	Next Review	Author	Page
Financial Reserves	3.0	2.1.24	1.1.25	RM	3/4
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Equality, Safeguarding and Equal Opportunities Statement

TFC, in all policies and procedures, will promote equality of opportunity for all players and volunteers from all social, cultural and economic backgrounds and ensure freedom from discrimination on the basis of membership of any group, including gender, sexual orientation, family circumstances, ethnic or national origin, disability, religious or political beliefs.

TFC aims:

- To provide equal opportunities for all
- To foster good relations and create effective partnerships with the local community.
- To provide an environment free from fear and discrimination, where diversity respect and dignity are valued.

All aspects of safeguarding will be embedded into the life of the club and are to be adhered to and be the responsibility of all.

Policy Version Control. Summary of Changes:

Policy	Version	Reason for Change	Effective Date	Next Review	Author
Financial Reserves	3.0	Policy Rewrite.	1.2.24	1.1.25	RM

Policy	Version	Effective Date	Next Review	Author	Page
Financial Reserves	3.0	2.1.24	1.1.25	RM	4/4

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