

## **RESERVE FUND POLICY**

### **AREAS OF APPLICABILITY**

This policy applies to the budget management process undertaken for the CRP.

### **EXAMPLES OF APPLICABILITY TO ABBEY LINE CRP ACTIVITIES**

This policy is applicable to the annual budget setting process for the CRP.

### **POLICY**

#### **The Reserve Fund**

The ALCRP will maintain a reserve fund equal to 12 months of the cost of running the CRP i.e. excluding project costs.

#### **Use of the Reserve Fund**

The purpose of this reserve fund is for the following:

- (a) To enable a managed re-structuring of the CRP and its activities in the event of one or more of its major funders withdraw (or withhold) their financial contribution.
- (b) To enable the delivery of projects where grant funding is only payable on completion of the project.
- (c) To cover major cost overruns on a project that cannot be cancelled or curtailed.

The use of the reserve fund requires the approval of the CRP Steering Group.

The use for purpose (b) should only be activated in exceptional circumstances. It is expected that this would normally be funded from the general project pot.

The use for purpose (c) should only be activated in exceptional circumstances. It is expected that the normal project risk and cost management processes would enable funding to come from the general funding pot.

#### **Identification of Reserve Fund**

The reserve fund will be identified in the annual forward budget report and in all quarterly finance reports. It will not be required to be held in a separate account from the general CRP funds.

### **Replenishment of Reserve Funds**

If the reserve fund is used, priority will be given to restoring it to its normal level as soon as possible. Where the funding is used for project costs (purposes (b) and (c) above), the first call on any subsequently available project funds should be used to restore the reserve fund.

### **RESPONSIBILITY**

The host organisation is responsible for ensuring that the reserve fund is identified within the CRP's budget proposals.

All members of the CRP Steering Group are responsible that the reserve fund is used in the correct manner.

### **USEFUL REFERENCES**

**DATE OF ADOPTION: 18/02/2026**

**REVIEW DATE: May 2029**