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# GREAT SOMERFORD (INCORPORATING STARTLEY) PARISH COUNCIL

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## Reserves Policy

- 1 The Parish Council needs to have sufficient Reserves (General and Earmarked) to finance both its day to day operations and future plans. It is important, however, given that its funds are generated from taxation/public levies, that such reserves are not excessive.
- 2 **General Reserve:** This should be maintained at the greater of twelve months Precept Income or twelve months recurrent revenue expenditure excluding items funded by earmarked reserves. Whilst the level held may exceed this should project spending be delayed / cross financial years the matter should be rectified by the end of the following financial year.
- 3 **Earmarked and Other Reserves:** The level of Earmarked and/or Capital Reserves that the Parish Council may hold has no upper or lower save only that such reserves must be held for genuine and intended purposes, and their level should be subject to regular review and justification both during the budgeting process and when the year end accounts are approved. Such reserves must be, and should be, separately identified and enumerated.
- 4 The Parish Council may decide from time to time what Earmarked Reserves it should hold. Earmarked Reserves should be set up for clearly defined, often time-limited, purposes. There should be transparency and a clear rationale underpinning any decision to transfer funds from the General Reserve to an Earmarked Reserve.

**Approved by the Parish Council**

**Signed**



**Chair**

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**7 April 2021**