

UK Dermatology Clinical Trials Network

Financial Reserves Policy



Scope:

This reserves policy sets out:

- how much the charity needs to hold in reserve and why
- how and when the charity's reserves can be spent
- how often the reserves policy will be reviewed

(A charity may also set aside enough money to meet a potential need, such as an unexpected drop in income. If setting aside money for a specific purpose, such as building works, a charity should make it clear that this is separate from the charity's general reserves.)

Policy:

UK DCTN charity finances are managed in accordance with our financial controls and procedures policy which is in line with Charity Commission guidance.

A finance summary is presented at each Annual General Meeting and decisions relating to workstreams and activities that can be funded each year are discussed by Trustees at the Spring Executive Committee meeting cognisant of these accounts. Finance procedures are also ratified at this meeting on an annual basis. Such financial monitoring ensures that funds are always available to meet on-going commitments with specific reserves in place as follows:

1. Continuity fund

This is in place to ensure commitments for an average 12-month period can be met even if projected income for the year ahead is not received or is severely delayed.

2. Dissolution fund

This is to ensure costs of dissolution are in place should the charity be unable to continue. It is only to be used in the event of the Trustees' deciding the charity should cease to exist. It will be used to pay the expenses of running the UK DCTN until closure of the organisation and is based on 3 months minimal running costs.

Fund	Average estimate
Continuity (12 months costs)	£20,000
Dissolution (3 months minimal running costs)	£4,000
Minimum Required	£4,000

The minimum reserves required is the Dissolution Fund (to be used to ensure we look at every alternative before dissolution of the company/ charity).

Annual Review

Due to the nature of the organisation and the regular review of the budget, this policy should be reviewed on an annual basis to ensure:

- the continuity element matches any changes to the annual budget
- the dissolution element matches running requirements

Date approved: 14th November 2023

Date for review: 14th November 2024