



## Newbiggin Arts Centre

*The place for all things art...where Arts are for All*

### Newbiggin Arts Centre Reserves Policy

**Approved by Trustees on:** 25<sup>th</sup> August 2025  
**Review Date:** 1st September 2026

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#### **Purpose**

The purpose of this policy is to ensure that Newbiggin Arts Centre can continue to provide its arts clubs, workshops, and community services, even if external funding or income is temporarily reduced.

Maintaining adequate reserves helps us:

- Protect our core activities and services
- Plan for unexpected events or emergencies
- Maintain the charity's long-term sustainability

#### **What We Mean by Reserves**

Reserves are funds that are:

- Unrestricted – not tied to a specific grant or funder requirement
- Available to cover running costs and emergencies
- Managed responsibly by the trustees

#### **Our Approach**

Newbiggin Arts Centre relies on:

- Low workshop and class fees
- Retail shop income and commission from art sales
- Grants and donations from external sources

Because most income comes from external support, our reserves are critical to maintaining continuity of services.

#### **Target Level of Reserves**

- The charity aims to hold enough unrestricted reserves to cover six months of fixed costs, including rent and utilities (approximately £20,000 per year), plus an allowance of £1,000 for unexpected expenditure.
- This gives a target reserve level of around £11,000.

#### **Use of Reserves**

- Reserves will only be used to maintain essential services or meet unexpected emergencies.
- Any development beyond current core activities (e.g., new programmes) must be self-financing or supported by external grants.

### **Managing Reserves**

- If reserves fall below the target of £11,000, the Treasurer will implement tighter spending controls, ensuring that:
  - Expenditure matches income from fees, shop, and commissions
  - Non-essential purchases are delayed
  - Stock and materials are used efficiently
- Trustees will review the reserves annually to ensure the target remains appropriate for the charity's needs.

### **Governance**

- Trustees are responsible for approving and reviewing this policy.
- Reserves are monitored regularly to ensure financial sustainability and good practice.

### **Why This Matters**

Maintaining a clear reserves policy helps Newbiggin Arts Centre:

- Deliver consistent services to our community
- Protect the charity from financial shocks
- Demonstrate transparency and good governance to funders and regulators

### **Review**

This policy will be reviewed every year, or sooner if needed.

### **Signed on behalf of the NAC Board of Trustees:**



Steve Wilkinson  
Chairman of the Board of Trustees  
25<sup>th</sup> August 2025