Newbiggin Arts Centre

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

Newbiggin Arts Centre Reserves Policy

Approved by Trustees on: 2nd October 2026
Review Date: 1st October 2027

Purpose

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

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 or donations
- 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 funding such as 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 donations, fees, shop sales, 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
2nd October 2026