
Reserve Policy

Turas Training

Approval date: October 2024

Revision date: October 2025

Policy Statement

Turas is committed to ensuring that the organisation's finances are managed to a high standard and takes all reasonable steps to reduce the risks exposed to its stakeholders.

Purpose

Turas has a legal responsibility to act in the best interests of the charitable purpose for which it was established as well as its beneficiaries. This reserve policy is designed to maintain financial stability and allow Turas to meet its commitments and deliver services in the event of unexpected costs.

Scope

This policy covers:

1. The amount money the company aims to hold in reserve
2. The rationale for that reserve
3. How the reserve will be created
4. The circumstances under which the reserve may be used

Principles

Turas will hold a reserve for the following reasons:

1. To meet its commitments when expenditure overruns or unplanned events occur
2. To fund shortfalls in incomes (e.g. delayed income or reduced levels)
3. To fund unexpected events requiring its services
4. To fund a future specified commitment or project
5. To respond to unexpected difficulties
6. Every effort will be made to ensure the level and rationale for the financial reserve is acceptable to all stakeholders and does not in itself present any risk or additional exposure to Turas

Roles and Responsibilities

Finance - Roles and Responsibilities

The board of management has ultimate responsibility for the finances of the organisation.

The project coordinator and the administrator have responsibility for day-to-day financial management, including ensuring that:

1. The board of management has clear up-to-date financial information, which is accurate and presented in agreed formats.
2. Measures to safeguard financial procedures, such as audits and monitoring of systems are in place.
3. Cash flow is monitored to ensure that there is sufficient income to meet projected expenses.
4. Expenditure is monitored to ensure this is in line with the projected expenditure as agreed by the board of management in the yearly budget and to notify the board should there be any deviation from the agreed budget.

The Treasurer has the role of guiding the finance strategy and financial procedures with the assistance of the coordinator and the administrator. The Treasurer should have experience of managing finance matters in an organisation of comparable.

The Finance Subcommittee's responsibilities are set out in the Finance Policy. The Finance Subcommittee will review the policy annually and advise the board accordingly.

Definitions

Funds given to charities can include money but can also include property and assets of any sort. The funds provided to charities will usually fall into one of the following two categories:

1. Restricted funds
2. Unrestricted funds

Restricted Funds

Restricted funds can be split into the following two categories:

Restricted income funds are funds which are often created by charitable trusts whereby the purposes are specified by that trust. The purpose will either be specified by the donor in a specific letter or the terms of a public appeal which may have been running at the time of the donation. Restricted income funds can only be used for the specific purposes for which they are given. If restricted income funds are used by a charity for any other purposes than those which were originally specified then this could amount to fraud or deception.

Endowment funds can be split into the two following categories:

Permanent endowment funds are funds which are given to a charity to be held as capital. In this case the donor has given no power to either the Board of Trustees for the charitable trust or the management company in charge of the trust to convert them to income. The capital must therefore be retained for the charity; however, this does not stop the investment income

b) Expendable endowment funds 2.2.1 Non-designated or general funds

Designated Funds derived from it – for example the dividends from the shares – being available for the general purposes of the charity. However, in some cases this will not be possible as this will be expressly forbidden in the terms of the trust.

Expendable Endowment Funds are funds which are given to a charity as capital but there is no restriction on them being converted into spendable income. The discretionary power of whether or not to do this will rest with the Board of Trustees or the Management Company in control of the charity. The funds will remain as capital in nature until they are converted into income.

Unrestricted Funds

Unrestricted funds can be split into the two following categories: Non designated and designated funds.

Non designated or general funds: These are funds which are available to an individual charity for the general purposes of that charity. These funds will be spent in whichever way that the Board of Trustees or the Management Company in charge of the charity sees fit in accordance with the stated objectives of the charity. These funds are not earmarked in any way or for any specific purpose meaning that the Trustees or the Management Company can set the priorities for the funds and how and when they are spent. When a charity fundraising event occurs which does not have a specific purpose but simply to raise money for a certain charity all funds raised will be regarded as non-designated or general.

Designated Funds are also funds which are available for the general purposes of the charity however, they have been chosen by the Board of Trustees of the Management Committee in charge of the charity to be used for a specific purpose. A decision to designate certain funds for a specific purpose will be made at meetings by the Board of Trustees or the Management Committee of the charity. The Board of Trustees or the Management Committee will have the power to change

decisions regarding funds designated for specific purposes and designate them to other purposes or simply leave them as non-designated or general funds.

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Turas manages the delivery of services on behalf of the HSE and Department of Social Protection, the total costs of which are funded exclusively by our stakeholders.

All funds received by Turas from the HSE and Department of Social Protection for the delivery of these services are restricted funds and applied solely in accordance with the specific projects initiated in conjunction with both stakeholders.

Turas does not deliver other services beyond those covered by these restricted funds and, in accordance with the Guidance document No. SE GLS 8.2.1 023 provided by the Charities Regulator in relation to Section 14(1) of the Charities Act 2009, and because of its current funding structure, aims and activities it is in the best interests of the charity not to set specific reserve requirements that can only be created through voluntary fund-raising.

The Board will review this policy annually in line with relevant governance procedures and its strategic plans.