



Financial resilience is critical for the long-term sustainability of any charity, especially during uncertain times. A reserve fund can help a charity cope with unexpected financial challenges and continue to deliver its services to beneficiaries. The following policy outlines how the HAFT will build and maintain a reserve fund to ensure its financial resilience.

Purpose

- The purpose of this policy is to provide guidelines for building and maintaining a reserve fund that will enable the charity to respond to unexpected financial challenges and continue to deliver its services to beneficiaries.

Definitions

- Reserve Fund: A fund set aside by the charity for future use, typically to provide a cushion against unexpected financial challenges.
- Financial Resilience: The ability of the charity to withstand and recover from unexpected financial challenges.

Reserve Fund

- The charity will establish and maintain a reserve fund.
- The reserve fund will be maintained at a level that is appropriate to the charity's size, scope, and activities.
- The level of the reserve fund will be reviewed periodically and adjusted as necessary to ensure that it remains adequate to meet the charity's needs.
- The charity will invest the reserve fund prudently and in accordance with its investment policy.

Building the Reserve Fund

- The charity will prioritize building the reserve fund to ensure its long-term financial resilience.
- The charity will establish a goal for the reserve fund and develop a plan to achieve this goal.
- The plan will include strategies for increasing revenue, reducing expenses, and identifying potential sources of funding.
- The plan will be reviewed periodically and adjusted as necessary to ensure that the charity is making progress towards its goal.

Use of the Reserve Fund

- The reserve fund will be used only for purposes that are consistent with the charity's mission and objectives.
- The charity will establish policies and procedures for accessing and using the reserve fund.
- The charity will ensure that any use of the reserve fund is in compliance with applicable laws, regulations, and accounting standards.
- The charity will maintain accurate records of all transactions related to the reserve fund.



Reporting

- The charity will report regularly to its board of trustees on the status of the reserve fund.
- The charity will disclose the reserve fund balance in its annual financial statements.
- The charity will provide information on the reserve fund to donors and other stakeholders upon request.

Review

- This policy will be reviewed periodically to ensure that it remains relevant and effective.
- The charity's board of trustees will be responsible for reviewing and updating the policy as necessary.

Conclusion

- This policy outlines the charity's commitment to financial resilience and the building and maintenance of a reserve fund. By following this policy, the charity will be better equipped to respond to unexpected financial challenges and continue to deliver its services to beneficiaries.