



Molescroft
Parish Council

**MOLESCROFT PARISH
COUNCIL**

FINANCIAL REGULATIONS

(version 5)

January 2019

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FINANCIAL REGULATIONS

1. GENERAL OVERVIEW

- 1.1 These Financial Regulations govern the conduct of the financial transactions of Molescroft Parish Council (MPC) and may only be amended or varied by resolution of the Council. These regulations best reflect current and relevant statutory guidance in relation to proper accounting and management practices for Parish and Local Councils.¹
- 1.2 All business transacted; expenditure and/or liabilities incurred by the Council shall be in accordance with the agreed Financial Regulations as detailed.
- 1.3 These regulations also make provision for the authorisation of expenditure in exercise of any of the Council's functions to be delegated to the Proper Officer of the Council known as the Clerk to the Council and Responsible Financial Officer. Thereby enabling them to incur, transact and agree expenditure in accordance with these regulations.
- 1.4 Any amounts specified within this document may be varied by subsequent resolution of the Council in any planning year.
- 1.5 The Clerk to the Council, under the policy direction of the Council shall be responsible for the proper administration of the Council's financial affairs. The Clerk, shall administer the Council's financial affairs in accordance with proper practices. The Clerk shall determine on behalf of the Council its accounting records, and accounting control systems. The Clerk shall ensure that the accounting control systems are observed and that the accounting records of the Council are maintained and kept up to date in accordance with the proper practices outlined in relevant and current guidance.
- 1.6 The Clerk shall be responsible for the production of financial management information and associated analysis and reporting to Council thereby enabling effective and timely financial management and due diligence.

2 ANNUAL ESTIMATES

- 2.1 The Clerk shall formulate and submit proposals to the Council in respect of revenue and capital budgets in November of each accounting year. These estimates will be informed by historic and year to date financial information whilst including a projected spending and income base to year end. All subsequent council decisions regarding budget setting will be made in this context.
- 2.2 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the Clerk in the form of a budget to be considered by

¹ Local Government Act 1972 (s150.5); Reform of Parish & Community Council Payments Law 2013; Local Audit & Accountability Act 2014; Accounts & Audit Regulations 2015; Joint Panel on Accountability & Governance 2018 s 1.15.3 (Practitioners Guide).

the Council prior to the formal setting of the precept levy.

- 2.3 Items for inclusion in the rolling capital programme that are capable of being completed within the financial year will form an annual capital budget.
- 2.4 The Council shall review all budget estimates and agree the proposed draft budget prior to agreeing the level of precept to be levied for the ensuing financial year. The Clerk shall supply each member with a copy of the approved estimates.
- 2.5 The Council shall approve written estimates/budgets and the precept levy for the coming Financial Year at its meeting in December.
- 2.6 The capital and revenue budgets shall form the basis of control for the following year.

3 BUDGETARY CONTROL

- 3.1 The Council shall ensure that revenue and capital expenditure will not exceed its approved total. Over spends under a particular heading may be offset by underspends under other headings within the same budget allocation. No expenditure may be incurred that will exceed the amount provided in the revenue budget unless subject to a fundamental change in Council policy and/or service delivery needs AND subsequent Council decision. A clear decision record and minute number will be required for audit purposes.

The Clerk shall provide the Council at quarterly intervals or as soon as is practicable after the 31st March, 30th June, 30th September and 31st December in each year a statement of receipts and payments to date under each heading of the approved annual revenue and capital budgets. This statement should include a comparison with the budget for the financial year. This will be known as the Budget Monitoring Statement.

A Financial Statement prepared on the appropriate accounting basis (receipts and payments, or income and expenditure) for the latest year to 31st March shall be presented to each Councillor before the end of the month of May. The Statement of Accounts of the Council (which is subject to external audit) including the annual governance statement (AGAR) shall be presented to Council for formal approval before submission to the external auditor in May.

- 3.2 The Clerk may incur expenditure on behalf of the Council for routine supplies, consumables, repairs and maintenance etc, subject to a limit per order of £2000, or up to the amount remaining in the relevant Revenue Budget.
- 3.3 The Clerk may incur expenditure on behalf of the Council to carry out any repair, replacement or other work, which is of such urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2000 per order. The Clerk shall report the action to the Council as soon as practicable thereafter. If the necessary expenditure exceeds the agreed amount, an extraordinary meeting of the Council should be called. Unspent provisions in the revenue budget shall be carried forward to a subsequent year unless placed in an earmarked reserve by a resolution of the Council.
- 3.4 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure against the capital budget unless the Council is satisfied that it is contained in the rolling capital programme and that the necessary capital funds are available or the requisite borrowing approval has been obtained.

- 3.5 All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

4 ACCOUNTING AND AUDIT

- 4.1 All accounting procedures and financial records of the Council shall be determined by the Clerk in accordance with the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015 and submitted to the Council for approval at monthly and quarterly intervals and year end.
- 4.2 The Clerk shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year and shall submit them to a named Accountant for review and subsequent production of the annual end of year accounting statement. The draft end of year accounts and outturn information will be presented to Council in May for review and sign off. These will be subsequently made available to the External Auditor and members of the public for review.
- 4.3 The Clerk shall be responsible for completing the annual Audit and Governance Return (AGAR) (as supplied by the appointed external auditor) and for submitting the completed AGAR (completed by the Council's Accountant using end of year account information) to the external Auditor. The AGAR will be presented to the Council in May for approval and authorisation. This will be signed by the Chairman and Clerk in the presence of other members and be forwarded to external audit in accordance with the timescales outlined by the external auditor.
- 4.4 The Council shall be responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with the Local Audit and Accountability Act 2014. Any officer or member of the Council shall, if the Clerk or internal auditor requires, make available such documents of the Council which appear to the Clerk or internal auditor to be necessary for the purpose of the internal audit and shall supply the Clerk or internal auditor with such information and explanation as the Clerk or internal auditor considers.
- 4.5 The internal auditor shall be appointed by and shall carry out the work required by the Clerk, or by the Council, with a view to satisfactory completion of the internal auditor's Report section of the Annual Return as compiled annually by the Audit Commission. The internal auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing on a regular basis with a minimum of one annual report in respect of each financial year.
- 4.6 The Clerk shall make arrangements for the appropriate inspection of the accounts, books, and vouchers within agreed timescales in any accounting year.²
- 4.7 The Clerk shall, as soon as practicable, bring to the attention of all Councillors any correspondence or report from the internal or external auditor, unless the correspondence is of a purely administrative matter.

5. BANKING ARRANGEMENTS; CHEQUES and CREDIT CARD USE

- 5.1 The Council's banking arrangements shall be made by the Clerk and

² Local Audit & Accountability Act s25-27 contains provisions for electors and interested parties to review accounts/records within a 30-day period as soon as possible after accounts are approved by Council.

approved by the Council and in accordance with the agreed mandate approach, agreed and current at any one time. For avoidance of doubt, within the terms of these financial regulations and once active, this is a SIMPLE MANDATE enabling financial transactions (cheque payments) to be authorized by one named signatory and or the Clerk where electronic transfers are required.

- 5.2 A schedule of payments required, forming part of the agenda for the Council meeting, shall be prepared by the Clerk and together with the relevant invoices, be presented to the Council at each meeting. If the schedule is in order it shall be authorised by a resolution of the Council and minuted as such, signed by the Chairman and Clerk. This will form the official decision record.
- 5.3 All payments in accordance with the agreed schedule will be made by electronic bank transfer where possible and/or cheque. Cheques drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 shall be signed by one authorized signatory, namely a Council member. Electronic payments will be transacted by the Clerk as part of the online account management.
- 5.4 A summary of all payments irrespective of method in any monthly accounting period will be subsequently presented to Council the following month and form part of the payments update to Council. This will be further supported by relevant copies of bank statements showing transaction history for the same period. The payments made schedule will be reviewed and signed as correct by the Chairman and Clerk.
- 5.4 Cheque counterfoils are to be completed with the details and amount of payment.
- 5.5 All invoices/payment details are to have cheque number recorded
- 5.6 The Clerk will reconcile the Council's bank statements monthly, on receipt of the bank statements.
- 5.7 Where available, the use of a corporate credit card facility in the name of Molescroft Parish Council will require one authorised signatory and/or appropriate use (for example online and telephone purchases) by the Clerk within the agreed financial tolerances defined at 3.2 and 3.3. All credit balances will be cleared in accordance with 5.2 above and will be subject to comparable scrutiny as detailed 5.3 and 5.4.

6. PAYMENT OF ACCOUNTS

- 6.1 Apart from any petty cash advance all payments where possible (including staff salary) shall be transacted electronically. Where electronic payments are not possible (for reason of Creditor preference and or technology failure) payment by cheque in accordance with 5.3 above will take place.
- 6.2 The Clerk shall be responsible for ensuring that all invoices for payment are examined and confirmation sought that the work, goods or services to which the invoice relates shall have been received, carried out examined and approved.
- 6.3 The Clerk shall examine invoices in relation to arithmetical accuracy and shall analyse them to the appropriate expenditure heading. All invoices submitted, and which are in order, shall be settled at the next available meeting of the Council or within thirty days of receipt. All invoices or financial instruments, which are in order, will be entered on

the schedule referred to in 5.2 above.

- 6.4 Where it is necessary to make a payment for the acquisition of essential goods/services such payment shall be certified as to its correctness and urgency by the Clerk and should be authorised by one of the named signatories in accordance with the current bank mandate.
- 6.5 All payments authorised under paragraph 6.4 of these regulations, or made without prior consideration and or authority of full Council, shall be included in the next schedule of payments laid before the Council.
- 6.6 The Clerk may provide petty cash to Councillors or officers of the Council to enable continuous and effective service delivery, up to a limit of £50 for each transaction. Vouchers for payments made shall be forwarded to the Clerk with a claim for reimbursement:
- i) The Clerk shall maintain a petty cash float up to a limit of £100 for the purpose of defraying operational and other expenses.
 - ii) Vouchers for payments made from petty cash shall be kept to substantiate the payments, a petty cash account shall be kept and payments authorised regularly and retrospectively at meetings of the Council.
 - iii) Payments made from petty cash shall be analysed to the appropriate expenditure heading and included in the year end accounts under those headings.
 - iv) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations
 - v) Payments to maintain the petty cash float shall be shown on the schedule of the payment of money presented to the Council (under 5.2 above).
- 6.7 If thought appropriate by the Council payment for utility supplies (energy, telephone and, water) may be made by a variable Direct Debit provided that the instructions are signed by a Council member, countersigned by the Clerk and any payments are subsequently reported to the Council.

7. PAYMENT OF SALARIES

- 7.1 The Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance Legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by the Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates, provided that each payment is reported to and ratified by the next available Council meeting.
- 7.3 Payment of salaries will be authorised on the third Thursday of each month by Council and will be made by electronic bank transfer as soon as possible following the Council meeting. Alternatively, salaries may be paid by cheque should electronic payment not be possible or cheque payment preferred. For payments required when Council is in recess these will be authorized a named signatory and processed by the Clerk in

accordance with 7.3.

8. LOANS, INVESTMENTS and GRANTS

- 8.1 All loans, investments and grants shall be negotiated in the name of the Council. Any changes of loans and investments shall be agreed by the Council at the earliest opportunity.
- 8.2 Should the Council produce an Investment Policy it shall be in accordance with the Trustee Act 2000, and shall be reviewed on a regular basis (at least annually).
- 8.3 All investments of money under the control of the Council shall be in the name of the Council.
- 8.4 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Council as to terms and purpose.
- 8.5 All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.
- 8.6 All grants will be payable in accordance with the Council's policy.

9. INCOME

- 9.1 The collection of all sums due to the Council shall be the responsibility of the Clerk.
- 9.2 Invoicing and collection of income from the hire of the Pavilion shall be the responsibility of the Activities and Pavilion Manager. Income received will then be passed to the Clerk for reconciliation and banking. This will take place monthly.
- 9.3 The Council will review all fees and charges annually before the end of December each year following reports from the Clerk. These reports will indicate the likely impact on income should increases be agreed.
- 9.4 The Clerk shall ensure that all sums for which an invoice has been issued are paid within one month. If no payment has been received appropriate reminders will be sent in accordance with the Council's Bad Debt Policy, and in the event of continued non-payment the Clerk will refer to the Council for guidance on actions to be taken. Each case of non-payment will be considered on its merits and a decision made as to the further action to be taken.
- 9.5 Any sums found to be irrecoverable may be written off by the Council.
- 9.6 Legal measures shall be considered for non-payment of money owing the Council, each case to be assessed on its merit and any decision approved by the Council.
- 9.7 All sums received on behalf of the Council shall be banked intact as quickly as possible and in all cases within ten working days.
- 9.8 In the event of critical business need and should signatories be unavailable for cheque signing and/or all other means of payment are not possible, a proportion of the income received for banking (no more than 20% at any time) may be used to enable business continuity. All business transacted as a result will be subject to regulations 5.2, 5.3 & 5.4 above and appropriate audit trails apply.
- 9.9 The origin of each income receipt shall be entered on the paying-in slip.

- 9.10 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.11 The Clerk shall complete any VAT Return that is required. Any repayment claims due in accordance with VAT Act 1994 section 33 shall be made at least annually.
- 9.12 Where any significant sums of cash are regularly received by the Council, the Clerk shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.12 The Clerk shall verify the lawful nature of any proposed purchase before ordering, and in the case of new or infrequent purchases or payments, the Clerk shall ensure that the Council has the legal powers to proceed.

10. Level of Reserves

- 10.1 The Council is required to maintain adequate levels of financial reserves to meet the needs of the Organisation. In doing so the Council is required to have regard to the level of reserves needed for meeting estimated future expenditure when calculating budget requirements.³ The Council currently holds reserves equivalent to 40% of the annual precept to allow for unplanned budget expenditure. Any expenditure from this amount is to be repaid within 4 years to return the level of reserves to 40% of the precept.
- 10.2 Any expenses incurred from reserves for emergency use shall be reinstated as quickly as possible but as a minimum of 5% of the precept annual until the 40% figure is restored if less than 4 years.
- 10.3 Any expenditure from reserves shall be approved by a majority vote of Parish Councillors and or be in accordance with the agreed Reserves Policy, attached at Appendix A.

11. CONTRACTS

- 11.1 Procedures as to the contracts are laid down as follows:
- a) Every contract made by the Council to which the power to making contracts has been delegated, shall comply with these regulations and no exception from any of the following provisions of these regulations shall be made otherwise than by direction of the Council or in an emergency.
- b) These standing orders shall not apply to contracts which relate to items (i) to (v) below:
- i) for the supply of gas, electricity, water, sewerage and telephone services
- ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants.

³ Local Government Finance Act 1992 s.32 & 43; Prudential Code for Local Authority Capital Finance 2003; CIPFA Bulletin 55, 022003.

- iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery, equipment or plant and Council assets (including the Pavilion and grounds).
- iv) for goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
- b) Where it is intended to enter into a contract for the supply of goods, services or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a), for values:
 - (i) For non-routine maintenance and repair up to £2,000 two quotations should be obtained for comparison where ever possible. For non-routine maintenance and repair costs between £2000 and £5000 three quotations should be obtained for comparison where ever possible. For works of a specialist nature this may not be possible.
 - (ii) At all times the Clerk should ensure that value for money is obtained.
- c) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation from the Council.
- d) Any proposed contract for the supply of goods, material, services and the execution of works with an estimated value in excess of £5,000 shall be procured on the basis of a formal tender as summarised in Financial Regulations (i, ii, iii, below) or three quotations unless of a specialist nature.
 - (i) Invitations to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification on appropriate cases. The invitation shall in addition state that the tenders must be addressed to the Clerk by post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
 - (ii) All tenders shall be opened at the same time after the stated closing date and time on the prescribed date by the Clerk in the presence of at least one member of the Council. (Ideally two Councillors).
 - (iii) If less than three tenders are received for contracts valued above £5,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (e) Any invitation to tender issued under this regulation should be in

accordance with Standing Orders.

- (f) Prior to entering into a contract over £5,000 the Clerk will carry out a credit check on the preferred provider.
- (g) The Council, shall not be obliged to accept the lowest or any tender, quote or estimate. Each contract/tender/quote will be considered by the Council and it should provide reasons for acceptance or declining the tender/quote/estimate and the contractor informed of the decision and reasons.
- (i) Where the value of the contract is likely to exceed the threshold specified by the Office of Government Commerce from time to time. The Council must consider whether the Public Contracts Regulations 2006 (SI No.5 as amended) and the Utilities Contracts Regulations 2006 (SI No.6 as amended) apply to the contract and, if either of those Regulations applies the Council must comply with EU procurement guidelines.

12. ORDERS FOR WORK, GOODS AND SERVICES

- 12.1 All members and officers are responsible for obtaining value for money at all times. When ordering works the Clerk should ensure as far is reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining quotations or estimates from appropriate suppliers.
- 12.2 The Clerk shall verify the lawful nature of any proposed purchase before the issue of any order, and if appropriate the power used.

13 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 13.1 Payments on account of the contract sum shall be made within the time specified in the contract by the Clerk upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 13.2 Where contracts provide for payment by installments the Clerk shall maintain a record of all such payments. In any case when it is estimated that the total cost of work carried out under a contract excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the Council.
- 13.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council in writing.

14 STORES AND EQUIPMENT

- 14.1 The Activities and Pavilion Manager shall be responsible for the care and custody of supplies and equipment at the Pavilion and other areas deemed appropriate by the Council.
- 14.2 Delivery Notes shall be obtained by the Activities and Pavilion Manager in respect of all goods received at the Pavilion or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 14.3 Stocks shall be kept at levels consistent with operational requirements.
- 14.4 The Activities and Pavilion Manager shall ensure that delivery notes are passed to the Clerk as soon as is possible.

15 PROPERTY and COUNCIL ASSETS

- 15.1 No property/surplus equipment or materials shall be sold, leased or otherwise disposed of without the authority of the Council together with any other consents required by law,
- 15.2 The Clerk shall ensure that an appropriate and accurate Register of Assets is produced and kept up to date. The continued existence of tangible assets shown in the register shall be verified annually.
- 15.3 Method of disposal of surplus assets or materials should be assessed and disposed off in the most appropriate way as agreed by the Council.

16 INSURANCE

- 16.1 Following an annual review of assets the Clerk shall effect all insurances and negotiate all claims on the Council's behalf.
- 16.2 The Clerk shall identify all new risks, properties/ equipments and supplies, which require to be insured and of any alterations affecting existing insurances.
- 16.3 The Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 16.4 The Clerk shall be notified of any loss liability or damage or of any event likely to a claim, and shall report these to Council at the next available meeting.
- 16.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance, which shall cover the maximum risk exposure

as determined by the Council.

17. Policy Review

Draft Policy to Council: 17th January 2019

Agreed:

Signed:(Chairman)

Signed:(Clerk)

Minute note: 2099.

Review Date: January 2020 unless prompted by legislative and or process change.

Policy Author: Eve Williams, Clerk to the Council. 14th January 2019.

APPENDIX A

RESERVES POLICY

1. Overview and Purpose

In accordance with established good accounting and financial management practice Molescroft Parish Council are required to maintain adequate financial reserves to meet the need of the organisation.

This policy is intended to define i) the type and level of reserves required ii) how they may be used to enable business continuity outside of planned expenditure.

Whilst there is no specified minimum level of reserves applicable in law, the Local Government Finance Act (s.32 and 43) 1992 and the Prudential Accounting Code require the Council to consider the level of reserves needed to meet estimated expenditure. In doing so, it is accepted that a specified reserve balance will not be required for all areas of the council's business operations given current insurance values but rather some key areas of committed expenditure only.

2. Types of Reserves

Reserves can be categorized as either *general* or *earmarked* and can be held for specific reasons, for example

- Renewal of key assets/equipment
- Carry forward of underspend (enabling planned but unspent resources to be carried forward)
- Insurance reserves (enabling excesses of claims not met by insurance)

- Other earmarked reserves (for infrequent but predicted liabilities)

Any decision to define and agree a type and level of reserve must be approved by Council and managed by the Clerk and will be subject to comparable budget management and oversight as defined at section 3 in the Financial Regulations (version 4).

Expenditure from reserves can only be authorized by Council and minuted accordingly.

Earmarked Reserves & Terms of Use

Earmarked reserves are those that are established to meet specific expenditure for example payment of additional but unexpected costs in relation to People and Operational management needs. Their use is restricted to that previously agreed and recorded in the Reserve Schedule.

General Reserves and terms of use

General reserves are funds which have no restrictions as to their use. These may be used for example to smooth the impact of variable cash flow/income and offset budget requirements in the case of unexpected events/emergencies.

The level of general reserves is a matter of judgement for the Council and one which is considered in the wider strategic context of how the Council aspires to develop over time.

Decisions as to the level of acceptable general reserves may however be informed by a range of variables for example, planned expenditure in year, projected income levels and priorities for capital investment.

Setting the level of general reserves is one aspect of sound financial management and must be considered in the wider formulation of a medium-term financial plan and budget setting. The Council should however ensure that sufficient working balances are available to cover key risks.

In extreme circumstances where general reserves are exhausted due to major unforeseen spending pressures within a particular financial year, the Council would be able to draw down from its earmarked reserves to provide short term resources.

At times of extreme pressure, the Council must keep a minimum balance sufficient to pay three (3) months salaries in general reserves at all times.

3. Opportunity Cost of holding reserves

Whilst some additional income (be it small) may be generated from holding reserve capital which feeds into the wider budget and income management of

the Council there may also be costs associated with **not** being able to spend the reserve capital freely.

It is critical therefore that level of reserves is reviewed annually as part of the wider budget management approach of the Council thereby ensuring they are still required; that levels set are appropriate and importantly Council funds are where they need to be to enable best use of public resources.

4. Current Levels of Financial Reserves

The current level of general reserves held by Molescroft Parish Council is 40% of the precept levy for 2018/19. This would enable business operations to continue at the current level for three (3) months on current average expenditure.

This general reserve figure is £14747.06 in the financial year 2018/19.

In addition, the Council holds funds in a Community Account for unspecified purposes.

The Council does not currently hold any level of earmarked reserves.

Policy date: 14th January 2019

Author: Eve Williams. Clerk to the Council

Agreed:

Signed:(Chairman)

Signed:(Clerk)

Reserve Schedule Example

The table below provides an example of how reserves may be managed.

Reserve Type	Value	Purpose held	Timeframe for use	Authorised	Date	Draw down	Date
General	£XXXX	Salary costs	2019/20	MH	XXX	£XXX	Aug 19
Earmarked							