

St Michael's Pre-school

Internal Financial Controls for Charities

Providers must evaluate the charity's performance against the legal requirements and good practice recommendations set out in the Charity Commission's guidance on internal financial controls for charities.

Finance

6.1 Financial Reserves

Policy Statement

St Michael's Pre-school is run as a not-for-profit charity that provides Early Years Childcare. We reserve the right to keep some of our finances in reserve for possible eventualities including, but not limited to:

- Final payment of staff wages.
- Reserves for building works/maintenance
- Staff training
- Supplies and Resources

We review our reserves policy annually and amend, as necessary.

Final Pay of Staff Wages

We keep the equivalent of 3 months wages for each member of staff from St Michael's Pre-school for the possible eventuality that the pre-school may cease to run as a profitable charity and is forced to close. This reserve is kept to pay the staff their final wages if they are made redundant.

Reserves for building works/maintenance.

We own a property on which we pay certain maintenance costs for repair and upkeep. We keep a reserve of at least 3 months typical running costs.

