



Reserves Policy

A formal policy on reserves was agreed reviewed and adopted at the _____ meeting of the National Council.

It is prudent for IDEA to hold reserves equivalent to three to six months' expenditure, based on the annual expenditure as planned in the annual budget. As such, this figure will change from year to year.

The National Council has set a reserves policy which requires:

- Reserves to support the ongoing work of IDEA, which is not covered by grants received from donors, while maintaining a prudent approach in the use of such resources.
- Reserves be maintained at a level which ensures that IDEA's core activity can continue during a period of unforeseen difficulty.
- A proportion of reserves is to be maintained in a readily realisable form.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

It considers:

- Risks associated with each stream of income and expenditure being different from those budgeted.
- Planned activity level.
- Organisation's commitments.

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