

Camelot Area u3a Reserve (Surplus) Funds Policy

1. Reserve or surplus funds are to be held in bank or building society accounts in the name of Camelot Area University of the Third Age/ Camelot Area u3a. They shall not be otherwise invested.
2. They must not be repaid to members but instead should be held in reserve to cover contingencies, for example they are to be used to purchase equipment etc in either current or future years, or if excessive to allow the reduction of membership fees for forthcoming year(s).
3. A reserve fund should be maintained to cover inaccuracies in forecasting income and expenditure, unexpected expenses, or a decrease in membership. (Camelot Area u3a cannot be overdrawn at the bank, nor can it raise extra money mid-year).
4. Six months' operating costs is considered acceptable to the Charity Commission as a prudent level for the reserve fund. The reserve fund should not exceed one year's costs. If the fund is predicted to remain above 9 months' costs the membership fees should be reduced for future year(s), unless money is designated for a special project or if there are other exceptional circumstances.
5. A minimum level of reserve should include sufficient to cover:
 - a. Inaccuracies in forecasting.
 - b. Emergency replacement of a significant amount of equipment, beyond that budgeted for.
 - c. Caryford Hall being out of use for an extended period, necessitating use of more expensive accommodation.
6. Interest groups' surplus cash should be sent to the Treasurer by bank transfer or via a cheque made out to Camelot Area u3a. These monies will be the property of Camelot Area u3a but will be ringfenced for use by the originating group until agreed otherwise with the group or if the interest group closes.
7. If Camelot Area u3a is dissolved, any monies remaining after the winding up process should be transferred to one or more local u3as and/or to the Third Age Trust, according to the wishes of the membership.