



RESERVES POLICY

(Incorporating allocation of GCUK resources)

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GIST Cancer UK

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Registered Charity Number: 1129219

GCUK Reserves Policy

Policy

It is the policy of GIST Cancer UK (GCUK) trustees to act in the charity's best interests, manage the charity's resources responsibly and act with reasonable care and skill.

This Reserves Policy indicates how GCUK reserves are allocated to ensure that Trustees consider how they will secure and sustain the charity's viability and future. It also gives reassurance to the general public, and stakeholders that the charity intends to use all of the money coming into its care for the legitimate purposes of the charity.

The Board of Trustees reserve the right to amend this Policy in the event of urgent or extreme circumstances.

Objectives

Sources of income are not guaranteed for GCUK. It is essential, in allocating resources (indicative or otherwise), that there are always sufficient reserves in order to:

- Provide the opportunity i.e. time for the Charity's future position to be reviewed and other potential sources of income to be investigated.
- Allow the charity to cease whilst meeting its obligations if existing income is lost.
- Provide organisational certainty for a period set by the Board of Trustees (currently 24 months of ongoing operational viability).
- Allow for specific undertakings (as agreed by the Board of Trustees) to continue for a defined period. E.g: GIST Tissue Bank to operate for 5 years.
- Provide for a reasonable rate of return without putting any financial holdings at risk.
- Ensure that the FSCS guidelines and rules are taken into consideration to minimise exposure risk to financial holdings.

This reserves policy is designed to:

- justify the need for reserves
- identify and plan for the maintenance of essential services for beneficiaries
- address the risk of unplanned closure on the beneficiaries
- explain exactly what reserves are kept for and when they are to be used

Responsibilities

All Trustees

Overall responsibility for managing the reserves policy and its implementation lies with the Board of Trustees. The Trustees will review the extent of reserves that are required to ensure they are adequate to fulfil the charities continuing obligations on a quarterly basis at their Trustee meeting.

Treasurer

The Treasurer will review the reserves policy on a quarterly basis against existing funds, future income streams, expected expenditure and operational trends, changes in beneficiaries and risks, and recommend any changes in policy to the Trustees at Board meetings. Financial reporting to the Trustees and to the Charity Commission will be in accordance with the principles set out in this Reserves Policy.

Definitions and Reserves Allocation Principles

This policy sets out the Charity's approach regarding the broad allocation of reserves and how it categorises them.

Reserves are identified in four domains:

Operational Funds: unrestricted funds retained to ensure the charity can exist and meet its statutory (and reasonable non-statutory) commitments for a "further" 24-month period in the event of loss of funds or income or planned closure of the charity. In essence, this domain is GCUK's actual reserve with the Board committed to always have sufficient funds to meet this policy statement as a priority versus all the following domains excepting restricted funds..

Designated Funds: funds that have already been designated by the Board of Trustees for a specific purpose and have been agreed contractually with providers e.g. for research projects, funding the tissue bank or supporting the PAWS-GIST clinic. These projects may cover several years commitment that cannot be guaranteed by future fundraising and for this reason funds need to be set aside to complete. Those projects will be reviewed no less than annually (for the purposes of this Policy).

Restricted Funds: funds that have been received from a funder by GCUK for a specific purpose, such as:

- to further a specific purpose of GCUK and expected to be spent or applied within a reasonable period from their receipt being a specific reason for receiving those funds e.g. Pharmaceutical Company of grant. If not used for the agreed purpose the Trustees would regard the funds as returnable to the original source until told otherwise.
- funds specifically raised to carry out particular research into finding a cure for GIST or other strategic aim of the charity. The fund known as PAWS-GIST falls into this category. Money in this fund has been raised for research and associated consultancy into PAWS-GIST (less any associated operational costs needed to deliver such activity) by fundraisers and is ringfenced for this purpose.

Unrestricted Funds: Funds that remain outstanding following categorisation as "Operational, Designated or Restricted". In essence, these funds are yet to be allocated by the Board of Trustees for any specific reason or purpose.

Procedure

Reserves are required in order that GCUK is protected against future events known and unknown and is able to maximise future opportunities and cope with future challenges. This links with other financial strategies and policies across the organisation.

For the purposes of the policy all income is considered to be income held by the charity GIST Cancer UK, and the charity will not look to use any of these funds in a speculative way or as an investment.

Operational Funds: In the event of funding difficulties or planned closure of the charity, the Board of Trustees has agreed to keep a certain level of financial reserves to ensure that the organisation can function statutorily for 24 months. This is to allow the Board of Trustees to determine the best future of the organisation in the light of whatever circumstances are presented.

Designated Funds: Described in a previous paragraph, these funds are committed contractually or allocated by the Board for a specific reason and should not be used for any other purpose (insofar as this Policy is concerned). Designated funds are to be protected so that agreed projects are funded to their contracted conclusion.

Restricted Funds: In essence, these funds are for a specific purpose and should be regarded as such (e.g. funds raised for an event or for future research projects). Actual and specific expenditure will not yet have been agreed by Board of Trustees and therefore not yet “Designated”. It would only be in extreme circumstances e.g. threat to the future of the charity that these funds can be considered for alternative use from that which it is intended. In the case of the PAWS-GIST research fund, these funds would be given to another organisation that is committed to using the funds for PAWS-GIST research.

Unrestricted Funds: In essence, this is the Charity’s “Reserve” i.e. monies that have not allocated for “Operational Funds”, are not “Designated Funds” or “Restricted funds”

Appendix 1 provides an indicative list of the broad categories and examples of the range and type of expenditure to be allocated in each of the four domains.

Appendix 1

Operational Funds

- Trustee Board Meetings
- Postage
- Insurance
- Travel and Subsistence
- Website, Helpline and IT support
- Administrative Support
- Accountancy
- Patient and Fundraising Support

Designated Funds

- Specific Pharma Grants
- Contracted Projects including Research.
- GCUK Patient Meetings agreed by the Board of Trustees.
- Tissue Bank agreed contractually.
- PAWS/GIST Funds allocated contractually.
- PAWS/GIST Clinics
- GCUK Funds allocated contractually.

Restricted Funds

- PAWS/GIST Funds yet to allocated contractually.
- Any GCUK Funds yet to be allocated but not agreed contractually.

Unrestricted Funds

- All other unallocated monies