

## RESERVES 2015/16

The Council holds a certain amount of funds in what is called "Reserves". There are two sections of reserves: General Reserves and Ear Marked Reserves and these act in different ways. In a way, the reserves are used as a family would in "putting money aside" for the holiday, university fees. Both of the reserves may be used to fund part of the annual budget thus keeping the precept at the same level or reducing the precept.

### General Reserves

This section holds short term funds which, if the council is to fund a project which has not been identified within the current budget it can, by resolution of the Finance and General Purposes committee, use these General Reserves. It should be noted that for the purposes of prudent financial management part of these funds are held to cover not receiving the levied precept from the billing authority.

Currently general reserves amount to £ 51,891.

### Ear Marked Reserves

These reserves are the second section of funds held by the Council. These reserves play an important role in the **Council's long term financial management**. Amounts of finance are allocated to specific projects or for future areas of expenditure that may be required by the Council. These allocations cannot be used for any expenditure other than relating to the named ear marked reserve. These ear marked reserves can be "topped-up" by transfer from the general reserves or from amounts placed in the yearly budget specifically identified for that transfer.

Examples of ear-marked reserves are:

1. covering the 4<sup>th</sup> year expenditure of Adur District Council's and Parish Council's councillor elections
2. future or catastrophic work on the Harriet Johnson Centre or
3. transportation. The latter is being used currently to fund the Parish Council's initiative for the bus service 7a, with a donation from the Sompting Big Local.

The total ear marked reserves is £ 59,816

Ear Marked Reserves are currently set as follows:

322	Asset maintenance	9148.00
323	Initiative fund	3907.00
330	Transportation	10470.00
338	Elections	6000.00
339	Communal garden	3111.00
340	Sompting Rec toilets	3000.00
342	Establishment	2761.00
343	H J Centre	18149.00
344	Grounds maintenance	3270.00