

## Wembley To Soweto Foundation Reserves Policy

### 1. Purpose

The purpose of this reserves policy is to establish guidelines for the management and use of the Wembley To Soweto Foundation's financial reserves. Reserves are essential to ensure the financial sustainability and flexibility of the organization.

### 2. Definition of Reserves

Reserves are funds set aside to provide financial stability, support strategic initiatives, manage risks, and ensure the continuity of the foundation's mission.

### 3. Objectives

The primary objectives of the reserves policy are:

- To maintain adequate liquidity for operational needs.
- To mitigate financial risks and uncertainties.
- To support strategic initiatives and projects.
- To ensure the foundation's ability to fulfill its mission in the long term.

### 4. Types of Reserves

The Wembley To Soweto Foundation recognizes the following types of reserves:

- **Operating Reserves:** Maintained for short-term operational needs and to cover unexpected expenses.
- **Strategic Reserves:** Reserved for long-term strategic initiatives, capital projects, or to seize opportunities aligned with the foundation's mission.
- **Contingency Reserves:** Set aside to address unforeseen challenges, economic downturns, or emergencies.

### 5. Reserves Targets

- The foundation will establish and regularly review target levels for each type of reserve, taking into account operational requirements, strategic goals, and potential risks.

### 6. Decision-Making and Authorization

- The Board of Directors will be responsible for approving the establishment and use of reserves.

- The Executive Director, in consultation with the finance committee, may recommend adjustments to reserves levels based on financial assessments and strategic priorities.

## **7. Use of Reserves**

- Reserves may be used for specific purposes, as outlined in the reserves policy, with transparent documentation and reporting to the Board.

## **8. Reporting and Accountability**

- The foundation will provide regular financial reports to the Board, including the status of reserves, reasons for any changes, and how reserves align with strategic goals.

## **9. Review and Revision**

- The reserves policy will be subject to periodic review to ensure alignment with the foundation's financial strategy, mission, and evolving needs.

## **10. Compliance with Legal and Regulatory Requirements**

- The foundation will adhere to all applicable legal and regulatory requirements concerning reserves and financial management.