

Cairdeas na hFidléirí

Reserves Policy

Document History

Initial Draft to Board 22.12.18	Original Document Prepared by Caoimhín Mac Aoidh, Cathaoirleach	Consultation: The Wheel, T. McIntyre & Co. Accountants, similar Charitable bodies	Status: for discussion
Adoption by Board at Ordinary Meeting of 29.12.18	Discussed in full		Status: Approved
Review date for Board 2019 AGM	Reviewed in full	Consultation: The Wheel, T. McIntyre & Co. Accountants.	Status: Approved
Review date for Board 2020 AGM	Reviewed in full	Consultation: The Wheel, T. McIntyre & Co. Accountants.	Status: Approved
Review date for Board 2022 AGM	Reviewed in full	Consultation: The Wheel, T. McIntyre & Co. Accountants.	Status: Minor Edits Approved
Review date for Board 2023 AGM	Reviewed in full	Consultation: The Wheel, T. McIntyre & Co. Accountants.	Status: Approved

Purpose

The purpose of this Reserve Policy for Cairdeas na bhFidléirí is to ensure the stability of the mission, programs, and ongoing programmes of the organization. The Reserve is intended to provide a retained source of funds for situations such as a sudden increase in expenses, onetime unforeseen expenses, unanticipated loss in funding, or uninsured losses. The reserve shall not include any such funds sourced from the following:

- Permanent endowments;
- Expendable endowments;
- Otherwise Restricted funds;
- Otherwise Designated funds;
- Funds that could only be realised by disposing of fixed assets held for charitable use.

Reserve funding may also be used for one-time, nonrecurring expenses considered and approved by the Board that will build long-term capacity of the organisation. Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the

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intention of Cairdeas na bhFidléirí for Reserves to be used only for those purposes stated in this policy, and when availed of, to be replenished as a matter of priority within a reasonably short period of time.

The Reserve Policy will be implemented in conjunction with the other governance and financial policies of Cairdeas na bhFidléirí as an organisation intended to specifically support the goals and strategies contained in the policies and in strategic and operational plans of the organisation.

Authority

The authority to approve expenditure of the Reserves of Cairdeas na bhFidléirí lies solely with the Board of Directors of the company. Any such decision must be taken at a legally constituted meeting of the Board as defined in the organisation's Constitution and compliant with its required notification obligations. Such a meeting can comprise an ordinary meeting, an EGM or an AGM. Prior to taking such a decision the Board should seek the views of the Working Group and its Accountant / Financial Advisors, but not be bound by their view.

Risk Analysis

By its nature, the high scale dependency on its annual grant from The Arts Council places the organisation in considerable risk should there occur a significant reduction or elimination of this funding stream. The organisation's primary stated aims concentrate on educational, promotional and research objectives in promoting traditional Donegal fiddle music. This risk is acknowledged by the Board and has taken steps for the Chairman to undertake fund-raising training with the O'Kennedy Consulting consortium under the Raise Programme. This has been taken with the view to broadening the mix of funding sources to the organisation and reducing risk exposure to its funding stream.

At the same time, the organisation has a strong and positive identity within the arts community in the county, the wider tradition as well as internationally as witnessed by our partners in other countries and can, in a period of severe financial difficulty, call upon the generosity of the public and skilled performers in fund-raising on an interim basis.

Calculation of Minimum Reserve

As such, the target minimum Reserve Fund is equal to fifty percent (50%) of the total cost of the most recent year's Annual Donegal Fiddlers' Summer School plus thirty percent (30%) of the total cost of the most recent year's Annual Meeting in Glenties.

In that case, the Reserve shall be calculated as follows:

Value of Reserve = (the total cost of the most recent year's Annual Donegal Fiddlers' Summer School x .50) + (total cost of the most recent year's Annual Meeting in Glenties x .30)

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