



# STANDARD OPERATING PROCEDURE

## ICAR Reserve Policy Statement (RPS)

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| <b>Peer-reviewer</b>      | Finance Sub Committee                                    |
| <b>Latest review date</b> | <del>13<sup>th</sup> November</del> <u>December</u> 2017 |

### PURPOSE

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#### PURPOSE OF RESERVE POLICY STATEMENT (RPS)

The Board has set this reserve policy which requires:

- Reserves be maintained at a level which ensures that ICAR's and Service ICAR core activity could continue during a period of unforeseen difficulty.
- A proportion and level of reserves to be set and be maintained in a readily realisable form.

### SCOPE

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ICAR Board, ICAR CE, ICAR Finance Sub-Committee, ICAR Admin Staff.

### TERMS & DEFINITIONS

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FSC – ICAR Board's Financial Sub-Committee

### RESPONSIBILITIES

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**ICAR Board** – to review and endorse the Reserve Level each year as proposed by the FSC

**FSC** – implement this SOP, determine the annual Reserve Level, submit it to the ICAR Board

**CE** – to provide the financial reports, information and recommend reserve levels to FSC

**Admin** - to assist CE to provide the financial reports, information for reserve levels



## PROCEDURE

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The calculation of the required level of reserves is an integral part of ICAR's and Service ICAR's annual planning, budget and forecast cycle.

It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted.
- Planned activity level.
- Any other ICAR / Service ICAR commitments.

The Finance committee will review the reserve policy annually.

The ICAR Finance committee/Board agreed that the reserve target shall be set separately for ICAR and Service ICAR.

**The ICAR reserve target shall be 9 months operating cost with 3 months readily available in liquid form.**

The Service ICAR reserve target shall be ~~3-12~~ months operating cost which should be in readily available liquid form.

## REFERENCE DOCUMENTS

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Annex A1 – Reserve target

[02\\_ADM\\_0002](#) Budget Submittal and Approval

[02\\_ADN\\_0003](#) Day-to-day bookkeeping and reporting process

[02\\_ADM\\_0004](#) Financial Reporting

[02\\_ADM\\_0007](#) ICAR Investment Policy