

APPROVED AT TRUSTEES' MEETING ON 29 APRIL 2014

CITY OF GLASGOW COLLEGE FOUNDATION **Scottish Charity Number: SC044620** **("the Foundation")**

Reserves Policy Statement

April 2014

The Trustees have considered the reserves policy they wish to follow with regard to the Foundation, in compliance with relevant legal, regulatory, tax and accounting rules.

The Foundation expects to receive gifts and donations from City of Glasgow College and possibly from other grant making organisations or the general public. Typically, receipts will be in cash but where a donation or gift is in another form, such as shares or property, the Foundation may choose to donate or liquidate rather than hold the asset, subject to conditions of the donor which are accepted by the Foundation as being appropriate. The funds held and accumulated by the Foundation in this manner will be represented in its balance sheet as reserves.

The Foundation may pool, for investment purposes, any or all monies held in reserves, except for restricted reserves which will remain separate unless an agreement is reached with the donor to the contrary. Any investment income or capital gains/losses, whether realised or unrealised, will be apportioned pro-rata across all the reserves within the pooled investment. This Reserves Policy is accompanied by an Investment and Cash Management Policy which sets out further details as to how reserves will be held.

Categories of "reserves"

The Foundation may hold both restricted and unrestricted reserves.

Restricted reserves are subject to conditions and limitations on the use of the funds, usually due to specific conditions imposed by the donor/grant giver or general expectations set in fundraising campaigns.

Unrestricted reserves are receipts that are unencumbered by conditions and may be utilised as the Foundation sees fit, in line with its objects and grants policy. The Foundation may choose to designate (and undesignated) portions of its unrestricted reserves for particular purposes, creating "unrestricted designated" reserves as opposed to "unrestricted general reserves".

Review of Policy

The Board of Trustees is ultimately responsible for the management of the Foundation reserves and will review the reserves policy periodically.