



RESERVES POLICY (including Grant application form)

Context

A charity's reserves policy is a key component of its financial strategy as well as being a public statement of the Trustees' view of the financial position of their charity. Any policy needs to be clear, transparent and tailored to the needs of the charity. It should provide a robust argument for the holding of reserves instead of spending such monies on the charitable cause. Risks facing the charity should be assessed and it is this assessed risk together with the financial strategy of the charity that then provides the context for the Reserves Policy.

What are reserves?

Reserves are funds that a charity has which can be freely spent on any of its charitable purposes. This definition excludes restricted income funds (the IHSGB's General Development Fund) and endowment funds (The IHSGB's Youth Fund) as these must be spent in a specific way. Reserves will also normally exclude tangible fixed assets held for the charity's own use. This is because these assets are used by the charity to deliver their activities and as such cannot be sold to meet a funding deficit. Amounts already set aside for essential future spending (designated funds) are also excluded from reserves.

The Society

Founded in 1986, the IHSGB exists to maintain the purity of the unique Icelandic horse, to promote interest in the breed, to protect the welfare of the breed, and to encourage Icelandic horse breeding and riding competitions. The British Society is a full member of FEIF, the International Federation of Icelandic Horse Associations, which has 24 members including Canada and the USA. IHSGB is the only Icelandic horse association in Britain recognised by FEIF as representing the whole of the United Kingdom.

The **principal activities of the Society** are:

- To educate the public about the Icelandic horse and its origins, preservation and standards in accordance with the standards of FEIF (The Federation of Icelandic Horse Associations).
- To improve general standards in the management, use and treatment of horses with particular reference to the special features of the Icelandic horse by the education of breeders, importers, owners, judges, veterinarians, trainers and members of the public.



Reserves Policy for the IHSGB

Purpose:

The purpose of this reserves policy is to ensure that the IHSGB maintains adequate financial reserves to support its operations, manage risks, and ensure sustainability in the event of unforeseen challenges or fluctuations in income.

Level of Reserves:

The charity aims to hold reserves equivalent to at least 3 to 6 months of operating costs, which, based on our typical annual income of £25,000, is approximately £6,250 to £12,500. These reserves will provide the charity with financial stability and flexibility.

The bulk of these reserves to be invested in a Managed Trust Account through an organisation such as the Charities Aid Foundation (CAF).

Any interest on these reserves to be made available to the Society in year and allocated to the annual budget.

A CAF Trust Account is a simple system that is a bit like having your own charitable trust, except it operates as a subsidiary fund of CAF. You can put money into the Trust Account, call it what you like and specify what charitable purposes the money can be used for. As CAF is a charity, the same charitable tax benefits apply to the Trust Account. It is like having your own independent trust, but the Trustees of CAF take responsibility for carrying out your charitable wishes..

Use of Reserves:

Reserves will only be used for specific, planned purposes such as covering unexpected shortfalls in income, emergency expenses, or to support future strategic investments. Any use of reserves must be approved by the Board of Trustees.

Review and Monitoring:

The level of reserves will be reviewed annually by the Board of Trustees to ensure it remains appropriate to the charity's needs. If reserves exceed the target range, the Board will consider allocating surplus funds to furthering the charity's objectives or reducing dependency on reserves.

Budget:

The Board of Trustees agree to set a rolling three year budget to permit reserves/surpluses to be deployed to their best advantage and ensure cyclical events



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(Youth & World Cups for example) and programmed initiatives (Education hub, Judge Training for example) are adequately planned and budgeted for.

Policy Review:

This policy will be reviewed annually or sooner if there are significant changes in the charity's financial position.

In addition the Society holds the following funds:

1. The General Development Fund

In 2013 the IHSGB introduced an **unrestricted** fund, known as the General Development Fund. This fund is held by CAF, the Charities Aid Foundation, and operated subject to the principles adopted below.

- 1.1. Any interest on this account is made available to the Society in year as part of its general income stream and allocated to the annual budget.

The aim of the fund is for the interest earned to be used to award grants that will further the Society's objectives. The Society's annual budget will include financial provision to make these grants, the sum set aside being an approximation of the annual interest earned from the fund.

- 1.2. Any growth on this fund is retained in the fund. Likewise any in year losses are absorbed within the fund.

- 1.3. The capital of the fund may only be spent in exceptional circumstances and the Trustees will need the majority of fully paid up members to give their written agreement. This will reassure people that their donations will be fully used to create a lasting legacy.

- 1.4. Trustees should annually review whether any year on year profits generated through trading (the income and expenditure account) should be added to the General Development Fund.

- 1.5. However, given the capital of the General Development Fund is only to be spent 'in exceptional circumstances' the Board of Trustees need to be mindful of the need to retain some budget flexibility year on year and of the need to protect the cash flow. Given this it may be appropriate to carry forward some I&E surplus in the IHSGB Ltd general trading accounts (the bank accounts). This should be at the discretion of the serving Board of Trustees.

- 1.6. Applications for grants are to be made in writing to the Board of Trustees during each financial year.

- Each application should include the reasoning why the applicant believes that the Society objectives would be enhanced and state the benefits to be gained.



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- Applications may be from anyone, and there is no limit to the number of times an individual may apply.
- The Board of Trustees shall consider the merits of each and every application, seeking clarification where necessary. The Board decision is final and there will be no right of appeal, however the individual may apply again the following year.
- The annual budget for awards is finite and grants will be awarded on a first come first served basis during the year.

The Grant Application Form is appended at the end of this policy

2. The Youth Endowment Fund

This is a **restricted** reserve initially funded by a Member donation. The capital, interest and growth on this fund must be spent on youth & young member activities. Any use of this reserve must be approved by the Board of Trustees. The fund is invested through CAF.

LEGACIES

See separate Policy. Bequests may be both general and restricted, may be made directly to the Development Fund or held separately as cash and/or assets.

Adopted by Board of Trustees on 8 February 2025.

Review date: 1 year

Author: DE



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Application for financial support towards running an Event or Activity

(to be submitted at least 1 calendar month before the planned event to allow for IHSGB publicity)

Please use this form to apply for a financial grant from the IHSGB towards the cost of running an event or activity relating to Icelandic Horses and being in furtherance of the aims of the Society. This may include rides, clinics, training, competitions, fun shows/camps etc.

The subsidy will initially be set at £10 per IHSGB member attending (and £5 per additional Family Member).* Please note there are conditions attached to this award – see over.

Please fill out the required fields below and email your completed form to the secretary at office@ihsgb.co.uk. Your application will be considered by the Board and you will receive a decision within two weeks.

**The per-member subsidy may be changed at the discretion of the Board according to demand and the availability of funds. Currently, support may be granted up to £100. The Board's decision is final.*

Event Organiser:		Type of member:	
Organiser's Address:			
Email:		Telephone:	
Your account details for payment -	Account name	Sort Code	Account Number
Proposed event/activity (please give a brief description, including any learning or training objectives if relevant)			
Date of event:		Location :	
Names of Members (M) and Family Members (M) attending:		Names of Non-Members attending	



Conditions of Grant:

The Grant must be used to further The Society's objectives. These are:

- To educate the public about the Icelandic horse and its origins, preservation and standards in accordance with the standards of FEIF.
- To improve general standards in the management, use and treatment of horses with special features of the Icelandic horse by the education of breeders, importers, owners, judges, vets, trainers and the public

To 31st July 2025 the Board of Trustees are prioritising applications where:

1. The Grant is to be used to defray the cost of the course/activity for members only and should be seen as a member benefit. The grant should not be used to enable the course organiser to profit by it.

Example; it costs £300 to run a course and 10 members and 5 non-members are attending, thus the cost per head is £20. The IHSGB award a grant of £100; this reduces the cost per head for members to £10. Non-members pay the full £20.

2. Whilst the course/event may welcome spectators Grant funding will be based on the number of members actively taking part and it is these active participants that should receive the benefit of that Grant.
3. The course must be publicised / advertised on IHSGB social media and website/events calendar in a timely manner. The advert must include a reference to the organiser having applied for and/or received Grant funding from the Society to support actively participating members.
4. The IHSGB accepts no insurance liability whatsoever for this activity. All people attend the event at their own risk or as arranged by the organiser. There is no recourse to, or cover from, the IHSGB Ltd.
5. The course organiser/grant recipient is required to write an article for IHSGB use and publication within 2 calendar months of the date of the course. This should be sent to communications@ihsgb.co.uk in the 1st instance. To inform future events this should include some concise and timely feedback on the success, or otherwise, of the event to allow others to apply lessons learnt, promote best practice etc. This report on the outcome of your event, including any hints, tips or learnings, may help others in planning their events or provide inspiration for them to do so. It could also include comments from those attending.

Payment of the Grant will be on receipt of this report/article

6. Course participants should also be encouraged to submit articles for publication.

By accepting the Grant you agree to meet these conditions.

*Author: Board of Trustees, IHSGB Ltd
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