



អង្គការសិក្សាឥតព្រំដែន
StudyBeyondBorders Organisation

POLICY

RESERVES POLICY

Change begins with Education



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RESERVES POLICY

1. STUDYBEYONDBORDERS IN CAMBODIA OVERVIEW

StudyBeyondBorders in Cambodia (**SBBC**) is a local Cambodian non-government organisation operating in rural areas of Battambang, Siem Reap, and Oddar Meanchey Provinces. The organisation is supported by an alliance of registered development organisations in Australia (SBBA), the UK (SBBUK), and Ireland (SBBI).

SBBC aims to build capability within Cambodian education policy-making, leadership, mentoring, and training to equip and motivate teachers to provide quality education to children. The organisation is committed to supporting systemic change so that educators are proud to work in the teaching profession and are highly respected by parents, communities, and peers. To this end, SBBC conducts programs to mentor education leaders, upskill teachers, engage parents and communities, and develop resources that together enable the delivery of quality education to schoolchildren. The organisation seeks to embed all its work at the school, district, provincial, and national levels.

2. PURPOSE

This policy sets out SBBC's policy regarding reserves to be maintained in order to ensure the long-term sustainability of our programs that provide access to quality teaching and learning in schools in Cambodia. The SBBC board of trustees are mindful that the organisation's responsibility is to apply donor funding as soon as possible toward the purposes for which the funds were provided. At the same time, the board of trustees also has a responsibility to ensure the long-term sustainability of the organisation to ensure the continuity of education in its target schools.

The organisation faces risks that could result in short- or long-term declines in revenue and/or increases in operating costs. To maintain services during difficult periods, the board of trustees believes it prudent to retain some funds in reserve.

This document articulates why reserves are necessary, the different types of reserves, how the levels of reserves will be determined, how frequently the level of reserves is to be reviewed, and what action will be taken when the level of reserves exceeds or falls short of the agreed targets.

This is a dynamic document that will be updated and developed according to experience.

3. POLICY

SBBC's reserves enable the organisation to make long-term commitments to its programs, protect the work being carried out from financial fluctuations, and provide a degree of security from unanticipated events.



Policy

Each year the board trustees and Managing Director (MD) consider the financial risks associated with income, expenditure, and balance sheet items; determine the level of reserves sufficient to protect ongoing programs (much of which are long-term in nature); and determine the financial requirements of restructuring in the event of a major downturn. The board of trustees and MD will review SBBC's reserves in light of organisation-wide reserves, and work with each board from each entity, as the respective alliance agreements facilitate support across entities.

3.1 RESERVE FUND DEVELOPMENT

SBBC is committed to securing financial sustainability and stability. To achieve this, SBBC will collaborate with relevant alliances such as SBBA, SBBUK and SBBI to achieve this purpose, seeking their support and assistance .

The amount of unrestricted reserves to be held will be determined each year based on assessing the risks of a sudden and significant fall in revenue or an unexpected increase in expenses. Any unrestricted reserves in excess of what the board of trustees determines to be appropriate will be allocated towards a specific purpose or location and transferred to restricted reserves. Any shortfall in unrestricted reserves will be made up for over time via operating surpluses.

3.2. RESERVE IMPLEMENTATION

While the assessment of the amount of reserves will be made based on the information available at the time of the annual review, the general guidance is that the level of unrestricted reserves should cover between six to twelve months of general operating costs, including program expenses not yet funded.

SBBC's target is to build a minimum reserve equivalent to three to six months of operating expenses. To achieve this, SBBC will work to increase its reserve by one month of operating expenses per financial year, or whatever is feasible as per available resources. Once the initial three months target is met , efforts will be made to increase the growth to six months and beyond, as per organizational capacity and alliance support.

4. DEFINITIONS

4.1. RESTRICTED RESERVES

These reserves are tied to particular purposes or locations, as specified by the donor or as identified at the time of a public appeal. They are not available for use in other SBBC work. The organisation has limited control over the level of restricted reserves because the donors of such funds determine the time period such funds are to be spent.

4.2. UNRESTRICTED RESERVES

Unrestricted funds are not restricted or designated for use on a particular purpose or location and may be allocated according to the discretion of the board of trustees and in line with the organisational development goals.



5. POLICY MANAGEMENT

This policy has been approved by the Board of Trustees of SBBC as noted below.

Amendments will be recommended to the Managing Director from time to time as deemed appropriate by the General Manager Shared Services, usually annually.

Formal reviews are recommended every three years from the anniversary date of approval by the Board.

Recommendations for minor changes can be approved by the Managing Director before the Board review every three years.

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Executive Owner	The Managing Director
Policy Manager	The Finance Manager
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