Operation Smile Ireland – Reserves Policy 2025

A formal policy on reserves was agreed / reviewed at the **March 2025** meeting of the executive committee and Board of Operation Smile Ireland, in order that funds are kept in reserve for the Charity to cover up to 2 years of costs relating to Salaries, Rent and Business Operations, in total - €430,000.

It states:

The Board has set a reserves policy which requires:

- Reserves be maintained at a level which ensures that Operation Smile's core activity could continue during a period of unforeseen difficulty.
- A proportion of reserves be maintained in a readily realisable form.
- Reserves are to be kept in a Deposit Account with AIB Bank, in the name of Operation Smile Irl. Only 2 Board Members may release funds over €27,000 – the Chairperson and Financial Director/Treasurer.
- The CEO/Country Director may release funds up to €27,000 only, upon agreement by one other authorising person.

The calculation of the required level of reserves is an integral part of the organisation's 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.
- Organisation's commitments.

The following headings were used in the development of the policy:

- Introduction.
- Current Reserves Policy statement: (as outlined above).
- Risk assessment: against each category of income and expenditure.
- Future activity level: likely requirements on reserves. (Rent, Salaries, Business Overheads x 2 years) = €430,000.
- Organisational commitments.
- Statement of the desired reserves level, because of the above.

For 2025-2026 and 2026-2027 FY, the Board/committee agreed that the most appropriate level of reserves should be kept at the level of €430,000