



**WORLD  
SCOUTING**

# Reserves Policy

**Adopted by the World  
Scout Committee**

**on 17 March 2026**

## I. Why is a Reserves Policy needed?

Reserves protect WOSM against emergencies, unforeseen expenses, or disruptions to income. They are limited resources that are difficult to replace once used and must never be used to substitute for sound budgeting and management. WOSM is entrusted with resources on behalf of its members. Transparent management of reserves strengthens confidence among National Scout Organizations, donors, and partners. A Reserve Policy is part of WOSM's Financial Best Practices, its approach to risk management and governance framework.

## II. Definitions

- **World Scout Committee (WSC)** – WOSM's governance body between World Scout Conferences.
- **Regional Scout Committees (RSC)** - Regional governance body between Regional Scout Conferences.
- **World Scout Bureau (WSB)** – WOSM's secretariat, responsible for daily management and financial reporting.
- **National Scout Organizations (NSOs)** – Members of WOSM, to whom accountability and transparency are owed.
- **Reserves** – Funds set aside outside normal operating funds, designated to ensure financial stability, manage risks, or support long-term purposes.

## III. Categories of Reserves

Reserve type	Purpose	Restrictions	Governance approval required	Principal vs. interest
<b>Operating and contingency reserve</b>	Ensure the continuity and financial stability of WOSM by providing readily available resources to address temporary operating shortfalls, cash-flow disruptions, and exceptional or crisis-level events that threaten normal operations	Board-designated; unrestricted  May be used for routine operating stability or extraordinary circumstances	As per WOSM's Financial Best Practices	Not applicable (all funds available)
<b>Programmatic &amp; strategic initiatives reserve</b>	Support strategic initiatives, major projects, and events as well as mission-aligned opportunities that are not yet included in the approved multi-year budget, including innovation, transformation, and scaling of high-impact programmes	Internally designated	As per WOSM's Financial Best Practices	Not applicable (all funds available)
<b>Capital / infrastructure reserve</b>	Maintain or replace long-term assets (facilities, IT systems)	Board-designated	As per WOSM's Financial Best Practices	Not applicable (all funds available)

<b>Restricted reserves</b>	Donor-specified; funds restricted by legal agreements or grants	Must follow donor terms	Donor / contractual approval, with WSC reporting	Principal and interest reported separately; interest use depends on donor terms
<b>Endowment / quasi-endowment</b>	Provide long-term sustainability through investment income	Principal preserved	WSC approval for any drawdown of principal	Principal preserved; interest/earnings may be used if permitted by policy or donor
<b>Regional reserves</b>	Ensure regional stability and operations	Regional policy aligned with WOSM policy	Regional Scout Committee approval, reported to WSC	Not applicable unless region has endowment-type funds

## IV. Transparency and Accountability

- **Reports to the WSC** – At each meeting, the Treasurer (via Finance Committee and WSB) provides a report including total reserve balance; breakdown by type; restrictions; governance approval requirements; principal vs. interest amounts and rules; number of months of operating reserves covered; where funds are held; investment instruments; and variances from targets.
- **Reports to NSOs** – Yearly, through the consolidated audited statements and every three years to the World Scout Conference include: reserves by type; uses during the year; governance approval requirements; principal vs. interest reporting; where reserves are held; investment instruments; and coverage in months.
- **Audit** – All reserves are subject to the annual independent external audit in WOSM's financial statements.

## V. Use of Reserves

- **Approval** – All reserve use requires WSC approval, except donor-restricted reserves, which follow donor terms. In some cases, the WSC might delegate decision-making to its Steering Committee.
- **Documentation** – Each use must be recorded in WSC minutes and in a Reserve Use Report prepared by the WSB.
- **Reporting to NSOs** – Yearly, through the consolidated audited statements and every three years at the World Scout Conference, the Treasurer presents total reserves used, categories, purposes, and replenishment progress.
- **Extraordinary Circumstances** – In extraordinary circumstances, reserves may be used outside target levels if documented and disclosed to Members.
  - In cases of emergency, access to the Operating and Contingency Reserve shall be governed by a defined authorisation mechanism to ensure both responsiveness and accountability.
  - The Secretary General may approve emergency expenditures up to USD 25,000 per incident, subject to prior consultation with the Treasurer.

Any expenditure exceeding this threshold, or cumulative withdrawals exceeding USD 100,000 in a financial year, shall require approval from the Steering Committee of the WSC and Treasurer, at the recommendation of the Secretary General, with formal ratification by the WSC at its next meeting.

## VI. Replenishment of Reserves

- If reserves are used, the WSC must adopt a written replenishment plan (normally within 24–36 months).
- Plans must specify target reserve level, timeline, and sources (surpluses, fundraising, designated contributions).
- The WSB will monitor progress and provide updates to the WSC at each of its meetings.
- The Finance Committee will review the replenishment status, provide oversight, and make recommendations to the WSC.
- Progress is also shared with NSOs in the annual financial report.

## VII. Target Levels

- WOSM will maintain Operating Reserves equal to at least 6 months of core operating expenses.
- The WSB calculates and reports coverage in months at each WSC meeting.
- Each Region should maintain Operating Reserves equal to at least three months of its operating expenses.
- Other reserves are set according to project, donor, and risk requirements.

## VIII. Investment of Reserves

- Reserves are invested according to WOSM's [Investment Policy](#).
- Investments must prioritise preservation of capital, liquidity to meet potential needs, and ethical principles aligned with Scouting values.
- For endowment, quasi-endowment, and donor-restricted reserves, principal and interest must be reported separately. Any use of principal requires specific governance approval as defined in the chart.

## IX. General Requirements and Compliance with Swiss Law

- Reserves are in either USD or operating currency of the WSB Support Centre.
- Reserves will be disclosed in accordance with the Swiss Code of Obligations.
- Categories must appear in the balance sheet or notes; documentation must be retained for 10 years.
- Use and replenishment must align with WOSM's non-profit purpose.

## X. Policy Review

- The WSC will review this policy at its meeting at the start of each three-year term.
- The Finance Committee will prepare a reserve adequacy review for approval.
- Regional Committees will review their reserves annually as part of regional planning.
- Amendments will be shared with NSOs through the annual financial report.

## Annexes (Illustrative)

- **Annex A** – Reserve Use Form
- **Annex B** – Replenishment Plan Template

### Annex A – Reserve Use Form (Sample)

This form must be completed whenever reserves are proposed for use and attached to the WSC minutes.

Reserve type	Specify which reserve (e.g., operating, emergency, endowment interest)
<b>Amount requested</b>	State currency and amount
<b>Purpose</b>	Describe the reason and justification for reserve use
<b>Approval authority</b>	WSC, donor, or Regional Committee as applicable
<b>Date of approval</b>	Insert date of decision
<b>Plan for replenishment</b>	Outline how and when the reserve will be restored

### Annex B – Reserve Replenishment Plan Template (Sample)

This template should be completed when reserves fall below target levels.

Reserve affected	Identify which reserve has fallen below target
<b>Target level</b>	Specify target in CHF or in months of operating expenses
<b>Current balance</b>	State amount currently held
<b>Shortfall</b>	Calculate difference between target and current balance
<b>Replenishment strategies</b>	Surpluses, fundraising, donor contributions, cost savings
<b>Timeline</b>	Expected timeframe for restoring reserves (e.g., 24-36 months)
<b>Responsible parties</b>	WSB, Finance Committee, Regional Committee



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