



CAPITAL & REVENUE RESERVES POLICY

PRESENTED AT THE FINANCE AND STAFFING COMMITTEE

HELD ON 2ND FEBRUARY 2017

**REVIEWED BY THE RLT BOARD OF TRUSTEES ON
12TH DECEMBER 2016**

CHAIR OF BOARD/GOVERNORS:

Bob Downing

HEADTEACHER:

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CAPITAL AND REVENUE RESERVES POLICY

CAPITAL

Purpose

Academies are expected to create reserves from their annual GAG funding. During the early years of operation GAG Funding levels create little opportunity to achieve a surplus. Currently, the DfE provides minimal funding in the way of Devolved Formula Capital Grant. In addition academies are able to bid for a share of the Condition Improvement Fund.

The Governors of (insert school) require a capital reserve to be created to fund future capital expenditure.

Scope

The Finance and Resource Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with (insert school) / Rowan Learning Trust's Policies and Procedures.

Procedure

- The Finance and Resource Manager should propose a capital reserve schedule to the Governors identifying the need to replace assets and the related sums required.
- The Governors should agree the value of capital reserves to be created in a year as part of the budget approval process.
- Funds should be transferred to a separate bank account at such a time that is clear that to do so would not create a deficit cash flow situation.
- Any separate bank account should have instant access in order to ensure any "unknown" major expenditure can be moved to the current account in order to ensure cash flow does not indicate a deficit.
- Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Governors as part of the budget process.

REVENUE

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The Governors require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

Scope

The Finance and Resource Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with Hawkey Hall High School's / Rowan Learning Trust's Policies and Procedures.

Procedure

The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

This Policy will be reviewed by the Finance Committee on a 3-yearly cycle and must be signed by the Chair of Governors and Headteacher.