

St Joseph's College

## RESERVES POLICY

<b>Date of Latest Review:</b>	July 2017
<b>Next Review Date:</b>	July 2018
<b>Policy Available for Staff at:</b>	VLE/Website
<b>Policy Available for Parents at:</b>	Main office
<b>Headteacher:</b>	Ms M Roberts

# Reserves Policy

## CAPITAL RESERVES POLICY

### Purpose

Academies are expected to create reserves from their annual GAG funding, although funding levels create little opportunity to achieve a surplus. The EFA also provide a small sum of Devolved Capital Funding to Academies. The Governing Body of the St Joseph's College require a capital reserve to be created to fund future capital expenditure.

### Procedure

- A capital reserve schedule will be planned, identifying, (based on the assets owned) the replenishment cycle for those assets and the related sum of funds required.
- The Governors approve a value of capital reserves to be created in a year as part of the budget approval process.
- Agreed capital reserves funds should be transferred to a separate nominal account and separate bank account where possible to identify their planned future use. This account should be separately listed on the balance sheet. Funds should only be transferred to this account at such time that it is clear that to do so would not create a deficit cash flow situation in the current fiscal year.
- In addition, this separate 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.
- In addition where possible, a nominal amount should be transferred to a higher interest notice account in order to generate additional revenue for St Joseph's College. Governors would need to be confident of the bank's financial stability and review this annually.

## **REVENUE RESERVES POLICY**

### **Purpose**

Academies are expected to hold 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 School Improvement Plan, strategic long-term aim and developments.

### **Procedure**

- The policy of St Joseph's College is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and other unforeseen contingencies.

**NB: Academies may accumulate funds from private sources to defray for the benefit of the academy as the governing body sees fit.**