



Ecclesfield
SCHOOL

This policy is set to protect the activities of the Trust by providing a financial cushion by which the Trust may operate within an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The policy also provides the framework for future strategic planning and decision-making.

Date approved: 16th March 2015

Signed:

(Headteacher)

Signed:

(Chair of committee)

This policy is established by the North East Sheffield Trust (NEST) to protect its activities by providing a financial cushion by which the Trust may operate within an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The policy also provides the framework for future strategic planning and decision-making. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of the Trust.

The Chief Finance Officer (CFO), in conjunction with the Headteacher, is responsible for ensuring compliance with Policies and Procedures.

Procedure

- **Capital Reserves**
- Proposals for capital reserve will be made in the form of a 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.
- Spend of the capital reserve fund should only occur when agreed by governors as part of the budget planning process.

- **Revenue Reserves**
- Funds from revenue reserves should be transferred to a separate bank account insofar as this does not create a deficit cash flow situation.
- Revenue reserves may be deposited in short term investment bank account which may generate interest on those reserves but, the sum invested should not place the school at risk should reserves be needed.

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 School Development Plan's and strategic long-term aims and developments.

Procedure

The policy of the school is to carry forward a prudent level of resources designed to meet the long-term needs of renewal and any other unforeseen circumstances, subject to the constraint that the level of resources does not exceed the level permitted by the DfE. Policy Review

This Policy will be reviewed by the Finances Committee on three-year basis in conjunction with external accountants.