
CAPITAL & REVENUE RESERVES POLICY



RÆDWALD
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RATIFIED BY THE TRUST BOARD IN:
DECEMBER 2019

NEXT REVIEW DATE: SEPTEMBER 2020

December 2019



CAPITAL & REVENUE RESERVES POLICY

Person responsible for this policy:	Angela Ransby
Policy author:	Debbie Spencer
Date to Trust Board:	December 2019
Date Ratified:	December 2019
Date to be Reviewed:	September 2020
Policy displayed on website:	Yes

CEO Signature:	Angela Ransby
Trust Board Signature:	Roger Fern

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1. 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 board of Raedwald Trust require a capital reserve to be created to fund future capital expenditure.

Scope

The Trust Business Manager, in conjunction with the Executive Headteacher, is responsible for ensuring compliance with Raedwald Trust's Policies and Procedures.

Procedure

The Finance Officer should propose a capital reserve schedule to the Trustees identifying the need to replace assets and the related sums required.

The Trustees 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 Trustees as part of the budget process.

2. Revenue

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding or other income.

The Trustees require a revenue reserve to be created to fund future expenditure related to the Trusts Academy Development Plan’s strategic long-term aims and developments.

Scope

The Trust Business Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with Raedwald Trust’s Policies and Procedures.

Procedure

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

This Policy will be reviewed yearly and must be signed by the Chair of Trust.

