



OWLS Academy Trust

Capital and Revenue reserves Policy

| | |
|--------------------------------------|----------------------|
| Adopted by The OWLS Academy Trust on | |
| Next Review Due | Autumn Term annually |

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 Academies Capital Maintenance Fund.

The Governors of Glenmere Langmoor Academy require a capital reserve to be created to fund future capital expenditure.

Scope

The Business Manager/Bursar, in conjunction with the Headteacher, is responsible for ensuring compliance with Glenmere Langmoor Academy's Policies and Procedures.

Procedure

- The Business Manager/Bursar 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 Business Manager/Bursar, in conjunction with the Headteacher, is responsible for ensuring compliance with Glenmere Langmoor Academy'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, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

This Policy will be reviewed by the FINANCE Cttee on a annual cycle and must be signed by the Chair of Governors and Headteacher.

| | |
|----------------------------------|---------------------------|
| Policy Reviewed: | Autumn Term annually |
| Next Review: | Autumn Term annually |
| Signature of Chair of Governors: | Signature of Headteacher: |

| | |
|--|--|
| | |
|--|--|