



Keskowethyans
Multi Academy Trust

Date Reviewed by the Committee	
Date Adopted by The Board	
To be reviewed next	
Signed by Chair	

CAPITAL & REVENUE RESERVES POLICY

Date policy sent to	Date
Secretaries	
Lead Teachers	
LJ T for Website	
Relevant other ie Safeguarding Director/Subject Co-ordinator	

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 Directors of The Keskowethyans Multi Academy Trust require a capital reserve to be created to fund future capital expenditure at a level of one years DFC funding.

Procedure

- The Business Manager should propose a capital reserve schedule to the Directors identifying the need to replace assets and the related sums required.
- The Directors 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 as agreed budgeted spend which is approved by the Directors as part of the budget process.

REVENUE

Purpose

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

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.

The Directors decision is to work towards Revenue Reserves totalling 3 months GAG income.

Scope

The Business Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with Keskowethyans MAT Policies and Procedures.

This Policy will be reviewed by the Finance Committee on an annual basis in the first instance.