

Reserves Policy

Statement of intent

The Committee has reviewed Thriplow School PTA's need to plan for reserves in line with guidance issued by the Charity Commission.

Procedure

The current reserves held by Thriplow School PTA fall into three categories:

Unrestricted Funds

Unrestricted funds are needed by Thriplow School PTA to pay for items required by Thriplow Primary School to operate and enhance the learning of the children attending Thriplow Primary School.

Income levels and expenditure vary during the year, but normally income is at its lowest during the Autumn Term rising during the Spring Term to its highest level in the Summer Term [before dropping back down at the end of the academic year](#). This is due to the fact that money is raised over the school annual year and major donations to Thriplow Primary School are made at the end of the academic year. However, if items of equipment are needed urgently, then an earlier release of money can be agreed.

Restricted Funds

Restricted funds normally arise from donations or grants which have been received to meet the costs of specific items of expenditure.

Occasionally, there is a time lag between the receipt of these funds and the related expenditure, thereby resulting in Thriplow School PTA holding the funds until payment is made. Sometimes, Thriplow School PTA pays for the item from Designated Funds while awaiting the agreed funding. This can result in the Designated Funds being temporarily lower than expected and should be avoided other than in essential situations (for example where there is need for an essential item without which Thriplow Primary School could not open or operate).

[From time to time, Thriplow School PTA applies for grants for a specific project which falls outside the remit of the normal PTA budget. Where such restricted funds are received, the PTA will apply for the grant and manage the budget. This can sometimes result in the PTA account holding in excess of the annual £5000-£10,000 budget normally required to support the school. Usually this is only for a short interim period between receipt of the grant and completion of the funded project.](#)

Designated Funds

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Designated funds are amounts specifically excluded from being used to meet the general funding requirements of Thriplow School. Sums raised through specific fundraising activities fall into this category. Such funds may be spent at the discretion of the PTA to provide additional resources or to pay for special events outside the normal running costs of Thriplow Primary School.

The PTA has identified one designated item:

- i. A fund to provide money for the Cornerstone Classroom Project which will provide additional and improved classroom space, a music room, SEN room and library space.

Aims

In light of the scope, definitions and purpose, Thriplow School PTA aims to maintain reserves consisting of:

- i. reserves to cover biannual ball expenditure to ensure that the biannual Thriplow ball can be funded;
- ii. general contingency - sufficient cash reserves to cover the next terms'-year's likely expenditure in the event that fundraising efforts do not return sufficient money. The PTA Committee considers it prudent to ensure that unrestricted funds should be sufficient to cover one term's-year's financial requirements.

In calculating these amounts, Thriplow School PTA assumes the following:

- i. Thriplow Primary School relies on grants to the value of £5,000 on a non-ball year and £10,000 on a ball year from Thriplow School PTA.
- ii. The Cornerstone Classroom Project will cost £350,000 to build and Thriplow School PTA will be responsible for managing the budget for this project, with Restricted Funds for the project held in a separate bank account. Thriplow School PTA will be responsible for raising £75,000 towards the Cornerstone Classroom Project, some of which may be held as Designated Funds in the general PTA account.
- i. _____

The Committee will monitor the actual level of reserves and compare with the target level no less than once a year (at the financial year-end).

In the event of reserves falling significantly below the target level, Thriplow School PTA will aim to restore the reserves as soon as possible by increasing fundraising or reducing expenditure. Similarly, if reserves are significantly above the target level, the Committee will put in place a plan as soon as possible, aiming to eliminate the excess within four years by spending money to enhance the quality

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of provision at Thriplow Primary School, or otherwise further the aims of Thriplow School PTA, or by reducing fundraising.

The Committee will not, however, take any steps that might call into question the ability of Thriplow School PTA to continue as a financially viable operation in the long term. In particular, it will not plan to use excess reserves to cover essential running costs.

This policy will be reviewed and approved at the end of each financial year by Thriplow School PTA Committee Members.

This policy was adopted at a meeting of the Thriplow School PTA	
Held on (date)	
Signed on behalf of the Thriplow School PTA	
Role of signatory (e.g. chairperson etc.)	