



RESERVES POLICY

Date Approved by Governors	September 2017
Next Review Date	September 2019
On behalf of Governors signed	Signed Copies On File
Print name	
On behalf of Governors signed	
Print name	
Principal Signature	

- **All One In A Million Free School Policies have been devised to ensure that:**
 - Students from all backgrounds and all abilities and welcome
 - Each student has the opportunity to flourish and achieve their potential
 - We value the individuality of each student within the context of membership of our community
 - We are committed to raising educational attainment and improving our students' life chances
 - We provide an environment in which all students will be self aware, self disciplined and confident
 - All students will understand how to make a positive contribution to our extended community
 - We support academic, creative and personal achievement through our focus on Sport, the Arts and Enterprise.



PURPOSE

The purpose of the reserve policy for One In A Million Free School (OIAMFS) is to ensure the stability of the school's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

DEFINITIONS AND GOALS

Restricted Reserves

Restricted reserves are represented by the main income for the school, which is General Annual Grant (GAG), other grant contributions or donations that are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements or donor's instructions.

There is a percentage carry forward of GAG restricted funds which is calculated at the year end and can be used for future years mainly for capital and a small percentage for operational purpose.

The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be determined by governors annually and can fluctuate depending on operational needs. The Governors have determined that the appropriate level of free reserves should be equivalent to one month's average payroll costs, currently. The Trustees have determined that the appropriate level of free reserves should be equivalent to at least one month's average payroll costs, £134,000 for year 17_18. The intention is to grow the reserves as budgets allow.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

All reserves are reported and reviewed regularly at Finance Committee meetings with any expenditure from reserves approved by the Governors.

Unrestricted Funds

These are made up of the school's activities for generating funds and other donations, which are expendable at the discretion of the Governors in order to achieve the objectives of the school.

Designated Funds

These are unrestricted funds that have been allocated by the Governors for a particular purpose.



Reserves Policy

