



Castleford Academy



Capital and Revenue Reserves Policy

| Version No: | Date Ratified: | Review Date: |
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| 1.0 | 26.10.18 | 26.10.2021 |



CAPITAL

Purpose

Academies are expected to create reserves from their annual GAG funding. During the early years of operation, GAG Funding levels created 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 Board of Trustees of Castleford Academy Trust require a capital reserve to be created to fund future capital expenditure.

Scope

The School Business Manager (SBM), in conjunction with the Headteacher and CFO, is responsible for ensuring compliance with Castleford Academy Trust's Policies and Procedures.

Procedure

- The SBM should propose a capital reserve schedule to the CFO, identifying the need to replace assets and the related sums required.
- The Board of Trustees and 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.
- Trustees should approve the opening of any separate bank account.
- Any separate bank account should have sufficient 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 and Board of Trustees as part of the budget process.

REVENUE

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The Board of Trustees 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 SBM, in conjunction with the Headteacher and CFO, is responsible for ensuring compliance with Castleford Academy Trust'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 Board of Trustees on a 3-yearly cycle and must be signed by the Chair of Trustees.

A handwritten signature in black ink, appearing to read 'B Clift', is written over a faint, light-colored rectangular stamp. The stamp contains the text 'CASTLEFORD ACADEMY' and 'CHAIR OF TRUSTEES' in a small, sans-serif font.

Mr B Clift MBE, MEd
Chair of Trustees