



# CAPITAL & REVENUE RESERVES POLICY

FPTA Academies

APPROVED 16th OCTOBER 2018

REVIEW DATE SEPTEMBER 2021

# FPTA ACADEMIES TRUST

## CAPITAL AND REVENUE RESERVES POLICY

### **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 the Trust receives a share of the Academies Capital Maintenance Fund which it uses to maintain and develop the assets of the Trust in accordance with a capital maintenance programme.

The Trustees of FPTA Academies Trust require a capital reserve to be created, including the Trust Academies Capital Maintenance Grant to fund future capital expenditure to utilise the funds devolved on a managed programme in accordance with the terms of the funding grants.

#### **Scope**

The Trust Finance Director, in conjunction with the Executive Headteacher, is responsible for ensuring compliance with FPTA Academy Trust's Policies and Procedures.

#### **Procedure**

- The Trust Finance Director should prepare and maintain a capital reserve schedule agreed with the Trust Executive Headteacher and provide to the Trustees identifying the need to replace assets and the related sums required.
- The Trustees 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 the FPTA Academies Trust bank account in order to manage payments received under the capital maintenance programme.
- Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Trustees or by delegated authority to the executive Headteacher as part of the budget process.

### **REVENUE**

#### **Purpose**

FPTA Trust Academies are expected to hold contingency reserves from their annual GAG funding or other income.

The Trustees require a revenue reserve to be created at each Academy school to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments. The FPTA Academy Trust shall ensure that sufficient contingency reserve funds are maintained within the Trust to provide one month aggregate net salary. Trustees of the FPTA Academy Trust will continue to review levels of Trust reserves on an annual basis.

### **Scope**

The Trust Finance Director, in conjunction with the Executive Headteacher, is responsible for ensuring compliance with FPTA 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, site development plans and any other unforeseen contingencies including sufficient funds to ensure salary obligations are met in the event of potential disruption to funding receipts, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

This Policy will be reviewed by Trustees on a 3-yearly cycle and must be signed by the Chair of Governors and Headteacher.

### **Approval and review**

Approved by: TRUSTEES

Next review: September 2021

Signed: Chair of Trustees

Signed: Executive Headteacher

Copies of this policy are available on the Trust website and on each school's website and available in hard copy upon request.

FPTA Academies