

Reserves Policy

Policy/Procedure Title	Reserves Policy
Author	T Stratton, Chief Operations Officer
Approved by	T Stratton, Chief Operations Officer
Reviewed	Jan 2019
Review date	Jan 2020

RESERVES POLICY

1. Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk generated by, for example;

- income reduction due to Government funding changes,
- unexpected falls in student numbers,
- cash flow issues due to delays in receipt of funding,
- emergencies.

2. In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the school's primary objective is preserved. At the same time, the Propeller Academy Trust wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

3. Directors of the Trust will monitor levels of reserves in financial reports provided by the Chief Operations Officer and in the annual financial statement prepared by the Auditor and will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision.

Directors have approved the following is to be kept in reserves:

- one month salary bill currently approximately £250K

4. This policy will be reviewed annually.

Approved PAT Board of Directors May 2016