



One In A Million Free School

Reserves Policy

2024/26

All One In A Million Free School Policies have been devised to ensure that:

- OIAMFS core values are at the heart of all we do: compassion, honesty, integrity and excellence
- Students from all backgrounds and all abilities are welcome
- Each student has the opportunity to flourish and achieve or exceed 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 community
- We support academic, creative and personal achievement through our focus on Sport, the Arts and Enterprise.

Approved by: Full Governing Body; Jane Hobbs, Principal

Last reviewed: April 2024

Next review: December 2026

Purpose

Academies are expected to create reserves from the annual General Annual Grant (GAG) funding and other income. The policy of One In A Million Free School (OIAMFS) is to carry forward a prudent level of resource designed to contribute to:

- the long-term cyclical needs of maintenance, renewal and site development plans
- unforeseen contingencies including sufficient funds to ensure salary obligations (at least one month's equivalent) are met in the event of potential disruption to funding receipts.

Designated Capital and Maintenance Reserve

Currently, the Department for Education (DfE) provides minimal funding in the way of Devolved Formula Capital Grant.

The Board of Trustees of One In A Million Free School require a capital reserve to be held (the Designated Capital and Maintenance Reserve) to fund future capital expenditure on a managed programme, in accordance with the terms of any funding grants and/ or to fund other capital expenditure agreed by the Board of Trustees and for on-going maintenance, including for example, emergency repairs.

The Designated Capital and Maintenance Reserve will be reviewed annually, at the end of the school's financial year, as part of the process of preparing the annual accounts and aligned with the Estate Vision.

Contingency Reserve

The school is expected to hold contingency reserves from their annual GAG funding or other income. One In A Million Free School will ensure that contingency funds are maintained of 10% of GAG revenue. The Contingency Reserve will be reviewed on an annual basis at the end of the school's financial year as part of the process of preparing the annual accounts.

Scope

The School Finance Team, in conjunction with the Principal, is responsible for implementing the School's Reserves Policy.

Procedure

- The School Finance Team will prepare and maintain a capital and maintenance schedule agreed with the Principal and Board of Trustees identifying the need to replace assets and the related sums required in each future year of the school's 3 to 5 year budget.
- The Board of Trustees will agree the value of Designated Capital and Maintenance Reserve and Contingency Reserves to be created in a year as part of the budget approval process.

- Funds will only be spent on agreed budgeted spend on items on the capital maintenance schedule to support applications for capital funding grants that require the School to fund part of the works to be covered by the grant or other items which are approved by the Trustees or by delegated authority to the Principal outside the budget process.
- The movement of funds between accounts will be sanctioned in line with the Scheme of Delegation.
- The accounts funds are held in will be reviewed annually, as part of the process of preparing the annual accounts, to ensure funds are invested in the most effective way, in the interest of the school and its students.

Definitions:

Restricted Reserves:

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

If there is a percentage carry forward of GAG restricted funds, calculated at the year-end, this can be used for future years; for example, for capital development, aligned to the Estate Vision or for operational purpose.

All reserves are reported and reviewed regularly at Finance Audit & Risk Committee meetings with any expenditure from reserves approved by Trustees.

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 Board of Trustees in order to achieve the objectives of the school.

Designated Funds

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