



## Reserves Policy

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## Summary

This policy defines the approach Beacon Education MAT takes to holding Reserves.

### 1. Introduction

1. Trustees review the level of reserves annually following the completion of the annual accounts
2. Trustees recognise the requirements laid out in the Academy Trust Handbook and other ESFA best practice guidance regarding the importance of reserves

### 2. Current policy

*“Beacon Education will maintain free reserves at a level sufficient to cover one month’s payroll. Trustees feel this is sufficient to cover delays between spending and receipt of grants, and provides a cushion to deal with unexpected emergencies”*

### 3. Surplus over Reserves target

1. BE will ensure it uses its funding to benefit the students in its care, and will actively use surplus reserves to enhance educational provision
2. There may be occasions where Trust Board agrees to build reserves for a specific project / capital investment. Central Team and Accountants will discuss the creation of a separate fund in the Financial Statements should the need arise.

### 4. Schools in deficit

1. Whilst the Trust overall may hold Reserves, it is important to recognise that a number of Academies are in a deficit position.
2. Trust Leadership and the Board expect these schools to produce a year-on-year surplus in line with their budgets, to reduce the deficit and ensure equity across all settings.