



## **STANDARD 11-Finances**

### **EYFS key themes and commitments**

<b>A Unique Child</b>	<b>Positive Relationships</b>	<b>Enabling Environments</b>	<b>Learning and Development</b>
1.3 Keeping safe	2.4 Key person	3.4 The wider context	

### **Standard 11.2 Reserve Policy**

As required by The Charity Commission, it shall be the responsibility of the Horsted Keynes Preschool Committee (“Committee”) to publish, implement and monitor a reserves policy so that the Committee can comply with their legal duties to:

- act in the interests of the preschool and its beneficiaries
- protect and safeguard the assets of the preschool
- act with reasonable care and skill
- ensure the preschool is accountable

In essence, the Committee must develop a reserves policy that:


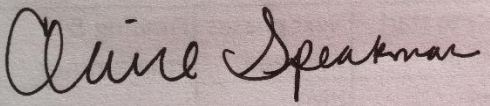
- fully justifies and clearly explains keeping or not keeping reserves
- reflects the risks of unplanned closure associated with the business model, spending commitments, potential liabilities and financial forecasts
- helps to address the risk of unplanned closure on our beneficiaries (in particular, vulnerable beneficiaries), staff and volunteers.

In recognition of this responsibility, the Committee has established a Reserve Fund.

It shall be the policy of the Horsted Keynes Preschool to:

1. Maintain a Reserve Fund account for the exclusive purpose of funding unanticipated expenses, for example, the closure of the preschool.
2. Maintain the Reserve Fund at or above £15,000. Should unforeseen circumstances result in the Reserve Fund falling below £15,000, the Committee will take the steps necessary to bring the Reserve fund balance back to £15,000 as soon as reasonably possible. The Committee believes that this level of Reserve Fund strength reasonably protects the preschool to cover known liabilities and contingencies, absorb setbacks and take advantage of change and opportunity.

3. Authorise expenditures from Reserve Fund for:
  - a. Expenditures approved by a majority of the Committee.
4. Maintain Reserve Funds in a separate “savings” bank account and not to be used in the day to day current account.
5. This Reserve Policy shall be reviewed annually by the Committee having regard to the general business of the preschool.
6. This Reserve Policy shall be made available to the funders, beneficiaries and the wider public who are entitled to know the good reasons why the preschool is maintaining and seeking certain levels of reserves.

This policy was adopted by	Horsted Keynes Preschool
On	1 <sup>st</sup> August 2017
Reviewed 1st Aug 2018	
Reviewed 1st Aug 2019	
Reviewed 1 <sup>st</sup> Aug 2020	
Reviewed 1 <sup>st</sup> Aug 2021	
Reviewed 1st Aug 2022	
Signed on behalf of the provider	
Name of signatory & Role of signatory	Clare Humphreys    Manager
Countersigned by Chair of committee	
Name of Counter signatory	Claire Speakman