

Little Frogs Pre-School

Reserves Policy

Little Frogs Pre School aims to hold sufficient reserves to meet redundancy obligations and sustain the pre school if income falls below the expected levels.

Aims:

- To manage our finances responsibly
- To budge for predictable fluctuations in income and expenditure
- To hold reserves to cover redundancy obligations, half a terms running costs and pay in lieu of notice and building maintenance cost
-

This Policy and the provision's practices will be reviewed periodically and kept up to date in accordance with any changes in legislation.

Policy Approved By:  Date: 30/4/15

(On Behalf of the Management Committee of Little Frogs Pre-School)

The Pre school operates two bank accounts:

- A current account for day to day income and expenditure
- A reserves account to cover all redundancy obligations as required by law, Rent for the next year and half a terms running costs and pay in lieu of notice and building maintenance cost

The amount held in the reserve account is reviewed regularly to ensure that sufficient funds are available. (The amount need for redundancy is maintained to ensure that the level is topped up as necessary or if a member of staff leaves the surplus is released.

The money held in the reserve account will not be used for other purposes unless it is more than that required for redundancies.

Budgets are completed annually and updated on a termly basis to take account of all factors affecting income and expenditure.