

Safeguarding and Welfare Requirement: *Documentation*

Providers must maintain records, policies and procedures required for the safe and efficient management of the setting and to meet the needs of the children.



10.13 Reserves Policy

Policy statement

Rainbow Pre-school (Wickford) is a registered charity and in accordance with Charity Commission guidance has established a Reserves Policy. Rainbow has potential financial commitments for which we need to put aside some of our income as a reserve against future uncertainties. In general the Rainbow annual budget is determined such that our income matches our expected expenditure.

On occasions, however, there may be the need to have reserves that may be used against an expense that was not predicted e.g.

- Changes in LEA funding provision
- Unexpected staff training requirements that cannot be reclaimed from the LEA
- Cash flow demands where for example expenditure is required before the income is available

In addition, in the unlikely event of Rainbow being forced to close, it would be liable for redundancy pay for the staff.

Procedures

- The pre-school maintain sufficient funds in order to meet potential commitments.
- The pre-school administrator will keep track of the potential redundancy commitment and report this to the management committee.
- The Treasurer will monitor the reserve account and re-invest following the agreement of the management committee.

Further guidance

- Pre-school Learning Alliance: Financial Management 2010