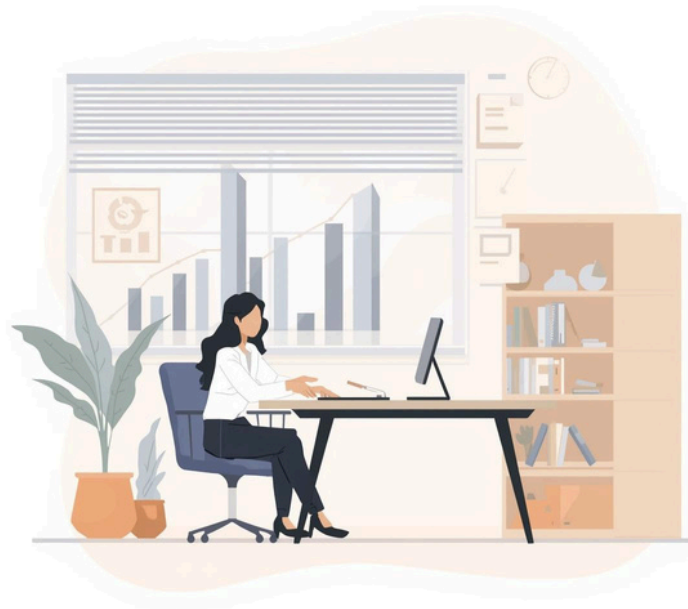


# TUESDAY'S

# TOP TIP



OUR WEEKLY DOSE OF SMART BUSINESS AND FINANCE TOP TIPS



## Maintain a 12–18 month rolling cash flow forecast

### Why?

#### AGoing Concern Management

- Profile income and expenditure (I&E) as an when it impacts the bank for example pupil premium income is received four times a year and many contracts are paid annually in advance.
- Model worst-case scenarios and contingency plans
- Do not adopt a flat 12-month equal payment approach to your cashflow for all I&E

#### Risk Management

- Track monthly opening/closing cash and headroom.
- Stress-test against delays in funding or unexpected costs.

### Benefit

Maintaining a 12–18 month rolling cash flow forecast provides schools and academy trusts with a clear view of future liquidity, enabling proactive financial management and strategic decision-making. By accurately profiling income and expenditure as they impact the bank the forecast helps avoid shortfalls and ensures sufficient headroom for essential costs. This approach not only reduces financial risk but also improves confidence in long-term financial sustainability.

### Useful Resources

- Gov.Uk Academy Trust Handbook
- Gov.Uk Good Practice Guide – Operating as a Going Concern
- ICAEW Operating as a Going Concern