Finance Policy

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Contents

Changes to this Edition

DATE	DETAILS OF CHANGES
December 2024	First Edition – no changes
June 2025	4.3, 7.1, 8.0, 9.0, 10.3, 21.0, 22.0, 23.1, 24.4, 24.5.2, 24.6.2, 25.3, 26.5, 26.1.5, 27.1, 27.2, 27.4, 27.5, 27.6.1, 31.9, 31.10,38.3, Appendix A

1.0 Introduction

1.1 The purpose of this manual is to ensure that the academy maintains and develops systems of financial control, which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Department for Education (DFE).

1.2 The academy trust must comply with the principles of financial control outlined in the current Academies Trust Handbook. This manual expands on that and provides detailed information on the academy's accounting procedures and system. This manual should be read by all staff involved with financial systems.

1.3 This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

2.0 Financial Planning

The academy trust prepares rolling 3-year budgets.

3.0 The Budget Cycle

The budget cycle is as follows:

- **Autumn term (Sept – Dec)**
  - Implementation of submitted budget plan
  - Flex-budgeting based on subsequent information such as Teachers' Pay, Pupil number etc.
  - Monitoring expenditure (continuous-monthly)
  - Reconciliation and closure of previous financial year
- **Spring term (Jan – Mar)**
  - Monitoring and reviewing of year's budget o Pre-planning new financial year
- **Summer term (Apr – Aug)**
  - Planning for forthcoming year
  - Preparation and submission of financial budget plan o Review of current year's budget o Preparation for Year End and Audit

All requirements of the DfE, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

4.0 Budget

4.1 The Headteacher is responsible submitting a balanced budget to the CEO
Chief Executive Officer (CEO) and Chief Financial Officer (CFO) and Finance
Director. The budget must be approved by the Board of Trustees and any other committees as appropriate i.e. Finance Committee.

4.2 The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the school's development plan objectives and the budgeted utilisation of resources.

4.3 The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of General Annual Grant. To be updated in line with the Autumn Term Census Numbers. It is the headteacher's duty to market the school effectively to achieve and sustain optimal student numbers. Future projections for the next three years need to be optimistic, yet remain realistically achievable.
- Latest estimate of other DFE funding e.g. pupil premium, Yr7 Catch-Up or other specific funds
- Review of other income sources available to the academy to assess likely level of receipts
- Review of past performance against budgets to promote an understanding of the academy cost
- Identification of potential efficiency savings
- Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
- Any unspent ring-fenced grants from the previous financial year

4.4 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.

4.5 If there is a significant departure from the anticipated budget this will be escalated to the Finance Committee as part of the monthly management accounts procedure.

4.6 The approved budget is then entered onto the finance system at the start of the new financial year.

5.0 Other Government Funding

5.1 In addition to GAG funding from the DfE, the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds (under 3000 NOR), School Condition Allocation (Over 3000 NOR), Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.

5.2 The School Finance Professional is responsible for recording income and expenditure for each grant with guidance from the Trust.

6.0 Other Grants and Specific Funding

6.1 In addition to the GAG funding from the DfE the school/CMAT and other government funding, the academy/CMAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved by the Executive Team and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

6.2 The School Finance Professional is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

7.0 Revised Budget

7.1 Monitoring and analysis of the agreed budget versus actuals should be carried out on a monthly basis by School's Finance Professional and discussed and signed off by the Headteacher. The CFO and FD will review the variances at Trust level and include the variances in the reports forwarded to the Board of Trustees within the Monthly Management Accounts. Any budget changes must be approved by the CEO or CFO of the Trust.

7.2 Where significant variations to the agreed budget are identified or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Trustees in the spring term. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

8.0 Budget Forecast Return

The approved budget must be submitted to the DfE by the deadline each year by the FD. The CFO and FD are responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

9.0 Monitoring and Review (including management accounts)

Monthly reports are prepared by the FD. The reports include:

- Actual income and expenditure against budget (shown as month to date and cumulatively)
- Balance sheet
- Cash flow forecast
- Any potential overspend against the budget must in the first instance be discussed with the FD/ CFO
- The monthly reports are uploaded to Governor Hub to be reviewed by the Accounting Officer and the Chair of Trustees

10.0 Independent Checking Procedures

10.1 Internal Scrutiny: The Trust will appoint an independent internal audit service to ensure adequate financial and non-financial controls are in place. All findings and actions arising must be discussed and reviewed by the CEO/CFO/FD for management clearance.

10.2 Reports will be presented to the Risk and Audit Committee and then shared with Trust Board. The scope of the internal scrutiny work will be reviewed and agreed by the Risk and Audit Committee and will be determined based on risk. There must be an appropriate, reasonable and timely response to any findings by auditors and management response and actions.

10.3 It is the Trust's responsibility to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

The arrangements that are in place are as follows:

- Internal audit and assurance reviews
- Supplementary programme from the external auditors
- The appointment of non-employed trustees

11.0 Review of Regularity

11.1 The Accounting Officer reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:

- Reviews management accounts
- Reviews compliance against the scheme of delegation
- Reviews transactions for evidence of connected party transactions
- Value for money practice

11.2 The Accounting Officer has delegated the following responsibilities to the CFO

- Adherence to tendering policies
- Review of transactions confirming in line with delegated authorities as set out by the Academies Trust Handbook

12.0 Annual Accounts

12.1 The academy trust must prepare annual audited financial statements for the accounting period to 31 August. The accounts are outsourced to our external auditors for preparation.

12.2 The accounts are then submitted as follows:

- By 31 December – to DFE
- By 31 January – published on our own website
- By 31 May – to Companies House

13.0 Audit Arrangements

13.1 External auditors must be appointed in accordance with the Academies Trust Handbook.

13.2 The CFO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

14.0 Work Undertaken During Accounting Period

The FD is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- Reviewing the structure of the trial balance
- Maintaining a fixed asset register
- Monthly depreciation charges
- Maintaining income and expenditure records (including filing of invoices)
- Reviewing aged debtors for any provisions required
- Maintaining a record of Trustees interests, related and connected party transactions
- Control account reconciliations (bank, wages, debtors, creditors)
- Maintaining a record of meeting attendance
- Monitoring & reporting to the Accounting Officer and Board of trustees

15.0 Work Undertaken for the Year End

The FD is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- Accruals and prepayments
- Accrued and Deferred Income
- Control account reconciliations (bank, wages, debtors, creditors)
- Close down of the purchase ledgers
- Close down of the Sales ledgers and aged debtors
- Pension valuations
- Pension Audit
- Collating disclosure requirements in respect of the notes to the financial statements per the Academies Model Accounts (updated annually by the DfE)

16.0 Accounts Return

The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the DfE by the deadline.
The accounts return is outsourced to our auditors for preparation.

17.0 Document Retention

Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Supply cover insurance – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 5 years after an employee has left

18.0 Accounting System

All the financial transactions of the trust and academy must be recorded on the accounting system (Access Finance). The system is operated by the Finance Department and consists of:

- Journals
- Nominal Ledger
- Bank Transactions
- Purchase Ledger

19.0 System Access

Access to the accounting system is restricted to those members of staff authorised to process financial transactions. Permission levels are set appropriately by the Trust to enable individuals to carry out their designated tasks and to support the principles of internal control as defined in previous sections of this policy document. Passwords are to be changed every 2 months.

20.0 Back-up Procedures

20.1 The system is cloud based, additional effective back up procedures must be in place for the system. Data is to backed up on a suitable medium or server and the copies stored in a secure place (in a fireproof container). Back-up copies are taken on at least a daily basis.

20.2 A hard copy of the nominal ledger and audit trail are printed each month and stored separately from the accounting system in a fireproof container.
The disaster recovery plan explains what to do in the event of loss of accounting facilities or financial data. Copies are held in the fire-proof container.

21.0 Transaction Processing

All transactions input to the accounting system must be authorised.
Bank transactions by Trust Finance Team.

22.0 Transaction Reports

The FD reviews the following system reports to ensure that only regular transactions are posted to the accounting system:

- Management accounts summarising expenditure and income against budget at budget holder level

23.0 Reconciliations

23.1 The Trust is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Sales ledger control account
- Purchase ledger control account
- Payroll control account
- VAT control account
- All suspense accounts
- Bank balance per the nominal ledger to the bank statement

23.2 Any unusual or long outstanding reconciling items are brought to the attention of Headteacher, FD and CFO and dealt with according to the bad debt limits in this manual.

24.0 Cash Management

24.1 Bank Accounts

The following procedures must be followed when opening a bank account and operating it:

- The Trust is responsible for selecting the banking institution and negotiating the terms and conditions
- The Board of Trustees must authorise the opening of all bank accounts
- The academy/CMAT will ensure that in the event of changes to key personnel or governors/trustees, signatories will be changed immediately, and the bank notified. Any on-line access to banking will also be removed
- Terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
- The trust must inform the bank, in writing, that their accounts must not become overdrawn
- The trust must ensure there are sufficient funds to cover large payments

24.2 Deposits

24.2.1 A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:

- the amount of the deposit
- a reference (for example the number of the receipt or the name of the debtor)

24.2.2 The School/CMAT is responsible for updating the accounting system (within 2 working days) for deposits placed.

24.3 Payments and Withdrawals

24.3.1 All cheques and other instruments authorising withdrawal from CMAT bank accounts must bear the signatures of two of the following authorised signatories: CEO, CFO, Chair and Vice Chair of Trust

24.3.2 This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees of the academy including funds held in trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

24.4 Administration

The FD ensures bank statements are received regularly and that reconciliations are performed at least on a weekly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the academy's cash book.
- Adjustments arising are dealt with promptly.
- Schools are responsible for the coding of income received from their Electronic Payment System i.e. Arbor - Stripe.

24.5 E-procurement & Payments

24.5.1 No Petty Cash is to be held in schools

24.5.2 The school credit card (name of issuer) is used only when it is not practical to use the purchase order-system. It is used mostly for internet purchases and to buy refreshments for meetings, Wrap Around provision etc.

24.5.3 The card is kept in the safe and is only used by authorised persons responsible for the card.

24.5.4 Any department wishing to make a purchase on credit card must complete an order form and pass this to the School Finance Professional or Admin staff to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.

24.5.5 When the credit card bill arrives, there will be a signed order form relating to each entry on the statement, a VAT invoice is required for all purchases and it is sometimes necessary to chase suppliers for this. A cash book journal is keyed for each entry on the statement.

24.5.6 The credit card bill, along with all the relevant order forms are then given to the School Finance Professional who will check the statement and sign an authorisation sheet. In event the purchases are made by the Financial professional they will need signing off by the Headteacher.

24.6 BACS Payments

24.6.1 On receipt of an invoice, the budget holder authorises the invoice, to signify:

- An official purchase order has been raised for the purchase.
- The delivery note has been checked.
- The delivery is of correct quantity, quality and price.
- It has not been previously paid.
- Funds are available in the relevant budget.
- VAT chargeability on qualifying expenditure is shown.

24.6.2 The payment is then prepared and the BACS payment then passes it on to two of the three approvers: - CEO, CFO, FD.

24.6.3 Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.

24.6.4 The school ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the Admin Team should request that the individual states his self-employment reference number on any invoice issued to the school.

24.7 Investments

24.7.1 Investments are made in accordance with written procedures approved by the Board of Trustees.

24.7.2 All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

24.7.3 Please refer to the Investment Policy.

24.8 Reserves

24.8.1 Any overall surpluses or deficits (reserves) at the end of the year are pooled in line with the CMAT Reserves Policy.

24.8.2 The CEO as Accounting Officer must inform ESFA immediately if a deficit is anticipated.

24.8.3 If the academy trust is anticipating a deficit at the end of any financial year, the Board of Trustees and CFO have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board of Trustees must ensure that a recovery plan is submitted and approved by the DfE.

24.9 Capital Reserves

24.9.1 Any overall surpluses at the end of the year are carried over to the following year.

24.9.2 It is the responsibility of the School Finance Professional to keep accurate records of the capital funds, especially where grants have been received for capital projects.

25.0 Staff Appointments

25.1 The Board of Trustees has approved a personnel establishment for the academy trust. Changes can only be made to this establishment with the express approval in the first instance of the CEO who must ensure that adequate budgetary provision exists for any establishment changes.

25.2 The Trust should be notified of all school level recruitment and sit within the confines of the budget. Recruitment of key roles are required to have both Trust approval and involvement. The Headteacher maintains personnel files for all members of staff which include contracts of employment.

25.3 All schools require Trust approval for all recruitment via the Trusts Recruitment Standard Operating Procedures and sit within the confines of the budget.

25.4 The Headteacher maintains personnel files for all members of staff which include contracts of employment.

25.5 The School/CMAT is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.

26.0 Payroll Administration

26.1 Payroll function is subcontracted to RMBC who maintain master payroll files on each employee.

26.2 Headteacher can delegate the administration of any payroll addition, Omissions or adjustments to a responsible person in school.

26.3 All staff are paid monthly through the payroll provider. A master file is created for each employee which records:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable
- other legal and relevant details

26.4 School should follow the sickness absence policy for managing internal procedures for confirming absence. All sickness must be recorded in the schools Management Information System (MIS)

26.5 Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee, including TOIL. In turn, this is authorised by the budget holder, prepared by the School Finance Professional and signed off by Headteacher.

26.6 Annually, the School Finance Professional will prepare and distribute a timetable for payroll processing specifying key dates for the month in question.

26.1 Payments

26.1.1 Before payments are released a payroll report of all data should be obtained, including an exceptions report from the payroll provider and this should be checked against source documentation by the School Finance Professional and then reviewed and initialled by the Headteacher.

26.1.2 All salary payments are made by BACS.

26.1.3 The School Finance Professional undertakes a reconciliation for the payroll control account monthly between the current months and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.

26.1.4 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National

Insurance contributions and pensions. The amounts payable are summarised on the reconciliation payroll report.

26.1.5 The School Finance Professional must post both to the payroll control account and to individual cost centres. The School Finance Professional should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

26.1.6 Annually, Schools Finance Professional checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held at school.

26.2 Salary Advances

The trust does not award salary advances.

26.3 Overtime

26.3.1 Overtime is recorded by the individual and submitted by the payroll deadline of each month to Line Manager for authorisation, The School Finance Professional completes the claim and time sheets.

26.3.2 Overtime forms must not be submitted prior to work having been undertaken.

26.3.3 No payments for work undertaken will be made other than via the payroll system.

26.4 Severance Payments

26.4.1 The academy trust is able to self-approve the non-contractual element of severance payments up to published amounts. A business case must be presented before agreeing a payment, using the form provided by DfE on Gov.uk.

26.4.2 Where the non-contractual element is on or over the published amount, prior approval from DfE must be sought.

26.4.3 The Accounting Officer must sign off and review each business case.

26.5 Ex-gratia Payments

Any ex-gratia payments must be submitted to DfE for prior approval.

27.0 Income

27.1 DfE Grants

The main sources of income for the academy are the grants from the DfE. The receipt of these sums is monitored by the Trust Finance team. The School is responsible for ensuring that all grants due to the academy are collected.

27.2 Other Grants

The receipt of these sums is monitored directly by the Trust Finance team. The School Finance Professional is responsible for ensuring that all grants due to the academy are collected.

27.3 Trips

27.3.1 A lead member of staff must liaise with the School Finance Professional for each trip. Each trip must have a record for each student intending to go on the trip showing the amount due, ensuring that the trip does not run at a loss and all debts are chased.

27.3.2 School should specify their internal procedures for pupils/parents making payment, the trusts preferred method of payment is electronic via schools' payment platform e.g. Parent Pay. In the event that pupils/parents can only make cash payments a receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

27.3.3 The School Finance Professional should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead member of staff on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.

27.3.4 Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Headteacher in advance of the booking being made.

27.4 Catering Cash Payments

If catering payments are made through school, cash payments must be in line with the catering providers requirements but kept to a minimum. The cash is kept in the safe prior to collection for banking in line with the insurance limits.

27.5 Electronic Cash Collection

The bank credits are reconciled to the Trust's preferred software system reports in the first instance. Monthly checks are undertaken by school and the catering department and cross referenced to a sample of individual pupils.

27.6 Lettings

27.6.1 The school's Finance Professional is responsible for maintaining records of lettings e.g. bookings of sports facilities and for identifying the sums due from each organisation. Invoices must be issued within 14 days of the letting taking place.

27.6.2 Details of lettings customer will be held by the School Finance Professional who will establish a sales ledger account and produce a sales invoice from the Financial Information accounting system.

27.6.3 Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

27.7 Sundry Income

Income from other sources (for example educational consultancy) is priced in consultation with School Finance Professional and Headteacher. The transaction must not be undertaken until the price has been agreed.

27.8 Gift aid

27.8.1 To ensure the academy trust, in its position as an exempt charity, receives all the monies it is entitled to school.

27.8.2 Reconciles income against records to confirm expected amounts have been received by the donor

27.8.3 Ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

28.0 Bad Debts

28.1 The School Finance Professional chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter. Records should be kept of actions taken fortnightly.

28.2 If the debt remains unrecoverable after 6 months after regular communication with the debtor, or it becomes clear that the debt will not be repaid, the School Finance Professional submits a report to CFO for approval of write off.

28.3 The following write off limits apply:

- Up to £150 – Accounting officer
- £151 to £500 – Finance committee
- Over £500 – Full Board of Trustees and refer to debt collecting agency

29.0 Purchasing

The academy trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
- Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs
- Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis

29.1 Routine Purchasing

Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder each month. Budget holders will be able to monitor data relating to their own budget areas on a monthly basis via reports from the on-line financial information system.

29.2 Routine purchases up to £10,000 in line with Trust's Financial Level of Authority (See appendix A)

In the first instance a supplier should be chosen from the list of approved suppliers maintained on the Finance System. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with School Finance Professional. Copies of all quotes must be attached to the purchase order.

30.0 E-procurement

Any department wishing to make a purchase on credit card must complete an official order form in the usual manner and pass this to the School Finance Professional, or Admin staff to make the purchase. All requisitions detailing the purchase must be signed by the Budget Holder.

31.0 Orders

31.1 All orders must be made, or confirmed, in writing using an official order form, stocks of which are held by the School Finance Professional. Orders must bear the signature of the budget holder and must be forwarded to the School Finance Professional will check to ensure adequate budgetary provision exists before placing the order. Purchase orders can be electronically authorised.

31.2 Approved orders will be recorded in the purchase order module of the financial information system which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the School Finance Professional.

31.3 The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the Budget Holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

31.4 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the School Finance Professional should be notified. Payments are only made once all goods are received or a credit note received for a missing item. The School Finance Professional will keep a central record of all goods returned to suppliers.

31.5 All invoices should be sent to the School Finance Professional. Invoice receipt will be recorded by the School Finance Professional and attached to the Finance System. The School Finance Professional must check the following before the payment is authorised:

- invoice arithmetically correct
- invoice posted to purchase ledger
- goods/ services received

- goods/services as ordered
- prices correct
- invoice authorised for payment
- payment authorised
- VAT treated correctly
- payment made

31.6 The budget holder must make a detailed check against the order and the GRN (where applicable) and these documents must be attached to the invoice before it is sent back to the School Finance Professional. Budget holders/Headteacher must approve or query a payment within 7 days of invoice receipt.

31.7 If a budget holder/headteacher raises a query with a supplier the School Finance Professional must be informed of the query and periodically kept up to date with progress.

31.8 At the end of each week/month the school will produce a list of outstanding invoices (debtors) from the purchase ledger and this list together with supporting documentation will be reviewed by the School Finance Professional

31.9 The School Finance Professional will then input details of payments to be made to the purchase ledger and generate the payments required. The payments and associated paperwork must be authorised by one of the nominated authorisers.

31.10 BACS payments are reviewed and processed by the Trust Finance Team fortnightly and authorised on-line by two out of four authorisers in accordance with the banking policy and procedures (see E-procurement and Payments above).

31.1 Orders over £5,000 but less than £50,000

At least three quotations should be obtained for all orders between **£5,000 - £50,000** to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by the School Finance Professional for audit purposes. Telephone quotes are acceptable if these are evidenced and electronic confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

31.2 Orders over £50,000

31.2.1 All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures.

31.2.2 If contract spend is over the current World Trade Organisation's (WTO) Government Procurement Agreement (GPA) threshold, tenders legally need to be posted on Find a Tender.

32.0 Trading with Related Parties

Related parties will be documented, ensuring no conflicts of interest and adequate disclosure within the academy trust's accounts. Any related parties transactions made over £40,000 will require DFE approval prior to trading.

33.0 Goods and Services for Private Use

No goods are ordered or services provided to include any elements of private use by governors and staff.

34.0 Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with CFO how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conductive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- The above methods have resulted in either no or unacceptable tenders
- only one or very few suppliers are available
- extreme urgency exists
- additional deliveries by the existing supplier are justified.

34.1 Preparation for Tender

34.1.1 Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required

- After sales service requirements
- Form of contract

34.1.2 It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

34.1.3 A tender brief must always be prepared and is reviewed by CFO.

34.2 Invitation to Tender

34.2.1 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

34.2.2 An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender
- form of response
- dates for decision and work to be delivered

34.3 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document is received by the academy trust. Tenders are submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline are not accepted.

34.4 Tender Opening Procedures

34.4.1 All tenders submitted should be opened at the same time and the tender details should be recorded. At least 2 people will open and independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept

34.2.2 A separate record details the names of the firms' submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

34.5 Tendering Procedures

34.5.1 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

34.5.2 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

34.5.3 Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance Committee.

34.5.4 The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

35.0 Insurance

35.1 The Risk and Audit Committee will review insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.

35.2 We have opted in to the Department for Education's Risk Protection Arrangements.

35.3 Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.

36.0 Governors/Trustees Expenses

See Governors Allowance Policy

37.0 Gifts

37.1 Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Accounting Officer in order to protect the individual receiving the gift.

37.2 This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.

37.3 Gifts that have been reported are entered onto the gifts and hospitality register.

38.0 Energy Management

38.1 The Premises Staff in school are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the School Finance Professional immediately.

38.2 The School Premises Staff ensure that the school's heating system is operated and run as efficiently as possible.

38.3 Estates and Facilities Director and CFO ensures that the school is purchasing energy at the most competitive prices available.

38.4 All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

39.0 Fraud

The Trust does not tolerate fraud. Where instances of fraud are found the CFO will notify the DfE.

40.0 Leasing

40.1 Schools should note the delegated authority for the trust set out previously in this document. All schools liaise with CFO to maximise efficiencies.
Any lease arrangement must maintain the principles of regularity, propriety and value for money, whether or not approval is required by DfE.

40.2 A register of leases must be maintained for submission to auditors at year end. The register should include full details of lease type, provider, term of lease and associated costs.

Finance leases represent borrowing and are not allowed under the Academies Trust Handbook.

41.0 VAT 126 Form

41.1 The Trust is not VAT Registered. Therefore VAT 126 claims will be submitted on a monthly basis.

41.2 The FD is responsible for submitting the consolidated VAT 126 form.

42.0 Asset Register

42.1 All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered on the fixed asset register with the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset
- The asset register helps:
- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts
- support insurance claims in the event of fire, theft, vandalism or other disasters

42.2 Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers

- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses

43.0 Depreciation

43.1 Straight line depreciation over 5 years for the majority of assets
43.2 Straight line depreciation over 50 years for land
43.3 Reducing balance depreciation is used for motor vehicles at 25%

44.0 Security of Assets

44.1 All the items in the register are permanently and visibly marked as the school's property.

44.2 Equipment is, where possible, stored securely when not in use.

44.3 An annual count is undertaken by a member of school staff it must be a different member of staff from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Board of Trustees.

45.0 Disposals

45.1 Disposals, where applicable, are in line with the Academies Trust Handbook.

45.2 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following competitive tender. The Trust must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

46.0 Loan of Assets

46.1 Items of academy property must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.

46.2 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

47.0 Associated documentation

- Academies Trust Handbook
- Scheme of Delegation (St Francis CMAT - Scheme of Delegation)

Appendix A

Financial Level of Authority		
	Central	School
Order Input	Central Finance Officer Executive PA	School Administrator
£0 - £10,000	Finance Director	Headteacher
£10,001 - £20,000	Chief Finance Officer	Chief Finance Officer
£20,001 - £50,000	Chief Executive Officer	Chief Executive Officer
£50,001 – GPA threshold	Board of Directors	Board of Directors

Quotations and Tendering	
£5,000 to £50,000	Three written quotations submitted to Trust for Approval
£50,001 up to GPA threshold	Formal tendering process requiring Full Trust Board approval
Over WTP GPA	"Find a Tender" will be used with Board of Trustee approval

Leases	
All Leases	Chief Finance Officer Approval