

Bradgate Education Partnership

Financial Regulations Manual

Applicable to the Bradgate Education Partnership Multi-Academy Trust schools:

Broomfield Primary School
Church Hill Infants Primary School
Eastfield Primary School
Gaddesby Primary School
Great Dalby Primary School
Newtown Linford Primary School
Roundhill Academy
Seagrave Primary School
Swallowdale Primary School
The Merton Primary School
The Pochin School

Policy Reviewed and Adopted by

MAT Board:

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Responsible Officer:

Finance Director

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1. Introduction

The purpose of this manual is to ensure that the Bradgate Education Partnership Multi-Academy Trust (MAT) 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 Department for Education (DfE) and the requirements of the Academies Financial Handbook.

All academies within the MAT must comply with the principles of financial control outlined in the Academies Financial Handbook (AFH) published by the Education Funding Agency (EFA).—An overriding principle is one of consistency of approach within the Trust and these procedures, along with other Trust policies and procedures, seek to achieve this. This finance manual expands on that guidance, and provides detailed information on the accounting procedures to be followed by all staff within each school. This manual should be read by all staff involved with financial systems.

2. Organisation/Roles

The financial reporting structure is illustrated below:

2.1 Bradgate Education Partnership Trust Board

The MAT Board of Trustees meets at least termly and delegates power to the Local Governing Body (LGB) of each member school. The membership of the Board is determined by the trust's Articles of Association.

The Trust Board will:

- Appoint the Chief Financial Officer for the trust
- Approve a scheme of delegation of financial powers
- Develop other key policies and procedures with regard to financial issues (e.g. procurement policy, investment policy, anti-fraud policy etc.)
- Formally approve the budget plan for supported schools
- Ratify the LGB forecast for the current in-year budget plan of non-supported academies
- Approve a balanced budget for the Trust
- Review financial reports from the Chief Financial Officer and individual schools on at least a termly basis
- Provide “critical friend” challenge to the Trust and its constituent schools
- Agree virements above local limits
- Propose, ratify and adopt Trust and LGB level financial, accounting and procurement policies
- Tender and ratify the appointment of Auditors, Accountants and procedures for internal scrutiny and control
- Ratify banking arrangements including the percentage to support central or trust-wide expenditure
- Produce, review and approve consolidated year end accounts
- Ensure compliance with the Academies Financial Handbook and the Funding Agreement
- Complete and publish a register of business interests
- Appoint an internal assurance function as required by the AFH and Audit Committee

- Appoint subsidiary committees, as deemed appropriate, and establish Terms of Reference for each
- Receive summary reports from committees (e.g. Audit Committee)
- Appoint auditors
- Review the register of formal contracts entered into by the Trust
- Reviewing quotes for goods and services at Trust level

2.2 CEO/Accounting Officer

The Chief Executive Officer will act as the Accounting Officer of the MAT in accordance with the requirements of the Academies Financial Handbook.

The Accounting Officer is responsible for:

- For the financial resources under the Trust's control
- Ensuring high standards of probity in the management of public funds
- Ensuring value for money for the Trust – the economic, effective and efficient use of resources
- Ensuring regularity in the use of public funds
- Propriety in the use of public funds
- Signing a statement on regularity, propriety and compliance to be submitted annually with the audited accounts
- Providing assurance to the Trust Board that there is compliance with the Academies Financial Handbook and the Funding Agreement
- For maintaining a register of formal contracts entered into by the Trust
- Retaining quotes for goods and services at Trust level
- Ensuring Trust level invoices are correctly authorised for payment
- Ensuring records are retained to provide a full audit trail
- Implementing recommendations arising from audit inspections at Trust level
- Manage the corporate risk register and the Trust's overall Risk Management Strategy
- Coordinate and provide support to local finance teams on matters associated with financial matters, budgeting, risk management and internal control
- Appointment of academy headteachers in conjunction with the LGBs

2.3 Finance Director/Chief Financial Officer (CFO)

The Finance Director will act as the Chief Financial Officer for the MAT in accordance with the requirements of the Academies Financial Handbook. The CFO need not discharge all of their duties personally. The trust may decide that its needs are adequately served by employing staff or contractors with the relevant skills and knowledge at the appropriate time.

The CFO/Finance Director is responsible for:

- Producing a draft scheme of financial delegation for the Trust for approval of the Trust Board
- Preparing an annual draft budget plan for consideration by the Trust Board
- Reporting termly to the Trust Board on progress against budget for the Trust and for individual academies
- Drafting financial, accounting and procurement policies for consideration by the Trust Board
- Ensuring sound and appropriate financial governance
- Ensuring risk management arrangements are in place

- Ensuring the delivery of the annual accounts

2.4 Local Governing Body (LGB)

The local school governing body has overall responsibility for the administration of their academy's finances. The main responsibilities of the local governing bodies are prescribed in the Funding Agreement and in the academy's scheme of delegation. The main responsibilities include:

- Holding a full LGB meeting at least 3 times per year
- ensuring that grant from the DfE is used only for the purposes intended;
- approval of the annual budget (non-supported academies)
- reviewing the annual budget and recommending its acceptance or otherwise to the Trust Board (supported academies)
- appointment of the Headteacher in conjunction with the CEO
- appointment of the School Business Manager/Bursar, in conjunction with the Headteacher
- adoption of the scheme of delegation as determined by the Trust Board
- reporting to the Trust Board on decisions taken under delegated powers via minutes
- formally approving the annual academy budget
- seeking approval from the Trust Board for an in-year deficit budget before approval at local level
- Development and approval of a deficit budget plan, where relevant
- considering the Headteacher's report at each meeting and seeking relevant explanations and documentation where required
- adoption of Trust and LGB financial, accounting and procurement policies
- operating within delegated authorisations limits
- Produce and review year end academy accounts
- Completing a register of business interests
- Overall responsibility for the operation of a robust internal control environment within the school
- Receiving updates / summary reports from local committees (e.g. Finance Committee)
- Development of a Business Continuity Plan
- Ensure compliance with the Academies Financial Handbook and the Funding Agreement
- Ensure regularity, probity and value for money in the use of public funds
- Reviewing quotes for goods and services as required

2.5 The Finance Committee

The Finance Committee (or similar) is a committee of the LGB. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of the Finance Committee are detailed in written terms of reference which have been adopted by each LGB. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- authorising changes to the academy personnel establishment and;
- reviewing the reports of the internal and external auditors on the effectiveness of the academy financial procedures and controls. These reports must also be

reported to the LGB.

2.6 The Headteacher

Within the framework of the academy development plan as approved by the local governing body, the Headteacher has overall executive responsibility for the academy's activities including financial activities. The Headteacher has delegated powers and functions in respect of internal organisation, management and control of the academy. The Headteacher has responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the LGB have agreed should be approved by them;
- authorising contracts and expenditure in line with the Trust finance policy.
- authorising expenditure in accordance with the Trust finance policy
- ensuring that all expenditure, resources and assets are managed efficiently, economically and effectively
- ensuring that financial controls are maintained
- ensuring that financial considerations are taken into account when taking decisions and implementing them
- managing the budget during the year in conjunction with the School Business Manager/Bursar
- Implementation of all policies approved by the LGB or Trust Board
- The direction of teaching and the curriculum
- Preparing an annual draft budget plan for consideration by the LGB
- Ensuring regular reports on progress against budget are provided to the LGB
- Ensuring the maintenance of a register of formal contracts entered into
- Retaining quotes for goods and services
- Ensuring invoices are authorised prior to payment
- Ensuring records are kept to provide a full audit trail
- Implementing recommendations arising from audit inspections at school level
- Managing the academy risk register

2.7 The School Business Manager/Bursar

(The term 'SBM/Bursar' refers to those staff in positions of financial responsibility within each academy including School Business Managers, Bursars, and Finance Officers)

The SBM/Bursar works in close collaboration with the Headteacher through whom they are responsible to the governors. The SBM/Bursar also has direct access to the governors via the Finance Committee. The SBM/Bursar has delegated powers and functions in respect of financial organisation, management and control within the academy.

The main financial responsibilities of the SBM/Bursar are:

- the management of the academy's budget at a strategic and operational level within the framework of delegation determined by the Trust
- the day to day management of financial issues
- implementation and maintenance of effective systems of internal financial control
- ensuring that information required for the production of the Trust's annual accounts is properly presented and adequately supported by the underlying books and records of the academy
- to co-operate with and support internal and external auditors conducting work at the academy
- the preparation of monthly management accounts for the Headteacher and CFO

- authorising expenditure in conjunction with the Headteacher or other authorised signatory up to agreed limits
- ensuring any forms and returns are sent to the EFA and other stakeholders in line with published timetables
- preparing in conjunction with the Headteacher, a draft annual budget plan for the consideration of the LGB
- preparing an annual cash-flow statement for review by the headteacher and LGB
- preparing 3-5 year budget forecasts for review by the headteacher and LGB
- investing surplus funds in accordance with the Trust's Investment Policy
- Review of all key financial policies

2.8 Internal Audit/Responsible Officer

The Internal Auditor/RO service is appointed by the Trust board on behalf of all schools within the MAT. The internal auditor/RO provides LGBs and the Trust Board with an independent oversight of the academy's financial affairs. The main duties of the internal audit/RO service are to provide LGBs and the Trust Board with independent assurance that:

- the financial responsibilities of the LGBs are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

2.9 Other Staff

Other members of staff will have financial responsibilities which must be exercised in accordance with this policy. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Individual budget holders are responsible for:

- ensuring that expenditure is appropriately ordered
- ensuring that the Trust's procurement policy is adhered to (e.g. quotations to achieve value-for-money)
- checking monthly statements of income and expenditure against their budget
- reporting errors or irregularities to the SBM/Bursar
- reporting any actual or potential over-spends providing reasons

3. Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection and is required to be published on the school's website.

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

In accordance with the Academies Financial Handbook, Members, Directors, Trustees and Governors must exercise great care where seeking to trade with connected parties, in particular to ensure that there is transparency, adequate authority and full compliance with the requirements of the AFH.

4. Financial accounting system

All financial transactions of each academy within the MAT must be recorded on the local financial information accounting system which is Capita SIMS/FMS. The Trust also purchases Capita SIMS/Multiview to enable MAT level financial reporting.

System Access

The SBM/Bursar is responsible for setting up and removing users on SIMS/FMS and for setting appropriate access levels. Access will be afforded on a “need to do” basis. Entry into SIMS/FMS, is password restricted and each user must ensure their password is changed at regularly, or immediately if it is compromised.

The creation and deletion of ledger codes will be determined by the MAT Finance Director only.

Back-up Procedures

The Headteacher is responsible for ensuring that there are effective and secure back up procedures for both the local financial information system (SIMS/FMS) and locally held financial and pupil information such as spreadsheets. Back-up copies should be taken on at least a weekly basis.

The individual academies Risk Management plans and Business Continuity Plans must include strategies to deal with the loss of accounting facilities or financial data. Systems, including back-up procedures, must be put in place to mitigate risks.

Transaction Processing

All financial entries to SIMS/FMS must be authorised in accordance with this Finance Policy. Segregation of duties should be adhered to at all times taking into account the particular circumstances of each individual academy. All paper documents must be signed correctly and kept for future scrutiny.

5. Month End Procedures

Each academy will complete month end financial closure promptly.

The SBM/Bursar is responsible for completion of the VAT126 on a monthly basis.

The SBM/Bursar is responsible for carrying out monthly reconciliations to ensure the integrity of the financial accounting system. These will include reconciliation of:

- Payroll control account;

- VAT control account
- Bank balance per the nominal ledger to the bank statement.
- Unreconciled items, e.g. unreconciled income, unrepresented cheques
- Credit card control
- Debtor control
- Creditor control
- Review of balances & reserves

The SBM/Bursar will review and sign all reconciliations as evidence of his/her review. Reconciliations will be subject to occasional review by an independent person.

Monthly budget monitoring reports

As part of the month end procedures, the SBM/Bursar will produce the following budget monitoring reports for the Headteacher:

- Income/Expenditure report – significant variances must be highlighted and explained and actions proposed to deal with these
- Cash-flow statement
- Monthly upload of information to Multiview

6. Financial Planning

Each academy prepares both medium term and short-term financial plans.

The medium term financial plan is prepared as part of the academy development planning process. The Headteacher is responsible for maintaining and updating the school development plan.

The school development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year.

The SBM/Bursar is responsible for preparing the detailed annual budget and 3 year financial projection, in conjunction with the Headteacher and MAT Finance Director.

School Development Plan

The development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the development plan are matters for the academies to decide but due regard should be given to the matters included within the EFA/DFE guidance to Academies and any Trust priorities.

The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The SBM/Bursar is responsible for preparing and obtaining approval for the annual budget. The budget must be reviewed by each individual academy's Finance Committee and approved by the LGB.

The Finance Director is responsible for establishing a timetable which allows sufficient time for the budget approval process and ensures that the individual academy budgets can be amalgamated for submission to the EFA by 31st July each year. The following annual budget cycle provides a framework for the process:

January	SLT work on next year's priorities & staffing requirement and discuss with LGB
February	GAG statement received from EFA. Start to construct following year's budget
May	Proposed budget is presented to the Finance Committee/LGB
June	LGB to review and approve proposed budget. SBM to submit this to FD
June	Trust Board to review and approve consolidated Trust budget
July	FD to submit consolidated Trust budget to EFA by 31 st July
July/August	Auditors start preparative work for annual accounts
October	Annual census completed which is used as the basis for the following academic year's GAG calculation. Draft annual accounts produced by auditors
Nov/Dec	Final Annual Accounts produced and filed by 31 st December

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 development plan objectives and the budgeted utilisation of resources.

The academy budgetary planning process will incorporate the following elements:

- consideration of the academy's EFA funding statement
- forecasts of the likely number of pupils to estimate the amount of grant receivable;
- 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 base;
- identification of potential efficiency savings and
- 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.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or deficit in funding.

If a deficit is 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.

Agreement to a deficit budget may be given if the academy has sufficient reserves to cover the planned deficit.

If a surplus is identified, this may be held back as an uncommitted reserve for use by the academy in future years.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the SBM/Bursar for approval by the Trust Finance Director and Accounting Officer/CEO prior to being signed off by the Finance Committee and the LGB. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

The budget should be seen as a working document which may need revising throughout the year as circumstances change.

7. Virements

Virements within the budget can be made as follows but should be reported to the Finance Committee and LGB as soon as possible:

a) Non-supported academies:

- Up to £5000 (Primary) - SBM/Bursar & Headteacher
- Up to £10,000 (Secondary) – SBM/Bursar
- Up to £15,000 – SBM and Headteacher, reporting to LGB
- Over £15,000 – Trust Board

b) Supported academies:

- Up to £2500 (Primary) - SBM/Bursar & Headteacher
- Up to £5,000 (Secondary) – SBM/Bursar
- Up to £10,000 – SBM and Headteacher, reporting to LGB
- Over £10,000 – Trust Board

c) Trust or Trust-wide budgets:

- Up to £10,000 – CFO
- Up to £15,000 – CFO and CEO
- Over £15,000 – Trust Board

8. Staff Appointments

Each LGB has approved a staffing structure for the academy. Changes can only be made to this structure with the express approval of the LGB who must ensure that adequate budgetary provision exists for any changes.

The Headteacher has authority to appoint staff within the authorised staffing structure and to make changes to contracts within that structure.

The SBM/Bursar or Office Manager must maintain personnel files for all members of staff which

include contracts of employment. Contract details must be entered promptly on to the SIMS Personnel system.

9. Payroll Administration

The academy payroll is administered through the Academy's payroll provider – currently Leicestershire County Council East Midlands Shared Services.

All staff are paid monthly through the Academy payroll provider.

All contracts are to be entered on to the SIMS Personnel system.

Any contracts or amendments to contracts must be authorised by the CEO or the Headteachers of individual schools. Records of any contracts or amendments to contracts must be held on individual personnel files.

The CEO, Headteachers and SBMs/Bursars may not authorise changes to their own contracts of employment. Such changes must be authorised as follows:

- For the CEO – by the Chair of the Trust Board
- For the Headteacher – by the Chair of the LGB
- For the Finance Director, SBM or Bursar – by the Headteacher

Each school will ensure that staff absence is reported on a monthly basis to the payroll provider.

Each school will ensure that timesheets submitted by members of staff - for supply teachers, overtime claims, casual claims and lettings for example, are submitted to the payroll provider in a timely manner to meet payroll deadlines.

The SBM/Bursar must ensure that all monthly payroll payments are reconciled to underlying salary, national insurance and superannuation records. Where discrepancies arise, these must be investigated promptly and referred back to the payroll provider for clarification and resolution.

The SBM/Bursar must ensure that, following posting of the payroll payments to SIMS/FMS and the corresponding BACS transfers, the payroll control account balances to nil. This reconciliation must be performed on a monthly basis.

All salary payments to employees are to be made by BACS, unless schools are notified by the payroll provider of the need to make a payment to an individual by cheque.

The employment status of individuals should be assessed before making such payments, to ensure HMRC rules are followed regarding the taxation of employment.

Staff expenses

The Trust will reimburse staff for expenses claimed that have been reasonably incurred in the course of their duties. Claims must be prepared and signed by the claimant and, where appropriate, substantiated by a valid VAT receipt. The mileage rate payable is linked to the current HMRC mileage allowance rate. Travel claims will only be paid for additional mileage over and above the standard home to work travel.

10. Whistleblowing

The Trust ensures that adequate procedures are in place for whistleblowing, including making sure that all staff are aware of whom they can report their concerns to and how such concerns will be managed. Staff should refer to the separate whistleblowing policy for details, a copy of which will be located in each individual school.

11. Purchasing

The MAT wants to achieve the best value for money from all purchases. This means getting what is needed in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and schools 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 MAT;
- **Accountability**, the MAT is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the MAT and the individual schools are dealt with on a fair and equitable basis.

Delegated authorities for the ordering of goods and services in **non-supported academies** is as follows (value limits refer to the total cost of a contract over a whole period and not just for the current financial year):

- Purchases up to £1000 – budget holder
- Purchases up to £5000 – budget holder and either SBM/Bursar or Headteacher
- Purchases up to £10,000 (primary) - LGB
- Purchases up to £15,000 (secondary) – SBM/Bursar and Headteacher
- Purchases between £15,000-£50,000 - LGB
- Purchases over £50,000 – Trust Board

Delegated authorities for the ordering of goods and services in **supported academies** is as follows:

- Purchases up to £500 – budget holder
- Purchases up to £2500 – budget holder and either SBM/Bursar or Headteacher
- Purchases up to £5000 – LGB
- Purchases over £5000 – Trust Board

Delegated authorities for the ordering of goods and services at **Trust level or Trust-wide**:

- Purchases up to £5000 – CFO
- Purchases up to £15,000 – CFO and CEO
- Purchases over £15,000 – Trust Board

Routine Purchasing

Budget holders will be informed of the budget available to them at 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.

A quote or price must always be obtained before any order is placed in line with the following:

- Purchases up to £1,000 One verbal quote
- Purchases from £1,000 to £2,500 One verbal quote plus ESPO
- Purchases from £2,500 to £5,000 Two verbal quotes plus ESPO
- Purchases from £5,000 to £10,000 Two written quotes
- Purchases greater than £10,000 Three written quotes.

Where it is not possible to obtain quotes, this should be routinely reported to the local Finance Committee for ratification. Where a quote other than the cheapest is taken up, this too should be routinely reported to the local Finance Committee for ratification, along with the rationale behind the decision to take up a quote other than the cheapest.

The SBM/Bursar will determine whether the appropriate budget has sufficient funds to meet the order.

Where sufficient funds are identified, an official Purchase Order will be raised on SIMS/FMS, and signed by the Headteacher. Once authorised, the Purchase Order will be sent to the supplier or contractor.

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.

GRNs should be filed by the Finance Department.

All invoices should be sent to the Finance Department. All invoices must be authorised for payment by the Headteacher or SBM/Bursar.

Prior to payment, all invoices must be cross-checked against the GRN to ensure goods have been received and the correct charge has been made.

Minor Building Repairs

For minor building repairs, the following levels of authorisation for expenditure will apply:

- Up to £1000 – Site Manager/Premises Officer (in emergencies only)

All other purchases to be authorised in accordance with section 11 of this policy.

12. Purchase Cards/GPC Cards

Any balance must be cleared in full at the end of each month by direct debit between the bank and the card provider.

Any purchase made using the card must be authorised in the same way as any other purchase order as detailed in this policy. Purchase receipts/invoices must be provided to the SBM/Bursar for any purchase made using the card.

Cards must not be used for cash withdrawals.

Receipts/invoices will be reconciled against the credit card statement on a monthly basis.

All purchase cards will be kept in the school safe. Only the Headteacher may authorise a member of staff to take the card out of school in order to purchase items on behalf of the school.

In these circumstances, a record must be maintained of who has taken the card, and the individual concerned must sign the record to confirm that they have taken the card out of school. The Headteacher or SBM/Bursar must sign to confirm that the card has been returned.

All receipts must be provided to the SBM/Bursar immediately on return to the school.

Persons authorised to be card holders are:

- CEO
- Finance Director
- The Headteacher
- School Business Manager/Bursar
- Other staff as authorised by individual headteachers

Individual card limits must not exceed £1000.

13. Internet Purchasing Procedures

Internet purchases may be made if there is a clear benefit to the academy e.g.

- A cheaper price or discount (taking into account whether VAT is recoverable)
- Better delivery time
- A product is unique to a particular supplier

A purchase order must be raised for all goods and authorised in line with this policy.

Each purchase must be accompanied by a confirmation sheet giving details of the product purchased, the date and the total cost.

All goods purchased via the internet on behalf of the academy will be purchased using the relevant academy's credit card.

14. 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 the Finance Director how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact them directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - I. there is a need to maintain a balance between the contract value and administrative

costs,

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

Preparation for Tender

Full consideration should be given to:

- the objective of the project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

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.

Invitation to Tender

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.

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 and
- form of response.

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.

- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be 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 should not normally be accepted.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For contracts up to £25,000 - two persons from the following list: the Headteacher, the SBM/Bursar, the Chair of the LGB, the Finance Director;
- For contracts over £25,000 - either the Finance Director or the CEO plus a member of the Trust Board.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

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.

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.

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.

Where required by the conditions attached to a specific grant from the EFA, their approval must be obtained before the acceptance of a tender.

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

15. Income

The main sources of income for the MAT are the grants from the EFA. The receipt of these sums is monitored directly by the SBM/Bursar in the individual schools, who is responsible for ensuring that all grants due to the academy are collected.

The academies also obtain income from:

- students, mainly for trips and
- the public, mainly for lettings
- the LA for High Needs Funding

Income received must be stored securely in the school safe and must not exceed the upper limit of the school safe.

All income received must be banked promptly and entered onto FMS promptly.

16. Trips

All school trips must be carefully budgeted for prior to the trip being approved. All calculations should be reviewed and approved by the Educational Visits Coordinator.

School trip monies should be paid in directly to the School Office/Finance Office, who will record and receipt monies in line with recommended good practice. Where pupils are paying a reduced fee, adequate authorisations should be held in support of this (e.g. children in receipt of pupil premium).

The Finance Department should maintain an up to date record for each student showing the amount paid and the amount outstanding.

All pupils and staff engaging in school trips and visits will be covered by school trip insurance – The cost of this insurance should be borne by all the trips going out in that financial year.

If, at the end of the trip there is a credit balance remaining on the account, refunds will be given to parents if over £5 per pupil.

Budgeted floats can be given to trip leaders for the duration of the trip. Trip leaders should ensure that the floats are kept as secure as possible whilst on the trip and endeavour to provide evidence of all money spent (e.g. receipts). Trip leaders must provide a clear and detailed breakdown of how the float has been spent, with any receipts attached within one week of the trip returning. In addition, all unspent or unaccounted for amounts should be returned to the SBM/Bursar within one week of returning from the trip.

17. Lettings

The SBM/Bursar is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.

Details of organisations using the facilities will be held by the Finance Department who will produce a sales invoice from SIMS/FMS.

No debts should be written off without the express approval of the governing body (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Organisations using the facilities should be instructed to send all payments to the Finance Department.

18. Debt Management

Where an academy issues an invoice, payment terms will be on demand.

Where payment is not received, the following process shall apply:

- 1 week after invoice issued – contact made by phone to chase payment
- 2 weeks after the first contact – a first reminder letter will be sent
- 2 weeks after the first reminder letter, the debt will be referred to the Headteacher
- If appropriate, the debt may be referred to the Legal services provider for further action

The Academy reserves the right to withdraw the provision of services where bad debts arise (e.g. use of premises).

Write-off levels

The following personnel are authorised to write off bad debts as shown:

a) Non-supported academies:

- debts up to £500 - Headteacher
- debts up to £1000 - LGB
- debts over £1000 – Trust Board subject to limits set out in the AFH

b) Supported academies:

- Debts up to £100 – Headteacher
- Debts up to £500 – LGB
- Debts over £500 – Trust Board subject to limits set out in the AFH

c) Trust or Trust-wide budgets

- Debts up to £500 – CFO
- Debts above £500 – Trust Board

19. Custody

Official, pre-numbered academy receipts should be issued for all cash and cheques received

where no other formal documentation exists.

All cash and cheques must be kept in the school safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit on the school safe.

Monies collected must be banked in their entirety in the appropriate bank account. The SBM/Bursar is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the SBM/Bursar.

20. Cash Management

Bank Accounts

The opening of all accounts must be authorised by the Finance Director and LGB who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as BACS and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

Particulars of any deposits must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit and
- a reference, such as the number of the receipt or the name of the debtor.

21. Payments

All cheques, or BACS run reports, authorising withdrawals from academy bank accounts must bear the signatures of two authorised signatories.

A signatory is authorised to sign cheques/BACS runs to the same value as for their delegated authorisation limit for ordering goods/services specified in this policy.

This provision applies to all accounts operated by or on behalf of the governing body of the academy.

Authorised signatories must not sign blank cheques under any circumstances.

a) Authorised signatories for non-supported academies:

- Headteacher;
- Assistant/Deputy Headteacher;
- SBM/Bursar (except where SBM/Bursar also releases BACS)
- Chair of Governors;
- Trust CEO
- Other members of staff/governors as determined locally

For any payment over £5000 in primary academies, one signatory must be the Chair of the LGB. This requirement also extends to BACS runs, where any individual payment within the BACS run exceeds £5,000.

For any payment between £10,000-£50,000 in secondary academies, one signatory must be the Chair of the LGB.

For any payment over £50,000 one signatory must be the Trust's Accounting Officer (CEO)

b) Authorised signatories for supported academies:

- Headteacher;
- Assistant/Deputy Headteacher;
- SBM/Bursar (except where SBM/Bursar also releases BACS payments)
- Chair of Governors;
- Trust CEO

For any payment between £2500-£5000, one signatory must be the Chair of the LGB

For any one payment over £5000, one signatory must be the Trust's Accounting Officer (CEO)

c) Authorised signatories for Trust or Trust-wide expenditure:

- CEO
- CFO
- Trustee
- Member

For any payment above £15,000 one signatory must be an authorised Trustee.

Financial Administration

The SBM/Bursar must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's FMS system;
- bank reconciliations are periodically reviewed by the Headteacher
- adjustments or discrepancies arising are dealt with promptly.

22. Petty Cash Accounts

Primary academies may maintain a maximum cash balance of £100. Secondary academies may maintain a maximum cash balance of £500. The cash is administered by the school office/Finance Department and is kept in the school safe.

Purchases made through petty cash must be pre-authorised by the Headteacher or SBM/Bursar.

The SBM/Bursar is responsible for entering petty cash transactions on the FMS system promptly.

Wherever possible, staff reimbursements will be processed by BACS.

Deposits

The only deposits to petty cash should be from cheques cashed specifically for the purpose.

The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment.

All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £25 (primary) or £100 (secondary). Higher value payments should be made by BACS or cheque directly from the main bank account as a cash book payment.

Administration

The school office/Finance Department is responsible for entering all transactions into the petty cash records on a regular basis, and regular, as well as unannounced cash counts, should be undertaken by the school office/Finance Department to ensure that the cash balance reconciles to supporting documentation.

The SBM/Bursar is responsible for reconciling the petty cash on a monthly basis.

Physical Security

Petty cash should be held in a locking cash box which is kept in the safe.

23. Cash Flow Forecasts

The SBM/Bursar is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations.

If significant balances can be foreseen, steps should be taken to invest the extra funds in line with the MAT's investment policy. Similarly plans should be made to transfer funds from another bank account or to re-profile Income and Expenditure to cover potential cash shortages.

24. Investments

Investments must be made only in accordance with the written investment policy approved by the Trust board. The key principle is to maximise investment income but in low risk investment opportunities.

All investments must be 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.

25. Fixed assets

Asset register

All items purchased with a value over the Trust's capitalisation limit of £1000 must be entered in an asset register in line with the Capitalisation and Depreciation Policy. The asset register should include the following information:

- asset description
- asset number
- serial number

- date of acquisition
- asset cost
- source of funding (% of original cost funded from DFE 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 and the academy's financial system and
- to support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register.

Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it, this should be noted.

Disposals of Assets

Items which are to be disposed of by sale or destruction must be authorised for disposal in accordance with the following scheme of delegation and, where significant, should be sold following competitive tender:

a) Non-supported academy:

- Original value up to £2500 – SBM/Bursar & Headteacher
- Original value between £2500-£5000 – SBM/Bursar and Headteacher, reporting to the CFO
- Original value between £5000-£15,000 – LGB reporting to Trust Board
- Original value above £15,000 – Trust Board, plus EFA approval in line with limits in latest Academies Financial Handbook for assets bought with EFA grant funding

b) Supported academy:

- Original value up to £500 – SBM/Bursar & Headteacher
- Original value up to £2500 – SBM/Bursar & Headteacher reporting to the LGB
- Original value between £2500-£15,000 – LGB reporting to Trust Board
- Original value above £15,000 – Trust Board, plus EFA approval in line with limits in latest Academies Financial Handbook for assets bought with EFA grant

funding

c) Trust or Trust-wide budgets:

- Original value up to £2500 – CFO
- Original value between £2500-£15,000 – CFO and CEO reporting to Trust Board
- Above £15,000 – Trust Board, plus EFA approval in line with limits in latest Academies Financial Handbook for assets bought with EFA grant funding

The academy must seek the approval of the EFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the EFA a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

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 to the academy when it is returned.

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.

26. Gifts & Hospitality

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 should be reported to the Headteacher in order to protect the individual receiving the gift. 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. Each school must maintain a register of gifts & hospitality in line with the Trust's Gifts & Hospitality policy.

27. Insurance

The Trust Board is responsible for ensuring that there is adequate insurance cover in place.

Insurance will be required for governing body liability, public liability, premises, equipment, school trips and any other insurance felt necessary to protect against risk to the operations of the school in general.

The LGB must ensure that all insurance cover is adequate. The policies entered into must demonstrate best value.

The LGB will meet the excess from insurance claims or any losses not covered by insurance,

from the school's budget.

The SBM/Bursar shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim. The SBM/Bursar will record and file details of all accidents, losses and incidents.

28. Leasing

Equipment should only be leased as a last resort and, only when outright purchasing is not possible, or the cost of leasing is very low. Before any lease is agreed, approval should be given by the Finance Committee. Only operational leases may be entered into.

29. Depreciation

Depreciation on assets is as at the following rates:-

- | | |
|---------------------------------|-------------------|
| • Freehold Buildings | 1% straight line |
| • Long Lease Property | 1% straight line |
| • Motor Vehicles | 10% straight line |
| • Plant & Machinery | 10% straight line |
| • Furniture & Equipment | 20% straight line |
| • Computer Equipment & Software | 25% straight line |

Depreciation on assets in the course of construction is not charged until they are brought into use.

30. Fraud & Financial Irregularity

The Trust has a zero tolerance approach to all forms of fraud and financial irregularity. This includes bribery and corruption. Fraud allegations will be investigated thoroughly and suspected crimes will be reported to the Police, where relevant. This process will run parallel to any internal disciplinary action. The Trust will take all reasonable steps to recover fraud losses, e.g. through civil recovery action.

All frauds should be reported to the LGB, the Trust Board and the Accounting Officer. Where the value of the fraud exceeds £5,000, this should be routinely reported to the EFA.