



Marish Academy Trust

(Marish Primary School &
Willow Primary School)

Financial Regulations
(Including appendix 1 and 2 as separate documents)

(Derived from the Academies Trust Handbook 2024)

Approved by the Strategic Board:

Signed:

(Chair of Trustees)

Date:

Signed:

(Executive Headteacher/Chief
Executive)

Date:

Introduction	41. Organisation, Roles and Responsibilities	5
2. Corporate Governance		6
3. Budget Setting and Financial Planning:		8
Other Grants and specific funding		9
Funds held in Trust		9
Virements		9
Revised Budget		9
Budget Forecast Return		9
Monitoring and review (including Management Accounts)		10
4. Audit Arrangements		10
External Audit		10
Internal Audit		11
5. Purchasing		11
Conflict of Interest	Error! Bookmark not defined. Routine Purchasing	11
Specification		11
Ordering of Goods & Services		13
Receipt of Goods and Services		13
Processing Invoices for Payment		14
Payment of Invoices		15
Orders below £5,000		15
Orders over £5,000 but less than £15,000		16
Orders over £15,000 but less than £30,000		16
Orders over £30,000		16
Forms of Tenders		17
Preparation for Tender		17
Invitation to Tender		17
Aspects to Consider		17
Tender Acceptance Procedures		18
Tender Opening Procedures		18
Tendering Evaluation Procedures		18
Tender Approval		19
Leasing Arrangements		209

All Procurement	19
Business Charge Card	19
Register of Interests	20
6. Income	20
Trips and Academy Clubs	20
Charging and Remissions	21
Remissions	21
Investments	21
Reserves	22
Capital Reserves	22
7. Cash Flow & Cash Management.	22
Bank Accounts	22
Deposits	22
Payments and withdrawals	22
Administration	22
Expenses	233
Petty Cash Accounts	243
Cash Flow Forecasts	243
8. Fixed assets.	243
Asset Register	243
Security of assets	243
Tangible Fixed Assets	23
Equipment	244
Depreciation	254
Loan of Assets	254
9. VAT / Taxation.	24
10. Insurances.	25
11. Grant Funded Expenditure.	265
12. Controlled Financial Stationery.	25
13. Gifts, Hospitality and Benefits	26
14. Payroll	27
15. Governors/Trustees Expenses	28

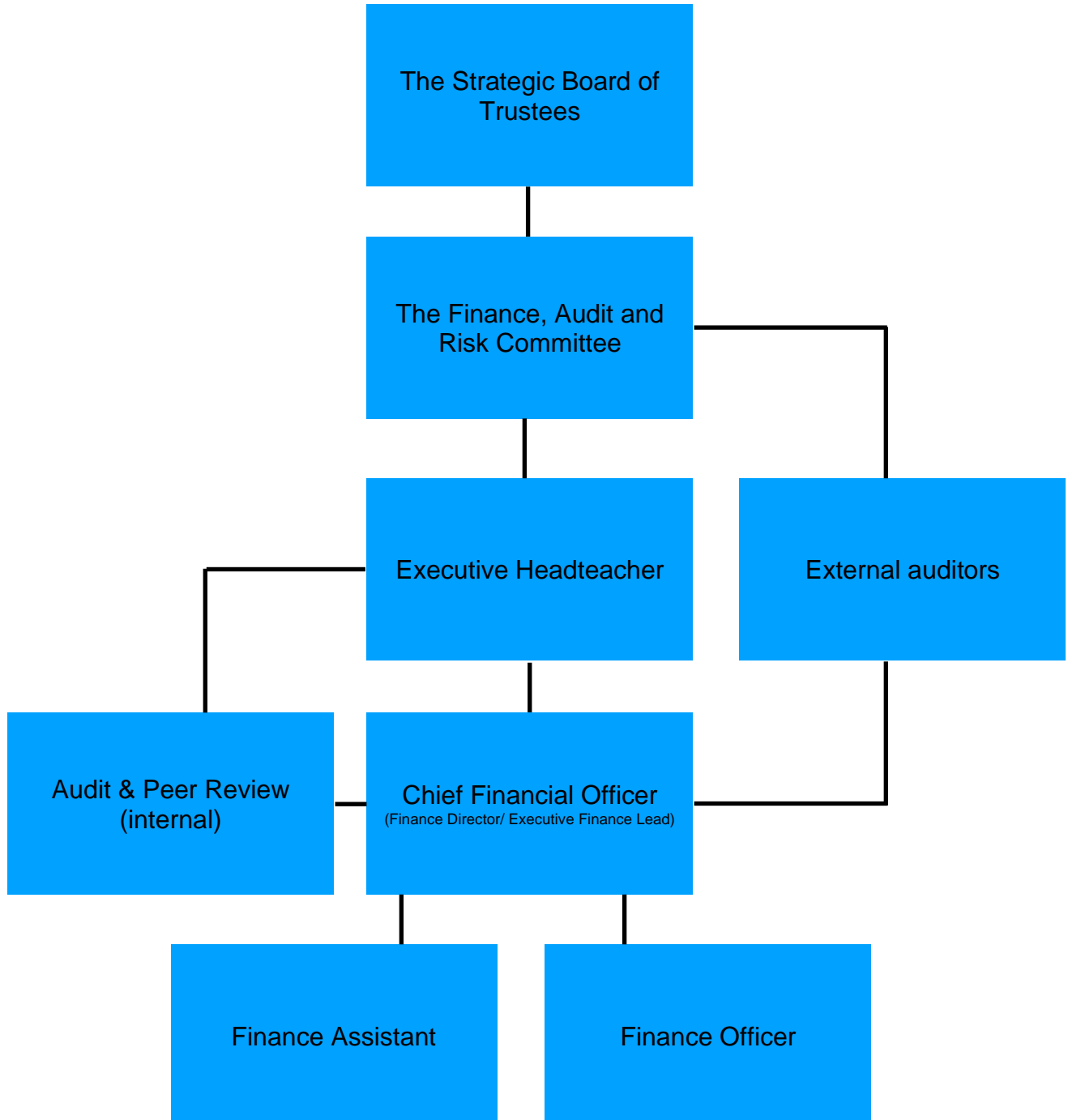
Introduction

1. Whilst this manual is derived from the Academies Trust Handbook 2024, Trustees remain mindful of their statutory obligations at all times and continually refer back to DFE guidance especially in regard to strategic financial planning and decision making.
2. This manual expands on detailed financial procedures but Marish Academy Trust is not limited by financial operational procedures. The leadership team including Trustees regularly consider wider strategic objectives and key performance indicators (KPIs) to ensure not only best value for money but also the future and continuing success for our organisation.
3. Compliance with these financial regulations is compulsory for all staff and Trustees. Any member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Trust's disciplinary policy. It is the responsibility of managers to ensure that their staff are made aware of the existence and content of the Trust's financial regulations.
4. The purpose of this manual is to ensure that the Academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement with the Education & Skills Funding Agency (ESFA) and the Department for Education (DfE).
5. The Academy must comply with the principles of financial control outlined in the Academies Guidance published by the ESFA and DfE. This manual expands on that and provides detailed information on the Academy's accounting procedures and the manual should be read by all staff involved with financial systems.
6. We must ensure that we adhere to the guiding principles of the Academies Financial Handbook, and this manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities formed from this financial regulation manual.

1. Organisation, Roles and Responsibilities

The Academy has defined the responsibilities of each person involved in the administration of Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. This is designed to ensure that there is a robust oversight and efficient processes, with sound internal controls. The financial reporting structure is illustrated below:

Table 1 – The financial reporting structure



2. Corporate Governance

The Strategic Board of Trustees:

The Board of Trustees is a diverse group, with the necessary level of skills and knowledge to ensure that they are able to comply with the legal and contractual duties laid out in the Academy Trust Handbook (ATH) 2024, and the Governance Handbook. They are supported by governors who are drawn from the staff and parents in our trust-wide community and elected by them. As required by the AFH we have reserved spaces for parents, carers or other individuals with parental responsibilities in our governance structure.

All Trustees apply the highest standards of conduct to ensure robust governance, complying with charity law and the funding agreement. With specific regards to finance, the Trustees will seek to ensure regularity and propriety in the use of the Trust's funds by achieving economy, efficiency and effectiveness. The trustees **must** also take ownership of the trust's financial sustainability and its ability to operate as a going concern.

Trustees are appointed by the Trust Members. Members will not be employees or occupy unpaid staff roles. Nor will they be any person to Section 128 direction under the Education and Skills Act 2008 applies. Currently the Trust's senior executive leader is a trustee. From 1st March 2022 any newly appointed senior executive leader can only be a trustee if certain criteria outlined in ATH 2024 at paragraph 1.22

The Strategic Board of Marish Academy Trust has a rigorous annual programme of self-evaluation which is complemented by regular independent reviews by external professionals. Such external reviews of governance are also consider the interaction between members and trustees, including the extent to which members are able to assure themselves that the trustees undertake their duties effectively

The Trust also appoints a governance professional, (formerly known as 'clerk to the board), who is someone other than a trustee, principal or chief executive of the trust, and this person will ensure that our register of interests is kept up to date.

The Strategic Board meets 11 times a year, every month except August. Three times a year the Local Advisory Board (LAB) meets during the Strategic Board meeting, but all non – trustee governors are invited to attend each Strategic Board meeting, as observers and to build capacity and experience within the broader team.

In addition to the duties outlined above, Trustees will also approve a balanced budget and ensure decisions regarding executive pay reflect a robust, evidence-based process which is transparent, proportionate and justifiable. The board of trustees must:

- ensure that financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable
- take a longer-term view of the Trust's financial plans, consistent with the requirement to submit three-year budget forecasts to ESFA
- as part of its management of the Trust's funds, explain its policy for holding reserves in its annual report.
- ensure bank accounts do not become overdrawn and report to the ESFA where there are concerns over financial management
- review the scheme of delegation annually, and immediately when there has been a change in trust management or organisational structure.
- Ensure the solvency of the Trust and the safeguarding of the Trust's assets.
- Appoint, grade, suspend, dismiss and determine the pay and conditions of service of the CEO and other senior post-holders.
- Set a framework for pay and conditions of service of all other staff.
- Ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the Trust are appropriate and sufficient to safeguard public funds.
- Approve the appointment of external auditors and an internal audit service.
- Secure the efficient, economical and effective management of all the Trust's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the Trust is not put at risk.

- Ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution, including that purchasing adheres to an integrated approach to curriculum and financial planning.
- Plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure.
- Approve an annual budget before the start of each financial year.
- Ensure that the Trust complies with audit guidance as specified in the Academies Financial Handbook.
- Approve the Trust's strategic plan.
- Approve the annual financial statements.
- The board should have sufficient financial knowledge to hold the executive to account

Additionally, the Strategic Board is mindful of the following duties, which have always been statutory but now reiterated in ATH 2024:

- safeguard and promote the welfare of children
- have regard to any statutory guidance on safeguarding issued by the Secretary of State
- ensure the suitability of staff, supply staff, volunteers, contractors and proprietors.
- the Prevent duty as required under section 26 of the Counter Terrorism and Security Act and the Home Office's 'Revised 15 Prevent duty guidance: for England and Wales' and the DfE's general advice 'Protecting children from radicalisation: the prevent duty'.
- have regard to the Health and Safety at Work etc. Act 1974 and its regulations, especially the duty that the academy trust, as an employer, is responsible for the health and safety of its staff, pupils, and any visitors.
- follow the Department's 'Health and Safety: responsibilities and duties for schools' as well as 'Health and Safety Executive (HSE) guidance for Education
- understand that our academy trust's estate is both an asset and a mechanism to deliver outcomes for pupils and so we have a duty to manage it strategically and maintain it in a safe working condition.
- ensure enhanced Disclosure and Barring Service (DBS) certificates are obtained as appropriate for all staff and supply staff. and all academy trust members, trustees and individuals on any committees including local governing bodies, which does not include a barred list check (unless in addition to their governance duties they also engage in regulated activity)
- publishing on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, for the previous year ended 31 August.
- make available for public inspection: the agenda for every meeting of the trustees, local governing bodies and committees; the approved minutes of each meeting; any report, document or other paper considered at each meeting, unless these are confidential because they pertain to individual staff members or pupils.

Accounting Officer

The Executive Headteacher is the Trust Accounting Officer and has a personal responsibility to Parliament and to the ESFA's accounting officer for financial matters under the Trust's control. The appointment of an Accounting Officer does not remove the responsibility of Trustees for the proper conduct and financial operation of the Trust.

The Accounting Officer as with all senior members of Trust staff must adhere to the 'seven principles of public life'. The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the Trust Board that there is compliance with the funding agreement and handbook.

The Accounting Officer and Chief Financial Officer should not be occupied by the same individual.

The Finance, Audit and Risk Committee:

The Finance, Audit and Risk Committee meet on a regular basis, at least six times annually. This committee has been delegated, by the board, to ensure the financial oversight and scrutiny of the Trust. During these meetings, the management accounts are shared and discussions ensure the financial viability of the Academy.

Moreover, the committee will:

- support the internal scrutiny of the Trust by reviewing the ratings and responses on the risk register
- review reports from the internal auditors to clarify what information should inform the committee's program of work.
- review the external auditor's plan each year

- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal each year and retendering each at least every 5 years.

The management of school resources and budgets is guided by the Good Estates Management for Schools guidance as well as material on Strategic Estate Management. Additionally, we use the Schools Resource Management self-assessment tool to ensure we assess our overall effectiveness. Our focus here is on delivering an enriching and meaningful education, whilst ensuring fiscal responsibility with the funds entrusted to the Academy. We also ensure risks are being addressed appropriately through internal scrutiny, both financial and non-financial controls. To ensure this is done effectively, the committee must:

- Review the external auditor's plan each year
- Review the annual report and accounts
- Review the external and internal auditor's findings and actions taken by your trust's managers in response to those findings
- Assess the effectiveness and resources of the external auditor. This will form the basis of decisions the Trust's members will form about the auditors' retention or dismissal

The committee must also produce an annual report of the committee's conclusions to the trustees and members, including recommendations on:

- Whether to reappoint or dismiss the external auditor
- How much to pay the external auditor

3. Budget Setting and Financial Planning:

This committee (the Finance, Audit and Risk Committee), alongside the Strategic Board, must also ensure that fair and reasonably accurate budget forecasts are presented. This includes challenging the pupil roll estimates, as these underpin the revenue projections, which should be reviewed termly. The board will ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions including any provision being made to sustain capital assets. They also reflect on lessons learned from previous years to ensure rigor and scrutiny are maintained. The Trust prepares three year rolling budgets result in the following cycle:

Autumn term (Sept – Dec)

- Implementation of current budget plan
- Monitoring expenditure (continuous-monthly)
- Reconciliation and closure of previous financial year

Spring term (Jan – Mar)

- Monitoring and Reviewing of year's budget
- Revised Budget where appropriate
- Pre-planning new financial year

Summer term (Apr – Aug)

- Planning for forthcoming year
- Preparation and submission of financial budget plan
- Review of current year's budget

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

The Finance Lead is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Executive Headteacher, Finance, Audit and Risk Committee and the Board of Trustees.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the strategic plan objectives and the budgeted utilisation of resources. The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG)
- latest estimate of other ESFA funding e.g. pupil premium
- 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 Trust's costs
- identification of potential efficiency savings
- review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
- all carry forward balances
- any unspent grants from the previous financial year
- any funds held in Trust

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 savings 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 – unless previously agreed as a short-term measure by the Board of Trustees. 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 strategic plan.

If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the Finance, Audit and Risk Committee as part of the management accounts review. The approved budget is then entered onto the finance system at the start of the new financial year.

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

Other Grants and specific funding

In addition to the GAG funding from the ESFA and other government funding, the Trust may be awarded additional grants from time to time relating to specific projects. All applications for additional external funding must be approved and supported by the 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.

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

Funds held in Trust

Where funds are held in trust the Finance Lead is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

Virements

Substantial virements shall be approved and minuted by the Strategic Board and should be within the agreed criteria and financial limits. The Finance Lead is given delegated power to vire from one budget to another and shall seek approval from the Executive Head where the amount exceeds £50,000. All virements exceeding £50,000 shall require approval from the Strategic Board.

Revised Budget

Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Finance Lead and reports in the form of the Management Accounts presented to the Finance, Audit and Risk Committee as well as the Strategic Board. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by the Finance, Audit and Risk Committee and/or where significant staff changes have occurred in- year, then a Revised Budget should be prepared and approved by the Strategic Board. This revised forecast should then form the basis of analysis of all income and expenditure until the financial year end. It is likely that revised forecasts will be produced each year around January and April in order to tidy up minor in-year variances.

Budget Forecast Return

The approved budget must be submitted to ESFA each year by the Finance Lead in accordance with the ESFA's requirements and timescales. The Finance Lead is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including Management Accounts)

Monthly reports are to be prepared by the Finance Lead the reports are to include:

- actual income and expenditure against budget
- balance sheet
- cash flow forecast
- tracking of pre-agreed Key Performance Indicators (KPIs) such as percentages of spends in specific areas against the overall budget for a specific school as well as against the Trustwide budget

Management accounts must be shared with the chair of trustees every month and the board must consider these when it meets and be assured that it has appropriate oversight of the trust financial position

Any potential overspend against the budget must, in the first instance, be discussed with the Finance Lead and either the Headteacher or the Executive Headteacher.

4. Audit Arrangements

The academy trust must prepare annual audited financial statements for the accounting period to 31 August. The accounts are prepared in house by the Finance Lead, prior to being audited by the Trust's external auditors.

Following approval of the annual accounts by the Strategic Board and external auditors, the accounts are then to be submitted to the relevant bodies and made available to the public in accordance with funding body and company laws regulations in place at that time.

External Audit

External auditors must be appointed in accordance with the Academies Financial Handbook. The appointment of external auditors for the Trust financial statements will take place annually and is the responsibility of the Strategic Board who will be advised by the Finance, Audit and Risk Committee. The primary role of this external audit is to report on the Trust's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Academies Financial Handbook.

The Finance Lead 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. To facilitate an orderly and successful audit, the Finance lead will:

- reviewing the structure of the trial balance
- maintaining a fixed asset register and monthly depreciation charges
- maintaining income and expenditure records (including filing of invoices)
- reviewing aged debtors for any provisions required
- control account reconciliations (bank, wages, debtors, creditors)
- Monitor & report to the Executive Headteacher, the Strategic Board and the chair of the Finance, Audit and Risk Committee

For the end to year audit, the Finance Lead will also need to ensure the following tasks are undertaken:

- stock take and including of year end stock value
- general prepayments and accruals
- prepayments or accruals for grant income
- close down of the purchase ledgers
- close down of the sales ledgers and aged debtors
- pension valuations

- pension audit

Internal Audit

To help provide the Finance, Audit and Risk Committee with the evidence of the adequacy and effectiveness of the Trust's assurance framework, the Trust uses the services of an independent internal audit service provider (the "internal auditor"). The internal auditor is appointed by the Strategic Board on the recommendation of the Finance, Audit and Risk Committee. For the academic year 2024/25, our internal auditors are Baxter & Co.

The main responsibility of internal audit is to provide the Strategic Board, the Executive Head and senior management with assurances on the adequacy of the internal control system (See Appendix 2) The internal audit service remains independent in its planning and operation but has direct access to the Strategic Board, Executive Headteacher and chair of the Finance, Audit and Risk Committee.

5. Purchasing

The academy wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they 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.

Conflict of Interest

There may be cases where the Governing Body is looking to procure goods or services from a supplier in whom one of the Governors or a member of staff or a related person has a business interest. In such cases there is a potential conflict of interest and particular care must be taken to ensure that the procurement process is competitive, fair and open and that public funds are protected. As a minimum requirement the Governor or member of staff must declare their interest and withdraw from any part of the selection process.

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. A print detailing actual expenditure against budget will be (on demand) supplied to each budget holder, which will show at any point in time their budget, spend to date, commitments and balance remaining.

Specifications

1. Where ever possible, all orders must be created on the Academy's official Purchase Order form ensuring that the correct form for each school is used, i.e. Orders for Marish are submitted on a Marish form, orders for Willow are submitted on a Willow form. Should purchases be made Trustwide, the budget holder and the Finance Lead will ensure that spends are fairly allocated across the Trust.
2. Ordering is conducted electronically, whereby an order form, completed on a pro forma for each school, is emailed to the senior leadership (Assist, Deputy, Head or Executive Headteacher) to acknowledge, approve and counter sign. Any member of school staff can create this order purchase; however, it will not be processed if it is not sent to the required email account for approval from a senior member of staff. Separate forms for separate orders must be completed, staff placing the order must label the form with the date (in the reverse format of year: month: day to aid identification and filing) and their initials.
3. Where multiple orders are sent by the same person on the same day, these orders are also to be numbered sequentially. Before approving and sending to the finance department for processing, the senior leader must ensure that the form is completed correctly. Once approved (in line with procurement and orders procedure listed below) the form will be emailed to the finance department, correctly labeled (with the initials of the

approving senior leader; date in the aforementioned reverse order; and numerical signifier- to indicate order of forms processed by that individual on that date).

4. The finance department will file the order form electronically and process the order as long as it includes the following details:
 - Date
 - Supplier
 - Which budget the payment of goods is coming out of
 - Supplier code (if applicable)
 - Unit cost
 - Total cost
 - Total cost including any VAT if applicable
 - Quantity
 - 2 authorisations electronically (1 Budget holder or delegated member of staff and 1 AHT, DHT, HT or EHT)
5. On occasion, the best interests of the Trust may require orders to be processed without a purchase order. This may include (but is not limited to): emergency repairs; regular food and catering purchases; utilities, such as waste collection and disposal; direct debits; regular purchases from known suppliers for particular services such as DBS checks or supervision for play therapists; standing orders.
6. Additionally, the trust maintains a list of pre-approved suppliers within our electronic finance system, which is reviewed annually in December/January and ratified by trustees. In the vast majority of cases purchases without an order would be from suppliers on this list or with whom we already have contracts. This provides a further check in the system to minimise the risk of purchase without orders.
7. Trustees and the leadership team acknowledge that not always insisting on purchases orders might expose the trust to the risk of suppliers increasing prices sharply and nobody notices because they are on the approved list. This is mitigated against by constant reviews of budget and spend variances by the finance team, trust leadership and the audit committee. The Facilities lead also takes responsibility for reviewing and comparing suppliers' prices regularly and alerts the leadership team to any discrepancies in costs between suppliers.
8. Whilst there will not always be a purchase order produced before ordering an item or a service we will ensure that a specification for the goods or services to be purchased is produced before ordering, by whichever leader has the necessary expertise to make this judgment. The specification must be appropriate to the value and complexity of the purchase. For small-value day to day purchases, a properly completed order form or an authorisation from the facilities lead for an emergency repair or purchase to complete maintenance tasks. For larger purchases or major capital expenditure, evidence in the Strategic Board minutes that the trustees have authorised this expenditure is required
9. Leaders may proceed with the purchasing process only if they have specific delegated powers to do so, or if they have specific written authority to act from more senior officers.
10. Leaders must also check to ensure that the goods or services being ordered are necessary for the Academy to achieve its statutory or approved objectives.
11. Leaders should access the list of preferred suppliers and use them if possible for the majority of purchases.

12. If no previous prescriptions or preferred suppliers exist for a particular good or service, the member of staff placing the order should request quotations from some competing suppliers. These requests should be clear and as detailed as possible to avoid any misunderstandings. Both the finance team and leaders must check the quotation received by the supplier thoroughly to ensure that what they have quoted on is what was specified. It should be remembered that a relatively cheaper price could merely mean that the supplier has quoted on a less complex item or an item of poorer quality, or that there could be hidden costs, etc. Attention to detail is thus very beneficial under these circumstances.
13. Orders should be used only for goods and services provided to the Academy. Individuals must not use official orders to obtain goods or services for their private use.
14. The signatories of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.
15. When an order is placed, the estimated cost should be committed against the appropriate budget allocation so that it features in subsequent budget monitoring.

Ordering of Goods & Services

An order is the means by which the Academy specifies the goods and services that it wants and the price that it is prepared to pay for those goods or services. The order confirms the Academy's willingness to enter into a legal agreement.

- The Academy's official Purchase Order or legal contract must support most purchases of goods and services, but as mentioned above in some particular circumstances these are not required.
- The Purchase Order created within our electronic systems should contain the following information:
 - detailed specification of requirements:
 - quantity required
 - name of school (Willow or Marish) and address - the address should always be the correct school's address, except in exceptional circumstances where specific authorisation is given contact person's name and telephone number
 - a unique and official order number (MPA or WPA)
 - the date of issue/print
 - all relevant prices and quantities, including any VAT elements
 - It should include the budget code to which the expenditure is to be charged at the point it is loaded into our finance management system.
 - This doesn't have to appear on the copy of the order sent to the supplier, but it is essential that the budget code is determined and recorded in advance.

If an order is placed by telephone, an official order number should be quoted to the supplier and an electronic purchase order should be sent to the supplier by email within 24 hours. If an official order is not raised this can result in such problems as duplicate payments.

All orders will be numbered sequentially in our financial management system. This will enable matching the order delivered against the invoice, thereby preventing misuse of the Academy's purchasing system for personal gain.

A copy of all PO will be kept electronically. From September 2020. We are making every effort to go paperless and therefore are no longer printing purchase orders.

Once paid, orders will be filed electronically in the same folder along with any proof of delivery. The invoice will also be filed electronically in the BACS RUN folder under the correct date.

Part paid orders must have a duplicate PO. The paid for items will be ticked off of the PO and the invoice number recorded on the front. The relevant proof of photocopied delivery, PO and invoice that has been paid will be filed in the BACS RUN folder electronically.

Officers should not split up purchases so that the value of individual purchases falls below delegated or authorised limits. Please see scheme of delegation table (Appendix 1)

Receipt of Goods and Services

All goods and services must be checked on receipt against the copy purchase order and the supplier's delivery note for both quantity and quality. This check should take place at the moment of delivery or as soon as possible thereafter.

Where a delivery note is not available invoices should be sent out to the recipient of the goods / service to sign to verify that the order has been fully received or an email confirmation of this will suffice.

The check should be documented by appropriate marking on the copy of purchase order against each delivered item and signing the delivery note. Those documents should then be scanned in and electronically filed together, giving a permanent record of what was actually received.

This check of the receipt of goods or services should not be done by the person who placed the order alone, but rather by a third party, or with a third party as witness

Processing Invoices for Payment

Invoices may be authorised for payment only by a staff member who has the authority to do so as set out in the scheme of delegation.

The Academy maintains a list of staff authorised to certify invoices for payment. The names of such staff together with their specimen signatures, are kept by the Finance Lead. These will be reviewed and updated regularly, at least annually.

We maintain best practice by ensuring that there is always appropriate segregation of duties between those ordering the expenditure and the person authorising payment.

When an invoice is received it needs to be checked for accuracy against the copy order and delivery note to which it relates (this is where the purchase order number comes in useful), the academy finance team perform the following checks:

- The invoice matches the supporting purchase order
- The invoice is made out to the Academy/correct school
- The invoice is an original and not a copy or a statement of account
- The invoice has not previously been paid
- The goods or services detailed on the invoice have been properly described
- The correct quantity and quality of goods was received
- The price is correct and discounts and allowances have been properly deducted
- Check whether there is a discount for prompt payment. If there is one, the invoice should be paid in time to qualify for the discount.
- VAT is charged at the correct rate for each item on the invoice, and it has been correctly calculated
- The total of the invoice is arithmetically correct
- The invoice bears the VAT registration number of the supplier where VAT is charged

Where the invoice is found to be inaccurate in any way, whether due to an arithmetical error, incorrect prices, short delivery or wrong goods sent, the invoice must not be amended. Instead, the supplier should be contacted and asked to send a revised, correct invoice, and also advised that payment will be delayed.

This is ESSENTIAL if the VAT calculation is incorrect. In some instances, suppliers will want to send a credit note, canceling the incorrect invoice, together with a revised invoice. In this case the original invoice and its corresponding credit note should be scanned and filed electronically with the original order; the amended invoice should then be paid. If the supplier sends a credit note to correct the value of the original invoice, the credit note must be attached to and filed electronically with the original invoice and the net amount paid.

All authorised invoices must bear:

- The date received
- The cost center & ledger code if no original order form.

Invoices without an order form should be signed by EHT, HT, Facilities Manager or FL before payment can be made. The details required are:

- a) Invoice is arithmetically correct
- b) Goods/Services received
- c) Goods/Services as ordered
- d) Prices correct

All invoices should be sent to the Finance Office. They will be checked against the original order for accuracy (and delivery notes where appropriate) and entered in our financial Management system.

Payment of Invoices

Before payment invoices must be scanned into the appropriate shared electronic folder from a senior leader to authorise. The person (paying officer) responsible for making payment on the approved invoice should not also be the person who authorised the invoice for payment.

As a precautionary measure, payments should not usually be made before the receipt of goods. Should a supplier go bankrupt, the academy will more than likely rank as an unsecured creditor which means that they will be last in line to be paid. No payment should be made prior to delivery of goods but may have to be made in advance to secure services or for particular capital items. Payment must be made against an original invoice, which will show a supplier's name and VAT registration number, where appropriate. Occasionally however invoices are lost and copies sent. In these circumstances great care must be taken to ensure that payment has not already been made.

Invoices must be checked against the orders before being paid. Invoices must quote the official order number in order to be paid. On no account must payment be made against a supplier's statement. Statements only serve as a guide to payments made to, and invoices raised by, an individual supplier. A statement is to be used for information only, nothing else.

Before releasing any payment, the paying officer must check that:

- the supporting invoice was properly approved and that there is clear evidence of this approval
- the sum on the payment matches the sum on the invoice (or the total of the invoices, where payment to a supplier covers more than one invoice)
- the payee on the cheque/payment document matches the name on the invoice

The paying officer must ensure that items purchased seem reasonable and, where possible, payment is made within the credit terms agreed with the supplier and in accordance with the terms and conditions of supply. An inability to honor agreed credit terms might be an indication of solvency problems or a result of poor cash management.

Invoices paid by cheque or direct debit will be filed electronically in the Cheque Run folder or Bank Rec Journal folder. The vast majority of invoices are paid by BACS and this will be logged in our electronic system.

There must always be a document to back up every payment. This will normally be an invoice, but occasionally one may need to produce a written note of the reasons for a payment. This should only be done in exceptional circumstances and must always state fully the reason for the payment. All supporting documentary evidence must be scanned in and filed electronically and the note cross-referenced and filed as an invoice.

Payments should be made within the time limits specified in law for the payment of the debts and only when a proper invoice has been received, checked, coded and certified for payment. However, in the interest of best practice and goodwill, Marish Academy Trust endeavors to pay all invoices as soon as possible and ideally within 14 days of receipt.

The Finance team will input details of payments to be made to the purchase ledger with our financial management system and generate the cheques / BACS payment as required. The invoices are authorised for payment listing by the Finance Lead, Headteacher, Facilities Lead or Executive Headteacher electronically. Any BACS payments or cheques must be authorised by two of the nominated cheque signatories. The cheques will be signed in hard copy and the BACS payment electronically authorised.

Orders below £5,000

Telephone quotes can be obtained and must be recorded on the order form where the estimated cost is unlikely to exceed £5,000.

Orders over £5,000 but less than £15,000

At least three written quotations (to include web pricing information) should be obtained for all orders above £10,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Copies to be provided to the Finance Department to keep with the relevant order. Telephone quotes are acceptable if these are evidenced and an emailed confirmation of quotes has been received before a purchase decision is made.

Final decisions over the purchase of item(s) worth over £5,000 but less than £15,000 will be made by any two of the following: The Executive Finance Lead, a Deputy Head Teacher, Headteacher, the Executive Facilities Lead or a member of ALT. Whilst the most economical quote may well be automatically preferable, quality of item(s), reliability of the seller and cost/ time implications of delivery may also be considered. The Executive Headteacher has the authority to accept other than the lowest quote when the quotes are up to the value of £15,000, but such decisions will usually be referred to the trustees or the chair of trustees in a situation where time is of the essence.

There may be occasions where three written quotations will not be obtainable due to the unique nature of a product/ service. In these circumstances, a Business and Value for Money proposal will be submitted instead. This will outline the unique nature of the product/ service, evidence of how it is fulfilling a specific need(s) and examples of cost implications for similar product(s)/ service(s) similar to the proposed purchase. Again, these decisions will be referred to the trustees of the Chair of trustees.

Orders over £15,000 but less than £30,000

All goods/services ordered with a value over £15,000 but not exceeding £30,000; or for a series of contracts which in total over £15,000 but do not exceed £30,000; must be subject to formal tendering procedures. (The only exception to this is a contract for services or leasing of equipment which is for multiple years and therefore the annual cost is less than £15,000.) The Trust must (as outlined further in the Competitive Tendering Policy):

- create a specification document (which will be sent to trustees) outlining what the Trust is intending to purchase, including quality, quantity and delivery date.
- compare suppliers with a shortlist of at least three suppliers (where possible). When contacting potential suppliers, the Trust will give specifications, deadlines for quotes to be received and dates for when decisions will be made.
- Assess quotes to relevant predetermined award criteria. An evaluation of how the supplier(s) have met the criteria will be created and a record of this will be kept. As with orders over £5,000 but not exceeding £15,000, two members of staff (comprising the Executive Finance Lead, a Deputy Head Teacher, the Executive Facilities Lead or a member of ALT) and one trustee will be on the panel to evaluate the submitted quotes.
- When the most suitable quote is identified, the supplier(s) will be sent a purchase order, including necessary details such as: goods/ work/ services supplied, price, delivery address, delivery deadline (and/ or any other important dates) and payment schedule.

The Strategic Board has the right to approve where quotes are above £15,000 but are not the lowest quote, this will be based on the criteria listed above- or if the service, product or contract is of a unique nature and three quotes cannot be provided to adequately cater for the needs of the Trust. In these circumstances a Business and Value for Money Brief will be provided. This will outline the advantages of the product/ service or contract, with a guide to what the nearest equivalent would be (and an outline of how this does not meet the specific needs of the Trust). Final delegated authority for orders above £15,000 but not exceeding £30,000 will reside with the Executive Head Teacher.

Orders over £30,000

For larger purchases the Academy must check the existing EU procurement rules which requires advertising in the Official Journal of the European Union. Decisions regarding purchases and orders over £30,000 will follow the Framework Agreements outlined in the Competitive Tendering Policy. Decisions over purchases and awarding of tender for goods, supplies or services exceeding £30,000 will be made by the Executive Head Teacher and the Chair of Governors.

In rare circumstances, the Trust may make high-value purchases without a framework. This will only occur alongside the support of a Professional Project Management Team and follow the processes outlined in the Competitive Tendering Policy.

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 Lead 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 conducive to competition and the propriety of public funds. However, if the EU threshold is likely to be breached, the tender must be carried out via OJEU:

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 (Note, EU regulations override necessity if value breaches thresholds).
- additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

- objective of 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 fulfillment 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

A minimum of three tenders should be sought where possible – i.e. where a sufficient number of supplies exist or express an interest in tendering.

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.

This should also be documented on a Tender Register with each Tendered service or procurement clearly identified and separated from others made.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Tenders should be opened by the Executive Head teacher plus at least one other from:

- Chair of Finance, Audit and Risk Committee
- Member of Finance, Audit and Risk Committee
- Chair of Trustees
- Executive Lead for Facilities and Resources

Tendering Evaluation Procedures

The evaluation process should involve at least two people from the Executive Head teacher, Finance Lead, Chair of Finance Committee and Chair of Trustees. 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 or all contracts and for contracts over £150,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £150,000 the decision and criteria should be reported to the Finance Committee. This level of funding is

particularly relevant to building works, where the Building Committee would look to approve and then ratification provided by the Finance Committee.

Where required by the conditions attached to a specific grant from the DfE, the department's 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.

Tender Approval

Tender Approval is subject to the same requirements as those set out in purchasing – see scheme of delegation for details.

Where final acceptance of a tender is made and is not the cheapest then the reasons behind this (i.e. as outlined in the aspects to consider plus any others that come to light during the process) should be documented and the appropriate approval received before final arrangements are made. Where this has occurred, it should be reported to the Governing Body.

Authority to accept a quote / tender of a value up to £30,000 can be made by the Executive Head teacher. Those that are above £30,000 are to be made by the Finance Committee. The Finance Lead will update the contracts register with approved contract details accordingly.

Specific details on the requirements for Competitive Tendering can be found in the Competitive Tendering Policy.

Leasing Arrangements

Leasing agreements will only be made where the financial arrangements are such that they benefit the Academy and the Finance Committee has given their approval. The reasons for this must be ascertained and documented as evidenced prior to committing to any lease agreement. Care must be taken when entering a lease to ensure that the exact term and financial commitment is identified prior to finalising the agreement.

Leases are subject to the same authorisation levels as ordering (see scheme of delegation) but must be approved by the Executive Head teacher before any commitment is made in accordance with the restrictions around borrowing leases are not permitted to be Finance Leases and thus must be operating leases.

For lease agreements in excess of seven years the academy trust will obtain prior approval from the Secretary of State. Once approval has been given, leasing agreements are to be signed in accordance with the purchase authorisation levels. The Finance Lead will be responsible for ensuring that all leasing agreements are kept under review and that appropriate arrangements are made for renewals.

All Procurement

If the contract is to buy a single item, which is not related to buying other items, the value of the contract is the price, or estimated price of the item, including all related fees. The single contract cannot be broken up into smaller contracts to avoid any procurement, order or tender value thresholds.

Business Charge Card

Charge Cards will be issued across the two schools to assigned staff as and when the business need arises. The current cards holders are:

Marish Primary School: Executive Head Teacher, Facilities Lead and a designated finance officer

Willow Primary School: Executive Head Teacher, Headteacher, Facilities Lead, a designated Deputy headteacher, and a designated finance officer

The limit for each card is set in accordance with the needs of the business. Currently these have been set at £5,000 for the Facilities Lead at each school, £2,000 a month for the other senior post holders and £2,000 at Marish and £1,000 at Willow for the finance officer along with After School Clubs which facilitates the purchase of food. It should be noted these limits mean that over a course of a year, average expenditure via the charge card may be in the region of £75,000. Whilst this may seem a large amount, it represents only 1% of the Trust's annual income and the trustees keep this

under close review. The vast majority of such purchases are food, emergency consumables or repair and maintenance equipment and services which cannot be predicted.

Generally purchasing using the business charge cards should follow the established purchasing processes described in the Purchasing sections of this manual. However, because of either urgency or emergencies, operating restrictions or the type of supplier the following exceptions are permitted, although the list is not exhaustive:

- Unexpected/emergency building works required, where no other payment method is accepted, or this method of payment expedites the purchase of goods needed to carry out the required work.
- Top up of petrol payment cards used to fuel our vehicles
- Tesco and Asda food purchases for breakfast and after school clubs- (the purchase of any Alcohol is Strictly forbidden)
- Child protection or welfare issues
- Mini bus repairs or minor running costs but excluding fuel
- Internet purchases of items needed for curriculum delivery urgently
- Internet purchases of curriculum resources at a discount.
- Purchase of behavioural rewards (e.g. treasure box prizes)

Additionally, where the charge card is being used for purchases of individual items below £100, order purchase forms will not be required in advance of the spend.

One disadvantage of using the charge card is that VAT may not always be readily reclaimable. This means that the effective cost to the Trust will increase by the current standard rate of VAT (currently at 20%) when using the Charge Card compared to that of the preferred method of payment. This issue needs to be balanced with the fact that many items are discounted and delivered for free and promptly by, for example, an internet supplier, who will only accept a charge card payment. From September 2020, the trust has made extra efforts to reclaim the VAT due on all charge card purchases.

All business charge card statements must be reviewed by the Executive Head Teacher or a duly appointed person on her behalf. Where the card cards have been used by the Executive Head Teacher, this will be reviewed by the Chair of Governors.

In the event of a missing receipt, this will need to be brought to the attention of the Executive Headteacher/appointed person, with all other documents relating to this purchase and they will need to investigate and sign off on the expenditure.

Register of Interests

All members, trustees, local governors and senior employees must complete the register of interests.

The register of interests must capture relevant business and pecuniary interests of members, trustees, local governors and senior employees including: directorships, partnerships and employments; trusteeships and governorships at other establishments; and for each interest the name of the business, the nature of the business, the nature of the interest and the date the interest began.

- It is the responsibility of the Strategic Board to keep the register of interests up to date. The clerk of the board will assist in maintenance and recording for the register of interests.
- Additionally, any personal interests of Key Management Personnel must be recorded as well. These include the employment of any family members at the trust.

6. Income

The main sources of income for the Academy are grants from the ESFA and high needs funding from the Local Authority. The receipt of these sums is monitored directly by the Finance Lead who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:

- parents, mainly for lunches, trips, donations and academy clubs. This is obtained through ParentPay.
- the public, mainly for lettings.

Trips and Academy Clubs

The Trust operates a cashless system using ParentPay, and all payments must be fulfilled through the online system, no cash is accepted.

Any Trip/Club organiser has to contact the Parent Pay Administrator at least 2 weeks in advance of the trip to set it up on the system. The Administrator will require the following information:

- Name of the trip and a brief description
- Amount due
- Deadline of payment
- List of children entitled to go on the trip

All on-line payments are reconciled to the bank using the income summary sheets provided by ParentPay

Charging and Remissions

Education provided by the Academy is free of charge, if it takes place wholly or mainly during Academy hours.

Where in the following paragraphs it states that the 'Governing Body Reserve the Right' the Executive Head Teacher will make the decision in the first instance and inform the Governing Body so as to manage this practically.

If the number of places available for a particular activity is limited, the Governing Body reserves the right to decide which pupils should be given the opportunity to participate, without reference to parents' willingness or ability to make a voluntary contribution towards the cost.

Activities which take place mainly outside normal Academy hours are deemed "optional extras" and the Governing Body reserves the right to charge to meet the cost of the provision of these activities.

When an activity takes place during and partly outside Academy hours, the Governing Body reserve the right to implement these conditions:

- **Day Visits/Visitors:** Where a whole class will experience a visit that will enhance, enrich and bring relevance to the curriculum, then the Governing Body reserves the right to ask for voluntary contributions. If insufficient voluntary contributions are received, the Governing Body reserves the right to cancel the visit. No children will be excluded from the visit if their parents cannot or do not wish to make a contribution.
- **Residential Visits:** Any venue selected must accept all the children of that age group. The Governing Body reserves the right to charge directly to the parents the costs of travel, board and lodgings as the activity involves nights away from home. They also reserve the right to ask for voluntary contributions for all remaining costs, e.g. materials, books and equipment, entrance charges to facilities, and insurance. As in Day Visits, if insufficient voluntary contributions are received, the Governing Body reserves the right to cancel the residential visit. Should the visit be outside normal Academy hours e.g. during holidays then the Governing Body reserves the right to charge the parents for all the costs.
- **Cooking/Craft:** The Governing Body reserves the right to charge for the cost of materials or ingredients e.g. food
- **Music:** Should extra musical tuition be provided beyond the normal Academy musical activities or provision by the LEA, the Governing Body reserves the right to charge for such tuition or costs.
- **Damage to Property:** The Governing Body reserves the right to ask parents to contribute to the cost of repairs or of replacing defaced, damaged or lost property where this is a result of a pupil's inappropriate behavior.

Remissions

The Governing Body may be able to provide financial support for children in difficult family circumstances or hardship, to attend day or residential Academy journeys. The Academy leadership will present such cases to the Governing Body for consideration, when they arise. Parents who would like their case to be considered by the Governing Body, should apply to the Executive Head Teacher in writing.

Investments

- Investments are made in accordance with written procedures approved by the Strategic Board.
- 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.
- Care should be taken to ensure that investments do not cause any cash flow issues for the Trust.

Reserves

- Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
- The Executive Headteacher, as Accounting Officer, must inform ESFA immediately if an overall deficit is anticipated.
- If the academy trust is anticipating an overall deficit at the end of any financial year, the Strategic Board, Executive Headteacher and Finance Lead have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Strategic Board must ensure that a recovery plan is submitted and approved by the ESFA.

Capital Reserves

- Any overall surpluses at the end of the year are carried over to the following year.
- It is the responsibility of the Financial Planning & Analysis Manager to keep accurate records of the capital funds, especially where grants have been received for capital projects.

7. Cash Flow & Cash Management.

Bank Accounts

The opening of all accounts must be authorised by the governing body 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 Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

In the exceptional circumstance of cheques received by the Trust, the Particulars of any deposit must be entered in the paying in book. The details should include:

- the amount of the deposit
- a reference, such as the number of the receipt issued, name of debtor, invoice number etc.
- Because of the closure of the Local branch, cheques and cash are not preferred.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two authorised signatories. These are: -

- Executive Head Teacher
- Head Teacher
- Deputy Head Teachers
- Finance Lead

This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

The Finance Lead 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 financial management system book;
- reconciliations are prepared by the Finance Team each month and in between checks are kept on income and expenditure;
- reconciliations are subject to an independent monthly review carried out by the Finance Lead

- adjustments arising are dealt with promptly
- reconciliations are also seen and counter authorised electronically by the accounting officer

Expenses

Occasionally there may be a need for the reimbursement of expenses paid out by staff.

Expenses Claim Forms are used for the reimbursement of items purchased for the use of the Trust and for reclaiming mileage for the approved use of their own private car. VAT is not claimed.

Receipts must be attached to the form and authorised by the relevant budget holder.

Expenses are to be claimed within six weeks and are to be limited to £100. Should there be an occasion where expenses are likely to exceed this limit, prior consent should be sought from the Facilities Lead. If the Facilities Lead is exceeding this limit, prior consent is sought from the Executive Head Teacher in advance.

Petty Cash Accounts

The academy does not maintain a petty cash system.

Cash Flow Forecasts

The Finance Lead 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 to earn interest income.

When investing surplus balances consideration should be given to the accessibility of funds should they be required for an unforeseen event.

Similarly plans should be made to transfer funds from another bank account or to re-profile expenditure commitments where possible to cover potential cash shortages.

8. Fixed assets.

Asset Register

All items purchased with a value over the academies capitalisation limit of £5,000 must be entered onto the asset register. The asset register should include the following information.

- Asset description
- Date of acquisition
- Asset cost
- Depreciation
- Current book value

All individual items above £5,000 are capitalised, however when a project is undertaken to purchase multiple items, the total value of the invoice is considered and if this is above £5,000, it may be capitalised.

Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

Tangible Fixed Assets

- Land and buildings
- Freehold buildings are depreciated over their useful lives of between 50 years from the date of the valuation. No depreciation is provided on buildings until they are brought into use. Freehold land is not depreciated.
- Where land and buildings are acquired with the aid of specific grants they are capitalised and the buildings are depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciated policy.
- A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the book value of the fixed asset may not be recoverable.

- Buildings under construction are accounted for at cost, based on the value certified and other direct costs incurred to 31 August. They are not depreciated until they are brought into use.

Equipment

- Equipment costing less than £5,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.
- Second hand equipment is depreciated on a straight-line basis over its remaining useful economic life to be determined by the budget holder in conjunction with the Finance Lead but can be no-more than the prescribed standard depreciation rate set by the Academy for that class of asset. Other non-ICT equipment is depreciated over 4 years.
- ICT equipment and software is to be written off over 3 years.
- Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.
- All items purchased with a value of £5,000 or more must be entered in the fixed asset register.

Depreciation

Depreciation shall be calculated on a monthly basis for inclusion in the management accounts.

Depreciation rates (all straight line) to be normally used are as follows.

- Equipment 4 Years
- IT Equipment & Software 3 Years
- Furniture & Fittings 4 Years

Loan of Assets

- Items of academy property must not be removed from academy premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in 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.
- Taken together, these represent a statement of the framework within which governors and employees are expected to conduct themselves.

9. VAT / Taxation.

The Academy does not make a significant level of taxable supplies and is thus not currently VAT registered.

However, as an Academy it is able to reclaim its non-business VAT under the VAT refund scheme using the VAT126 mechanism.

The Finance Lead will ensure that a monthly VAT126 claim is generated from our financial management system and submitted to HMRC on time to ensure that cash flow is maximised.

The Finance Lead and Accounting Officer are responsible for ensuring the Academy is fully compliant with all relevant guidance and statutory responsibilities in relation to all taxation matters.

The Finance Lead and Accounting Officer are responsible for complying with all guidance and instructions issued by the ESFA and HMRC to ensure correct accounting records are maintained in relation to:

- VAT
- Income Tax
- National Insurance

The Finance Lead and HR lead are responsible for ensuring all persons employed by the Academy are added to the

Academy's payroll and tax deducted from any payments, except where the individuals have demonstrated they are bona fide self-employed or are employed via a recognised staff agency.

10. Insurances

The Executive Head Teacher will ensure that adequate arrangements are maintained to effect and keep under review all necessary insurance cover of the Academy and its Staff.

The Finance Lead and Facilities Director 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. We have opted in to the Department for Education's Risk Protection Arrangements (RPA).

In line with the RPA membership rules, items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not. Relevant individuals (such as Subject Leads, class teachers, Year leads, PE coaches and caretakers) must ensure all valuables are safely secured when not being used in a supervised manner.

The insurance arrangements for the academy are to be approved by the Executive Head and Strategic Board on the advice of the Finance Lead and Facilities Director. As a minimum they account for the following:

- adequate insurance for the premises
- adequate insurance for all contents, fixtures and fittings
- Employers' Liability
- Public Liability cover
- Personal Accident cover
- Fidelity Guarantee
- Governors Liability and Professional Indemnity cover
- Business Interruption/Consequential Loss cover
- Fully Comprehensive vehicle cover - minibus
- Legal costs cover
- Money
- Libel and Slander

The Executive Head Teacher and Facilities Lead will ensure that processes exist so that:

- all new risks, properties, vehicles, plant and machinery which require to be insured and of any alteration affecting existing insurance cover
- any fire, loss, liability or damage or any other event likely to lead to a claim upon the Academy are covered.

11. Grant Funded Expenditure.

Where the Academy are in receipt of grant funding against which there are specific conditions attached then the Finance Lead will ensure that appropriate arrangements are set in place to separate funds and expenditure associated with that grant funding from their Academy budget share, similar to that of private and voluntary funds.

The Finance Lead in liaison with the Academy Leadership Team and Trustees will also ensure that the level of funding is maximised and spent solely on the purpose of the funds.

The Finance Lead will put into place arrangements to ensure that the appropriate records to satisfy any external audit requirements for the use of funds are maintained and accessible.

The controls and processes around expenditure and income against these funds will be applied so that they do not breach any funding conditions attached. This is to ensure that the academy does not default on its main budget allocation through misuse of grant funds.

12. Controlled Financial Stationery.

Financial stationery is no longer used very much and comprises mainly cheque books. The bulk of our finance work is completed and stored electronically and is no longer printed.

Where we do keep hard copies and in all electronic records we incorporate control features such as serial numbering and

the inclusion of key data such as VAT number, ledger codes etc.

Safe and efficient arrangements are made for the delivery, receipt, storage, issue and return of financial stationery.

Access to such stationery is restricted to the appropriate staff members and it is always secured.

13. Gifts, Hospitality and Benefits

The Governors and Executive Head teacher will ensure that the business conduct of all staff and Governors is appropriate and avoid the potential for any perceived or real conflict of interest or allegation of bribery or compromise.

The Finance Lead will maintain a Gifts and Hospitality register in accordance with the Gifts and Hospitality Policy. Individual staff members and Governors are responsible for reporting any gifts or hospitality offered and whether these have been accepted or declined.

This information will be recorded on the register.

- A gift is defined here as any item, cash or goods, or any service which is offered for personal benefit at a cost, or no cost, that is less than its commercial value.
- 'Hospitality' is defined here as any generous or material welcome or reception that is more than an incidental kind, such as a beverage or light refreshment.

The Finance Lead will be responsible for producing a report on the register to Governors once annually.

It is each individual's responsibility to inform HR by email of any gifts received or hospitality that is offered but subsequently declined in line with the Gifts and Hospitality Policy. In brief, the individual should;

- consider carefully whether it is appropriate to accept a gift or hospitality;
- decline gifts or hospitality unless to do so would cause serious embarrassment and or put the Academy in a difficult situation of any kind. If in any doubt then staff must consult with the Executive Headteacher

It is generally acceptable to receive light refreshments if visiting a third party at their site for a meeting etc. Apart from this, however, staff and governors may not accept hospitality from.

- parties to past, current or future known engagements;
- their advisers;
- existing contractors; or
- any other business or individual who might reasonably expect to seek any supply of goods or services to the Academy.

When giving gifts the academy trust must ensure that the decision is fully documented and has regard to the propriety and regularity of the use of public funds.

The AT may agree to give assets bought for a proper purpose, but which are no longer needed for the conduct of its business, to a charity, up to a maximum value of £1,000 per single donation. Residual value of assets is determined by the greater of the written down value or market value.

The Executive Head does not routinely purchase gifts for staff on occasions such as birthdays and weddings. However, as a responsible employer interested in maintaining staff wellbeing and morale, the Executive Head may purchase flowers or gift baskets of fruit for example: a staff member leaving, on the birth of a new child or serious illness/close bereavement.

The Trust will publish, on its website, the number of employees whose benefits exceed £100,000 (in bands of £10,000 increments).

Benefits include: salary, termination payments and taxable benefits. They do not include the Trust's own pension costs.

Should a Trustee also be an employee, their salary and other benefits will also be disclosed in bands of £5,000 increments as part of the Trust's financial statements.

14. Payroll

Staff Appointments

- The Strategic Board has approved a staffing structure for the academy trust based on the approved budget three-year plan submitted to the ESFA.
- The Executive Headteacher and Substantive Headteacher have authority to appoint staff
- The Trust's HR department maintains personnel files for all members of staff which include contracts of employment. In 2020 we are now moving these to electronic format rather than paper copies. All personnel changes must be notified, in writing, to Human Resources immediately.
- The Trust HR department is responsible for obtaining the relevant DBS and other checks and ensuring the notification that these have been seen are retained on file and on the Single Central Record.

Payroll Administration

Payroll is administered through the Trust's payroll provider Epaysafe. All staff are paid monthly through the online electronic system which records:

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

Additional hours, temporary work or overtime must always have the prior approval of the Facilities Lead, Headteacher or Executive Headteacher. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. These are then authorised by a member of SLT or ALT, prepared by the HR/Payroll department and signed off by the Finance Lead, Headteacher and /or Executive Headteacher.

Payments

- All salary payments are made by BACS.
- The HR Lead prepares a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This is then checked and approved by the Finance Lead, headteacher and/or Executive Headteacher as Accounting Officer.
- 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 pay analysis document produced by Epaysafe.
- Each month we select employees at random and check that the payroll system is operating correctly
- After the payroll has been processed the payroll files are sent to Finance who post them into the finance system. Postings will be made both to the payroll control account and to individual cost centers. The Finance Team reviews the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centers have been correctly updated and to identify any amounts posted to the suspense account.
- Annually, the Trust finance team checks that the gross pay per the payroll system agrees with the contract of employment of each staff member held on the electronic personnel files.

Salary advances

Salary advances are only awarded where there has been an issue or error by the HR department or our payroll provider. Salary advances are not awarded by the Trust for any other reason.

Overtime

No payments for work undertaken will be made other than via the payroll system and with a signed overtime sheet. This must be authorised by a line manager who has also given their permission in advance.

Severance payments

The academy trust is able to self-approve the contractual element of severance payments up to £50,000, but remain subject to the special payment's conditions contained in the Academies Financial Handbook. All severance payments

must be compliant with the Academies Financial Handbook. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought. The Accounting Officer must sign off each severance payment.

15. Governors/Trustees Expenses

All governors/Trustees of this academy trust are entitled to claim the actual costs, which they incur as follows:

- the cost of travel relating only to travel to meetings/training courses at a rate of 40 pence per mile
- which does not exceed the specified rates for school personnel
- travel and subsistence costs, payable at the current rates specified by HMRC associated with attending national meetings or training events, unless these costs can be claimed from the any other source
- telephone charges, photocopying, stationery, postage etc.
- any other justifiable allowances

The Board of Trustees acknowledges that:

- Governors/Trustees are not paid an attendance allowance
- Governors/Trustees are not reimbursed for loss of earnings

Governors/Trustees wishing to make claims under these arrangements, must complete a claim form from the Finance Team and submit these together with the relevant receipts. The form must be submitted to the Trust's Finance Department within four weeks of the date of when the costs were incurred, and should be submitted approved by the Chair of Board of Trustees or if relating to the Chair of the Strategic Board then by the Chair of the Finance, Audit and Risk Committee.

Claims will be subject to independent audit and may be investigated by the Chair of Board of Trustees (or Chair of Business & Audit Committee in respect of the Chair of Board of Trustees) if they appear excessive or inconsistent.