FINANCIAL PROCEDURES POLICY

CONTENTS

1.0   Introduction

The purpose of this manual is to ensure that the Trust maintains strong systems of financial control which conform to the requirements of propriety, efficiency and regularity. It is essential that these systems operate properly to meet the requirements of the Funding Agreement with the Education and Skills Funding Agency (ESFA).

The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook published by the ESFA. This manual expands on that and provides detailed information on the Trust's accounting procedures and systems, and should be read by all staff involved with financial systems in conjunction with the Scheme of Delegation of Financial Powers

2.0   Register of Interest

It is important that everyone involved in the process of spending public money is able to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all members, trustees, local governors and staff who can influence financial decisions or spending powers, are required to declare any financial or controlling interests they have in companies, trading entities or with individuals from whom the academy within the Trust may purchase goods or services. Trusts must publish on their websites all business and pecuniary interests of members, trustees and the accounting officer.

Governors and aforementioned staff are required to complete a Declaration of Interest form. If their circumstances change then a new declaration is to be completed. All Declarations of Interest will be held in a register which must be reviewed and updated annually.

The register is open to public inspections and should include all business interests such as Directorships, share holdings or other appointments of influence within any 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 member, Trustee, Governor or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency.

The existence of a Register of Business Interests does not, of course, detract from the duties of Members, Trustees, 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, Members, Trustees, Governors and staff should not attend that part of any committee or other meeting. Declarations of Interest must be made at the start of Governing body and committee meetings

3.0   Accounting System

Reach South academy Trust operates a Shared Service Centre (SSC) that performs financial services for all academies in the Trust. The finance roles within the SSC include Finance Assistants, Accounting Technicians and Executive Business Managers (EBMs). All financial transactions of the Trust are recorded on the Financial Management System called PS Financials (PSF) by the SSC finance team.

3.1   System Entry

Entry to PSF is password restricted. Access to the component parts of the system are also restricted according to roles. Access permissions are strictly controlled by the Systems Manager and individual log-ins and passwords are not to be shared. The Financial Controller is responsible for determining the access levels for all members of staff using the system and ensuring compliance.

All leavers must have their access permissions formally removed by their last day in post

3.2   Back-up Procedures

PSF is a cloud-based system with remote backups, therefore, no local back-up procedure is required for this system. However, the Executive Business Manager (EBM) is responsible for ensuring that there are effective back up procedures for all other non-cloud based systems used in school. Incremental updates are backed up remotely and rolled up at the end of the month so a full back-up can be held for seven years remotely. The back-ups should not be recorded on the same medium each time as this results in only one copy being available. At least one copy should be stored securely "off-site". A check will be made three times a year by the ICT Manager.

The Systems Manager should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. The risk of loss of financial data should be identified on the Trust's Risk Register along with mitigating actions

3.3   Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the bank account, payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.

3.4   Transaction Reviews

The SSC Accounting Technicians will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The SSC Accounting Technicians will also carry out monthly reviews of transactions posted, checking for accuracy and completeness, in particular:

- All purchase invoices posted, and any missing ones pursued.
- All sales invoices posted.
- All credit card expenses posted.
- All staff expense claims posted.
- All direct debits posted – ensure purchase ledger control balances are correct.
- All transactions are entered with the correct date and into the correct

period.
- All cash receipts, bank deposits and bank receipts posted.

SSC Accounting Technicians will review the aged creditors report and the aged debtors report monthly for completeness.

The SSC Accounting Technicians must ensure that amounts received from employees as salary deductions for childcare vouchers agree to the amount invoiced by the childcare voucher provider. Any differences must be investigated. Any V.A.T. charges included in the process should be accounted for within the invoice

3.5 Reconciliations
The Financial Controller is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared.
- Payroll control accounts.
- Childcare Voucher control account.
- Credit Card control account.
- Purchase Ledger control account.
- Staff Expenses Ledger control account.
- Sales Ledger control account.
- VAT control accounts
- Bank control account

The Financial Controller will review and approve all reconciliations.

4.0 Financial Planning

Each academy prepares both medium term and short term financial plans. The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the academies 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 development planning process and the budgetary process are described in more detail below.

4.1 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 will be kept flexible and simple – they are the "big picture" within which more detailed plans may be integrated.

Each year the Headteacher will propose in consultation with the MAT a planning cycle and timetable to the governing body which allows for:
- A review of past activities, aims and objectives - "did we get it right?"
- Definition or redefinition of aims and objectives – "are the aims still relevant?"
- Development of the plan and associated budgets – "how do we go forward?"
- Implementation, monitoring and review of the plan – "who needs to do what, by when, to make the plan work and keep it on course"

- Feedback into the next planning cycle – "what worked successfully and how can we improve?"

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Headteacher.

The completed Development Plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan will also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured. It is essential any costs are reflected in the budgeting process.

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.

4.2   Annual Budget

The Financial Controller is responsible for overseeing the budgeting process. This includes establishing a timetable which allows sufficient time for the approval process and ensures that the external submission date is met.

The EBM is responsible for preparing the academy's annual three-year budget in conjunction with the Headteacher (or equivalent). The EBM is also responsible for ensuring the budget is approved by the Headteacher (or equivalent), the relevant Executive Director of Education and the Local Governing Body (or equivalent).

The Director of Finance is responsible for reviewing and approving academy budgets and also ensuring each academy's budget is subsequently approved by the Trust Finance Committee and the Trust Board (in that order) and then submitted to the ESFA by the published deadline (usually late July).

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 Financial Controller, in conjunction with the Director of Finance, will establish the assumptions which must underpin the budgets for all academies in the Trust.

The budgetary planning process will incorporate the following elements:
- Forecasts of the likely number of pupils to estimate the amount of ESFA 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.
- 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.
- Incorporate the Trust's budget assumptions
- Review, at Trust level of the consolidated position and ensure any internal cross charges net out.

4.3 Balancing the Budget

A comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

Each year the Trust's Finance Committee will set a target in-year surplus as a percentage of total revenue, for academies to achieve for the year ahead.

Exceptions will be made for academies undergoing significant turnaround and this will be stipulated. If an academy is unable to meet the target they must prepare a business case to outline the reason and the steps that will be taken to ensure the academy is able to meet the target the following year. The target is in place to both ensure academies build enough reserves to meet the Trust's reserves target and to ensure contingency is available to address any issues that may arise in the year.

4.4 Finalising the Budget

A draft budget should be prepared by the Executive Business Manager in conjunction with the Headteacher and submitted to the Financial Controller for review and feedback, along with a business case if applicable. Review meetings will be held with the EBM, Headteacher, Executive Director of Education and Financial Controller/Director of Finance to discuss the budget in detail and ensure it meets both the financial requirements of the Trust and the school improvement strategy of the academy. The EBM will then finalise the budget and submit it to the Financial Controller for a final review. Once approved by the Director of Finance, the final budget should be presented to the Local Governing Body. The final budgets for all academies and the Trust overall will then be presented by the Director of Finance to the Trust's Finance Committee and then the Trust Board for ultimate approval. The approved budget for the Trust will be submitted by the Financial Controller, with approval by the Director of Finance, to the ESFA via the Budget Forecast Return by the required deadline.

The budget should be communicated to all staff with responsibility for departmental budgets so that everyone is aware of the overall budgetary constraints.

4.5 Monitoring and Review

Monthly reports will be prepared by the SSC Accounting Technicians that will detail actual income and expenditure against budget or the latest forecast. The variances must be investigated by the EBM and any that relate to the misstatement of actuals should be communicated to the SSC Accounting Technicians for correction in the accounting system. Any remaining variances

must be explained by the EBM. Where YTD income or expenditure exceeds budget/forecast consideration must be given as to whether this is due to timing (i.e. it has been incurred in advance) or whether it is genuinely over and therefore the appropriate adjustment must be made to the subsequent forecast, including compensating action to keep the overall position in line with or exceeding budget . In such instances, the EBM must also review and comment on how that happened and how they will ensure it won't happen again.

The Financial Controller will review the budget variance reports for all academies, as prepared by the EBMs, and prepare the monthly consolidated management accounts reporting pack for the Trust. This pack will include a consolidated Income and Expenditure Report, a consolidated Balance Sheet, a consolidated Cash Flow Forecast, and Key Performance Indicators. The Trust's monthly management accounts pack will be presented to the Executive Directors monthly, emailed to the Chair of the Trust Board and the Chair of the Finance Committee monthly, and emailed to the full Trust Board every second month, in accordance with the Academies Financial Handbook.

5.0   Payroll

The main elements of the payroll system are:
- Staff appointments.
- Payroll administration.
- Payments.
- Third party deductions.
- Staff departures

5.1   Staff Appointments
The Governing body has approved a staffing structure for the academy. Changes can only be made to this structure with the approval of the Reach South Executive who must ensure that adequate budgetary provision exists for the proposed changes.

The Headteacher has authority to appoint staff within the authorised establishment except for the Senior Leadership positions whose appointment must follow consultation with the Executive Director. The Headteacher is appointed in consultation with the MAT. The academy must maintain personnel files for all members of staff which include signed contracts of employment. Additionally, all the relevant right to work evidence should be held. All personnel changes must be approved by the Executive Business Manager and the Headteacher.

5.2   Payroll Administration
Each academy's payroll is processed by the Shared Service Centre Payroll Manager using PS People. Master personnel records are held on PS People.. Password control procedures and backup arrangements are described in section two of this policy. The master record on the packages contain:
- Pay scale.
- Duty information & hours.
- Bank account details.
- Taxation status.
- Personal details.

- Any deductions or allowances payable.

Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments are prepared by the Office Manager and pre approval must be authorised by the Executive Business Manager and the Headteacher before being submitted to the Payroll Manager and recorded.

New staff can only be added to the payroll with the express authorisation of the Executive Business Manager and the Headteacher. New staff must complete all relevant payroll documents issued by the Recruitment Team. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.

The Office Manager and the Executive Business Manager is responsible for ensuring the monthly staff return is completed, which provides details for any sickness and other absences as directed by HR so any necessary adjustments can be made to pay. The deadline for the receipt of the monthly staffing changes return will be as stated on the payroll calendar.

Overtime claims must be submitted for checking and coding on the last working day of the month. Payments for all staff must be authorised by the Headteacher prior to submission.

5.3   Payments

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total is provided by the Payroll Manager so it can be reviewed by the Executive Business Manager. This should be reviewed against the figures in the budget software to check adjustments have been made for new appointments, resignations, pay increases and to ensure that no payments have been added for non-school staff. The actuals from the payroll must be uploaded into the budget software and a variance report produced. This then needs to be reviewed and authorised together with authority to release payment by the Executive Business Manager and the Headteacher.

Once approved, the Shared Service Centre will process all payments via BACS and provide pay slips for staff. Deductions will be made for tax, national insurance, pensions and any childcare vouchers or cycle scheme payments due.

The payroll data by school will be adjusted for any cross charges for shared staff before being posted in summary to the Financial Management system.

After the payroll has been processed, the salary information will be added to the Financial Management System and a monthly check run on the budget vs actual. Discrepancies identified will be investigated. On an annual basis, the Executive Business Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

6.0   Non Central Purchasing

The Trust wants to achieve the best value for money from all its purchases. This means it must obtain what it needs in the correct quality, quantity and time and at the best price possible. A large proportion of its purchases will be paid for with public funds and it will 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.

6.1   Routine Purchasing

Budget holders will be identified for each academy and 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 report detailing actual expenditure against budget will be supplied to each budget holder after the accounts have been closed for each month.

In the first instance, a supplier should be chosen from the list of approved suppliers, where available. A quote or price should be obtained before any supply or service is requisitioned, except in the case of maintenance calls where the duration and final cost is unknown at the time of call out. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, i.e. a better price is found on the internet, this must be discussed with the Executive Business Manager so a new supplier can be set up on PSF by the SSC.

All requests for supplies of goods or services must follow the following process:
1. A requisition is raised at academy level by completing the Trust's electronic requisition form
2. The requisition must be approved by the relevant budget holder at the academy. Evidence of approval can either be via signature or via email.
3. The approved requisition form must be emailed to purchaseorders@reachsouth.org. This is the responsibility of the academy Office Manager.
4. If the requested supplier is new, the requisitioner must also complete the Trust's electronic New Supplier Form and this must be emailed to purchaseorders@reachsouth.org for the SSC to set up the supplier on PSF
5. The SSC Finance Assistants will raise a purchase order in PSF from the requisition received
6. The purchase order will be automatically emailed to the relevant approver. In most instances this will be the EBM who will check that the expenditure is within budget. However, above a certain threshold (in line with the scheme of delegation) it will subsequently be emailed to a second approver at the Trust level.
7. Once the purchase order has been approved, it will automatically be emailed to the supplier and this will constitute the placing of the order. Should the order be required to be placed over the telephone or over the

internet by the academy this must be stipulated on the requisition form and the purchase order number will be emailed to the academy as approval to place the order.

8. The supplier must state the approved purchase order number on their invoice.

Appropriate arrangements for the delivery of goods to the academy must be arranged. On receipt, a thorough check of the goods received must be made against the goods received note (GRN) and a record made of any discrepancies between the goods delivered and the GRN, by the Office Manager. This should be raised immediately with the supplier. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Executive Business Manager should be notified. A central record of all goods returned to suppliers will be maintained.

All invoices must be emailed to invoices@reachsouth.org for prompt processing and payment. On receipt of an invoice, the following checks are made:

- Invoice arithmetically correct.
- Goods/services received.
- Goods/services as ordered.
- Prices correct.
- VAT treated correctly.

Once invoices have been verified they should be entered into PSF ensuring that:

- The transaction date matches the document date.
- The accounting period and VAT period selected are applicable to the period that the document date falls into.
- The amount agrees to the amount as stated on the invoice.
- The invoice matches an approved purchase order.
- An electronic copy of the invoice is attached to the transaction.

Once a fortnight, the SSC will prepare a BACS payment proposal on PSF, called a pay list, which will be emailed to the Executive Business Manager for review and confirmation that all goods/services have been received at a satisfactory level The EBM's authorisation will be emailed to the SSC who will then upload the payments to online banking for approval.

6.2 Orders over £1,000 but less than £25,000

At least three written quotations should be obtained for all orders between £1,000 and £25,000 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. For orders under £10,000, telephone quotes are acceptable if these are evidenced, or e-mail confirmation of quotes have been received before a purchase decision is made. Further details of the limits of delegation can be found in Appendix A of this policy or in the separate Scheme of Delegation policy.

6.3 Orders over £25,000

All goods/services ordered with a value over £25,000, or for a series of contracts which in total will exceed £25,000 must be subject to a formal tender. For purchases that may fall under EU procurement rules, current regulations must be complied with.

6.4 Forms of Tender

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

1) **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Executive Business Manager 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

2) **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 is such that only specific suppliers can be expected to supply the academies requirements.
   - The cost of publicity and advertising are likely to outweigh the potential benefits of open tendering

3) **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
   - The above methods have resulted in either no or unacceptable tenders.
   - Only one or very few suppliers are available.
   - Extreme urgency exists.
   - Additional deliveries by the existing supplier are justified

6.5 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

6.6 Invitation to Tender

When a restricted tender is to be used 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.
- Form of response.

6.7 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.

6.8 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.

6.9 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 over £25,000 - either the Executive Business Manager or the Headteacher plus the Director of Finance.

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.

6.10 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 Director of Finance. Where required by the conditions attached to a specific grant from the ESFA, 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.

7.0   Income

The main sources of income for the academy are the grants from the ESFA and from sponsors (if applicable). The receipt of these sums are monitored directly by the Executive Business Manager who is responsible for ensuring that all grants due to the academy are collected.

The academy also obtains income from:
- students - mainly for trips, dinner, uniform sales and clubs
- the public - mainly for lettings
- Other schools and organisations for consultancy services
- The Local Authority.

7.1   Trips
A lead teacher must be appointed for each trip to take responsibility for the organisation of the trip. The sum to be charged for the trip must be discussed and authorised by the Executive Business Manager. The letter and permission slips will then be prepared by academy under the supervision of the Office Manager and a record created of all the students going on the trip. Parents will be encouraged to make all payments via a cashless payments system where available, to reduce cash handling in the office. For payments made by cash the Office Manager will ensure the cash receipt is recorded in the system and a receipt is issued to the parent/student. The cash must be held in the safe at all times while on academy premises and deposited at the bank at least weekly. An up to date record for each student showing the amount paid and the amount outstanding will be kept. This record should be sent to the lead teacher on a weekly basis so they can chase up additional permission slips and payments. A summary of the trips financial performance should be undertaken by the Executive Business Manager. The principle of the trips should be that Income received should be sufficient to cover costs incurred and that the trip does not require assistance from general school funds.

7.2   Catering Income
Parents should be encouraged to pay dinner money half-termly in advance via a cashless payments system where available, to reduce cash handling in the office. Details should be sent out at the end of each half-term detailing the balance on the dinner money account and the amount to be paid for the coming term. Parents who struggle to pay half-termly may pay weekly but the Office Manager should question the parents further to assess whether they may be entitled to free school meals and support them with their application wherever possible.

The school administration team is responsible for checking, entering and banking any locally received dinner money. Anyone else receiving dinner money payments must ensure they are locked in the safe immediately. Dinner

money should be checked and entered at least once each week. Receipts should be issued to confirm receipt of payment or account statements printed off when required. The banking must be checked and signed by the Office Manager weekly prior to filing. The EBM must be notified immediately of any discrepancies. Monthly reconciliation should take place.

7.3   Dinner Number Reconciliation

Where academies meet the cost of catering, appropriate reconciliations must take place. The Administration Assistant will provide the kitchen with the daily numbers using the appropriate form. The weekly client recharge form from the kitchen must be cross-checked against the form for the week. Any discrepancy between the numbers provided and the number of meals taken must be investigated immediately to ensure all the children who are entitled to meals (free and paid) are taking them and that children not registered for meals are not taking them.

7.4   Free School Meals

Free School meals can only be provided if there is an entitlement.

7.5   Dinner Money Arrears

Individual pupil's arrears should not exceed 10 serving days or £30.00 (whichever is the greater) at any one time. Parents/guardians should be notified as soon as the arrears for the individual pupil are outstanding for five serving days. They should receive a second warning after 10 days stating meals have been withdrawn. Meals should only be reinstated when the arrears have been cleared and an advance payment made for the following week. Dinner money arrears cannot be written off without approval from the Headteacher.

7.6   Uniform Sales

The Office Manager is responsible for the uniform sales. Sales must be listed in a stock book and the totals banked must match with the items and revenue listed on the spreadsheet. Monies should be banked weekly unless there are insufficient funds to justify this. The print out and banking must be cross-checked and signed by the Office Manager. The Office Manager must ensure a termly stock count is carried out and any discrepancies between the stock book and actual stock levels brought to the attention of the Executive Business Manager. Online ordering should be encouraged where possible to reduce cash handling in the office and reduce the need for stock levels to be maintained in school. Parents without access to the internet should make payment at the time of placing their order.

7.7   Music Tuition

The school administration team is responsible for collecting music tuition monies each term. Tuition should be set up on PSF as a trip. Where possible parents should be encouraged to make online payments using a cashless payment system where available, to reduce cash handling in the office. The print- out and banking must be cross checked and signed by the Office Manager.

7.8   Clubs

The school administration team is responsible for the activity club sign-ups. Payment should be collected at the time of booking the club and all income must be recorded on PSF. The print out and banking must be cross-checked and signed by the Office Manager.

7.9   School Journey

The Office Manager is responsible for the monetary controls for a school journey. Where possible parents should be encouraged to make online payments using a cashless payments system where available, to reduce cash handling in the office. All contributions received must be recorded on PSF. The print out and banking must be cross-checked and signed by the Office Manager.

7.10   Lettings

The Office Manager is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. The invoice should be raised by the SSC and payment collected, ideally in advance except in the case of regular bookings by school parents. The SSC should also review the correct V.A.T. treatment of each Letting agreement.

7.11   Online Payments

Online secure payments should be encouraged and facilitated where possible to reduce cash handling.

7.12   Debts

No debts should be written off without the express approval of the Director of Finance. The ESFA's prior approval is also required if debts to be written off are above the value set out in the ESFA's Academies Financial Handbook.

7.13   Custody

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 safe prior to banking. Banking should take place at least once a week or more frequently if the sums collected exceed £1,000.

7.14   Sales Ledger

Monies collected must be banked in their entirety. The Office Manager is responsible for listing all local income which has been banked and notifying the SSC to record on PSF.

8.0   Cash Management

8.1   Bank Accounts

The Trust operates a single bank account that can only be accessed by certain central members of staff with varying authorisation levels. Schools will not operate their own bank account or have direct access to the Trust's bank account

8.2   Deposits

Each academy will have its own paying-in book with a unique reference so that deposits into the Trust's bank account can be identified against the relevant academy. Particulars of any deposit must be entered on a paying-in slip and should include:

- The amount of the deposit.
- The number of the receipt.
- The name of the debtor.
- The date.

8.3 Payments and Withdrawals

All payments will be made via BACS and processed by the SSC. Cheques and cash withdrawals are not permitted.

8.4 Administration

Bank reconciliations are performed by the SSC monthly.

8.5 Academy Credit Cards

Academies may request a credit card and where possible, each academy will only hold one credit card in the name of one designated card user, usually the Office Manager. The cardholder is the only person who can use the card, it must not be given to anyone else in the school. The credit card must be held in the school safe at all times.

Credit cards are issued and administered (including the control of limits) by the SSC.
All purchases made via the credit card must be against a pre-approved purchase order. The Headteacher cannot be the cardholder, unless specifically authorised by the Director of Finance. Purchases must be recorded in PSF and receipts (including VAT receipts) must be attached to the transactions.

All receipts must be produced and reconciled to the monthly credit card statement by the designated card user and submitted to the SSC for review and recording in PSF by the 15th working day of the calendar month.

The credit card must be used as a last resort and only for:
a) spend that is budgeted **and**
b) the supplier is reputable and will deliver the goods/service **and**
c) the supplier will not accept payment via invoice **and**
d) the supplier will issue a VAT invoice/receipt **and**
e) the spend has been pre-approved

8.6 Petty Cash Accounts

Petty cash is not permitted unless with express approval by the Director of Finance.

8.7 Deposits

All cash receipts for whatever reason should be paid directly into the Trust's bank account as soon as is reasonably possible, and no later than one week from receipt.

8.8 Administration

Regular, as well as unannounced, cash counts should be undertaken by the Executive Business Manager to ensure that the cash balance reconciles to supporting documentation.

8.9   Physical Security

Any cash should be held in a locking cash box, which is put in the safe overnight.

8.10   Cash Flow Forecasts

The SSC are responsible for the Trust's cash flow forecast to ensure there is sufficient cash for monthly working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

9.0   Fixed Assets

9.1   Fixed Asset Register

- All items purchased with a value over the academy's capitalisation limit of £2,000 must be entered in the fixed asset register. The asset register should include the following information:
- Asset description.
- Asset number.
- Serial number.
- Cate of acquisition.
- Asset cost.
- Source of funding (% of original cost funded from ESFA grant and % funded from other sources).
- Expected useful economic life.
- Depreciation.
- Current book value.
- Location.
- Name of member of staff responsible for the asset.

Assets over £2,000 should be permanently and visibly marked as the academy's property, labelled and added to the inventory which is checked annually. The inventory should include: -
- Asset description.
- Asset number.
- Serial number.
- Date of acquisition.
- Asset cost.
- Expected useful economic life.
- Location.
- Name of member of staff responsible for the asset.

The Asset Register and Inventory 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 academies financial system.
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

9.2 Depreciation

Fixed Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

Depreciation on assets is as follows: -

Land – Freehold	not depreciated
Land – Leasehold	125 years/lease term
Buildings	50 years straight line
Furniture and Equipment	25% straight line
Vehicles/Minibuses	20% straight line
Computer Equipment & Software	33% straight line

9.3 Security of Assets

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

All the items in the fixed asset register or inventory 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. It should be noted where items are used by the academy but do not belong to it.

9.4 Acquisitions and Disposal of Assets

The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:
- Acquiring a freehold on land or buildings.
- Disposing of a freehold on land or buildings.
- Disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

Schools cannot purchase assets from GAG or other grant income without the authorisation of the Director of Finance. This ensures that purchases are made in line with the relevant strategies of the Trust.

Academies may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State, but require the approval of the Director of Finance and in line with the limits of delegated financial authority. Any disposal must maintain the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.

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

9.5 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and Director of Finance, and, where significant, should be sold following competitive tender.

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 ESFA a proportion of the sale proceeds. All disposals of land must be agreed in advance with the Secretary of State.

9.6 Loan of Assets

Items of academy property must not be removed from academy premises without the authority of the Executive. A record of the loan must be recorded in a loan book and booked back into 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 academies auditors.

10.0 Storage of Records

The school will retain all documents in accordance with the Records Management Society's guidelines. Financial records need to be kept for seven years. At the end of each financial year, all records should be boxed up for secure storage – clearly listing the date for disposal. All documentation pertaining to financial transactions will be held in the financial system as electronic storage only.

11.0 Gifts

See separate policy.

12.0 Suspected Fraud

In case of suspected fraud, the Finance Committee will be notified and the external auditors called in to undertake a full investigation if required. The Director of Finance in consultation with the Finance Committee will decide whether the police should be notified. The Secretary of State must be notified of any loss arising from suspected theft or fraud exceeding an amount set out in the ESFA's Academies Financial Handbook.

13.0 Whistleblowing

See separate policy.

14.0 Complaints

See separate policy.

Policy History

Policy Date	Summary of change	Contact	Version/ Implementation Date	Review Date