



Community First  
Academy Trust

## **FINANCIAL REGULATIONS MANUAL**

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## **1. Introduction**

101. The purpose of this manual is to ensure that the Trust 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 our funding agreements with the Department for Education (DfE) and NCTL.

102. The academy / SCITT must comply with the principles of financial control outlined in the academies Financial Handbook published by the DfE. This manual expands on that and provides detailed information on the academy's accounting systems and procedures and should be read by all staff involved with finance.

## **2. Organisation**

201. The Trust has defined the responsibilities of each person involved in the administration of academy / SCITT finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

### **The Board of Trustees**

202. The Board of Trustees has overall responsibility for the administration of all finances.

The main responsibilities of the board are prescribed in the Funding Agreement between the academy and the DfE / NCTL.

The main responsibilities include:

- i. ensuring that grant from the DfE / NCTL is used only for the purposes intended;
- ii. select suitable accounting policies and apply them consistently
- iii. approval of the annual budget;
- iv. appointment of the CEO / Accounting Officer
- v. appointment of Headteachers / Heads of School
- vi. appointment of the Finance Director (Chief Financial Officer -CFO), Academy Business Managers and Senior Leaders, in conjunction with the Headteacher.

### **The Finance & Audit Committee / Local Academy Board**

203. The Finance & Audit Committee (if appointed) will come under the remit of the Board of Trustees.

#### **The Local Academy Board**

The Local Academy Board meets at least once a term but more frequent meetings can be arranged if necessary.

204. The main responsibilities of the Local Academy Board are detailed in written terms of reference which have been authorised by the Board of Trustees.

The main responsibilities include:

- i. the initial review and recommendation of the annual budget;
- ii. the regular monitoring of actual expenditure and income against budget;
- iii. ensuring the preparation of the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;

- iv. authorising the award of contracts between £20,000 and £40,000.
- v. scrutinise changes to the academy personnel establishment and reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the Board of Trustees.

### **The Accounting Officer**

205. The Academy Trust is required by its funding agreement with the Secretary of State for Education to designate a named individual as the 'Accounting Officer' and this designation confers legal responsibility for financial and administrative matters. This is delegated to the Executive Head / CEO of the Trust. The Accounting Officer is responsible to Parliament alongside the accounting officers of the ESFA and the DfE for: ensuring regularity; that public money is spent for the purposes intended by Parliament; ensuring propriety; ensuring value for money; keeping proper financial records and accounts and risk management and ensuring that opportunities are not overlooked. The Accounting Officer must assure that the Trust Board of the Academy's compliance with the requirements of the Academies Financial Handbook, all funding agreements and all relevant aspects of company and charitably law.

### **The Chief Finance Officer (Finance Director)**

206 The director of finance, business and operations is responsible to the Chief Executive Officer for the day-to-day financial management and administration of the Trust including ensuring:

- The preparation of medium term /annual capital and revenue budgets and financial plans
- The preparation of accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- The preparation of the Trust's annual accounts and other financial statements which the Trust is required to submit to the DfE/ESFA or other authorities
- The maintenance of satisfactory financial systems
- Professional advice on all matters relating to financial policies and procedures
- Day to day liaison with internal and external auditors in order to achieve efficient processes
- Day to day liaison with the Trust's bankers in relation to the Trust's bank accounts including authority to open/close accounts

### **The Headteacher / Head of School**

207. Within the framework of each academy's development plan as approved by the Board of Trustees the Headteacher has overall executive responsibility for the academy's / SCITT activities including financial activities. Much of the financial responsibility has been delegated to the Academy Business Manager / SCITT Finance Administrator but the Headteacher still retains responsibility for:

- i. approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Trustees have agreed should be approved by them;
- ii. authorising contracts up to £20,000 in conjunction with the Academy Business Manager / SCITT Administration.
- iii. signing cheques and authorising BACS payments in conjunction with the Academy Business Manager or other authorised signatory.

### **The Academy Business Manager / SCITT Finance Administrator**

208. The Academy Business Manager / SCITT Finance administrator works in close collaboration with the Headteacher / Finance Director (CFO) through whom she is responsible to the Directors. The Academy Business Manager / SCITT Finance Administrator also has direct access to the Board of Trustees via the Local Academy Board / Finance & Audit Committee.

The main responsibilities of the Academy Business Manager / SCITT Finance Administrator are:

- i. the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- ii. the management of the academy / SCITT financial position at a strategic and operational level within the framework for financial control determined by the local academy board;
- iii. the maintenance of effective systems of internal control;
- iv. ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- v. the monthly reconciliation of accounts;
- vi. signing cheques (if delegated) and authorising BACS payments in conjunction with the Headteacher or other authorised signatory and
- vii. ensuring forms and returns are sent to the DfE / NCTL in line with set timetables.

### **Administrative Officers**

209. The Academy's / SCITT Administrative Officers work in close collaboration with the Academy Business Manager / SCITT Finance Administrator through whom they are responsible to the Finance Director (CFO) / Headteacher and Governors. They provide financial and administrative support to meet the needs of the academy / centre and work within the delegations assigned to them.

### **The Responsible Officer**

210. The Responsible Officer (RO) is appointed by the Board of Trustees and provides Directors with an independent oversight of the academy's / centre's financial affairs.

The main duties of the RO are to provide the local academy board with independent assurance that:

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

211. The Responsible Officer will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the local academy board. A report of the findings from each visit will be presented to the Finance & Audit Committee / Local Academy Board.

### **Other Staff**

212. Other members of staff including budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All

staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

### **Register of Interests**

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

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

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

## **3. Accounting system**

301. All the financial transactions of the academy / centre must be recorded on the PSF accounting system. The PSF system is operated by the Finance Director (CFO), Academy Business Managers / Finance Officers and authorised Administrative Officers.

### **System Access**

302. Entry to the PS Financials system is password restricted and the Finance Director (CFO)/ Academy Business Manager / IT Manager are responsible for implementing a system which ensures that passwords are changed regularly.

303. Access to the component parts of the PS Financials system can also be restricted and the Finance Director (CFO)/ Academy Business Manager is responsible for setting access levels for all members of staff using the system in conjunction with the IT Manager.

### **Back-up Procedures**

304. The Academy Business Manager / IT Manager are responsible for ensuring that there are effective back up procedures for the system.

305. Regular backups of the finance system are taken daily.

306. The Academy Business Manager should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

## **Transaction Processing**

307. 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 payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. Bank transactions should be input to PS Financials by the Business / Finance Manager.

308. Detailed information on the operation of the finance systems can be found in the user manuals (or online) held in the Admin Office.

### **Transaction Reports**

309. The Academy / Centre Business / Finance Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include management accounts summarising expenditure and income against budget at budget holder level.

### **Reconciliations**

310. The Business / Finance Manager is responsible for ensuring that bank reconciliations are performed each month and outstanding items are investigated.

311 The Headteacher or Deputy Headteacher will review and sign all reconciliations as evidence of his review.

## **4. Financial planning**

401. The Academy / Centre prepares both short-term and long-term financial plans.

402. For Academies these plans are prepared as part of the development planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources.

403. 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.

404. The development planning process and the budgetary process are described in more detail below.

### **Development Plan**

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

406. The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.

407. Each year the Headteacher will propose a planning cycle and timetable to the local academy board which allows for:

- i. a review of past activities, aims and objectives - "did we get it right?"
- ii. definition or redefinition of aims and objectives - "are the aims still relevant?"
- iii. development of the plan and associated budgets - "how do we go forward?"
- iv. implementation, monitoring and review of the plan - "who needs to do what by when to make the plan work and keep it on course" and feedback into the next planning cycle - "what worked successfully and how can we improve?"

408. 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.

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

410. The Academy Leadership Team will report to the Board of Trustees if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

### **Annual Budget**

411. The Academy Business Manager / Centre Finance Administrator under the direction of the Finance Director (CFO) is responsible for preparing and obtaining approval for the annual budget. The budget for each Academy / Centre should be reviewed by the Headteacher/Local Academy Board/ Finance & Audit Committee, before being approved by the Board of Trustees.

412. Academy budget forecasts must be submitted to the DfE by 31<sup>st</sup> July each year and the Trust Finance Director (CFO) is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

413. The annual budget will reflect the best estimate of the resources available to the academy / centre 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 (academies) and the budgeted utilisation of resources.

414. The budgetary planning process will incorporate the following elements:

- i. forecasts of the likely number of pupils / trainees to estimate the amount of DfE / NCTL grant receivable;
- ii. review of other income sources available to the academy / centre to assess likely level of receipts;
- iii. review of past performance against budgets to promote an understanding of the academy /centre cost base;
- iv. identification of potential efficiency savings and
- v. review of the main expenditure headings in light of any development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.
- vi. Use of Orovia budgeting software to assist with the above where possible.

### **Balancing the Budget**

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

## **Finalising the Budget**

416. Once the different options and scenarios have been considered, a draft budget should be prepared by the Academy/Centre Business /Finance Manager for review by the Headteacher/ Local Academy Board, Finance & Audit Committee (if established) and approved by the Board of Trustees. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

417. The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

## **Monitoring and Review**

418. Monthly reports will be prepared by the Business/Finance Manager (SCITT). The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher.

419. Any potential overspend against the budget must in the first instance be discussed with the Business/Finance Manager (SCITT). The accounting system will not allow payments to be made against an overspent budget without the approval of the Business / Finance Manager(SCITT).

420. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements over £20,000 must be authorised by the Local Academy Board/ Committee with delegated powers.

4.21 Management Account Reports will be prepared on a monthly basis by the CFO and shared with the Chair of Trustees and other trustees six times a year as stated in the Academies Financial handbook 2018.

## **5. Payroll**

501 The main elements of the payroll system are:

- i. staff appointments;
- ii. organisational changes
- iii. payroll administration and
- iv. payments.

### **Staff Appointments**

502. Staff appointments are in line with the Governance and Accountability Handbook/Scheme of delegations.

503. The Headteacher has authority to appoint staff within the authorised establishment as per the Governance and Accountability Handbook/Scheme of delegations.

The Headteacher maintains personnel files for all members of staff which includes copies of the Written Statements of Particulars. All personnel changes must be notified, in writing, to the Director of HR and Payroll or his nominee. All changes to contracts are processed by the Business Manager or HR Manager and authorised by the Headteacher or her Deputy / Assistant Head in her absence.

### **Payroll Administration**

504. APS Global are commissioned to administer the Academy's payroll on its behalf.

505. All staff are paid monthly by BACs from the Academy's Bank Account.

506. All staff sickness and other absences during the month are recorded by the Admin. Officers or Business Manager both on the M.I.S (Management Information System) and reported to the payroll provider.

507. APS Global may issue a timetable for payroll processing specifying key dates for the month in question.

508. The Business Manager is responsible for processing any additional / overtime claims which are duly authorised by the Director of HR and Payroll / Finance Director (CFO) / Headteacher or her Deputy / Assistant Headteacher in her absence.

### **Payments**

509. After the payroll has been processed but before any payments are made a print of salary payments by individual and showing the amount payable in total is received by the Academy.

510. The print must be reviewed and authorised by both the Academy Business Manager or Finance Director (CFO) and the Headteacher or his / her deputy.

511. All salary payments are made by BACS.

512. 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 gross to net pay print.

513. Payments for these amounts are paid by the specified deadlines by the payroll provider.

514. The Academy Business Manager or Finance Director should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.

515. After the payroll has been processed the nominal ledger on PSF will be updated by the Business Manager. Postings will be made to individual cost centres.

516. On an annual basis the Finance Director (CFO) / Director of HR and Payroll 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 in the Headteacher's office.

### **Travel and Subsistence Claims**

517. All expenses should be in accordance with the Trust's Business Expense Policy.

## **6. Purchasing**

601. 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.

All orders over £20,000 should obtain the prior approval of the Local Academy Board and all orders over £30,000 are subject to tendering procedures.

All transactions with related parties must comply with section 3.10 of the Academies Financial handbook 2018 and reported to the ESFA, with prior approval being sought for any contract value over £20000.

### **Routine Purchasing**

602. 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 overspending is not permitted. A print detailing actual expenditure against budget will be supplied to each budget holder every half term and budget holders are encouraged to keep their own records of orders placed but not paid for.

603. Routine purchases can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Academy Business Manager.

604. All orders must be made, or confirmed, in writing/email using an official order form, the electronic pro-forma for this is held on the school intranet or a hard copy may be obtained from the office.

605. Paper copies of the Requisition must be approved and authorised by the Budget Holder.

606. The requisition is forwarded to the Admin officer for processing on PSF and approving on PSF by the Business manager before being passed back to the Headteacher /Deputy Head or Assistant Head for final approval and signing. (In the absence of the above the Business Manager/Finance Director (CFO) may sign and approve.)

607. Orders will be dispatched to the supplier by a member of the Admin Team by email or post as appropriate. A copy is to be retained in school.

608. Telephone orders may only be made after the requisition has been authorised.

609. Staff are not permitted to purchase goods for their personal use through the school's / centre's official account.

610. On receipt of the goods, the budget holder or member of staff checking the contents of the delivery must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. Delivery Notes should be signed and dated by the person checking the contents and passed to the Business /Finance Manager or Admin Officer without delay.

611. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, this should be noted on the delivery note and the Business or Finance / Admin Officer should be notified.

612. All invoices should be sent to the Business / Finance Officer.

613. The Business or Finance / Admin Officer will check the invoice to ensure that:

- a) it matches the delivery note
- b) it is arithmetically correct
- c) VAT is treated correctly

614. The Business or Finance /Admin Officer will input details of payments to be made to the PSF system.

615. The Invoice and associated paperwork must be certified / checked by a member of the Admin Team and then authorised by two of the nominated cheque signatories. The payment slip/stamp should be initialled accordingly.

616. Payments will be dispatched by BACS/cheque to suppliers by the Business or Finance /Admin Officer.

617. Paid invoices are then placed in the appropriate file.

618. In determining the estimated cost of goods, works or services the following shall apply:

- i. staff shall not sub-divide work which could reasonably be treated as a single contract;
- ii. the total estimated value of orders for a year for a given type of goods, works or services should, wherever practicable, be amalgamated when determining purchasing procedures.
- iii. if a contract / arrangement is for a period greater than one year then the estimated value of orders to be placed over the full period should be used to determine the appropriate procedure;
- iv. where contracts run year to year with the school or Contractor having the option to terminate on notice the value of the contract shall be calculated over the period prior to the date when the break clause may first be exercised;
- v. where leasing arrangements are used, the total amount payable over the life of the lease shall determine the appropriate procedure
- vi. where contracts entail both revenue and capital costs (e.g. acquisition and support for IT systems) the revenue costs shall be estimated according to paragraph (iii) above;
- vii. if the lowest quote obtained exceeds the upper limit applicable to the procedure selected, the Headteacher should consider whether the procedures for the higher category should be applied. If this is not considered appropriate, the reasons for not applying higher category procedures should be recorded.

#### **Orders over £1000 but less than £10000**

619. Budget holders are expected to check and compare prices to ensure that best value is obtained. It is recommended that at least three comparison quotes are obtained.

#### **Orders over £10,000 but less than £30,000**

620. At least three written quotations should be obtained for all orders between £10,000 and £30,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained for audit purposes.

Telephone quotes are acceptable if these are evidenced and faxed or emailed confirmation of quotes has been received before a purchase decision is made.

### **Orders over £30,000**

621. All goods/services ordered with a value over £30,000 or for a series of contracts which in total exceed £30,000 must be subject to formal tendering procedures. Purchases over £100,000 may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

### **Forms of Tenders**

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

**A. Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Academy 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.

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

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

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

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

### **Preparation for Tender**

623. Full consideration should be given to:

- i. objective of project
- ii. overall requirements
- iii. technical skills required
- iv. after sales service requirements
- v. form of contract.

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

### **Invitation to Tender**

625. 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.

626. An invitation to tender should include the following:

- i. introduction/background to the project;
- ii. scope and objectives of the project;
- iii. technical requirements;
- iv. implementation of the project;
- v. terms and conditions of tender and
- vi. form of response.

### **Aspects to Consider**

#### ***Financial***

- i. 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.
- ii. Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs e.g. power supplies.
- iii. Is there scope for negotiation?

#### ***Technical/Suitability***

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

#### ***Other Considerations***

- i. Pre sales demonstrations
- ii. After sales service
- iii. 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**

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

### **Tender Opening Procedures**

628. 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:

- i. For contracts between £30,000 and £40,000 – either the Academy Business or the Headteacher plus a member of the Local Academy Board
- ii. For contracts over £40,000 - either the Academy Business Manager or the Headteacher plus a Director of the Trust

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

### **Tendering Procedures**

630. 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.

631. 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.

632. Full records should be kept of all criteria used for evaluation and for contracts over £30,000 a report should be prepared for the Local Academy Board / Finance & Audit Committee highlighting the relevant issues and recommending a decision. For contracts over £40,000 the criteria should be reported to the Trust for a decision.

633. 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.

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

### **Credit Cards**

635. The academy has credit cards (charge cards), allocated to authorised users, which have been set up with the approval of the Board /Central Team and then reported back to the Local Academy Board.

636. The authorised users of the academy charge cards each have a monthly limit of £2000 for Platt Bridge and £2000 for Rose Bridge. The CEO has a charge card, with an approved limit of £5000. Additional cards are also held for Kingsbridge and the Trust. Kingsbridge has 3 cards assigned with an overall limit of £20000 and the Trust has 2 cards with an overall limit of £10000.

637. All credit cards are held securely when not in use either by the cardholder or within the school in a secure location where there is limited access.

638. Any misuse of the card(s) outside of the conditions of use will result in the immediate withdrawal of the card(s) from the cardholder(s) and the Head / Head of School will take appropriate action in line with the Trust's policies.

639. The loss of any card(s) will immediately be reported to the bank and the Business Manager/Finance Director (CFO).

640. If the card(s) are no longer required or the cardholder(s) leave the school they shall be returned to the Business Manager and destroyed.

641. School credit cards must not be used for personal purchases

642. The use of the school credit card for ordering goods and services shall operate in conjunction with the principles of best value and follow the same ordering and authorisation process as specified in 'Routine Processing'.

643. The credit card should not be used until confirmation has been made that limits have not been exceeded.

644. A record of expenditure incurred should be maintained by the Business Manager in order to verify credit card statements

645. Any credit card balances should be cleared in full by direct debit from the academy's bank account by the due date

646. The credit card holder must check, verify and sign the monthly credit card statement before the direct debit due date.

647. All credit card statements will be filed with the bank statements for auditing purposes.

648. All credit card users must sign the Credit Card Agreement / Indemnity form upon receipt of the credit card.

## **7 Income**

701. The main sources of income for the academy / centre are the grants from the DfE or NCTL. The receipt of these sums is monitored directly by the Academy/Centre Business or Finance Manager who is responsible for ensuring that all grants due to the academy are collected.

702. The academy/ centre also obtains income from:

- i. Students/trainees
- ii. facility management fees from other partners on site
- iii. Other schools or the local authority for supporting other schools
- iv. the public or partner agencies, mainly for hiring of school facilities.

703. Invoices are raised as required by the Business or Finance Manager / Admin Officer and a copy invoice is kept with the ledger.

704. When payment is received, the income is banked by the Admin Officer and the ledger is noted accordingly.

### **Trips**

705. A lead teacher will take responsibility for the event once the trip has been costed and authorised by the Headteacher.

706. All coach and entrance fees are subject to the usual Requisition procedures.

707. All contributions should be collected by the Admin Officer and a record kept of individual pupil contributions. Payment Cards will be issued when instalments are permitted.

708. A record of unpaid contributions will be sent to the lead teacher/Pastoral Support Manager on a regular basis in order to follow up outstanding amounts.

### **Lettings of School Facilities (see Appendix A)**

709. The nominated Office Staff member is responsible for maintaining records of bookings of school facilities and for identifying the sums due from each organisation.

710. The Business Manager maintains a ledger of all Invoices raised to Hirers.

Details of payments made and outstanding accounts are regularly reviewed and the Finance Officer is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

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

712. Organisations using the school facilities should be instructed to send all payments to the Finance Office.

### **Custody**

713. Official, academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in

the safe prior to banking. Banking should take place every week or more frequently if the cash collected exceeds the £10,000 cash held insurance limit on the school site. 714. Monies collected must be banked in their entirety in the appropriate bank account. The Admin Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Academy Business Manager. 715. Money collected daily from pupils by teachers or support staff will be handed to Admin Officer for banking along with a note of the amount and purpose of the money. After checking, a receipt for the money handed over will be issued to the teacher /support staff member, and a copy retained or electronic records are held

## 8 Cash Management

### Bank Accounts

801. The opening of all accounts must be authorised by the Central Team 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

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

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

### Payments and withdrawals

803. All cheques / bacs payments must bear the signatures or be authorised by any 2 approvers as listed in the table of delegation below:

Accounts	Authorised Approvers
Community First Academy Trust	M.Frost, J Pugh, Sue Darbyshire Craig Holden
All Platt Bridge Accounts	M.Frost, J Pugh, Sue Darbyshire, M. Haskayne, A. Howard, L.Butler C. Holden

All Rose Bridge Accounts	M.Frost, J Pugh, Sue Darbyshire, C. Holden
All Kingsbridge Accounts	M.Frost, J Pugh, Sue Darbyshire, C. Holden

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

### **Administration**

805. The Academy Business / Finance Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- i. all bank accounts are reconciled to the academy's PSF system;
- ii. reconciliations are prepared by the Business/ Finance Manager or Finance Director (CFO).
- iii. reconciliations are subject to an independent monthly review carried out by the Headteacher or in her absence the Deputy or Assistant Headteacher
- iv. adjustments arising are dealt with promptly.

### **Petty Cash Accounts**

806. The academy maintains a maximum cash balance of £500. The cash is administered by the Business/Finance Manager or Admin Officer and is kept in the safe.

### **Deposits**

807. The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

### **Payments and Withdrawals**

808. In the interests of security, petty cash payments should be limited to £50 whenever possible. Higher value payments should be made by cheque /bacs directly from the main bank account unless authorised otherwise by the Headteacher

### **Administration**

809. The Admin Officer is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Deputy or Assistant Headteacher to ensure that the cash balance reconciles to supporting documentation.

### **Physical Security**

810. Petty cash should be held in a locking cash box which is put in the safe overnight.

## **Cash Flow Forecasts**

811. The Academy Business Manager under the direction of the Finance Director (CFO) is responsible for preparing cash flow forecasts to ensure that the academy / centre 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. Similarly plans should be made to transfer funds from another bank account or to re-profile GAG / funding income to cover potential cash shortages.

Virements up to the value of £20,000 may be authorised by the Headteacher without the prior approval of the Local Academy Board. All virements will be reported to the Local Academy Board in the budget monitoring reports prepared by the Academy Business Manager.

## **Investments**

812. Investments must be made only in accordance with written procedures approved by the local academy board.

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

## **9 Fixed assets**

### **Asset register**

901. All items purchased with a value over the academy's capitalisation limit of £1000, or portable IT equipment (including laptops and Ipads) must be entered onto the asset recording system - Parago. The asset register should include the following information for IT equipment:

- i. asset description
- ii. asset number
- iii. serial number
- iv. date of acquisition
- v. asset cost
- vi. source of funding (% of original cost funded from DfE grant and % funded from other sources)
- vii. expected useful economic life
- viii. depreciation
- ix. current book value
- x. location
- xi. name of member of staff responsible for the asset

For all other items i.e. furniture and electrical goods the asset register should include the following:

- asset description
- asset number
- serial number (if applicable)
- date of purchase
- cost
- Location

902. The Asset Register helps:

- i. ensure that staff take responsibility for the safe custody of assets;
- ii. enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- iii. to manage the effective utilisation of assets and to plan for their replacement;
- iv. help the external auditors to draw conclusions on the annual accounts and the academy's financial system and
- v. support insurance claims in the event of fire, theft, vandalism or other disasters.

### **Security of assets**

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

904. All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the local academy board. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

### **Disposals (See appendix C)**

905. Items which are to be disposed of by sale or destruction must be authorised by the Headteacher and, where significant, should be sold following competitive tender. The Local Academy Board will be informed of all disposals and permission exceeding £500 in value. The academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

906. The academy Trust must obtain ESFA's approval when exceeding the delegation limits dictated to in the Academies Financial Handbook.

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

### **Loan of Assets**

908. Items of academy / centre property must not be removed from site without the authority of the Business / Finance Manager. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.

909. 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.

### **910 Payments to individuals on a self-employed basis / workers IR35**

Payments can be made to individuals on production of an invoice. However, new rules were introduced on 6<sup>th</sup> April 2017 named IR35 that apply to public authorities. The definition of a public authority includes schools and universities. A worker is involved in off-payroll working (IR35) when they work for a client through their own intermediary,

often a personal service company (PSC), but would be an employee if they were providing their services directly.

The decision on whether IR35 applies rests with the end user of the service (i.e. the academy trust), even if an agency is being used when engaging a worker.

An enquiry must be carried out on the individual using the HMRC, Employer Status Indicator Tool. <https://www.tax.service.gov.uk/check-employment-status-for-tax/setup> before any work is undertaken on a self-employed or intermediary basis.

The central team must be kept informed of any individual or PSC that is likely to be engaged on a self-employed basis before any engagement begins.

We must only hire an 'outside IR35' worker when we have a copy of the IR35 online assessment for the worker clearly stating that "the intermediaries legislation does not apply to this engagement"

The generated reference number must be kept with both the individual invoice and provided to the central team for future reference.

If the enquiry shows that the payment cannot be made to the individual on a self-employed basis, the individual would therefore, be paid through the trust's PAYE payroll for their engagement.

**Appendix A**

**Platt Bridge Community School**

**LETTINGS CHARGES W.E.F. 1 SEPTEMBER 2018 TO 31 AUGUST 2019**

**All rooms except small Interview room**

Charge per hour £20

Half day (am / pm session ) £50

Full Day £100

**Small Interview Room**

Charge per hour £12

**Caretaker's fee and Refreshments if required to be added to all above rates where appropriate**

**Annex B**

**REGISTER OF KEY HOLDERS – PLATT BRIDGE COMMUNITY SCHOOL**

Name of Key Holder	Type of Key (eg Main Entrance, Safe Portastor)	Signed	Date Issued	Date Returned	Returned By (Initialled)	Returned To (Initialled)

**Annex B**

**REGISTER OF KEY HOLDERS – ROSE BRIDGE ACADEMY**

Name of Key Holder	Type of Key (eg Main Entrance, Safe Portastor)	Signed	Date Issued	Date Returned	Returned By (Initialled)	Returned To (Initialled)

## ANNEX D

### Policy for the write off of equipment and stores – Community First Academy Trust

#### **1. General**

- 1.1 In order to ensure the correct treatment for the write off of school equipment and stores the following policy has been adopted by the Board of Trustees
- 1.2 Write-offs will be divided into two categories:

Category 1 -Write off of unserviceable, surplus or obsolete equipment and stores.

Category 2 – Write off of missing equipment and stores.

The treatment of each is as follows:

#### **2. Category 1 -Write off of unserviceable, surplus or obsolete equipment**

- 2.1 Unserviceable equipment not of sufficient value to be recorded on the inventory may be written off at the discretion of the Business Manager.
- 2.2 For items recorded on the inventory, these cannot be disposed of or removed from the inventory records without the initial authorisation of the Headteacher and in accordance with the limits set below:
  - 2.2.1 *For inventory items –value in excess of £500*

The method of disposal of any surplus damaged or obsolete equipment or stores which has a value in excess of £500 shall be such as to ensure maximum income to the school and should be sold through a competitive tender. All such sales should be reported to the Local Academy Board and minuted accordingly.

##### *2.2.2 For inventory items – value below £500*

The method of disposal of any surplus damaged or obsolete equipment or stores which has a value below £500 shall be delegated to the Headteacher. In such circumstances unserviceable or scrap stock may at the Headteacher's discretion, be broken down for cannibalising rather than disposal by sale.

#### **3. Category 2- Write-off of missing equipment and stores**

- 3.1 The Headteacher will report to the Local Academy Board on a termly basis all equipment and stores required for write off within this category.
- 3.2 The Local academy board will then authorise the request to write off the equipment and stores, and will sign the application form accordingly.
- 3.3 The inventory record should be updated on a timely basis to reflect the reason for write off, the authorisation reference number and date written off.