

# James Cook Learning Trust

## FINANCE POLICY

DRAFT

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# FINANCE POLICY

## 1 Introduction

The purpose of this policy is to ensure James Cook Learning Trust maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must comply with the principles of financial control outlined in the academies guidance published by the Education and Skills Funding Agency (ESFA), primarily the Academies Financial Handbook (AFH). This policy expands on that and provides detailed information on the Trust's accounting procedures and systems.

This policy should be read in conjunction with the following Trust policies and with individual academy financial procedure notes as appropriate.

- Assets & Disposal Policy
- Anti-Fraud, Corruption and Bribery Policy
- Confidential Reporting (Whistle Blowing) Policy
- Reserves Policy
- Gifts and Hospitality Policy
- Finance procedure notes
- Code of Conduct
- Staff and Trustee Expenses Policy

This policy will be regularly reviewed and any must be approved by Trustees.

This policy applies to the Trust and to all individual academies.

This policy should be read by all staff involved in financial transactions.

Instances of non-compliance with this policy will be reviewed by the Chief Financial Officer and may be reported to the Board.

## 2 Financial Responsibilities

The key financial responsibilities within the Trust are outlined below:

### **The Board of Trustees**

The Board of Trustees has overall responsibility for the administration of the Trust's finances. The Board is responsible for managing the financial affairs to ensure regularity, propriety and value for money, and for ensuring that the Trust's funds are used in accordance with charity law, company law and the

funding agreement. The Trustees are held to account by the Secretary of State, although the Board delegates certain powers to the Accounting Officer.

### **The Finance and Resources Committee**

The Finance and Resources Committee is a committee of the Board of Trustees meeting at least once a term. The Board delegates many of its financial responsibilities to be carried out by this committee, including responsibility for providing assurance to the Board on the adequacy of financial controls within the Trust.

To support them in this role the Committee has commissioned a programme of internal assurance testing to be carried out by Tait Walker.

The Committee receives internal assurance reports after audit testing throughout the year

The responsibilities of the committee are detailed in written terms of reference which have been authorised by the Board of Trustees.

### **LGBs**

LGB of each academy have some financial responsibility, in line with the scheme of delegation, they will be responsible for approving expenditure up to £20,000 and will receive budget monitoring information on a termly basis.

### **The Accounting Officer**

The Trust have appointed the Chief Executive as the Accounting Officer. The Accounting Officer has personal responsibility (that cannot be delegated) for assuring the Board that there is compliance with the handbook, the Funding Agreement and all relevant aspects of company and charitable law.

### **The Chief Financial Officer**

The Trust have appointed the Headteacher, The Avenue Primary School, as the Chief Financial Officer.

The main responsibilities of the Chief Financial Officer (CFO) are:

- the establishment and operation of a suitable accounting system;
- the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees;
- implementation and operation of rigorous and robust audits and control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- the preparation of monthly and annual management accounts.

### **Key support to the CFO is provided by;**

Support service purchased from Avec Partnership Ltd (Avec). The service will provide professional advice to the CFO and the Trust and will complete financial tasks on behalf of the CFO, as directed.

The School Business Manager, Captain Cook Primary School (SBM) will play a lead role in supporting the CFO.

### **Other Staff**

Finance Leads are identified in each other the other academies.

Other members of staff will have some financial responsibilities. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

### **Register of Interests and Related Parties**

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 members, trustees, leadership team and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. Close family relationships within the Trust are also declared as per the AFH requirements. The register is open to public inspection and published on the website.

The existence of a register of business interests does not, of course, detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed at committee and is a standard item on every agenda. Where an interest has been declared, Trustees and staff should not attend that part of any committee or other meeting.

**Related Party transactions will only be entered within the restrictions of the AFH and will be subject to prior approval of the Board.**

### **Gifts and Hospitality**

All personal gifts and hospitality above a monetary value of £50 received by Trustees and staff should be declared and recorded. This minimises the risk of staff and Trustees being compromised by expectations of reciprocal benefits.

Headteachers should be consulted before any such gifts or offers of hospitality are accepted. Where one of these staff members is involved they must consult one of the other nominated staff.

In line with the Gifts and Hospitality policy, a register of all acceptances and refusals is maintained in each school.

### **Governance Information**

Key information regarding the governance structure must be kept up to date on the DfE 'Get Information About Schools' system and on Companies House. The oversight of this is the responsibility of the Chief Executive

### **3 Accounting System**

<b>Accounting System</b>
<p style="text-align: center;"><b>Key responsibilities of the Trust</b></p> <p>Establish and maintain the accounting system Determine the financial control procedures Determine user access rights Complete control account and reconciliation procedures</p> <p style="text-align: center;"><b>Key responsibilities of each academy</b></p> <p>Process transactions in line with agreed procedures and authorisation limits Keep user access accounts secure and not share log-ins.</p>

All the financial transactions of the Trust must be recorded on the finance system, HCSS. This system consists of

- General Ledger, including Journal transactions
- Purchase Ledger
- Sales Ledger
- Fixed Assets

#### **System Access**

Access to HCSS is determined by the CFO. The CFO and Avec have access to amend the system, set up any controls and to determine appropriate levels of access for users of the system.

User access to HCSS is controlled through secure user accounts and passwords. It is the responsibility of all system users to keep their password secure. Access to the system is password protected with password changes automatically implemented on a regular basis.

A multi user licence is operated across the Trust. System access must ensure that there is adequate separation of duties in the process and that users may not initiate and approve transactions.

### **Back-up Procedures and Business Continuity.**

The responsibility for hosting and backing up the system lies with HCSS. The Trust will also prepare a Business Continuity Plan.

### **Journal Processing.**

All journal entries must be documented on the appropriate journal form, and authorised in accordance with the authorisation limits and procedures.

### **Reconciliations.**

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

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement.

All un-reconciled items are reported in an exception report as part of the monthly process.

All monthly reconciliations will be prepared by the SBM (supported by Avec) and reviewed, in a timely manner, by the CFO and signed by them as evidence of that review.

### **Levels of Authorisation**

The following limits (net amounts before VAT) apply to all types of expenditure:

<b>Central Trust</b>	
<b>Up to £10,000</b>	<b>Over £10,000</b>
Chief Executive	Finance and Resources Committee

<b>Individual academies</b>		
<b>Up to £10,000</b>	<b>Over £10,000 – up to £20,000</b>	<b>Over £20,000</b>
<b>Headteacher</b>	<b>LGB</b>	<b>Finance and Resources Committee</b>

#### **4 Financial Planning**

<b>Financial Planning</b>
<p style="text-align: center;"><b>Key responsibilities of the Trust</b></p> <p>Determine the overall financial strategy for the Trust  Oversight of the Trust Finances  Oversight of compliance with funding agreement and statutory responsibilities  Production of management accounts  Production of annual financial statements</p> <p style="text-align: center;"><b>Key responsibilities of each academy</b></p> <p>Recommending budget plans to the Trust Board  Receive budget monitoring reports  Maintenance of accounting records in line with the procedures in this policy</p>

The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the Trust’s educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust 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.

#### **Budget Setting and Medium term financial plan**

The Trust is required by the ESFA to produce annual and 3 year budget plans (MTFP) for submission in line with their timetables and the AFH.

The CFO is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the full Board.

The CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that ESFA requirements regarding budget returns can be met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and 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 budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
- review of other income sources available to the Trust to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the Trust cost base;
- identification of potential efficiency savings, and
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

### **Balancing the Budget**

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

### **Reserves**

The Trust will determine the appropriate level of reserves that will be prudent to hold and this will be considered as part of the annual and longer term budget setting. This will be a separate policy document and will be reviewed annually.

### **Finalising and approving the Budget**

Individual academy budgets will be prepared by the CFO and agreed with Headteacher and then by the LGB. The CFO will then compile a Trust wide budget for approval by the Chief Executive, then the Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

## **Budgetholders (applies to Captain Cook Primary School).**

It is the responsibility of budget holders to take all reasonable steps to not exceed budget allocations.

### **Budget Monitoring and Review**

Monthly management accounts will be prepared. The reports will detail actual income and expenditure against budget and will provide creditors and debtors information alongside monthly cash flow statements.

The monthly accounts will be circulated to all Trustees and Headteachers. Trustees will consider the monthly management accounts at each Board meeting.

On a termly basis the CFO will prepare more detailed financial reports, including projected outturn position to be presented to the Finance and Resources and then the Board.

Any potential under or over spend against the budget must in the first instance be discussed with the CFO.

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.

### **Virements**

Virements over £5,000 between budget headings will be approved by the Board.

### **Liabilities and write-offs**

Debt write-offs may be approved for a variety of reasons. The most common reasons include:

- Insufficient legal proof of the debt or liability for the charge;
- The likely expense of legal actions exceeds the likely recovery;
- The debtor cannot be traced;
- The debtor is unable to pay;
- The debt represents the outstanding balance after a final dividend has been paid in cases of bankruptcy or insolvency.

Headteachers may write off pupil debts up the value of £60 –records of the reasons for write off must be maintained and may be taken to LGB for information. Any other debt write-off must be approved by the Finance and Resources Committee.

The Trust may perform the following financial transactions up to the limits set out below:

- writing off debts and losses (including any uncollected fines);
- entering into guarantees, indemnities or letters of comfort (excluding those relating to borrowing by the Trust).

The limits are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- Cumulatively, 2.5% of total annual income in any one financial year per category of transaction
- Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

### **Novel, contentious and repercussive transactions**

The ESFA defines novel payments as those in which the Trust has no experience or are outside the range of normal business activity for the Trust. Contentious payments are defined as those which might give rise to criticism of the Trust by the public or the media. Repercussive transactions are those which are likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

Novel, contentious or repercussive payments must always be referred to the ESFA for explicit prior authorisation. If there is any doubt about the propriety of a payment the Trust must ask the ESFA in advance.

## **5 Payroll**

### **Staff Appointments**

The Scheme of delegation determines the authority to make staff appointments. Each academy maintains personnel files for all members of staff which include contracts of employment.

### **Payroll Administration**

All members of staff are paid monthly, in arrears by BACS transfer, on the 25<sup>th</sup> of each month or the closest date to the 25<sup>th</sup> if it falls on a weekend.

The Trust payroll processing is administered through a contractual arrangement with an external payroll provider, Xentrall Shared Services.

The payroll provider will also determine monthly payroll timetables for key processing dates, and these will be shared with relevant staff.

Xentrall will only process key changes on the instruction of the Headteacher.

Each academy is responsible for notifying the payroll provider of sickness and other absences during the month. New appointments or terminations are completed on a monthly basis and authorised by the Headteacher before they are passed to the provider for processing.

Claims for overtime, additional hours and supply cover are manually recorded and approved by the Headteacher. These amendments are then submitted to Xentrall.

Xentrall processes the payroll and sends detailed staffing payment reports for approval in advance. The reports are printed and reviewed by the Finance Lead in each school all transactions are checked for reasonableness and detailed spot checks are also completed. The reports are then passed to the Headteacher for review and approval. Both the reviewer and the approver will sign the report to evidence these checks. Any amendments required are notified to payroll by the Headteacher, in preparation for the following payroll run.

Xentrall makes all payroll payments directly to employees (net pay) and external bodies for deductions made. Xentrall deducts the payments straight form the Trust bank account.

### **Mileage Claims**

Claims for mileage are made on the appropriate form and signed by the employee and approved by the Headteacher before payment.

NB if employees use their own vehicle for Trust business, they will be required to provide appropriate documentation to ensure that the vehicle:

- is insured for business purposes
- has a current MOT certificate (where applicable)

The finance staff in each academy will be responsible for maintaining a record of the checks carried out to verify these requirements.

Mileage claims by Headteachers should be approved by the Chief Executive or the Chair of Finance and Resources.

### **Payment of salaries**

All net salary payments and third part distributions are made by BACS and are the responsibility of the payroll provider as per the contract arrangements.

After the payroll has been processed the nominal ledger will be updated by the finance team. Postings will be made both to the payroll control account and to appropriate cost centres. The CFO should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

### **Staff Severance Payments**

Non-contractual payments at the end of employment would only be paid if the Trust has concluded that the payment represented the best value for money compared to other options. The business case for such payments would be fully documented and the guidance issued by the ESFA will be followed.

The Headteacher and the Chief Executive in conjunction with the Chair of Board may approve non-contractual payments up to £50,000; the calculation of payments will be verified by the CFO to ensure compliance with the AFH.

Non-contractual payments over £50,000 require approval in advance from HM Treasury.

### **IR35 Checks**

Checks will be performed on all contract arrangements that will be potential classed as employment. Checks will be performed with the support of the HR advisor and evidence of the check will be retained and signed by the Headteacher and CFO.

## **6 Purchasing**

<b>Purchasing</b>
<b>Key responsibilities of the Trust</b>
Manage all tendering procedures for payments over £20,000
Manage the creditor database
Prepare and manage VAT returns
<b>Key responsibilities of each academy</b>
Process transactions in line with agreed procedures and authorisation limits and the financial standards in this policy
Comply with competitive purchasing requirements

The Trust wants to achieve the best value for money from all its purchases. A large proportion of 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 Trust;
- **Accountability;** the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness;** that all those dealt with by the Trust are dealt with on a fair and equitable basis.

## **Routine Purchasing**

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder on a regular basis and/or on request.

## **Leasing**

The Trust does not enter into any form of finance lease as a means of purchasing goods, as this is a form of borrowing. The Trust does occasionally enter into operating leases for the rental of equipment. All agreements are carefully reviewed and considered and approved by the CFO.

## **Procurement Process**

Purchases across the whole Trust must be processed in accordance with the following financial standards

- Adequate separation of duties exist throughout the process. There is a clear separation of users who can generate orders and those that can process invoices.
- Two users must be involved in each transaction.
- Headteachers will manually approve all paper requisitions and will be required to additionally approve on-line for all transactions over £1,000.
- Official orders must be created for all purchases.
- Approved orders, signed as per the above authorisation limits, will be recorded in the purchase order module of HCSS which will allocate an order number. Orders will be despatched by email.
- Incoming deliveries will be despatched to departments accordingly and the goods will be checked against the goods received note. Any discrepancies should be recorded and discussed with the supplier without delay.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy finance staff should be notified.
- Invoices will only be processed for payment if the order and invoice match in terms of value and quantity of goods/services. Any mismatches will be investigated by the finance team.

## **Payments**

A HCSS report will be produced listing all individual invoices to be paid. The SBM will review the listing and will complete spot checks back to source documentation and raise any queries with the individual academy. The listing will be signed as evidence of this review.

The process and controls regarding payments are detailed in section 8 of this policy.

## **VAT**

It is the responsibility of the SBM in conjunction with Avec, to prepare the Trust VAT return across the whole trust. The returns will be checked and countersigned by the CFO before submission to HMRC.

## **FMS Supplier Master-file**

The supplier master-file will be controlled and updated by the SBM.

Changes to supplier bank account details are carefully controlled, as the Trust is aware that this is an area that is vulnerable to fraud. Supplier details will not be amended until the changes have been verified as being valid.

Each new or amended supplier bank account/payment details will be documented on a template form (see appendix) this will document the evidence received and the method of verifying this information. The form will be signed by the finance staff completing the checks and then passed to the SBM, together with supporting documentation for authorisation prior to the amendment being processed.

Each amendment to the creditors file will be processed by the finance staff at Captain Cook and checked by the SBM.

In advance of each payment run the SBM will run a HCSS report detailing all bank account amendments. This report will be reviewed back to supporting documentation and evidence of this review will be checked and signed by the CFO.

## **Competitive Purchasing Requirements and Limits**

**(The value of purchases is calculated as the value, excluding VAT, for the full duration of the contract including any extensions or options)**

### **Orders up to £3,000.**

In purchasing all goods and services, budget holders should ensure that they review the use of existing resources and consider the cost, quality, reliability and availability. Fixed prices should be obtained for all purchases before orders are placed. Value for money should be demonstrated.

### **Orders over £3,000 but less than £10,000**

Three written quotations should be obtained for all orders between £3,000 and £10,000 to identify the best source of the goods/services. Written details of quotations obtained should be attached to the order placed and available for audit purposes. Telephone quotes are acceptable if these are documented

and evidenced and confirmation of quotes has been received before a purchase decision is made.

### **Orders over £10,000 but less than £20,000**

Three written quotations should be obtained for all orders between £10,000 and £20,000 to identify the best source of the goods/services. Written details of quotations obtained should be attached to the order placed and available for audit purposes. A written report should be prepared for LGB approval.

### **Orders over £20,000 but less than £60,000**

Guidance on all procurement above £20,000 should be sought in advance from the CFO

All expenditure over £20,000 will be taken to Finance and Resources Committee for approval. If competitive quotes cannot be sought, a report will be taken to the committee documenting the reasons why and how value for money has been otherwise assured.

A specification of requirements and evaluation criteria will be drawn up in advance. All potential contractors invited to submit quotations shall be provided in all instances with identical information and instructions. Quotes will be evaluated by more than one individual and a decision for recommendation to Directors made.

### **Orders over £60,000 but less than EU Thresholds**

All goods/services ordered with a value over £60,000, or for a series of contracts which in total exceed £60,000 must be subject to formal tendering procedures, detailed below, and will be managed by the CFO.

### **EU Procurement Thresholds**

Purchases over £181,302 for supplies and services or £4,551,413 for works contracts (threshold from 1 January 2018) may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. When the Trust is likely to award such contracts further legal guidance should be sought.

#### **EU Procurement Thresholds 1<sup>st</sup> Jan 2018-31<sup>st</sup> Dec 2019**

Supplies and Services £181,302  
Lighter Touch Services £4,551,413  
Works £615,278

Procurement above EU Thresholds must be carried out in accordance with the appropriate **EU Procurement Directives**, which the UK enforces through the **Public Contract Regulations 2015**.

In the first instance existing EU compliant framework agreements established by public sector buying organisations will be explored and will be used where appropriate.

For purchases above the threshold a procurement plan identifying the key tasks, responsibilities and authorisation routes must be approved by the Board of Trustees before the procurement commences and progress will be monitored and reported to Trustees throughout the process. Where this is a procurement that is not from an existing framework this process is likely to draw on external procurement, technical and legal advice

#### References

<https://www.gov.uk/guidance/transposing-eu-procurement-directives>

<http://www.legislation.gov.uk/ukxi/2015/102/contents/made>

### **Tendering Procedures (below EU Thresholds)**

Staff will refer to and follow the additional DfE guidance

<https://www.gov.uk/guidance/buying-for-schools>

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The Trust must seek tenders on the most appropriate basis.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the CFO how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical.
- **Restricted Tender:** The Trust will normally invite at least four bidders. This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
  - there is a need to maintain a balance between the contract value and administrative costs,
  - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Trust's requirements,
  - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

### **Preparation for Tender**

Full consideration should be given to:

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

The award criteria which are to be applied in evaluating tenders must be recorded in writing before the tenders are invited and must be stated in the documents sent to suppliers. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### **Invitation to Tender**

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

An invitation to tender will normally be issued to at least four suppliers, and should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- selection criteria
- implementation of the project;
- terms and conditions of tender and
- form of response.

#### Aspects to Consider

##### *Financial*

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

##### *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*

- 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 commission a credit report.

## **Tender Acceptance Procedures**

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. 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, unless the CFO and Chair of Board are satisfied that the tender was posted or dispatched on time but that delivery was prevented by an event beyond the control of the tenderer and that other tenders have not been opened.

## **Tender Opening Procedures**

All tenders submitted should be opened at the same time and the tender details should be recorded. Tenders should be opened in the presence of two of the following, the Chief Executive, the CFO, Finance and Resources Trustee)

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 Evaluation 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 for contracts over £75,000 and a report should be prepared for the Finance, Risk and Resources Committee highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

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

## **Non-competitive tenders (applies to purchases under EU threshold only).**

Instances of purchases that do not comply with the competitive purchasing requirements, for reasons such as sole supplier, specialist services etc. will require documenting and reporting for approval through the appropriate route depending on the value of the contract.

## 7 Income

<p style="text-align: center;"><b>Income</b> <b>Key responsibilities of the Trust</b></p> <p>Determine the financial control procedures Determine accounting treatment Process and reconcile income transactions</p> <p style="text-align: center;"><b>Key responsibilities of each academy</b></p> <p>To receive and bank income in line with agreed procedures and meet the financial standards in this policy.</p>
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The main sources of income for the Trust are the grants from the ESFA. The receipt of these sums is monitored by the CFO

Bids for capital and other additional funding are subject to the approval of the CFO and significant bids will be highlighted in advance with Directors.

The Trust and individual academies also obtain income from

- students, mainly for trips and meals and activities and school uniforms.
- the public, mainly for lettings.

### **Day Trips - contributions**

Each academy must establish procedures to deal with income from trips. These procedures must ensure that;

- A lead teacher is responsible for each trip
- A record of students on each trip and payments made is maintained

### **Residential Trips**

Each academy must establish procedures to deal with income from trips. These procedures must ensure that;

- A lead teacher is responsible for each trip
- A record of students on each trip and payments made is maintained
- An official receipt is given for all cash payments received

### **Lettings & Hire of Facilities**

Each academy must establish procedures to deal with income from lettings. These procedures must ensure that;

- Adequate records are maintained of all bookings made
- Payment should be made in advance wherever possible
- Sales Ledger accounts are raised through HCSS
- Debts will be monitored and promptly chased up
- Approval to write off debts must be obtained from the Finance and Resources Committee

### **School Meals**

Each academy must establish procedures to deal with income from meals. These procedures must ensure that;

- Payments are adequately monitored and debts chased up.
- Debts up to £60 can be written off at the discretion of the relevant Head of Academy
- Income is reconciled against the number of meals provided
- Online transactions must be recorded promptly in the finance system.
- Each reconciliation must be documented and signed.

### **Breakfast Club and After School Clubs**

Each academy must establish procedures to deal with income received. These must ensure that;

- A register of attendance and record of payments is maintained
- Income is reconciled against the register
- Each reconciliation is documented and signed

### **Custody and Banking - General**

Each academy must establish procedures to deal with income banking. These procedures must ensure that;

- All cash and cheques must be kept in the safe prior to banking.
- Safe key holders are identified and keys are held securely held
- Banking should take place weekly or more frequently if the sums collected exceed the insurance limit on the safe.
- Monies are collected through an externally provided secure collection service.
- Monies collected must be banked in their entirety in the appropriate bank account.
- Two members of staff must verify each banking
- Bankings must be reconciled to source records of income received

## 8 Cash Management

<p style="text-align: center;"><b>Cash Management</b> <b>Key responsibilities of the Trust</b></p> <p>Determine the financial control procedures Manage cash deposits and investments in line with the policy Reconcile bank accounts Process payments through on-line banking Monitor the Trust cash flow</p> <p style="text-align: center;"><b>Key responsibilities of each academy</b></p> <p>Monitor bank account transactions</p>
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### Bank Accounts

The Trust has one bank account with Lloyds Bank.

The opening of any further accounts must be authorised by the Board of Trustees, via the CFO, who must set out 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

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

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

### Payments and withdrawals

Cheques from Trust bank accounts must bear the signatures of two of the following authorised signatories:

<b>Name</b>	<b>Roll</b>
Phil Thackstone	Head Teacher/CEO
Emma Watson	Head Teacher/CFO
Amy Young	Head Teacher
Gerri Howard	Head Teacher
Catherine Jones	Head of School
Victoria Patton	Deputy Head
Deborah Doherty	Deputy Head
Jayne Booth	Assistant Head

## Lloyds Commercial On-Line Banking System

Finance staff have access to the system in order to view on-line statements. Authorised staff also have access to generate and authorise on-line payments.

Access to the system is controlled via user accounts, passwords and smartcards. It is the responsibility of each individual to maintain security of their passwords and cards.

All payments made via the system must be approved as per the authorisation limits. The following staff are approved to upload payment schedules and authorise payments on Lloyds Commercial

Phil Thackstone	Head Teacher/CEO
Emma Watson	Head Teacher/CFO
Julia Cairns	SBM
Jaydn Bytheway	Finance Manager
Lynn Fortune	Finance Support

At least one payment generator and one authoriser are required to process any payments through Lloyds Commercial.

### Bank Reconciliation

The SBM, supported by Avec will ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to HCSS ;
- adjustments arising are dealt with promptly;
- The statements will be reviewed and signed by the SBM and reviewed by the CFO

**Petty Cash** – is not currently held. Requests to establish petty cash imprests should be submitted for approval by the CFO.

### Credit Cards

Academies have established procedures to deal with credit card usage. These procedures ensure that;

- Cards are stored safely
- Requests for new cards are made through the CEO.
- Cards are only used for academy business
- Cards are held securely by card holders, PINs kept secure not shared etc.
- Supporting documentation is held for all transactions
- Each statement is reconciled and then authorised

- Records of the reconciliation and approval are maintained
- Cards held by Headteachers must be authorised by the Chief Executive
- Cards held by the Chief Executive must be authorised by the Chair of Finance and Resources.

<b>Name</b>	<b>Limit</b>
<b>Lingfield</b>	
Phil Thackstone	£2000
Catherine Jones	£2000
Audrey Reed	£2000
<b>The Avenue</b>	
Emma Watson	£2000
Jayne Booth	£2000
Jaden Bytheway	£2000
<b>Captain Cook</b>	
Amy Young	£2000
Victoria Patton	£2000
Julia Cairns	£2000
<b>Marton Manor</b>	
Geraldine Howard	£2000
Lynn Hallet	£2000
Deborah Docherty	£2000

### **Cash Flow Forecasts.**

The CFO, supported by Avec, is responsible for the completion of monthly cash flow forecasts to ensure that the Trust 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. Monthly forecasts will be circulated to Trustees alongside the monthly management accounts.

### **Investments and Cash Deposits**

Low Risk Investments and deposits must be made only in accordance with written procedures approved by the Board of Trustees (see Treasury Management policy).

## 9 Fixed assets

### **Fixed Assets**

#### **Key responsibilities of the Trust**

Determine the financial control procedures  
Determine accounting treatment

#### **Key responsibilities of each academy**

Maintain adequate security over assets as per the policy  
Maintain asset register and inventory lists  
Perform asset checks

See also the Assets and Disposal Policy, as adopted by the Board of Trustees for more detailed procedures

### **Asset register**

All items purchased with a value over the Trust's capitalisation limit of £1,000 must be entered in the asset register on HCSS

The Asset Register helps:

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

### **Inventory of Assets**

In addition, a record of all material, (£100 and above) non-capitalised, attractive, portable assets will be maintained and security controls operated in order to safeguard the Trust's property.

### **Security of assets**

All fixed assets are to be recorded. The asset register is to be kept up to date and reviewed regularly. Items used by the Trust but not owned by the Trust should be recorded as such. Physical counts against the register are undertaken annually at or about the end of the financial year. This count is to be performed by someone other than the person responsible for the asset register. Differences between counts and the register are investigated promptly and significant differences are reported to the Finance, Risk and Resources Committee. Stores and equipment are secured by means of physical and other security devices. Only authorised personnel may access secure storage areas.

## **Disposals**

All requests for disposal must be submitted to the CFO for review and approval and then approved by the Finance and Resources Committee, in line with the Assets and Disposal Policy. The best possible value must be obtained in the disposal of assets.

Acceptable methods of disposal are detailed in the Assets and Disposal policy

## **Disposal Limits**

Disposal of land and buildings must be agreed in advance with the Secretary of State.

## **Loan of Assets**

Items of Trust property must not be removed from the premises without the authority of a member of the individual academies' senior leadership team. A record of the loan must be recorded in a loan book and booked back in 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 Trust's auditors.

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Authorisation of Supplier Bank Account Changes.

New supplier set up/existing supplier amendment.

Supplier Reference No (if applicable).....

Supplier Name.....

New supplier set up/ existing supplier amendment \*(delete as applicable)

For New Suppliers

Address:

.....  
.....

Telephone No:.....

Email address(es): .....

VAT No: .....

For All Suppliers

Bank Details: Sort Code .....Account  
Number.....

(Bank details must be received in writing)

Old Bank Details (for current supplier only)

Sort Code.....Account Code.....

Details of initial request received from supplier, if change of details (attached)

.....

Confirmation verified by & method of verification

.....

Masterfile amended by.....

Authorised by .....



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