




ACADEMY FINANCE POLICY

Document Control Table

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ACADEMY FINANCE POLICY

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1. Introduction

The purpose of this policy is to ensure that Perry Hall Multi-Academy Trust (hereafter referred to as the MAT) maintains and develops systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of each Academy's Funding Agreement with the Department for Education (DfE).

All Academies in the MAT must comply with the principles of financial control outlined in the academies guidance published by the DfE. This policy expands on that guidance and forms the manual detailing information on the MAT's accounting procedures and systems. It should be read by all staff involved with financial systems and accountability.

2. Principles

Each Local Governing Body will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life

- **Selflessness**

Holders of public office should take decisions solely in terms of the public interest.

- **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside

individuals or organisations that might influence them in their performance or their official duties

- **Objectivity**

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

- **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

- **Openness**

Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interests clearly demands

- **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.

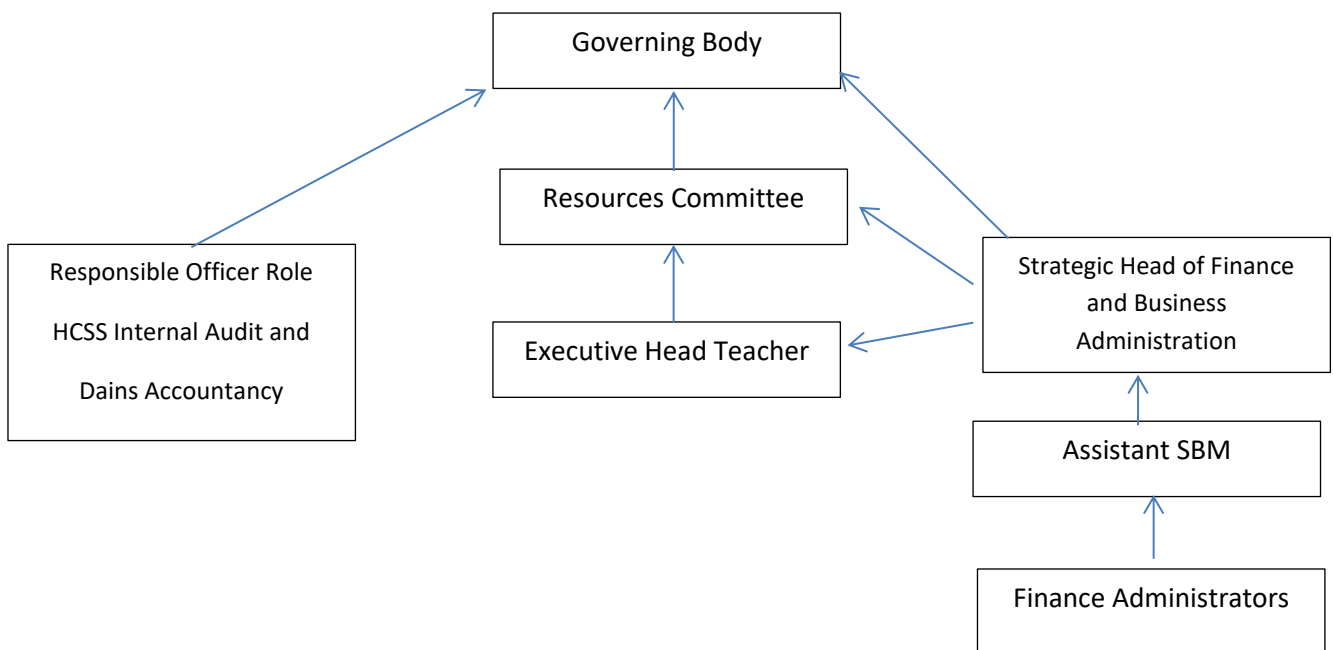
- **Leadership**

Holders of public office should promote and support these principles by leadership and example.

3. Organisation and Responsibilities

The Board of Trustees have defined the responsibilities of each person involved in the administration of the Academies' finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff

3.1 Reporting Structure:



3.2 Local Governing Bodies

Each Local Governing Body has overall responsibility for administration of their Academy's finances. The main financial responsibilities of Local Governing Bodies are prescribed in the Funding Agreement between the Academy and the DfE.

The main responsibilities include:

- Ensure the grant from the DfE and other Restricted funding is used for the purposes intended
- Approval of the annual budget and any material changes
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record of income and expenditure

3.3. Resources Committee

The main financial responsibilities of the Resources Committee of each Academy are detailed in their terms of Reference, these include:

- Initial review and recommendation to the Local Governing Body of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1)
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body.

- To review the financial policies of their Academy and where necessary make recommendations to the Local Governing Body

3.4. Trustees

In addition to tasks held by Governing bodies and mentioned above, Trustees are responsible for the following:

- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Approving the annual statutory accounts.

3.5. CEO

The Executive Head Teacher has overall executive responsibility for the Academies under the MAT and is the named Accounting Officer for each Academy. The Executive Head Teacher retains responsibilities for:

- Approving new staff appointments within the authorised establishment (after agreement has been sought from the MAT/Governing Body for recruitment to occur).
- Authorising contracts up to the amount stated in the Scheme of Delegation (Appendix 1), reporting these decisions to the Resources Committee.
- Signing cheques (although this is now minimal), as detailed in the scheme of delegation.
- Charge Card Holder

The funding agreements identify the Executive Head Teacher as the Accounting Officer who is personally responsible to each Local Governing Body for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the academy

The Accounting Officer has the duty to take action if any Local Governing Body or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Local Governing Body and details should be sent to the Permanent Secretary and the academy's external auditors. The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

3.6. Strategic Head of Finance and Business Administration

The Strategic Head of Finance and Business Administration works in close collaboration with the CEO through whom he or she is responsible to the Local Governing Bodies. The Strategic Head of Finance and Business Administration also has direct access to the Resources Committee of each Academy.

The main responsibilities of the Strategic Head of Finance and Business Administration are:

- The day to day management of financial issues including the establishment and operation of suitable accounting systems;
- The management of the academies' financial position at strategic and operational level;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each academy;
- Preparation of regular management accounts
- Ensuring forms and returns are sent to the DfE in line with their reporting deadlines.
- Signing cheques , although now minimal (as detailed in the scheme of delegation) / authorising BACs in accordance with the Bank Mandates.
- Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the Academies' payroll service provider.
- Management of the Academies' Service Level Agreements

- Authorising orders and the award of contracts up to the amount stated in the Scheme of Delegation **(Appendix 1)**
- Charge Card Holder
- On-Line Banking & BACS Authorisation

3.7. Responsible Officer

Checks and balances need to be put in place to ensure that the financial management arrangements within the MAT are monitored. The DfE (Department for Education) requires a Responsible Officer (RO) to be appointed to fulfil this role.

The Responsible Officer is appointed by each Governing Body and is intended to provide an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the Governing Body with on-going independent assurance that:

- The financial responsibilities of the Governing Body are being properly discharged;
- Resources are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

The MAT has appointed Dains Accountancy and HCSS Internal Audit to act as an external body to independently undertake the duties of the Responsible Officer across the MAT. A programme of checks will be agreed with each governing body and the auditors will carry out financial reviews in order to provide each governing body and indirectly the Department for Education with the required assurance. These reviews will be undertaken termly. The RO will undertake the checks and balances in line with recommended practice and any checks that the academy specifically requires.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month

- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance, Personnel committee and SLT minutes)
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- Review returns to Department for Education to ensure the information supplied is consistent with the underlying records and internal management reports.
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tender procedures exist and are being followed.

Dains Accountancy and HCSS Audit Services will produce a full report after each RO visit to the relevant Resource Committee and these will be reported back to the Local Governing Body.

3.8 The Assistant School Business Manager and the Finance Administrators

The Assistant School Business Manager & the Finance Administrators work in close collaboration with and are directly responsible to the Strategic Head of Finance and Business Administration. The main responsibilities include:

- Day to day financial transactions
- Cash collection
- Weekly banking
- Order and invoice processing

3.9 Headteacher

The Headteacher at each Academy will assume the financial responsibilities if the Executive Head Teacher is absent for a long period of time.

3.10 Other Staff

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 conformity with the requirements of the MAT's financial procedures.

3.11 Register of Business Interests

It is vital that governors and staff act, and are seen to act, impartially. All members of each governing body are therefore required to complete a declaration of business interests. All staff are also required to complete declaration of additional employments.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as a parent, spouse, child, cohabitee and business partner where that person could exert influence over a governor or member of staff.

Academies must pay no more than 'cost' for goods or services provided to it by persons with an interest in the MAT, ('services' do not include services provided under a contract of employment).

The existence of a register of business interests does not of course detract from the duties of the Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governors or a Committee. Where an interest has been declared, Governors and staff should not attend that part of the meeting. It is the role of the Business Team and Clerk to the Governors to ensure the Register of Business Interests are up to date.

4. Financial Planning

The Strategic Head of Finance and Business Administration will prepare both medium and short-term financial plans for the MAT and each Academy within it. These plans

are prepared to inform the MAT's strategic development planning processes for the next 3 years.

Each Academy's Strategic Plan identifies the development plan priorities over the medium term and the expected level of resources available. Each Academy's Annual School Improvement Plan provides the framework for the annual budget. The Annual budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources during the year.

5. Annual Budget

The Strategic Head of Finance and Business Administration, in liaison with the Executive Head Teacher is responsible for the preparation and obtaining approval for the annual budget from each Resources Committee. Each Local Governing Body must approve the budget each year.

The approved budget must be submitted to the DfE by the published timetable each year. The Strategic Head of Finance and Business Administration is responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission date published by the DfE is met.

The annual budget will reflect the best estimate of the resources available to each Academy for the forthcoming year and will detail how those resources will be utilised establishing clear links to support the objectives identified in the School Development Plan.

The budget planning process will incorporate the following elements:-

- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable
- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions
- Annual review of expenditure headings to reflect known changes and expected variations in costs e.g. pay increases, inflation or other anticipated changes.

Each draft budget should be presented to the Executive Head Teacher, the Resources Committee and Local Governing Body of each Academy together with a supporting report for approval. Once the budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints and should be input on the schools FMS6 system. The budget should be seen as a working document which may need revising throughout the year as circumstances change. Any revision should be reported to the relevant Resources Committee through the Strategic Head of Finance and Business Administration's Report to Governors. Any substantial changes must be approved in accordance with the Scheme of Delegation – **Appendix 1**.

6. Budget Management

The Strategic Head of Finance and Business Administration will reconcile all Bank Accounts and Budgets at least monthly.

The Executive Head Teacher, Resources Committee and Governors of each Academy will receive half termly budget monitoring reports from the Strategic Head of Finance and Business Administration on current spend against budget and forecast outturn expenditure. Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at the Resources Committee.

The Executive Head Teacher or Heads of School may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Academies as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to their Headteacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed. Any potential overspends against the budget must in the first instance be discussed with the Strategic Head of Finance and Business Administration. The accounting system will not permit payments to be made against an overspend budget without the approval of the Strategic Head of Finance and Business Administration.

Each Resources Committee will continually monitor the quality of the financial Information presented to the Committee to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative. The original Budget must be set in the FMS6 accounting system and up-to-date changes monitored against a virement record which will record in-year changes to allocations. An audit trail of all virements made after the approval of the original budget must be made and reported to the relevant Resources Committee.

7. Accounting Systems

7.1 Financial Accounting System

The MAT uses Capita FMS6 Accounting System and all financial transactions must be recorded using this system. Access rights within FMS6 are defined for each user with a unique ID and password. Users are detailed in the Scheme of Delegation (Appendix 1). Full support for the use of this software can be found at <http://www.capita-sims.co.uk/our-solutions/financial-management>. Log in details are held in a sealed envelope in the office safe at Perry Hall Primary School.

- All financial transactions relating to each Academy's budget must be recorded using FMS6.
- There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance systems must be protected by robust back up procedures. Each system is backed up automatically on disc space held on site and also held off site which can be accessed remotely through each academy's normal back-up routines.

7.2 Transaction Processing

- All journal transfers and transactions in the Nominal Ledger will be processed by the Strategic Head of Finance and Business Administration or a nominated member of staff.
- Cash Book entries will be made by the Strategic Head of Finance and Business Administration or nominated member of staff.
- Fixed Asset transactions will be made by the Strategic Head of Finance and Business Administration.
- Orders on requisitions authorised in accordance with the scheme of delegation (**Appendix 1**) will be raised by each Academy's Finance Administrator.
- Invoices will be processed ready for payment by the Accounts Payable Resource within the Business Team.
- Sales Ledger & Purchase Ledger transactions will be processed by the Business Team.
- BACS or Manual Payments should be raised by the Strategic School Business Manager and countersigned in accordance with the Bank Mandate as per Scheme of Delegation (**Appendix 1**).
- The Strategic Head of Finance and Business Administration will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The Strategic Head of Finance and Business Administration will ensure monthly reconciliations in respect of the sales ledger; purchase ledger, payroll, nominal ledgers and cash book.

8. Payroll

The main elements of the payroll system are:

- Staff Appointments
- Payroll administration
- Payments and monitoring

8.1 Staff Appointments:

Each Local Governing Body approves a personnel establishment for their Academy which is known as the Staffing Structure and forms part of the Pay Policy. Material changes to the Staffing Structure of the Academy may only be approved by the relevant Resources Committee who must ensure that adequate budgetary provision exists for any established changes and after the required period of consultation with unions and staff. Any Trust-wide appointments must be approved by the MAT Board of Trustees, after consultation with each Local Governing Body.

The CEO has the authority to appoint staff within the authorised staffing structure, whilst following the appointment process as set by each Local Governing Body every Autumn Term.

The MAT Business Team will maintain personnel files for all members of staff, which include contracts of employment.

8.2 Payroll Administration

The MAT's payroll is outsourced to Dains Payroll Services.

All Payroll transactions relating to staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made to staff or visiting lecturers through any other mechanism.

All new appointments, leavers, changes to contracts or personal details are to be notified to Dains using New Starter / Employee Change / Leaver forms.

SIMS changes will be made by the Strategic Head of Finance and Business Administration and signed by the Executive Head Teacher or if they are made by the Assistant School Business Manager, they must be authorised by the Strategic Head of Finance and Business Administration, where it is reasonable to do so. In the case of changes to the CEO's salary, forms should be signed by the Chair of the MAT Pay Committee as per the Scheme of Delegation (**Appendix 1**).

Copies should be retained on the employees personnel file.

All personnel files shall be stored in a lockable cabinet. Only the CEO and Business Team members will have access to staff files but individuals can request to see their own files in line with data protection policies.

The Assistant School Business Manager is responsible for keeping the staff personnel database up-to-date via SIMS Personnel recording system.

Absence records are maintained by the Business Management Team. Both paid and unpaid leave is notified to payroll using a spreadsheet which is sent to Dains and also recorded on SIMS.

Staff claims for overtime must be signed by individual line managers and checked by the Assistant School Business Manager. Claims for overtime / variance of grade of duties, casual claims and supply claims will be entered on to the spreadsheet provided monthly to Dains Payroll. It will be countersigned by the Strategic Head of Finance and Business Administration and sent to payroll in line with their cut off timetable.

8.3 Payments and Monitoring

All salary payments are made by BACS. Dains submit payroll reports prior to salary payments being dispatched detailing costs and individuals' payment details. A BACS report is also submitted for each Academy. The Strategic Head of Finance and Business Administration will undertake a sensibility check whenever possible to ensure the data does not contain major errors prior to salaries being paid.

The Strategic Head of Finance and Business Administration will undertake a reconciliation of all claims for additional hours / unpaid leave and investigate any differences between the previous months gross salary against the current months.

The payroll system automatically calculates the deductions due from salaries to comply with current legislation.

Dains are authorised to make BACS payments from the designated bank account (currently Perry Hall Primary) by direct payment for the amounts of the deductions to the following agencies: Local Government Pension Scheme, Teachers Pensions, Unison & GMB by the 7th of the month following the pay run and to HMRC by the 19th of the month following the pay run.

The Strategic Head of Finance and Business Administration will enter the payroll data into FMS6 via Journal Transfer at the earliest opportunity.

Each year the Strategic Head of Finance and Business Administration will check each member of staff's gross pay against the payroll system to the contract of employment.

9. Value for Money (VFM) Procedures

All orders for goods and services are subject to the following rules concerning quotes and tenders below:

<p>Class 1 Contracts – Low value transactions</p>	<p>£0 - £5,000</p>	<p>Headteacher to arrange directly. Due regard must be paid to the desirability of securing value for money by verbal enquiry and written confirmation.</p> <p>File notes must be kept to indicate the action taken.</p>
<p>Class 2 Contracts – Intermediate value transactions</p>	<p>£5,001 - £50,000</p>	<p>At least three written quotations must be invited before a purchase order is placed or contract is entered into, specifying the goods, materials, equipment, services or works and setting out prices, terms and conditions of contract and terms of payment.</p> <p>Governor approval must be sought prior to placing a purchase order or entering into a contract.</p>
<p>Class 3 Contracts – Tender procedures for high value transactions (not over the EU threshold)</p>	<p>£50,001 – EU threshold</p>	<p>A formal tender process must be conducted in the manner outlined in the requirements for Class 3 Contracts.</p>
<p>Class 4 – Procedures governed by EU Directives</p>	<p>Over EU threshold</p>	<p>Full tendering and EU procurement procedure must be conducted.</p> <p>NB: The thresholds for Class 4 contracts are subject to revision every two years and schools will be notified accordingly.</p>

10. Forms of Tender

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

10.1 Open Tender:

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the Strategic Head of Finance and Business Administration to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

10.2 Restricted Tenders:

This is where suppliers are specifically invited to tender and are appropriate where:

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

10.3 Negotiated Tender:

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

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few suppliers are available,
- Extreme urgency exists,
- Additional deliveries by existing supplier are justified

10.4 Preparing for Tender

Full consideration should be given to:

- Object of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

10.5 Invitation to Tender

An invitation to tender should include the following:

- Introduction/background
- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of the tender
- Form of response

10.6 Aspects to consider

Financial

- Comparison of like with like cost and if a lower price means a reduced service or lower quality this should be borne in mind when reaching a decision
- Hidden costs – care should be taken to ensure tender price is the total price.
- Is there scope for negotiation?

Technical

- Qualifications of contractor
- Experience
- Descriptions of technical and service facilities
- Compliance to CDM
- Certificates
- Quality control procedures
- Details of previous sales and references

Other considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier

10.7 Tender Acceptance Procedures

The tender invitation will state the time and date by which the completed tender document should be received by the relevant Academy. Tender submissions should be:

- received in plain envelopes clearly stating they contain tender documents they must be
- Date stamped and marked with the time of receipt
- Store, unopened, in a secure place prior to tender opening
- Tenders received after the deadline should not normally be accepted

10.8 Tender Opening Procedures

All tenders should be opened at the same time and tender details should be recorded and signed. Two persons should be present at the opening of the tenders this would normally be the Strategic Head of Finance and Business Administration and the Executive Head Teacher. In some circumstances this could be delegated to an agent who has been employed by the Academy to undertake the tendering process i.e. a facilities management company.

10.9 Tender Evaluation Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, which may influence their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved must take care not to accept gifts or hospitality from potential suppliers that could be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £25,000; a report should be prepared to the Resources Committee.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that this is not the best option for the Academy and other factors outweigh any monetary savings.

11. Purchasing

The MAT will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved

wherever practicable. The Executive Head Teacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the MAT are dealt with on a fair and equitable basis.

The Strategic Head of Finance and Business Administration will ensure that there is a clear separation of duties within the Business team, which would, if combined, enable one individual transaction to record a complete transaction.

11.1 Orders for goods and services

Academy staff should raise a request to order goods or services using a requisition form (**Appendix 2**) available from each front office.

Where the value of an order is over £5000, the requisition must be accompanied by evidence of an appropriate number of quotes /or proof that a Value for Money (VFM) exercise has taken place – as per section 10. Orders will be authorised only if the VFM documentation is present and correct. Advice about suppliers or obtaining best value is available from the Strategic Head of Finance and Business Administration.

- Upon receipt of a requisition form the requisition must be authorised by a signatory in line with the Scheme of Delegation (Appendix 1).
- Official orders will be raised through FMS6 and faxed or posted to the supplier by a Finance Administrator
- Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and always with prior approval from the Strategic Head of Finance and Business Administration. In such cases, a confirmation order will be raised as soon as possible, normally within 24 hours.
- Requisition forms must be attached to the FMS6 generated order.

11.2 Delivery of Goods and Services

- On receipt of goods a member of the relevant Academy's office staff (preferably a member of staff who did not place the order) will check the goods received, match the delivery note and sign the note to confirm this.
- The office staff will check the delivery note against the original order to ensure the correct goods have been dispatched and then attach the delivery note to the original requisition form in the file
- The member of staff will raise any discrepancies with their Finance Administrator for investigation
- The office staff will despatch goods to the staff who requested the goods
- The member of staff who requested the goods must ensure that the goods received are of acceptable quality, any goods that are rejected must be notified to their Finance Administrator within 2 days of delivery.
- The signed delivery note should be attached to the invoice.

12. Payment of Accounts

12.1 Processing of Invoices

Payment for supplies and services will be paid upon receipt of an invoice when:

- It is confirmed that goods or services have been received and are of the quality expected as per section 11
- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly

Any copy invoices will be checked thoroughly before processing for payment, in order that duplicate payment can be avoided.

At least two people must be involved in the process of agreeing invoices and authorising payment. The Business Team Accounts Payable resource will do the above checks and pass to the Strategic Head of Finance and Business Administration for authorisation. The Strategic Head of Finance and Business Administration will authorise the payment of the invoice. All invoices are to be processed through FMS6,

payments generated via BACS / or cheque (in limited cases) and authorised in accordance with the Bank Mandate.

12.2 Payments to individuals

Payments can be only made to individuals on production of proof that they are self-employed. They should produce proof of their Unique Tax Reference. (UTR). If they cannot provide proof of this, payment cannot be made to the individual via an invoice and they can only be paid via payroll and therefore must complete all the normal pre-employment checks.

13. Other Purchases

The MAT recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased and claimed back. Staff must always obtain prior approval before making any purchases that they require reimbursement for.

13.1 Internet Purchases & Charge Card Purchases

Internet & charge card purchases should be authorised before a purchase is made.

- Requisitions are required as per '*ordering goods and services*' procedures above.
- The Strategic Head of Finance and Business Administration holds the charge cards for orders placed over the internet, in addition to local Finance Administrators.
- The charge cards should be held securely by the Strategic Head of Finance and Business Administration and other named staff members at all times and the PIN codes not disclosed to any other party.
- Once the charge card statements arrive, costs are journalled appropriately into the accounts by the Business Team.
- All receipts should be reconciled and missing receipts will be highlighted to the appropriate Academy.

13.2 Reimbursements to individuals

For reimbursement of cash transactions:

- Requests for reimbursement to individuals are to be made on the Request for Reimbursement Form and MUST be supported by receipts for the goods/services received.
- Reimbursement may be refused if the Strategic Head of Finance and Business Administration considers maverick purchasing methods have been used, or the member of staff did not seek prior approval.
- The person being reimbursed signs for receipt of the reimbursement
- The reimbursement is recorded in FMS6 as soon as possible and the transaction number recorded on the documentation

14. Income

The main sources of income for the MAT are the grants from the EFA and the Local Authority. The receipt of these funds is monitored by the Strategic Head of Finance and Business Administration who is responsible for ensuring all grants due to the Academies within the MAT are collected.

14.1 Income collected by the MAT Academies

Each Academy collects income from parents or the public for:

- School Meals
- Trips and residential visits
- Breakfast & After School Club
- Terrific for Two's
- Other miscellaneous income including school fund donations

Each Academy's Finance Administrator is responsible for the day to day administration and collection of income.

14.2 Trips / Activities

A lead teacher must be appointed for each trip. For every trip or activity an On / Off Site Activities form must be completed. The relevant Academy's Finance Administrator is responsible for budgeting for the trip and collecting the sums due and liaising with

the Lead Teacher over amounts outstanding. There must be evidence that there is no intention to make a profit from any trip or activity via review with the Business Team. Cash/cheques sent in via pupils must be placed in the class collection boxes which are taken to the office each morning. Parents may also pay at reception, or preferably via Parent Pay. All payments are recorded in the class payments book and on the relevant income spreadsheet.

14.3 Lettings

Lettings across all MAT sites are currently administered via the Business Management Team.

14.4 Custody

All cash and cheques must be held in each Academy's Finance Office safe prior to banking. Banking will take place weekly. Monies are collected by Security Plus weekly during term time.

Each Academy's Finance Administrator is responsible for preparing paying-in documentation. A summary of the weekly banking should also be recorded in the school office. The Finance Administrator should input the banking amounts into FMS6 and the Assistant School Business Manager should complete reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system during routine month end procedure.

14.5 Debtors

Debts under £50 may be written off by the CEO.

Debts over £50 may be written off only with the approval of the Resources Committee. Write-off 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** for any academy trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This

category includes new academies that have not had the opportunity to produce two years of financial statements; and

- cumulatively, 5% of **total annual income** in any one financial year per **category of transaction** for any academy trusts that have submitted

Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery policy will be applied to invoiced amounts:

- If payment has not been received 30 days after invoice a reminder will be sent asking for payment within 7 days.
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment.
- If payment is still not forthcoming, for debts over £100, a letter will be issued to put the matter into the hands of a nominated Solicitor if payment is not received within the next 7 days.
- If not received after 7 days, the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly.
- Debts of £100 and less will be pursued without reference to the nominated Solicitor and will be reported on at Resources Committee meetings where Governors will decide on action to be taken.
- A separate Debt Policy is in place for debts including dinners, trips, residentials and extended school services.

15. Cash Management

15.1 Bankers

The MAT have appointed Lloyds as their bankers for all funds. The opening of all bank accounts must be authorised by the Trustees who must set out in the Scheme of Delegation the arrangements covering the operation of accounts. This should include any transfers between accounts, cheque signing arrangements and the operation of systems such as BACS which must also be subject to the same level of control.

15.2 Deposits

Particulars of any bank deposit must be entered on a paying-in slip and should include:

- The amount of the deposit
- Breakdown of cash
- Cheques must have a separate paying-in slip

The copy of the slip retained in the paying-in book should include:

- The amount of the deposit
- Details and ledger code for the type of income
- The Security Plus Collection Bag Reference Number
- Signature of person preparing the banking

Summary of weekly banking must include:

- Bag numbers and the amount
- Security Plus collection receipt attached

15.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from any of the Academies' bank accounts must bear signatures / electronic signatures in line with the scheme of delegation.

15.4 Bank Reconciliations

The Strategic Head of Finance and Business Administration must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures will ensure:

- All bank accounts are reconciled to FMS6system
- Adjustments and queries are dealt with promptly.

15.5 Charge Cards

Charge cards are issued to personnel under the Scheme of Delegation for the purposes of paying for goods and services when the normal ordering processes are not possible.

Charge card holders will:

- Ensure cards are held securely on their person.
- Ensure PIN numbers are not disclosed to any other persons
- Report any instances of unauthorised card use to their Resources Committee
- Report the loss of card or PIN details to the Bank immediately

15.6 Cash Flow Forecasts

The Strategic Head of Finance and Business Administration is responsible for preparing cash flow forecasts to ensure that each Academy has sufficient funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

15.7 Investments

Investments must be made only in accordance with written procedures approved by the Trustees under a separate Investment Policy.

15.8 Reserves

The Budget is managed in line with the MAT's Balances and Reserve Policy which is reviewed annually.

16. VAT

16.1 VAT Claims

The MAT is registered for VAT. Under legislation VAT claims can be made on expenditure supporting the Academies' core business purposes. Claims will be made to the HMRC by Dains Accountancy on a quarterly basis.

17. Fixed Assets

The treatment of Fixed Assets is detailed in the MAT's Fixed Assets Policy.

18. Academy Inventory

The inventory detailing the 'portable' and 'desirable' items e.g. laptops will be kept up to date at all times.

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19. Computer Systems

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plans

20. Reporting to the DfE

Each Academy is required to submit reports to the DfE in the following areas:

- Financial Management and Governance

Appendix 1 – Schemes of Delegation

Perry Hall Primary School Scheme of Delegation

Authorising Orders for Goods and Services, Authorising Payments & Entering into Contracts

Position	Name	Limit / Restriction
Governing Body	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
Resources Committee	Chair	All expenditure over £10,000 – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £10,000
Strategic Head of Finance and Business Administration	Jeremy Parkes	Up to £10,000 – Weekly summary to be provided to chair of vendor payments of over £10,000
Headteacher	Rekha Kohli	Up to £2000

Authorisation to Make Virements from Reserves or Between Cost Centres

Position	Name	Limit / Restriction
Governing Body	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
Resources Committee	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £10,000
Strategic Head of Finance and Business Administration	Jeremy Parkes	Up to £10,000 – Weekly summary to be provided to chair of vendor payments of over £10,000

Users of FMS6 Computerised Financial Management System

Position	Name	Limit / Restriction
Strategic Head of Finance and Business Administration	Jeremy Parkes	System Administrator
Assistant School Business Manager	Laura Wilkes	Full Access
CEO	Amarjit Cheema	Full Access
Financial Administrator	Jayne Cresswell	Enter & Authorise

Certification of Payroll Documents

Position	Name	Limit / Restriction
Pay Committee	Chair	To authorise pay awards (with the exception of the CEO) once approved by committee
CEO	Amarjit Cheema	B2B reports off SIMS re new starters, change of contract etc if input by SSBM Sign off of summary of add hours / supply claims
Strategic Head of Finance and Business Administration	Jeremy Parkes	B2B reports off SIMS re new starters, change of contract etc if input by ASBM of monthly claim forms, once authorised by phase leaders

Certification of Travel Claims

Position	Name	Limit / Restriction
Strategic Head of Finance and Business Administration	Jeremy Parkes	£50 per claim
CEO	Amarjit Cheema	Claims over £50 and any SSBM claims
Resources Committee	Chair	Travel claims of EHT over £50

Authorisation to Write Off Bad Debts

Position	Name	Limit / Restriction
CEO	Amarjit Cheema	Up to £50
Resources Committee	Chair	Over £50 recorded minutes
Secretary of State		Detailed in Funding agreement

Competition of VAT Returns

Position	Name	Limit / Restriction
Dains Accountancy		Quarterly Return

Opening of Tenders

This will be agreed on an individual tender basis by the Resources Committee or the Local Governing Body

Berrybrook Primary School
Scheme of Delegation

Authorising Orders for Goods and Services, Authorising Payments & Entering into Contracts

Position	Name	Limit / Restriction
Local Governing Body	Chair	All expenditure over CEO's limit of £10K – Decision recorded in minutes
Resources Committee	Chair	All expenditure over CEO's limit of £10K – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £10,000
Strategic Head of Finance and Business Administration	Jeremy Parkes	Up to £10,000 – Weekly summary to be provided to chair of vendor payments of over £10,000
Headteacher	Tom Hinkley	Up to £2000

Authorisation to Make Virements from Reserves or Between Cost Centres

Position	Name	Limit / Restriction
Local Governing Body	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
Resources Committee	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £10,000
Strategic Head of Finance and Business Administration	Jeremy Parkes	Up to £10,000 – Weekly summary to be provided to chair of vendor payments of over £10,000

Users of FMS6 Computerised Financial Management System

Position	Name	Limit / Restriction
Strategic Head of Finance and Business Administration	Jeremy Parkes	System Administrator
Assistant School Business Manager	Laura Wilkes	Full Access
CEO	Amarjit Cheema	Full Access
Financial Administrator	Kerry Wildman	Enter & Authorise

Certification of Payroll Documents

Position	Name	Limit / Restriction
Pay Committee	Chair	To authorise pay awards (with the exception of the CEO) once approved by committee
CEO	Amarjit Cheema	B2B reports off SIMS re new starters, change of contract etc if input by SSBM Sign off of summary of add hours / supply claims
Strategic Head of Finance and Business Administration	Jeremy Parkes	B2B reports off SIMS re new starters, change of contract etc if input by ASBM of monthly claim forms, once authorised by phase leaders

Certification of Travel Claims

Position	Name	Limit / Restriction
Strategic Head of Finance and Business Administration	Jeremy Parkes	£50 per claim
CEO	Amarjit Cheema	Claims over £50 and any SSBM claims
Resources Committee	Chair	Travel claims of EHT over £50

Authorisation to Write Off Bad Debts

Position	Name	Limit / Restriction
Headteacher	Amarjit Cheema	Up to £50
Resources Committee	Chair	Over £50 recorded minutes
Secretary of State		Detailed in Funding agreement

Competition of VAT Returns

Position	Name	Limit / Restriction
Dains Accountancy		Quarterly Return

Opening of Tenders

This will be agreed on an individual tender basis by the Resources Committee or the Local Governing Body.

Dunstall Hill Primary School
Scheme of Delegation

Authorising Orders for Goods and Services, Authorising Payments & Entering into Contracts

Position	Name	Limit / Restriction
Governing Body	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
Resources Committee	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £10,000
Strategic Head of Finance and Business Administration	Jeremy Parkes	Up to £10,000 – Weekly summary to be provided to chair of vendor payments of over £10,000
Headteacher	Darryl Asbury	Up to £2000

Authorisation to Make Virements from Reserves or Between Cost Centres

Position	Name	Limit / Restriction
Governing Body	Chair	All expenditure over CEO's limit of £10,000 – Decision recorded in minutes
Resources Committee	Chair	All expenditure over CEO's limit of £10,000K – Decision recorded in minutes
CEO	Amarjit Cheema	Up to £10,000
Strategic Head of Finance and Business Administration	Jeremy Parkes	Up to £10,000 – anything more would need prior approval by CEO

Users of FMS6 Computerised Financial Management System

Position	Name	Limit / Restriction
Strategic Head of Finance and Business Administration	Jeremy Parkes	System Administrator
Assistant School Business Manager	Laura Wilkes	Full Access
CEO	Amarjit Cheema	Full Access
Financial Administrator	Kellie Percival	Enter & Authorise

Certification of Payroll Documents

Position	Name	Limit / Restriction
Pay Committee	Chair	To authorise pay awards (with the exception of the CEO) once approved by committee
CEO	Amarjit Cheema	B2B reports off SIMS re new starters, change of contract etc if input by SSBM Sign off of summary of add hours / supply claims
Strategic Head of Finance and Business Administration	Jeremy Parkes	B2B reports off SIMS re new starters, change of contract etc if input by ASBM of monthly claim forms, once authorised by phase leaders

Certification of Travel Claims

Position	Name	Limit / Restriction
Strategic Head of Finance and Business Administration	Jeremy Parkes	£50 per claim
CEO	Amarjit Cheema	Claims over £50 and any SSBM claims
Resources Committee	Chair	Travel claims of EHT over £50

Authorisation to Write Off Bad Debts

Position	Name	Limit / Restriction
CEO	Amarjit Cheema	Up to £50
Resources Committee	Chair	Over £50 recorded minutes
Secretary of State		Detailed in Funding agreement

Competition of VAT Returns

Position	Name	Limit / Restriction
Dains Accountancy		Quarterly Return

Opening of Tenders

This will be agreed on an individual tender basis by the Resources Committee or the Local Governing Body

Appendix 2 – Goods/Services Requisition Form

PERRY HALL PRIMARY

Order Request Pro Forma

Supplier :		Please explain why / how these purchases fit into your subject / phase plan -
Address :		
Budget :		

Catalogue / Ref No.	Quantity	Item Description	Net Price Per Item	Total Net Price
ORDER TOTAL				

Authorised	Date
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