



'Engaging learners to enhance their life opportunities and outcomes'

FINANCIAL POLICY

Approved

Approved	
Signature of CEO	
Date:	
Signature of Chair of Board:	
Date:	
Agreed at the Board Meeting on:	16th May 2019
Minute Reference:	Item 4.7

Document reference:	Version 1.0
Created by:	Viv Hughes
Creation date:	April 2019
Reviewed by:	Board
Review date:	May 2019
Master File location:	BEST-education: BEST Governance
Next review due:	September 2019

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1 INTRODUCTION

The purpose of this policy is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements of propriety, efficiency and regularity. It is essential that these systems operate properly to meet the requirements of the Funding Agreement.

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

- Bad Debt Policy
- Charging and Remissions Policy
- Conflict of Interest Policy
- Donations Policy
- Expenses Policy
- Fraud Policy
- Gifts & Hospitality Policy
- Lettings Policy
- Record of Financial Responsibility (RoFR)
- Scheme of Delegation
- Whistleblowing Policy

2 REGISTER OF BUSINESS AND PECUNIARY INTERESTS

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 of the Board, members of the Trust Executive, Headteachers, Deputy / Assistant Headteachers and any other 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. The register is open to public inspection and must be displayed on the Trust's website.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within any business or organisation which may have dealings with the Trust. The disclosures should also include business interests of connected parties, including relatives such as a parent or spouse or business partner where influence could be exerted over a governance member or Trust employee, by that person.

The existence of a register of business and pecuniary interests does not, of course, detract from the duties of governance members and staff to declare interests whenever they are relevant to matters being discussed by the governance members. Where an interest has been declared, governance members and staff should not attend that part of any committee or other meeting. Further details on how to manage conflicts of interest

whether pecuniary, related parties or ones of influence are contained in the Conflict of Interest Policy.

New business and pecuniary interests must be declared at each Board or Committee meeting and this should be added as a standing item to the agenda. Governance members should complete Declaration Forms annually and whenever new interests arise. The Trust Operations Manager is responsible for providing Declaration Forms to all new starter senior employees and for providing all completed forms to the Company Secretary who will add any declared interests to the Register.

3 ACCOUNTING SYSTEM

All the financial transactions of the Trust must be recorded on the Financial Management System. The Trust's Financial Management system for the year ending August 2019 is PS Financials.

Entry to the Financial Management System is password restricted. Access to the component parts of the system is also restricted and the Trust Financial Lead is responsible for setting access levels for all members of staff using the system. This may be delegated to the School's Business Manager / Bursar.

3.1 Back-up Procedures

The Financial Management System is backed up by the system provider and stored on a virtual cloud.

The Trust's Business Continuity Plan contains a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the regular assessment of the Trust's Risk Register made by the Board, where the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks, are recorded

3.2 Transaction Processing

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

3.3 Month End Procedure

The processes identified in the Month End Checklist (see Appendix 1) will be completed by the relevant personnel identified therein and a signed copy of the Checklist will be provided to the Trust Financial Lead by 25th of each month to confirm completion of all month end processes.

3.4 Transaction Reports

The Trust Financial Lead will obtain and review system reports in accordance with the Month End Checklist and conduct such other reviews as she deems appropriate to ensure that only regular transactions are posted to the Financial Management System.

3.4 Reconciliations

Bank, VAT and control account reconciliations will be performed regularly in accordance with the Month End Checklist. The Trust Financial Lead must ensure bank statements are received regularly and that bank reconciliations are performed on a monthly basis. Reconciliation procedures must ensure that:

1. all bank accounts are reconciled to the relevant Financial System;
2. reconciliations are subject to an independent monthly review carried out by the Chief Financial Officer (CFO) and adjustments arising are dealt with promptly.

4 FINANCIAL PLANNING

The Trust prepares both medium term - 3 year and short-term - annual financial plans. The medium term financial plan is prepared, as part of the development planning process. The individual Development Plans and Strategies indicate 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 Plans and Strategies provide the framework for the annual budget of the Trust. 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 and strategy planning processes and the budgetary process are described in more detail below.

4.1 Trust Development Plan

The Trust Development Plan (TDP) is concerned with the future aims and objectives of the Trust as a whole and how they are to be achieved which includes matching the Trust's improvement priorities and objectives to the resources expected to be available. The Trust Development Plan is developed using both a BOTTOM UP from each school's Development Plan and also TOP DOWN from the Trust's development objectives and priorities. Once both the bottom up and top down plans have been outlined; there is then a merging / negotiating process to establish the final Trust Development Plan.

Each year, the Trust improvement priorities will be agreed in accordance with the Scheme of Delegation and Record of Financial Responsibility, leading to the establishment of the Trust Development Plan. The Trust Development Plan is produced as per the timetable in Appendix 2.

4.2 School Development Plan

The School Development Plan (SDP) is concerned with the future aims and objectives of the school and how they are to be achieved; that includes matching the school's improvement priorities and objectives to the resources expected to be available. SDPs will be kept flexible and simple – they are the “big picture” within which more detailed action plans may be integrated.

Each year, the school improvement priorities will be agreed in accordance with the Scheme of Delegation and Record of Financial Responsibility and the SDP produced (refer to timetable in Appendix 2). This will contain a planning cycle and timetable which allows for:

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

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

The completed SDP will include the detailed school improvement priorities and objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, **both** capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each priority, the responsibility for ensuring progress is made towards that priority will be assigned to the relevant Headteacher. The Headteacher should monitor performance against the defined success criteria throughout the year and report to the Executive Team on a half-termly basis. The Executive Team will report to the Board, if there is a significant divergence from the agreed SDP and will recommend an appropriate course of action.

4.3 SEND / SEMH Development Plans

The SEND / SEMH Development Plans are concerned with the future aims and objectives of the Trust schools in respect of SEND / SEMH and how they are to be achieved; that includes matching the Trust’s SEND / SEMH improvement priorities and objectives to the resources expected to be available. Each year the SEND / SEMH improvement priorities will be agreed in accordance with the Scheme of Delegation and Record of Financial Responsibility and the Trust SEND / SEMH Development Plan produced (refer to timetable in Appendix 2). This will contain a planning cycle and timetable which allows for:

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

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

The completed SEND / SEMH Development Plans will include the detailed SEND /SEM H improvement priorities and objectives for the coming academic year and outline

objectives for the following two years. The plans should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each priority, the responsibility for ensuring progress is made towards that priority will be assigned to the Headteachers. The Headteachers should monitor performance against the defined success criteria throughout the year and report to the Executive Team on a termly basis. The Executive Team will report to the Board if there is a significant divergence from the agreed SEND / SEMH Development Plans and will recommend an appropriate course of action.

4.4 Estate Management Strategy

The Estate Management Strategy is a 5 year plan that will identify the suitability of buildings and facilities in light of long term curriculum needs. It should take account of the need for and availability of capital investment to meet the Trust's responsibility to ensure the buildings and facilities are maintained to a good standard. The plan should include the estimated costs, both capital and revenue, associated with each maintenance area identified within the strategy. Each year the estate management priorities will be agreed in accordance with the Scheme of Delegation and Record of Financial Responsibility and the Estate Management Strategy will be revised accordingly (refer to timetable in Appendix 2). The Trust Lead for Premises Maintenance should monitor the maintenance and ongoing requirements of the estate and report to the Executive Team on a termly basis. The Executive Team will report to the Board, if there is a need for significant divergence from the Estate Management Strategy and will recommend an appropriate course of action.

4.5 Pupil Premium Strategy

The Pupil Premium Strategy is concerned with the future aims and objectives of the Trust schools in achieving maximum impact for pupil premium pupils that includes matching the Trust's pupil premium improvement priorities and objectives to the pupil premium grant in each school. Each year, the Pupil Premium priorities will be agreed in accordance with the Scheme of Delegation and Record of Financial Responsibility and the Pupil Premium Strategy produced (refer to timetable in Appendix 2). For each priority, the responsibility for ensuring progress is made towards that priority will be assigned to the relevant Headteacher. The Headteacher should monitor performance against the defined success criteria throughout the year and report to the Executive Team on a termly basis. The Executive Team will report to the Board, if there is a significant divergence from the agreed Pupil Premium Strategy and will recommend an appropriate course of action.

It is the responsibility of each Headteacher to publish a review on their school's website on the strategy, expenditure and impact of pupil premium funding, at least annually. The Executive Team will advise the Board, if this aspect of the policy is not complied with by any Headteacher.

4.6 PE and Sport Premium

The PE and Sport Strategy is concerned with the future aims and objectives of the Trust academies in achieving maximum impact for all pupils in the curriculum area of PE, that includes matching the Trust's PE and Sport development priorities and objectives to the PE and Sport Premium grant where received in to each school. Each year the PE and Sport development priorities will be agreed in accordance with the Scheme of Delegation and Record of Financial Responsibility and the PE and Sport Strategy produced (refer to timetable in Appendix 2). For each priority, the responsibility for ensuring progress is made towards that priority will be assigned to the relevant Headteacher. The Headteacher should regularly monitor performance against the defined success criteria throughout the year and report to the Executive Team on a termly basis. The Executive Team will report to the Board, if there is a significant divergence from the agreed PE & Sport Strategy and will recommend an appropriate course of action.

It is the responsibility of each Headteacher to publish a review on their school's website on the strategy, expenditure and impact of PE and sport premium funding at least annually. The Executive Team will advise the Board, if this aspect of the policy is not complied with by any Headteacher.

5 THE BUDGET

5.1 Annual Budget Setting

The responsibilities for the budget setting process (including authorisation of the budget) is defined in the Scheme of Delegation and Record of Financial Responsibility. The budget should be accompanied by a statement of assumptions and hierarchy of priorities, so that if circumstances change; it is easier for all concerned to take remedial action. The budget should be seen as a working document, which may need revising throughout the year, as circumstances change.

The approved budget must be submitted to the ESFA by 31 July each year and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be consistency between the Trust Development Plan priorities, the SDP priorities, the SEND / SEMH Development Plan priorities, the Estate Management Strategy and the budgeted utilisation of resources for each individual School Budget, from which the Consolidated Trust Budget is comprised.

The budgetary planning process will incorporate the following elements:

- GAG funding in accordance with annual GAG statements.
- Review of other income sources available to the academy to assess likely level of receipts;
- Review of past performance against budgets to promote an understanding of the Trust 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.

5.2 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. Budget Holders will need to respond positively to recommendations from the CFO and Trust Financial Lead, particularly in relation to achieving reductions in staffing expenditure, where required. This may further 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. However, there are circumstances e.g. school expansion or up skilling staff to meet new pupil challenges etc., which means that a school needs to invest in itself. This may lead to an in-year shortfall in funding income. Under these circumstances, the Board will consider the school's budget in terms of it making the best use of its reserves. If a potential surplus is identified, there should be a clear purpose for which this surplus is being authorised.

5.3 Monitoring and Review

Half-termly Management Information packs will be prepared and distributed to the appropriate Budget Holders and the Trustees in accordance with the Month End Checklist.

The half-termly Management Information packs will consist of:

- Management Accounts
- Budget Holder Reports
- Balance Sheet
- Cash flow report
- Report on Variances
- Debtors Update
- Summary of Concerns / Queries to Budget Holder

In the weeks following distribution of the Management Information, each Budget Holder will meet with the CFO / Trust Financial Lead to discuss the contents of that Management Information. The Budget Holder will need to justify any overspend that has occurred in the preceding period and to respond to the areas identified in the Summary of Concerns / Queries. Any potential overspend against budget that is expected to occur in the current period must be identified by the Budget Holder and reasons provided.

If a significant budget overspend is forecast between scheduled budget revisions, it may be appropriate to vire money in accordance with the Scheme of Delegation and Record of Financial Responsibility.

5.3 Budget Holders

Cost Centres have been created on the Financial Management System so that Budget Holders can receive relevant reports to the areas for which they are responsible. The Budget Holders for 2018/19 and their areas of responsibility are set out the Trust's Record of Financial Responsibility (RoFR).

6 PAYROLL

The main elements of the payroll system are:

- staff appointments
- contract variations
- payroll administration and
- payments

6.1 Staff Appointments

These are made in accordance with the Scheme of Delegation and Record of Financial Responsibility.

6.2 New Contracts / Contract Variations

These are made in accordance with the Scheme of Delegation and Record of Financial Responsibility.

6.3 Payroll Administration

The Trust payroll is being processed by an outsourced bureau trading as Schools' Choice for the financial year ending August 2019. Master personnel records are held in hard copy in the schools, in locked filing cabinets. The same information is held electronically by the payroll bureau and the Trust. The master records contain:-

- pay scale
- duty information & hours
- bank account details;
- taxation status;
- personal details and
- any deductions or allowances payable

Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments are prepared by the schools and must be authorised in accordance with the Scheme of Delegation and Record of Financial Responsibility before being submitted to the payroll provider. Only the Trust Financial Lead, Headteachers and school Business Managers / Bursars are authorised to correspond with the payroll provider on payroll and HR administration matters.

The Trust obtains employment law and HR advice from Schools' Choice. Only the Headteachers, and the Executive Team are authorised to correspond with Schools' Choice on employment law and HR matters, unless expressly authorised by the Executive Team. Such additional authorisation will only usually be granted in exceptional circumstances (e.g. a member of the SLT is conducting an investigation). Where Headteachers and do

correspond with Schools' Choice on employment law and HR matters, they must notify the CEO and cc her into all email correspondence.

New staff can only be added to the payroll in accordance with the Scheme of Delegation and Record of Financial Responsibility. New staff must complete all relevant payroll documents issued by the school. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment will not be made until the next payroll run in the following month.

The Financial Administration Assistant must complete the monthly staff return, which provides details for any sickness and other absences, so any necessary adjustments can be made to pay. All entries on the return must be accompanied by an authorised Absence Form or GP Fit Note.

Overtime, Mileage and Expense claims must be authorised in accordance with the Scheme of Delegation and Record of Financial Responsibility and submitted to the School's Business Manager or Bursar by the member of staff to whom the claim relates, by no later than the 31st of each month. Claims received after this date will not be processed until the following month's payroll.

6.4 Payments

After the payroll has been processed but before payments are dispatched the payroll reports must be authorised in accordance with the Scheme of Delegation and Record of Financial Responsibility. This should be reviewed against the previous month's gross salary payments to check adjustments have been made for new appointments, resignations, pay increases and to ensure that no payments have been added for non-Trust staff. A signed copy of the Variances from last pay run should be obtained by the authoriser prior to payments being dispatched.

Once approved, Schools' Choice, the external payroll provider, will process all payments via BACS and provide pay slips for staff. Deductions will be made for tax, national insurance, pensions and any other payments due.

After the payroll has been authorised, the salary information will be added to the Financial Management System and reviewed in accordance with the Month End Checklist. Discrepancies identified will be promptly investigated by the Trust Financial Lead.

7 PURCHASING

The Trust wants to achieve the best value for money from all our purchases. This means getting what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principals 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.

7.1 Purchasing Processes

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.

All purchases require a purchase order prior to being placed, save as to where a signed contract has been entered into under the Central Procurement Process below.

Purchases should be made in accordance with the Scheme of Delegation and Record of Financial Responsibility using one of the processes below:

7.1.1 Trust Wide Purchasing

As part of the annual budgeting process, the Trust Financial Lead with support from the schools' Business Managers / Bursar will identify and agree opportunities for Trust wide purchases to be made where these will lead to reductions in costs and / or the work load involved compared with individual school purchases. This process will include consideration and taking advantage of any of the DfE's National Deals, appropriate for the needs of the Trust.

Resources identified for Trust wide purchase will be managed and actioned by the Trust Financial Lead within the budget setting timetable to ensure that they are available for the next financial year. The cost of such Trust wide purchases will be apportioned to the schools on the basis of their consumption of the resource e.g. minibus insurance or using the standard ratio for apportionment of central resources. The process to be followed is:

1. Trust Financial Lead to raise requisition
2. CFO to authorise the requisition
3. Executive Team to review requisitions, select suppliers who offer best value for money across the Trust, and raise the relevant purchase orders.
4. Trust Financial Lead to place order with supplier.
5. Trust Financial Lead to complete Goods Received Note on receipt of goods – **Goods must always be checked and GRN raised before being distributed.**
6. Invoice to be received by Trust Financial Lead.
7. Invoice to be pulled through to Purchase Invoice stage by Trust Financial Lead.

7.1.2 School Based Purchases

The Trust recognises that the bulk of the Trust's purchases will be made direct by each school in line with their budgeted expenditure. For school based purchases the following process should be followed:

1. Financial Administration Assistant will to raise a requisition and submit it to the relevant Budget Holder for authorisation.

2. The Business Manager / Bursar will then raise a purchase order against the authorised requisition.
3. Upon receipt of a purchase order, the Financial Administration Assistant may place the order with the supplier
8. Financial Administration Assistant to complete Goods Received Note on receipt of goods – **Goods must always be checked and GRN raised before being distributed.**
- 4.
5. Invoice to be received by school's Business Manager / Bursar
6. Invoice to be pulled through to Purchase Invoice stage by school's Business Manager / Bursar.

7.1.3 Trust Central Ad Hoc Purchases

Trust central purchases should make in line with the School Based Purchasing process identified in this policy where possible or via the Trust Wide Purchasing process identified in this policy. However, the Trust recognises that at Trust level, ad hoc purchases will be required. In such circumstances, the following process should be followed:

1. Trust Financial Lead to raise requisition and submit to Executive Team for authorisation.
2. Trust Financial Lead will then raise a purchase order and may place the order with the supplier
3. Trust Financial Lead to complete Goods Received Note on receipt of goods
4. Invoice to be received by Trust Financial Lead.
5. Invoice to be pulled through to Purchase Invoice stage by Trust Financial Lead.

7.1.4 Contracts

Budget holders are not authorised to enter into contracts with suppliers directly. Trust Wide contract will be negotiated centrally by the Trust Finance Lead in accordance with the Scheme of Delegation and Record of Financial Responsibility. School based contacts will be negotiated at a school level by either the Headteacher or delegated to the Business Manager / Bursar, in accordance with the Scheme of Delegation and Record of Financial Responsibility.

7.1.5 Agency Supply Teachers

Supply teachers for absent classroom teachers should only normally be booked on the 4th day of a classroom teacher's absence. Cover Supervisors and non-teaching SLT members should provide cover in the first 3 days of the classroom teacher's absence. Where a booking for a supply teacher is required to be made, the Financial Administration Assistant should raise a purchase order for authorisation by the Headteacher. Upon receipt of authorisation, the member of staff with designated responsibility for arranging teaching cover may place the booking with the supply agency. The Financial Administration Assistant should complete Goods Received Note on the arrival of the supply teacher.

7.1.6 Requisitions and Goods Received

Purchase Orders raised should follow the coding guidance set out by the Trust Financial Lead, in agreement with the schools' Business Managers / Bursars.

The person placing an order with a supplier must make appropriate arrangements for the delivery of goods. On receipt a thorough check of the goods received must be made against the delivery note and a record made of any discrepancies between the goods delivered and the delivery note. The person who received the order should personally raise this fact immediately with the supplier and inform the Trust Financial Lead. The Financial Administration Assistant will only record the goods received note within the Financial Management System on completion of the following checks:

1. goods/ services received;
2. goods/services as ordered;
3. correct number of items received;
4. prices correct and
5. VAT treated correctly.

8 INCOME

The main sources of income for the Trust are the Core / Base funding grants from the ESFA and Top Up funding from Local Authorities. The receipt of these sums is monitored directly by the schools' Business Managers / Bursars who are responsible for ensuring that all ESFA grants and Top up funding due to the Trust are collected. All discrepancies and / or missing and late payments must be reported to the Trust Financial Lead.

The Trust also obtains income from:

- Students, mainly for trips, dinner, uniform sales and clubs
- The public, (e.g. for lettings)
- Other schools and organisations for consultancy services

8.1 Trips

A lead teacher must be appointed for each trip to take responsibility for the organisation of the trip. The sum to be charged for the trip must be discussed and authorised by the Headteacher. The amount to be charged should cover the cost of all transport and entrance for the expected number of pupils and staff / volunteers required and any other associated costs of the trip. No subsidy should be factored into the calculation for the sum to be charged. The lead teacher will then instruct the school's Financial Administration Assistant to prepare the letter and permission slips. The Financial Administration Assistant will create a payment item in respect of the trip in ParentPay and assign to it all students going on the trip. The Financial Administration Assistant will complete the Cost Centre Request Form request that the Business Manager / Bursar set up an account on the Trips Ledger for the trip in the Financial Management System.

Parents must make all payments using ParentPay to reduce cash handling in the office. Payments made by cash will only be accepted in exceptional circumstances. The Financial Administration Assistant should chase up additional permission slips and payments on a weekly basis.

The Financial Administration Assistant is responsible for placing all bookings for admissions, transport and other related trips expenditure. These bookings must follow the Ad Hoc purchasing process identified in this policy and should ensure value for money. The Financial Administration Assistant may only place bookings for transport if the Trust's minibuses are unavailable and trip dates should be arranged having regard to the availability of the Trust's minibuses. The Trust's Executive Assistant is responsible for managing the Trust's minibus booking system.

One week prior to the commencement of the trip, the Financial Administration Assistant should advise the Headteacher of any deficit in trip income and the Headteacher should decide whether to subsidise the trip (having regard to the overall Academy Budget) or whether to cancel the trip. The Financial Administration Assistant must inform the Finance Department of any intended subsidy and from which source of income this subsidy will be made. If the subsidy is to be made from a source of income for which the Headteacher is not a Budget Holder, a requisition for this subsidy should be raised in the web portal and submitted to the appropriate Budget Holder for authorisation.

8.2 Catering Income

Parents should be encouraged to pay dinner money half termly in advance using ParentPay to reduce cash handling in the office. Parents who struggle to pay half-termly may pay weekly but the Financial Administration Assistant should advise the parents further to ascertain whether they may be entitled to free school meals and support them with their application wherever possible. Outstanding dinner monies should be dealt with under section 8.5 below.

School offices should not accept cash payments of dinner money unless in exceptional circumstances and authorised by the Headteacher.

8.3 Dinner Numbers Reconciliation

The Financial Administration Assistant will provide the kitchen with the daily numbers of dinners using ParentPay. The weekly client charge form from the kitchen should be cross-checked against ParentPay. Any discrepancy between the numbers provided and the number of meals taken must be investigated immediately to ensure all the children who are entitled to meals (free and paid) are taking them and that children not registered for meals and not taking them.

8.4 Free School Meals

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

8.5 Dinner Money Arrears

Individual pupil's arrears should not exceed 10 serving days or £22.00 (whichever is the greater) at any one time. Parents/guardians should be notified as soon as the arrears for the individual pupil are outstanding for 5 serving days. They should receive a second warning after 10 days stating meals have been withdrawn. Meals should only be reinstated when the arrears have been cleared and an advance payment made for the following

week. Dinner money arrears cannot be written off without approval from the Trust Financial Lead. It is the responsibility of the Headteacher to ensure that meals are withdrawn where arrears have arisen.

8.6 Uniform Sales

The Business Manager / Bursar is responsible for the uniform sales. Sales should be made via ParentPay. A half termly stock count must be carried out by the Financial Administrative Assistant. Any discrepancies between the stock book and actual stock levels should be brought to the attention of the Trust Financial Lead

Purchases of uniform stock should be made via the School Resource Purchasing process identified in this policy. The Trust Financial Lead must ensure that schools do not hold unnecessarily high levels of uniform stock at any one time.

8.7 Clubs

The Financial Administration Assistant is responsible for the activity club sign-ups. A payment item should be created on ParentPay and payment should be made at the time of booking the club.

8.8 Lettings

Lettings should be managed in accordance with the Trust's Lettings Policy. The school's Business Manager / Bursar is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. The invoice should be raised by the Business Manager / Bursar and payment collected, ideally in advance.

8.9 Sales Ledger

Monies collected must be banked in accordance with the Scheme of Delegation and Record of Financial Responsibility and recorded on the Financial Management System by the school's Business Manager / Bursar.

9 CASH MANAGEMENT

9.1 Bank Accounts

The opening of all accounts must be authorised by the Board. The Trust has 4 bank accounts in use – an account for each school and one central account. These accounts are all current accounts. The account signatories are set out in Record of Financial Responsibility (RoFR).

9.2 Payments and withdrawals

All cheques and other instruments authorising withdrawal (including BACs payments) from Trust bank accounts must be made in accordance with the Scheme of Delegation and Record of Financial Responsibility. This provision applies to all accounts, operated by or on behalf of the Trust.

At least monthly and ideally every two weeks, the School Business Manager / Bursar will create a payment run in the Financial Management System and import this electronically

to their bank account within Trust's banking system for payment by BACs. The School Business Manager / Bursar may only make payments by cheque where a BACs payment is not possible. Where a cheque payment is to be made, the School Business Manager / Bursar must first create a cheque run in the Financial Management System and then prepare the cheque(s). The School Business Manager / Bursar may not create individual BACs payments within the banking system (rather than importing a payment run); however additional payment runs may be imported for urgent or extraordinary payments. In exceptional circumstances, a Faster Payment may be made in place of a BACs payment upon the explicit authorisation of the CFO or Trust Financial Lead having regard to the costs and benefits of this decision.

The School Business Manager / Bursar must check that sufficient funds are available before publishing the payment. Once published, the School Business Manager / Bursar will notify the signatories and provide the associated paper work. The BACs payment must be authorised by two of the nominated bank signatories in accordance with the Scheme of Delegation and Record of Financial Responsibility and the process below. No two signatories will authorise a payment if they are connected parties. No signatory will authorise a payment if it is a transaction to which he is a related party. Self-authorisation, the process by which a signatory authorises a payment that he has prepared, is not permitted unless consent has been provided by the CFO (such consent to only be provided in exceptional circumstances).

9.3 Payment Authorisation Process

9.1.1 BACs

1. Signatory to check available bank balance on Barclays Commercial Banking system
2. Signatory to review details of BACs run and ensure each of the following details is correct:
 - a. Beneficiary Name
 - b. Beneficiary Sort Code
 - c. Beneficiary Account Number
 - d. Value of payment
 - e. That any non-purchase order invoice has been signed by the Trust Financial Lead.
3. Signatory to authorise payment using card and pin security.

9.1.2 Faster Payments

1. Signatory to confirm CFO or Trust Financial Lead consent to using Fast Payment
2. Signatory to review details of BACs run and ensure each of the following details is correct:
 - a. Beneficiary Name
 - b. Beneficiary Sort Code
 - c. Beneficiary Account Number
 - d. Value of payment

- e. That any non-purchase order invoice has been signed by the Trust Financial Lead
3. Signatory to authorise payment using card and pin security.

9.1.3 Cheques

1. Signatory to check available bank balance as per print out provided by School Business Manager / Bursar
2. Signatory to review details of cheque and ensure each of the following details is correct:
 - a. Beneficiary Name
 - b. Value of payment
 - c. That any non-purchase order invoice has been signed by the Trust Financial Lead
3. Signatory to sign cheque in accordance with bank mandate.

9.1.4 Payment Submission and allocation

Once the payment has been approved by the required signatories the school Business Manager / Bursar must book and allocate the payment run in the Financial Management System using the Payment Run clearing account.

9.1.5 Direct Debit Cards

Each school may have a direct debit card to assist with best value during procurement. School direct debit card should be held by the Headteacher or the Business Manager / Bursar only.

The monthly spending limits for the school's direct debit card are defined in the Scheme of Delegation and Record of Financial Responsibility.

The direct debit card should only be used when cheque or BACs or faster payments are not practicable. The direct debit cardholder must complete and sign a declaration taking personal responsibility for the payment of all non-school purchases. Purchases must only be made by the card holder or with the card holder's written consent.

Where the direct debit card holder is not a Budget Holder or wishes to make expenditure under another budget, the direct debit card holder must obtain the written authorisation of the relevant Budget Holder, prior to making a purchase.

Receipts (including VAT receipts) must be retained by the card holder.

A Direct Debit Card Transaction Record must be completed with each purchase by the card holder, authorised by the CFO / Trust Financial Lead monthly and then sent to the school's Financial Administration Assistant along with copy or original receipts. The School Business Manager / Bursar or if they are the Trust Financial Lead, the CFO will review spend against receipts, and will match the direct debit card amount to the bank reconciliation each month. The School Business Manager / Bursar will then record

transactions and corresponding direct debit amounts on the Financial Management System.

School Direct Debit Cards must be kept secure by the card holder.

Card holders must not use school direct debit cards for personal spend under any circumstances.

9.1.6 Petty Cash

All Trust schools must minimise the use of petty cash. All monies received should be banked in accordance with the Scheme of Delegation and Record of Financial Responsibility. Where petty cash is used, the Financial Administration Assistant must have petty cash transactions in and out approved in writing by the school's Business Manager / Bursar or the Headteacher.

9.1.7 Cash Flow & Cash Flow Forecasts

The Trust Financial Lead should always investigate whether payment for a contract or service may be made by periodic payments (ideally by monthly direct debit) to assist cash flow.

Cash flow forecasts will be prepared in accordance with the Month End Checklist and the Trust's Working Capital Reserve requirements to ensure that the Trust has sufficient funds available to pay for day to day operations. If significant surplus balances can be foreseen, steps should be taken to invest the extra funds using the deposit accounts.

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. Guiding Principles are as follows:-

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements, in line with the Trust's Working Capital Reserve requirements
- Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

10 RESERVES

The Strategic Board has resolved to pool all Trust reserves annually in to a single deposit account. This is in order to maximise the interest earned across the Trust schools. Each school will retain 'ownership' its reserves and have first call on their use. However, the Trust Board will need to approve the use to which these reserves in any Trust school are to be deployed.

Schools may apply to the Board to spend their school reserves for specific purposes in accordance with the Scheme of Delegation and Record of Financial Responsibility. Schools and the Trust central may apply to spend the centrally held reserves for specific purposes in accordance with the Scheme of Delegation and Record of Financial Responsibility.

For 2018/19, the reserve funds held by the Trust are:

- General Unrestricted Fund
- Restricted GAG Fund
- Warren School Improvement Fund
- MAT Development and Innovation Fund

Where the fund held has specific conditions of grant attached to it, both the applicant and authoriser must adhere to those conditions.

Each school will hold its own Contingency Fund, the level of which is determined by the budgeting process.

11 FIXED ASSETS

11.1 Fixed Asset Register

All items purchased with a value over the Trust's capitalisation limit (as per Scheme of Delegation and Record of Financial Responsibility) must be entered in the fixed asset register on the School's Financial Management System. A copy of each school's fixed asset register will be collated with the other school's fixed asset registers and any centrally held fixed asset register to provide the overall Trust Fixed Asset Register.

The asset register should include the following information:

1. asset description
2. asset number / serial number
3. date of acquisition
4. asset cost
5. source of funding (% of original cost funded from ESFA grant and % funded from other sources)
6. expected useful economic life
7. depreciation
8. current book value
9. location
10. name of member of staff responsible for the asset

Assets over the published capitalisation threshold should be permanently and visibly marked as the school's property, labelled and added to the inventory which is checked annually. The inventory should include:-

1. asset description
2. asset number / serial number
3. date of acquisition
4. asset cost
5. expected useful economic life
6. location
7. name of member of staff responsible for the asset

The Asset Register and Inventory help to:

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

The Trust Financial Lead, supported by the school's Business Managers / Bursars, is responsible for maintenance of the Inventory.

11.2 Depreciation

Depreciation on assets is as follows:-

Buildings	2% straight line
Building improvements	10% straight line
Furniture and Equipment	25% straight line
Fixtures and Fittings	20% straight line
Computer Equipment & Software	33% straight line
Motor Vehicles	20% straight line

11.3 Security of assets

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

All the items in the fixed asset register or inventory should be permanently and visibly marked as the school's or Trust's property and there should be a regular (at least annual) count by the school's Business Manager / Bursar. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the CFO / Trust Financial Lead. Inventories of Trust and school property should be kept up to date and reviewed regularly. Where items are used by the Trust or school but do not belong to it this should be noted.

11.4 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Trust Financial Lead and added to the Disposals Register. Where significant assets should be sold following competitive tender. The Trust must seek the approval of ESFA in writing, if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is discouraged, as it may be more difficult to evidence the Trust or school obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust and school would need to ensure licences for software programmes have been legally transferred to a new owner.

The Trust and schools are expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust or school assets. If the sale proceeds are not reinvested then the Trust must repay to the ESFA a proportion of the sale proceeds. All disposals of land must be agreed in advance with the Secretary of State for Education.

The Trust Financial Lead is responsible for the maintenance of the Disposals Register.

11.5 Loan of Assets

Items of Trust and school property must not be removed from Trust or school premises without the authority of the CFO / Trust Financial Lead. A record of the loan must be recorded in a loan book and booked back into the Trust or school 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.

12 STORAGE OF RECORDS

The Trust and schools will retain all documents in accordance with the Trust's Retention Policy.

13 APPENDIX 1 – MONTH END CHECKLIST

Month End Checklist with Guidance and Annual Summary Sheet are provided to Business Managers / Bursars as an Excel Spreadsheet. Below is an image of the Month End Checklist.

Month-End Checklist

Month

Task	Completed Y/N	Comments
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Payroll

1	Process Payroll Reports: additional hours, absences		
2	Complete Staff Absence Insurance Claims		
3	Process Payroll Journal		
4	Review Payroll Control accounts		

Purchase Ledger

5	Review Unauthorised Orders		
6	Review Outstanding Orders		
7	Review Outstanding GRNs		
8	Ensure all Invoices have been entered on the system		
9	Review Aged Creditors Report		
10	Review the Purchase Ledger Control Account		

Petty Cash

11	Post Petty Cash Payments		
12	Post Petty Cash Reimbursements		
13	Reconcile to the Petty Cash Tin		

Credit Card

14	Post Credit Card Expenditure		
15	Post Credit Card Payments		
16	Review the Credit Card Control Account		

Staff Expenses

17	Post Staff Expense Claims		
18	Process Staff Expense Reimbursements		
19	Review the Staff Expenses Control Account		

Income / Receipts

20	Ensure all Income has been entered on the system		
21	Review the Paying-In Slip Control Account		

Sales Ledger

22	Ensure all Sales Invoices have been raised on the system		
23	Post Sales Receipts		
24	Review Aged Debtors Report		
25	Chase Outstanding Sales Invoices		
26	Review the Sales Ledger Control Account		

Bank

27	Upload Bank Statements		
28	Ensure all Cheques/BACS runs have been posted		
29	Post Outstanding Direct Debits / Standing Orders		
30	Reconcile Bank Account		
31	Print Bank Reconciliation Report		
32	Review Unreconciled Items		

VAT

33	Prepare for the VAT126 Return	v1.0 May 2019	
34	Review VAT126 Report		
35	Reconcile balance on VAT126 to VAT ledger for the period		
36	Post VAT journal		

14 APPENDIX 2 – TIMELINE FOR ANNUAL BUDGET AND DEVELOPMENT PLAN APPROVALS

Key: LGB / SIB – Local Governing Body / School Improvement Board

TB – Trust Board

Description	Drafted / Revised by	Approved by	Completed by
Initial Draft Annual Budget v1.0 incl. SDP	School Team e.g. HT / Business Manager / Bursar		Third week May
Initial Annual Budget v1.0 incl. SDP		LGB / SIB Questions raised	First week June
Second Draft Annual Budget v2.0 incl. SDP	School Team e.g. HT / Business Manager / Bursar		Second week June
Second Draft Annual Budget v2.0 incl. SDP		LGB / SIB	Third week June
Final Draft Budget v3.0 incl. SDP (at individual schools and Trust consolidated)		TB Questions raised	Fourth week June
Final Draft Budget v3.1 incl. SDP (at individual schools and Trust consolidated)	Executive Team in consultation with Schools		Fourth week June
Final Budget v3.1 incl. SDP (at individual schools and Trust consolidated)		LGB / SIB	First week July
Final Budget v3.1 incl. SDP (at individual schools and Trust consolidated)		TB	Second week July
Contingency		Third and Fourth week July	
SUBMISSION TO ESFA			31st JULY