



Finance Policy

for

All Saints CE Primary School
Hope Hamilton CE Primary School
Houghton on the Hill CE Primary School
Richard Hill Primary School

In all cases the policy will be implemented having regard to ethical and moral considerations

Date of Policy	September 2022		
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Signed: David Williams, Chair of Trustees			

Contents

1. Introduction
2. Organisation
3. Accounting System
4. Financial Planning
5. Payroll
6. Purchasing
7. Income
8. Cash Management
9. Fixed Assets
10. Annual Accounts/Accounts Return
11. Audit
12. VAT
13. Insurance

Appendix A - Guidance for the Responsible Officer/Internal Auditor

Appendix B - Register of Business Interests Form

Appendix C - Checklist for the month-end reports

Appendix D - Financial Calendar

Appendix E - Purchase Requisition Form

Appendix F - Limits of Financial Delegation

Appendix G – Internet Purchasing Guide

Appendix H – Staff Expenses Reimbursement Claim

Amendments to version 2 – September 2022

- Rename Trust Business Manager to Deputy CFO throughout
- Increase expenditure approval limit for the Deputy CFO from £2,000 to £10,000
- Removal of the Bursar role and replace with Office Manager throughout

1. Introduction

The purpose of this document is to ensure that the academy trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA).

The Vines Academy Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE/ESFA. This policy expands on that and provides detailed information on the academy trust's accounting procedures and systems this policy should be read by all Staff, Trustees and Governors involved with the academy trust's financial systems.

This policy applies to all staff and operations in each school within The Vines Academy Trust, namely:

- All Saints C of E Primary School (Wigston)
- Hope Hamilton C of E Primary School
- Houghton on the Hill C of E Primary School
- Richard Hill C of E Primary School

The Chief Financial Officer will monitor compliance with the manual and any non-compliance may be reported to the Trust Board.

2. Organisation

The academy trust has defined the responsibilities of each person involved in the administration of each school's finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees, Staff and Governors. The financial reporting structure is illustrated below:

The Trust Board

The Trust Board has overall responsibility for the school's finances. The main responsibilities of the trust board are prescribed in the Funding Agreement between the academy trust and the DfE and in the academy trust's scheme of delegation. The main responsibilities include:

- Ensuring that grants from the DfE/ESFA are used only for the purposes intended
- Ensuring that funds from sponsors are received according to the academy trust's Funding Agreement, and are used only for the purposes intended
- Approval of the Academy Trust's annual budget
- Approval of the audited annual accounts and accounts return to the ESFA
- Appointment and salary of the CEO and Head Teachers
- Determining the staff structure and pay policy for each school in the trust
- Preparation and approval of the annual governors report to accompany the annual audited accounts
- Authorising single contracts and items of expenditure above **£50,000**

The Finance and Audit Committee

The Finance and Audit committee is a committee of the Board of Trustees. The Finance and Audit committee meets at least once a term, but more frequent meetings can be arranged if necessary.

The main responsibilities of the Finance and Audit Committee include:

- The initial review and authorisation of the annual budget
- The regular monitoring of actual expenditure and income against the budget
- To review all trust quotations above **£5,000**

- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charities Statement of Recommended Practice (SORP) and Academies Act 2010 and the DfE guidance issued to academies
- Reviewing the reports of the internal and external audit on the effectiveness of the financial procedures and controls. Any concerns must also be reported to the Trust Board.

The Local Governing Body

Every school in the trust has a local governing body which meets at least once every term but more frequent meetings can be arranged if necessary.

The main responsibilities of the local governing body are detailed in written terms of reference which have been authorised by the trust board. The main financial responsibilities include:

- The initial review and authorisation of the school's annual budget and any subsequent variation as necessary during the financial year
- The regular monitoring of actual expenditure and income against the budget
- To report regularly to the Trust Board on the school's finances
- To review all quotations above **£5,000**

The Accounting Officer/CEO

The CEO has been appointed as the Accounting Officer for the Trust. Within the framework of the Trust development plan as approved by the Trust Board the Chief Executive Officer (CEO) has overall executive responsibility for the school's activities including financial activities. The Accounting Officer has personal responsibility for assuring the Board of Trustees are compliant with the Academies Financial Handbook, the funding agreement and all relevant aspects of charity and company law.

The main responsibilities include:

- Approving new staff appointments within the authorised establishment, except senior posts which the Board of Trustees have agreed should be approved by them.
- Authorising the award of contracts **between £25,000 and £50,000** (in conjunction with the Head Teacher and Chief Financial Officer)
- To authorise any item of expenditure **between £25,000 and £50,000** (in conjunction with the Head Teacher and Chief Financial Officer)

The Head Teachers

The Head Teacher in each school has the responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior posts to be approved by the CEO/Board of Trustees.
- Managing the budget daily, including overseeing the operation of the school's bank account(s).
- Monitoring the income and expenditure to ensure compliance with regulations in this policy.
- Ensuring immediate action is taken in the event of any actual or potential financial irregularity.

The Chief Financial Officer

The Chief Financial Officer works in close collaboration with the CEO and Head Teachers through whom he or she is responsible to the Board of Trustees. The main responsibilities of the CFO include:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system
- Authorising the award of contracts up to **£25,000**
- To authorise any item of expenditure up to **£25,000**
- To maintain effective systems of internal control
- To advise the CEO and Board of Trustees on all matters related to financial strategy, the impact of their decisions on financial position of the Trust and to advise on the framework for financial controls.
- Signing cheques/BACS runs in conjunction with the other authorised cheque/BACS run signatories as per the bank mandate.
- To ensure all forms and returns required by the ESFA and Trustees are prepared and submitted in the by the relevant deadlines
- To provide quarterly, monthly and ad hoc management accounts

- To write an annual report and prepare the consolidated financial statements for auditing by the external auditors.
- Assisting the academy trust's appointed firm of accountants to ensure that the audited annual accounts are properly presented and adequately supported by the underlying books and records of each school.
- To oversee the preparation of an annual draft budget for each school alongside the Trust's Budget
- Authorising all virements between budget headings

The Trust Business Manager/Deputy CFO

The Trust Business Manager/Deputy CFO works in close collaboration with the Head Teachers and Chief Financial Officer through who are responsible to the trust board.

The main responsibilities of the Trust Business Manager/Deputy CFO are:

- The day to day management of the school's finances
- The maintenance of effective systems of internal control
- Preparation of the annual budgets for each school in conjunction with the Head Teachers and Chief Financial Officer for review by the local governing body and approval by the trust board.
- Reconciliation of the monthly payroll reports
- Monthly VAT return and whole Trust VAT126 return to HMRC
- Advising the Head Teachers whenever the procedures outlined in this policy have been breached.
- The preparation of monthly budget monitoring reports showing the school's current financial position against the current budget
- Trust Business Manager to authorise any item of expenditure **up to £10,000 within the schools allocated budget**. Where the budget heading will be exceeded this will need to be authorised by the CFO

The Internal Auditor

The Internal Auditor is appointed by the trust board and provides directors with an independent oversight of each school's financial affairs. The main duties of the Internal Auditor are to provide the governing body with independent assurance that:

- The financial responsibilities of the academies in the Trust are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are fully taken into account in reaching decisions

The Internal Auditor will undertake an annual programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the trust board. A report of the findings from each visit will be presented to the Finance and Audit Committee that will then feedback the findings to the Trust Board. Detailed guidance on the transactions to be checked by the Internal Auditor is given in **Appendix A** of this Finance Policy.

Other Staff

Other members of staff, primarily the admin staff and the budget holders will have some financial responsibilities and these are detailed in the following sections of this policy. All staff are responsible for the security of each school's property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy trust's financial procedures.

Register of 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 the academy trust's trustees, governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the academies may purchase goods or services. The Business Interests form can be found in **Appendix B**. The register details will be published on the Trust website in line with the requirements of the Academies Financial Handbook.

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

The existence of a register of business interests does not, of course, detract from the duties of trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the trust board, local governing body or a committee. Where an interest has been declared, trustees, governors and staff should not attend that part of the meeting.

Related and Connected Party Transactions

The Trust will ensure that any transactions with related and connected parties are carried out with the Academies Financial Handbook guidelines and that any transactions over the £2,500 value would be undertaken on a 'not for profit' basis.

The Chief Financial Officer will keep a record of any transactions with any related or connected parties to be disclosed in the Academy Trust accounts.

3. Accounting System

All the financial transactions of the academies must be recorded on the academies accounting system. The accounting system is operated by the Chief Financial Officer, Deputy CFO & Office Managers and consists of:

- Journals
- Nominal Ledger
- Bank Transactions
- Purchases Ledger
- Sales Ledger
- Payroll System

All accounting records shall be kept for the current year and the previous six years.

System Access

Entry to the accounting systems is password restricted and the Chief Financial Officer is responsible for authorising access to the system. Finance staff using the system should ensure that their passwords are changed at least every 3 months. The access is currently limited to the following members of staff:

- CEO/CFO
- Deputy CFO
- Head Teachers
- Administrative Staff (with financial responsibility)

Back-up Procedures

The academy accounting system is a cloud-based product accessible anywhere that is securely backed up internally by the provider.

Transaction Processing

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

All journal entries must be documented and authorised by the Deputy CFO prior to being input to the accounting system. The relevant cost centre/ledger codes should then be recorded on the documentation.

Detailed information on the operation of the accounting system can be found on the provider's website or by contacting the helpdesk.

Reconciliations

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

- Creditor control account;
- Debtor control account;
- Payroll control account;
- Corporate Card accounts;
- All suspense accounts;
- Bank balance per the nominal ledger to the bank statement;

Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Financial Officer. The Deputy CFO will review and sign all reconciliations as evidence of the review.

A checklist for producing the month end reports can be found in **Appendix C** at the end of this policy

Document Retention

Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Supply cover insurance - current year plus preceding 6 years
- Payroll and travel records - current year plus preceding 6 years
- Personnel records – 5 years after an employee has left

4. Financial Planning

The school finances shall be planned through:

- The approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the level of projected reserves;
- Preparation of a medium term financial plan of at least 3 years, updated annually

The timetable for the preparation, presentation and approval of the budget is included in the financial calendar (**see Appendix D**).

Development Plan

Each school within the trust will have a school development plan, identifying the future aims and objectives and how they are to be achieved; that includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

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

Each year the Head Teacher in each school should discuss the development plan with the local governing body, including:

- A review of past activities, aims and objectives - "did we get it right?"
- Definition or redefinition of aims and objectives - "are the aims still relevant?"
- Development of the plan and associated budgets - "how do we go forward?"
- Implementation, monitoring and review of the plan - "who needs to do what by when to make the plan work and keep it on course"
- Feedback into the next planning cycle - "what worked successfully and how can we improve?"

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

The completed development plan will include detailed 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 objective the lead responsibility for ensuring progress is made towards the objective should monitor performance against the defined success criteria throughout the year and report to the senior management team on a regular basis. The senior management team will report to the local governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

Once a top slice percentage for the year has been agreed by the Trust Board. The Chief Financial Officer is responsible for preparing the individual school's annual budget, in conjunction with the Head Teacher, and for obtaining approval from the CEO and Local Governing Body.

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG) receivable from the DfE/ESFA
- Review of other income sources available to the academies to assess likely level of receipts
- Review of past performance against budgets to promote an understanding of the school's cost base
- Identification of potential efficiency savings
- Review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

The annual budget will reflect the best estimate of the resources available to the academies for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The 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.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be

explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If the school still faces a deficit budget, the Chief Financial Officer will report to the trust board to make any further crucial decisions on balancing the budget.

If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget for the trust will be prepared by the Chief Financial Officer for agreement by the CEO and Finance and Audit Committee followed by formal approval by the Trust Board. Once the budget is approved, the Chief Financial Officer is then responsible for submitting the Budget Forecast Return (BFR) ensuring that budget deadlines from the ESFA are met and a timetable is established around those deadlines.

Monitoring and Review

Monthly reports will be prepared by the Chief Financial Officer. The reports will detail actual income and expenditure against the budget both for budget holders (mainly the Head Teachers) and at a summary level for the CEO/Local Governing Body and Trust Board.

Any potential overspend against the budget must in the first instance be discussed with the Chief Financial Officer. The accounting system will not allow purchase orders to be made against an overspent budget without the approval of the Chief Financial Officer.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised in accordance with the Limits of Financial Delegation in **Appendix F**.

The Chief Financial officer will profile the annual budget in order to monitor cash flow. Actual cash flow should be monitored against the cash flow forecast by the Chief Financial officer to ensure that the bank account remains in credit at all times.

The Chief Financial officer is responsible for submitting a Budget Forecast Return Outturn (BFRO) report to the ESFA ensuring the deadlines set are met.

Funds held in Trust

Where funds are held in the Trust the Chief Financial Officer is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

5. Payroll

The main elements of the payroll system are:

- Staff appointments/contract changes
- Payroll administration
- Overtime/casual and other additional payments

Staff Appointments

The Trust Board has approved a staffing structure for each school within the Trust. Changes can only be made to this structure with the express approval in the first instance of the CEO/Local Governing Body who must ensure that adequate budgetary provision exists for any establishment changes.

The Head Teacher has authority to appoint staff within the authorised establishment following any redeployment considerations within the MAT, except for the Deputy Head Teacher whose appointment must follow consultation with the [Local Governing Body/Trust Board](#).

All schools within The Vines Academy will work together to assist in reducing risks to individual employees and the organisation associated with loss of employment e.g. through redundancy, ill health or disability. Prior to external recruitment, consideration will be given to whether a vacancy may offer a suitable redeployment opportunity for a Trust employee at risk of termination of employment.

The Head Teacher maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Business Manager/Bursar immediately.

Payroll Administration

The academies payroll is administered by Access Education. The Office Managers will upload to the HR system any contractual changes to members of staff and also submit any overtime/casual and additional payments authorised by the Head Teachers each month. In the case of the absence of the Head Teacher, the Deputy/Assistant Head Teachers may assume this role.

The CEO must authorise any contract/salary changes and overtime/additional payments (where applicable) for the Head Teacher.

All staff are paid monthly through the payroll system. Under no circumstances will the school issue cash advances to staff.

Each month the payroll costing reports will be received from the Access Education Payroll Service, which will then be input and reconciled on the accounting system by the CFO.

The CFO will also perform spot checks against staff salaries to ensure they have been processed correctly and check overtime/casual & any other additional pay claims by staff ensuring authorisation has been sort from the Head Teachers.

The Office Managers must input staff absences on a monthly basis on the HR system which provides the details of any staff sickness and other absences in the school during the month. The absences will then be sent to the payroll to monitor long term sickness and maternity absences. The Office Managers should make an insurance claim immediately for any potential long-term absence in accordance with the current insurance policy.

Payments

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total is obtained from the payroll provider. Three payments are taken by direct debit each month for the payroll, the first on pay day for the salary Net Pay, the second and third around two weeks later for the HMRC, pensions and third party payments.

All staff salary payments are made by BACS into their individual bank accounts by the payroll provider. Access Education have been approved as a BACS Bureau for this purpose.

The Deputy CFO should ensure all staff contractual changes are input on to the school's HR Management System. A reconciliation of the current month's gross salary payments and on costs will be completed by the Chief Financial Officer in the accounting system. Any discrepancies between the monthly payroll and the accounting system should be investigated and reported to the Head Teachers if any overpayments/underpayments have occurred.

The payroll provider automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions. The amount payable is summarised on the gross to net monthly payroll report. These amounts will be paid to the relevant external body by the payroll provider.

Once the payroll has been processed. Postings will be made both to the payroll control account and to individual cost centres. The Chief Financial Officer should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

On an annual basis, as part of the budget setting process the Deputy CFO must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held in the personnel file.

Pay Policy

The Vines Academy Trust maintains separate pay policies for Teaching and Support Staff, to which each school appends any local determinations (e.g TLR values, pay ranges for leadership, etc). These are reviewed annually.

Special Payments

Staff Severance Payments

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

The Trust Board may approve non-contractual payments up to **£50,000**.

Non-contractual payments above **£50,000**, the trust will obtain the approval of ESFA and HM Treasury.

Compensation payments

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property.

The business case for such payments should be fully documented and the guidance issued by the ESFA should be followed

The Trust Board may approve compensation payments provided any non-contractual element is under **£50,000**.

Compensation payments with non-contractual elements above **£50,000**, the trust will obtain the approval of ESFA and HM Treasury.

Ex-gratia payments

Ex-gratia payments are another type of transaction that go beyond statutory or contractual cover. Examples include payments to meet financial hardship caused by official failure or delay and to avoid legal action on the grounds of official inadequacy.

All ex-gratia payments will be referred to the ESFA for approval. If the trust has any doubt about a proposed transaction advice from the ESFA will be obtained.

6. Purchasing

Value for Money

The trust wants to achieve the best value for money from all our purchases. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of each school's purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy trust
- **Accountability**, the academy trust is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness**, that all those dealt with by the academy trust are dealt with on a fair and equitable basis.

Quotation and Tendering Procedure

Orders below £2,000

Official written quotations are not mandatory for orders below £2,000. However budget holders should ensure when purchasing goods and services that they review the use of the existing resources and consider the cost, quality, reliability and availability. Value for money should always be considered.

Orders over £2,000 but less than £5,000

At least **two** quotations should be obtained for all orders between **£2,000** and **£5,000** to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made

Orders over £5,000 but less than £50,000

At least **three** written quotations should be obtained for all orders between **£5,000** and **£50,000** to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.

The Local Governing Body shall review all quotations between **£5,000** and **£15,000**

Quotations for purchases between **£15,000 and £25,000** shall be submitted to the CEO and CFO for approval

Quotations for purchases between **£25,000 and £50,000** shall be submitted to the Finance and Audit Committee of the Trust Board for approval

Orders over £50,000

All goods/services ordered with a value over **£50,000**, or for a series of items which in total exceed **£50,000** must be subject to formal tendering procedures. Before any tendering process commences the school must obtain prior approval from the Trust Board.

Purchases over £122,976 (this amount is reviewed annually see the website for the latest thresholds <https://www.ojeu.eu/thresholds.aspx>) may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance also available in the Academies Financial Handbook.

Forms of Tenders

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

Open Tender

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Business Manager/Bursar how best to advertise for suppliers (e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds).

Restricted Tender

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

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

Negotiated Tender

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

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

Preparation for Tender

Full consideration should be given to:

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

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

Invitation to Tender

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

An invitation to tender should include the following:

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

Aspects to Consider

Financial

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

- Is there scope for negotiation?

Technical/Suitability

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

Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

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

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For contracts up to **£50,000** – Head Teacher/CEO, Chief Financial Officer and the Chair of the Finance and Audit Committee.
- For contracts over **£50,000** - CEO, Chief Financial Officer and a member of the Trust Board.

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

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation and for contracts over **£50,000** a report should be prepared for the Trust Board highlighting the relevant issues and recommending a decision. For contracts under **£50,000** the decision and criteria should be reported to the Finance and Audit Committee of the Trust Board.

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

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

Routine Purchasing

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder on request. Budget holders are encouraged to keep their own records of orders placed but not paid for.

All orders should be made in writing using a purchase requisition form (**see Appendix E**), stocks of which are held securely in the school office. Purchase requisition forms must bear the signature of the budget holder (usually the Head of school/Head Teacher or Deputy/Assistant Head Teacher in their absence) and must be forwarded to the Office Manager/Bursar who will check to ensure adequate budgetary provision exists before processing the order.

An official purchase order should then be raised on the accounting system by the Admin Staff, which will allocate a reference number and commit the expenditure until the goods have been received and paid for.

The official purchase order will then need to be authorised in the accounting system by the appropriate authorised personnel depending on the value of the order detailed in the Limits of Financial Delegation (**see Appendix F**). Once the order has been authorised it will then be emailed to the supplier.

All quotations should be filed with the official order, including those received but not accepted.

Contracted Services and Periodical Payments

There are certain revenue supplies and services which will be provided on a regular basis by outside providers but which for practical purpose requisitions/orders cannot be processed through the system in the above manner. Nevertheless they are still subject to internal control processes.

Examples of such supplies and services are utilities, catering supplies, security, insurance, agency supply and professional services for which there is a contract or service level agreement.

Lease Agreements

Finance leases represent borrowing and are not allowed under the Academies Financial Handbook.

Operating leases require three written quotations and prior approval must be sought from the CEO/CFO before any agreements for operating leases are signed. The lease should be signed by the appropriate authorised personnel (see the Limits of Financial Delegation) for the total cost of the entire lease agreement (not the quarterly/annual cost).

Internet Purchasing

Internet purchasing shall be used where goods and services can be purchased with financial savings for the academy.

When purchasing goods on the internet staff should follow the guidance set out in **Appendix G** of this policy.

Purchasing Cards

The academy purchasing cards should only be used when it's not practical to use the purchase order/invoice system. It is mostly used for internet purchasing and to buy refreshments for meetings etc.

When using the debit/purchasing card for payment of goods, the Head Teacher/Office Manager shall ensure that:

- the card is issued in the name of the school only
- any budget holder wishing to use the card must submit a purchase requisition to the Office Manager
- the Head Teacher and Office Manager are only authorised personnel to use the card

- all authorised invoices/receipts relating to the payments are submitted to the office for reconciliation on the monthly card transaction/bank statements
- the maximum spending limit per month is **£2,000 per card**
- the card/s shall be kept in the locked safe at all times

A cash book journal will be entered on to the accounting system by the Office Managers for the full statement amount each month, re-claiming any VAT charged with a valid VAT invoice/receipt.

Receipt of Goods and Services

The budget holders must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holders must undertake a detailed check of the goods received against the delivery note and make a record of any discrepancies between the goods delivered and the delivery note. The delivery note should be initialled when the check is complete. Any discrepancies should be discussed with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Office Manager should be notified. The Admin Staff/Bursar will keep a central record of all goods returned to suppliers.

If a budget holder is pursuing a query with a supplier the Office Manager must be informed of the query and kept up to date with the progress.

Invoices/Payments

All invoices should be sent to the academy office to be processed on the accounting system for payment.

The Admin Staff will mark the invoices with the appropriate cost centre and ledger codes and sign to complete the process once the following has been checked:

- The invoice is correctly addressed
- The invoice has not been previously paid
- The tax point has been correctly identified
- The official order has been quoted where applicable
- The arithmetic of the charge is correct
- VAT has been correctly calculated
- Discounts have been included where appropriate

Credit Notes

Credit notes should be offset against the invoice to which the credit note relates, ensuring that it is coded to the appropriate cost centre/ledger code.

Once the invoices/credit notes have been authorised electronically via the accounting system, the Deputy CFO will process a BACS payment on the accounting system and any cheques will be manually written for signing. This will be done on a weekly basis. Invoices that are paid by direct debit will be authorised by the Deputy CFO as a direct debit mandate will have been signed by **two** signatories in accordance with the bank mandate. A table of limits of Financial Delegation are included at the end of this policy in **Appendix F**.

BACS Payments

BACS runs are to be completed by the Deputy CFO in the accounting system and a report produced for signing before the file is uploaded.

Online approval of BACS payments will be restricted to the CEO and CFO. Authorisation cards and readers will be issued to these members of staff who should keep them stored securely.

Once the BACS report is authorised by **two** signatories as per the bank mandate, the payment file can then be uploaded on to the online banking by the Deputy CFO. An individual BACS transaction to a supplier over **£50,000** requires a trustee to be one of the signatories on the BACS run report.

After the file has been uploaded to the online banking system the Deputy CFO should spot check a number of supplier bank details to the actual invoices to make sure they are correct.

The Deputy CFO will then email a copy of the signed BACS run report to the CFO who will then authorise the payment on the online banking system. Suppliers paid by BACS will receive an email remittance advice.

All paid invoices shall be attached to the BACS run report and filed in the school office.

Cheque Payments

The cheques will be signed by two authorised signatories as per the current bank mandate. A cheque over **£50,000** requires a trustee to be one of the signatories. Cheques will be dispatched to suppliers by the Office Manager.

All paid invoices shall be attached to the cheque remittance advice and filed in the school office.

Direct Debits

Direct debits maybe used for regular payments for services provided the services are secure (i.e. rates, leases, utilities, etc.)

The direct debit mandate should be authorised in accordance with the bank mandate, taking into account the likely value of each payment. A copy of the mandate for each instruction of all payments via this method should be retained for audit review.

Invoices relating to direct debit payments must be subject to the same level of scrutiny as all other invoices.

Reimbursement of Staff Expenses

When necessary staff may make purchases on behalf of the school. **Any expenses above £50 (except travel expenses) must be ordered via the school office on an official purchase order.**

Authorisation must be obtained from the Head Teacher or Business Manager/Bursar before the purchase is made. If prior approval has not been obtained then the school reserves the right not to reimburse the cost.

The reimbursement of expenses incurred by staff shall be made upon production of a valid invoice/receipt attached to a completed cheque/BACS reimbursement form signed by the claimant and the Head Teacher **(see Appendix H)**.

Under no circumstances are individuals or other organisations allowed to use the official order system to obtain goods or services for their own private or personal use.

7. Income

DfE Grants

The main sources of income for the academy trust are the grants from the DfE/ESFA. The receipt of these sums is monitored directly by the Chief Financial Officer who is responsible for ensuring that all grants due to the academy trust are collected.

Local Authority

Early Years and High Needs SEN funding is received from the Local Authority on a monthly/termly basis. The CFO/Deputy CFO are responsible for ensuring that the expected funding is received.

School Meals

The majority of payments for school meals are received via the online payment system, which provides a secure method of payment, issues receipts and records the payment against the individual pupil.

Where the income is not sent directly to the Local Authority of whom provides the catering service. The receipt of income into the school bank account will be verified by the Business Manager/Bursar and reconciled as part of the bank reconciliation.

All appropriate efforts will be made to collect outstanding debts in respect of dinner money. The Head Teacher will be made aware of debts amounting to two weeks costs.

Trips

The school also receives income from parents for trips.

A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead member of staff must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the office staff.

Pupils/Parents should make payments at the Office or Online. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the pupil making the payment. Where online payment systems are used, any receipting function within the system will be sufficient.

The Administrative Staff should maintain an up to date record for each pupil showing the amount paid and the amount outstanding. This record should be sent to the lead member of staff on a regular basis and the lead member of staff will be responsible for chasing the outstanding amounts.

A separate charging and remissions policy for all activities chargeable, which shall be approved by the Trust Board.

Lettings

The Office Manager is responsible for maintaining records of lettings and for identifying the sums due for each organisation. Lettings charges are detailed in the Trust Charging Policy.

A signed letting agreement and details of organisations liability insurance should be kept on file and reviewed annually.

Other Income

The Head Teacher shall inform the Office Manager of any monies owed to the school from external sources. The income due will then be invoiced via the accounting system.

Bad Debts and Losses

The school will take reasonable steps to ensure that all income is received and debtor invoices are paid promptly.

No bad debts should be written off without the express approval of the Chief Financial Officer. The CFO must refer any bad debt above **£1,000** to the executive trust board. The Academy Trust will obtain explicit and prior approval from the Secretary of State (through the EFA) if the loss is above the limits set out in the DfE/ESFA Academies Financial Handbook.

Cash/Cheque Handling

All non-invoiced income is recorded either manually or Cash Collection systems. Manual duplicate, pre-numbered academy trust receipts are issued for all cash and cheques received, where online payment systems are used, any receipting function within the system will be sufficient.

All cash and cheques must be kept in the school office safe prior to banking. Banking should take place at least fortnightly or more frequently if the sums collected exceed the **£5,000** insurance limit on the school's office safe.

Monies collected must be banked in their entirety in the school's bank account. The Admin Assistant is responsible for preparing the income for banking, the cash is then checked by the Office Manager and collected by a security firm to be deposited in the bank account. The Office Manager completes the reconciliation between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Office Manager.

8. Cash Management

Bank Accounts

The following procedures must be followed when opening a bank account and operating it:

- The Trust is responsible for selecting the bank institution and negotiating the terms and conditions
- The Local Governing Body must authorise the opening of all bank accounts
- The Trust will ensure that in the event of changes to key personnel, trustees or governors, signatories will be changed immediately and the bank notified. Any online access to banking will also be removed.
- Terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement and minuted.
- The Trust must inform the bank, in writing, that their accounts must not become overdrawn
- The Trust must ensure that there are sufficient funds to cover large payments

Deposits

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

- The amount of the deposit
- A reference, such as the number of the receipt or the name of the debtor.

The Office Manager is responsible for updating the accounting system for deposits banked on a weekly basis.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from the school's bank accounts must bear the signatures of two of the following post holders who are authorised signatories:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Deputy CFO (DCFO)
- Chair of the Trust Board (The Vines Trust Account)
- Chair of Finance & Audit Committee (The Vines Trust Account)

Cheques should **not** be pre-signed and should be stored in the office safe.

This provision applies to all accounts, public or private, operated by or on behalf of the Local Governing Body of the school.

Bank Reconciliation

The Deputy CFO must ensure bank statements are received regularly and that reconciliations are performed on a monthly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the school's cash book on the accounting system
- Reconciliations are prepared by the Deputy CFO
- Reconciliations are subject to an independent review carried out by the Chief Financial Officer
- Adjustments arising are dealt with promptly

Once the reconciliation has been completed a bank statement report should be printed and signed by the CFO.

Cash Flow Forecasts

The Chief Financial Officer is responsible for preparing cash flow forecasts to ensure that each school has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account to cover potential cash shortages.

Investments

Investments must be made only in accordance with written procedures approved by the Academy Trust Board.

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

Security of Safes and Keys

The Head Teacher shall be responsible for issuing the keys to the school safe used for storing cash and financial documents. The Office Manager currently retains the keys for the school's safe located in the office. Any loss of the safe keys shall be reported to the Head Teacher immediately who shall determine what action will need to be taken, if any.

9. Fixed Assets

Asset Register

The Academy Trust shall maintain a fixed asset register, comprising items valued over **£5,000** that are considered to have a life expectancy longer than the financial year they were purchased in. The Chief Financial Officer is responsible for updating the asset register.

Capitalised assets are not necessarily purchased on one order; so long as a group of items are purchased within the same accounting period they may be capitalised.

Fixed assets are categorised as:

- Land and Buildings (including property improvements)
- Assets under construction
- Furniture and Equipment
- Computer Equipment

The asset register should include the following information:

- Asset description
- Serial number (if applicable)
- Date of purchase
- Cost
- Source of funding (% of original cost funded from DfE grant and % funded from other sources)
- Expected useful economic life
- Depreciation
- Current book value
- Location

The Asset Register helps:

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

Inventory

For all lower value items with a value of over **£500** or judged to be portable and attractive an inventory record should be maintained, recording details of the item including purchase details and location by each school in the Trust.

Where items are used by the school but do not belong to it this should be noted.

The inventory should be reviewed and updated regularly by the Business Manager/Bursar.

Security of assets

All the items in the asset register and inventory should be permanently and visibly marked as the school's property and there should be a regular (at least annual) check by someone other than the person maintaining the register.

Discrepancies between the physical check and the amount recorded in the register should be investigated promptly and, where significant, reported to the Local Governing Body/Trust Board.

Staff removing laptops from the school premises should note that they must not be left in an unattended vehicle for both data protection and insurance reasons.

Disposals

Assets which are to be disposed of by sale or destruction with a net book value below **£1,000** must be referred to the Chief Financial Officer (CFO) to be authorised for disposal and, where significant, should be sold following competitive tender. Any asset to be disposed of with a net book value above **£1,000** will need to be approved by the **CEO/Trust Board**.

The academy trust must seek the approval of the DfE/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 not encouraged, as it may be more difficult to evidence the 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 school would need to ensure licences for software programmes have been legally transferred to a new owner.

The school is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested, then the school must repay to the DfE/ESFA a proportion of the sale proceeds.

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

Loan of Assets

Items of school property must not be removed from school premises without the

authority of the Head Teacher. Authorisation is automatically given for staff laptops be removed from the premises but they do remain the property of the school. A record of the loan must be recorded in a loan book and booked back in 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 academy trust's auditors.

Depreciation

For all fixed assets that the Academy Trust capitalises The Vines Academy Trust has agreed the depreciation policy as follows:

Buildings

Buildings shall be depreciated on a straight-line basis over 50 years (2%)

ICT

ICT equipment shall be depreciated on a straight-line basis over 3 years (33%)

Furniture & Equipment & Property Improvements

Furniture and Equipment & Property Improvements shall be depreciated on a straight-line basis over 5 years (20%)

Motor Vehicles

Motor Vehicles shall be depreciated on a reducing balance method over 5 years

10. Annual Accounts and Accounts Return

Annual Accounts

The academy trust must prepare annual audited financial statements for the accounting period to 31st August.

The accounts are prepared by the Chief Financial Officer in conjunction with the appointed external auditors.

Once the accounts are approved at the Trust AGM, they are submitted as follows:

- By 31st December to the ESFA
- By 31st January published on the Trust website
- By 31st May to Companies House

Value for Money Statement

As part of the annual accounts the trust must include 3 focussed examples of value for money.

The Chief Financial Officer is responsible for collating the examples which are then confirmed by the Finance and Audit Committee.

11. Audit

External Audit

The Academy Trust Board has appointed **McIntyre Hudson** as their firm of accountants to provide the annual accounts and the external assurance.

The Chief Financial Officer is responsible for managing the audit process, by liaising, with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

The Chief Financial Officer is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- Reviewing the structure of the trial balance
- Maintaining a fixed asset register
- Depreciation charges
- Maintaining income and expenditure records
- Reviewing aged debtors
- Maintaining a record of governors/trustees' interests, related and connected party transactions
- Control account reconciliations
- Maintaining a record of meeting attendance
- Monitoring and reporting to the Accounting Officer and Trust Board

The Chief Financial Officer is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- Stock take and including a year-end stock value
- Accruals and prepayments
- Control accounts reconciliations
- Close down of the purchase and sales ledgers
- Pension valuations and audit

Internal Audit

The Academy Trust Board has appointed **an independent auditor** to complete the Internal Audit on an **annual** basis.

Accounts Return

The academy trust must prepare an annual accounts return for the accounting period to 31st August, which is submitted to the ESFA by 31st January.

The accounts return is prepared by the Chief Financial Officer and audited by the appointed firm of accountants

12. VAT

The Vines Academy Trust is not currently registered for VAT purposes as its business activity is not expected to exceed £85,000.

VAT reimbursement claims are made to the HMRC monthly by the Chief Financial Officer.

Claims will only be made for invoices in the name of the academy trust and receipts for goods solely for educational use.

Any payments to contractors and sub-contractors are made in accordance with the Construction Industry Scheme.

13. Insurance

The Chief Financial Officer will review all risks annually to ensure the cover available and the sums insured are adequate.

The Chief Financial Officer will notify the insurers of any new risks or any other alterations affecting the existing insurance.

The Chief Financial Officer will immediately advise the insurers of any accident, loss or other incident which may give rise to an insurance claim.

The Academy Trust will not give indemnity to third parties.

Appendix A

Guidance for Issue to Internal Auditors

Suggested Guidance for Issue to Internal Auditors

The Role of the Internal Auditor

The role of the Internal Auditor is to provide the local governing body (LGB) and Executive Trust Board with an on-going independent oversight of the academy's financial affairs. Most public sector organisations, and a growing number of private sector organisations, are required to have an internal audit service. The internal audit service will provide the LGB with independent assurance that:

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

The Internal Auditor should be appointed by the Executive Trust Board each year and should be an appropriately qualified and experienced individual not on the academy's staff, with the necessary financial interest and skills to be able to perform the role competently. The Internal Auditor is not expected to do the detailed accounting work personally, but will be required to check some transactions to ensure that the correct procedures have been followed. The Internal Auditor will need to be sufficiently familiar with the finances of the academy to be able to report to the LGB, and hence indirectly to the DfES, that the above requirements have been met.

Performance of the Internal Auditor Role

The conditions of DfES grant, and the financial procedures which the DfES expect the academy to follow, are described in the DfES Academies Financial Handbook, which expands upon the academy's funding agreement with the Secretary of State. Further details may be set out from time to time in financial circular letters, and in the annual funding letters. The main purpose of the Internal Auditor role is to ensure that these requirements are followed.

Internal Auditors are often consulted before significant financial decisions are taken and provide a useful source of advice for academies. However, the Internal Auditor should also perform a wider role by visiting the academy at least once a year and undertaking a series of detailed tests to confirm the operation of the main financial systems. Details of the expected checks are shown overleaf.

Written records of the checks performed by the Internal Auditor should be maintained.

Suggested Systems Checks to be Undertaken by the Internal Auditor Each Year:

Payroll

- Select 5 employees from the payroll and check salary details back to personnel records to
- confirm that the amount paid is correct;
- Check 5 amendments to the payroll to ensure that appropriately authorised source
- documentation exists;
- Review the final payroll print for one month to ensure it has been appropriately authorised.

Purchases

- Select 5 payments made within the quarter and ensure:
- the payment is correctly authorised;
- the payment is correctly recorded in the accounting system;
- the invoice is correctly authorised;
- the invoice agrees to the order;
- that goods or services have been certified as received;
- the order is correctly authorised;
- that the order has been placed with an appropriate supplier.
- Obtain details of any contracts let with a value over a prescribed limit and review documentation to ensure correct quotation/tender procedures have been followed;
- Review progress against any significant capital contracts to ensure payments made are appropriate and progress is satisfactory.

Income

- Review receipts from the DfES and sponsors and check that the amounts received agree to source documentation;
- Select one category of “miscellaneous receipts” and ensure:
- appropriate action has been taken on any overdue amounts;
- primary records of amounts due reconcile to records of monies collected;
- monies recorded as collected have been banked promptly and in full;
- ensure monies collected are correctly recorded in the accounting system.

Accounting System

- Review bank reconciliations to ensure that they have been correctly prepared and authorised;
- Review control account reconciliations to ensure that they have been correctly prepared and authorised;
- Review through sample checks the procedures used to prepare financial reports issued to governors and officers of the Academy and DfES financial returns to be satisfied that they are completed accurately and promptly.

Appendix B



The Vines Academy Trust Register of Business and Pecuniary Interests - Guidance

Name:

Position in The Vines Trust:

Name of Business	Nature of Business/ Charity / Educational Institution	Nature of Interest	Date Interest began
		N/A	

Notes:

1. where no business or pecuniary interests are held please state 'n/a' within the 'name of business' column
2. use 'nature of interests' column to state relationship

I confirm that I have read and understood the declaration of interest guidance note regarding disclosure of business and pecuniary interests and I agree to abide by its provisions. I declare to the best of my knowledge and belief, the information given within this form is correct.

Signed :

Date

Guidance notes

In the declaration, you must provide details relating to:

- Your ownership or partnership of a company or organisation which may be used by the trust/school to provide goods or services;
- Goods or services you offer which may be used by the trust/school;
- Any close relationship you have to someone who satisfies either of the above;
- Any close relationship you have to someone who is employed by the trust/school, is a trustee or member.

Declaring your conflicts of interest is a legal requirement. If you have no interests to declare you must submit the form with a 'NIL' return.

Business interests

A business interest is the involvement of an individual or their family members in any trade or profession, along with any direct interest they may have in any company providing goods or services to the school/trust.

Pecuniary interests

It is a common misconception that pecuniary interests are the same as business interests; however, pecuniary interest is a wider term. Pecuniary interests include personal financial interests, such as involvement in a trust fund or investment, as well as potential interests, for example, where a member of staff's husband is applying for a vacancy in the school or where a staff governor is involved in the decision over the promotion of a colleague, and where they may be a potential candidate for the post made available.

Generally, governors/trustees should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the governing/trust board. Both direct and indirect interests must be declared

Non-pecuniary interests (Conflicts of loyalty)

There may be a non-pecuniary interest whereby the governor/trustee does not stand to gain any benefit but a declaration should still be made. For example, this might be where a governor/trustee has a family member working in the school. While the governor/trustee might not benefit personally, their judgment could be impaired if something was brought up that would affect the family member.

Unforeseen conflicts of interests

It is acknowledged that interests may not always be clear in advance. Any individual governor/trustee who may have an interest in a matter, which is due for discussion at a meeting, should declare it at the beginning of the meeting. Any such statements should be formally recorded within the minutes of that meeting. As such, declaration of interests should be a standard agenda item at every meeting (governing body/trust board and committee meetings).

Responsibility for maintaining the register

The clerk to the governing body/trust board will normally be asked to maintain a register of pecuniary and business interests. However, it is the responsibility of each individual governor/trustee to declare their interest and the chair of governors/trustees has the overall responsibility to ensure that all governors/trustees complete/update it.

Governing bodies and the Trust Board must maintain a register on the school's/trusts website.

Appendix C



Trust Month End Accounting Checklist

Period

Action Required	By whom	Completed
All purchasing and income transactions posted (including credit cards and direct debits)	School based Office Staff	
All BACS payments to suppliers completed for the period	Deputy CFO	
All sales invoices for the period have been raised	School based Office Staff	
All income received is posted for the period	School based Office Staff	
Produce an Aged Debtor and Aged Creditor report (Investigating any balances above 30 days)	Deputy CFO	
Produce the Related Party and Counter Party Transaction Reports and perform checks	Deputy CFO	
Payroll Journals have been posted and Payroll Control Account Reconciled	CFO/Deputy CFO	
Bank Reconciliation is completed and the Statement Report from HCSS printed and signed by the CFO	Deputy CFO	
VAT 126 printed and VAT Control Account Reconciled	Deputy CFO	
Consolidated Trial Balance/Balance Sheet reports produced	Deputy CFO	
Produce the Consolidated Management Report and Cashflow Report	CFO	

Produce a Budget Report (BvAvC) for each school and email a copy to each Head Teacher	Deputy CFO	
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The following reports need to be uploaded to collaborate each month

- Aged Debtor and Creditor – Deputy CFO
- Counterparty & Related Party Transaction Reports - CFO
- Payroll Reconciliation – CFO/Deputy CFO
- Bank Reconciliation – Deputy CFO
- VAT Reconciliation – Deputy CFO
- Consolidated Trial Balance & Balance Sheet – Deputy CFO
- Consolidated Management & Cash Flow Reports - CFO

Once all the above has been completed and balanced you can close the period and open the new one.

Signed:


Date:

Appendix D

Financial Calendar

September to November	<ul style="list-style-type: none">• Preparation of accounts for the previous financial year
November	<ul style="list-style-type: none">• Land and Buildings Collection Tool submitted to ESFA by early November
November to December	<ul style="list-style-type: none">• Presentation of accounts to the Trust Board
November to December	<ul style="list-style-type: none">• Accounts for previous financial year submitted to ESFA and Companies House by 31st December
November - December	<ul style="list-style-type: none">• Deadline for CIF Bids
January	<ul style="list-style-type: none">• Year-end adjustments posted and previous financial year closedown
January	<ul style="list-style-type: none">• Accounts to be published on the Trust website
January	<ul style="list-style-type: none">• Accounts Return to be submitted by Mid-January
March	<ul style="list-style-type: none">• GAG Budgets received for the next financial year
April	<ul style="list-style-type: none">• Claim for National Non-Domestic Rates (NNDR)
April to May	<ul style="list-style-type: none">• Preparation of the draft annual budget for the next financial year and medium term budget plans for at least the next 3 years
April to May	<ul style="list-style-type: none">• Preparation of the Budget Forecast Return Outturn (BFRO) and submission to the ESFA by Mid-May
June	<ul style="list-style-type: none">• Presentation of the draft annual budget to the Finance Committee for agreement then the Trust Board for approval
July	<ul style="list-style-type: none">• Submission of Budget Forecast Return (BFR) to the ESFA by 31st July
August	<ul style="list-style-type: none">• Budget allocated to the accounting software for the new financial year
All Year	<ul style="list-style-type: none">• Ongoing Budget Monitoring

Appendix E

 C of E Primary School			
Purchase Requisition Form				
Department/Budget:		Date:		
Remaining Budget:		Checked By:		
Name and Address of Supplier:				
Code	Product	Cost per Item	Quantity	Total Cost
Authorised by:		Total Cost:		

Appendix F

Limits of Financial Delegation

Purchasing/Expenditure	Limits
Head of School/Head Teacher (Purchase requisitions only)	Up to £25,000
Trust Business Manager/Deputy CFO	Up to £10,000
CFO	Up to £25,000
CEO	Up to £50,000
Trust Board (Chair of Trustees)	Over £50,000
Cheque Signatories	Limits
Two Signatories (as per mandate)	Up to £50,000 (per recipient)
Chair of Trust plus one other signatory	Over £50,000 (per recipient)
BACS Authorisation	Limits
Two Signatories (as per mandate)	Up to £50,000 (per recipient)
Chair of Trust plus one other signatory	Over £50,000 (per recipient)
Virements	Limits
CFO	Up to £15,000
CEO	Up to £25,000
Trust Board	Over £25,000
Writing Off Bad Debts	Limits
CFO	Up to £1,000
CEO	Up to £5,000
Trust Board	Up to £45,000
Approval from ESFA	Above £45,000 (See details in the Academies Financial handbook)
Disposals of Assets	Limits
CFO	Up to £1,000
CEO	Up to £5,000
Trust Board	Up to the threshold at which the ESFA approval is required
Approval from ESFA	Freehold Land & Buildings/Heritage Assets (See details in the Academies Financial handbook)

NB: All payments on Lloyds Commercial Banking Online will be uploaded by the Deputy CFO and approved by the CFO once the relevant authorisation has been sought.

Internet Purchasing Guidance

1. Introduction

The internet is becoming a popular procurement channel for academies because of possible cost savings and increased choice when compared to other suppliers. However, purchases over the internet should ideally only be used where the goods or services cannot be effectively or economically obtained through the normal ordering channels or where there are demonstrable financial savings compared with other suppliers.

These Guidance Notes are intended to aid academy management in ensuring that the appropriate safeguards are in place to ensure probity, and to identify and minimise the risks associated with internet purchasing.

2. Internet Ordering Checks

Where academies (including individuals acting on behalf of the academy, e.g. teachers) choose to purchase via the internet, it is recommended that the following checks are undertaken during the ordering process to minimise the risks associated with on-line ordering:

- a) Internet orders should only be placed with reputable companies, ideally whom the academy has dealt with in the past.
- b) Read the supplier's privacy policy statement. This will enable the individual making the purchase on behalf of the academy to opt out of anything they may feel will compromise the security or confidentiality of their details.
- c) Always keep a record of the supplier's contact details. This includes the e-mail address, postal address and telephone number.
- d) Check the terms and conditions of the purchase, so that the individual making the purchase on behalf of the school is aware of what they are agreeing to. These details must be available for printing and saving to a separate file.
- e) Be aware of any additional charges such as import duty, VAT and other taxes, extra charges for paying by card, etc. Know the final amount being charged and check there is sufficient budget before proceeding with the transaction.
- f) Confirm the delivery arrangements for goods or start date for services before giving out any details.
- g) Know the methods and costs of returning goods if necessary and make sure that in this event the budget can adequately provide for this.
- h) Web-traders often ask the purchaser to register with them and to set up a user name and password. Such details must be held securely.
- i) The most important matter when ordering on the internet is to make sure that a secure web browser is used when ordering. Secure browsers such as Netscape Navigator and Microsoft Internet Explorer make the most of the security measures currently available. They will indicate whether the purchaser is using a secure site, as follows:
 - Unbroken key or padlock symbol = secure website
 - Broken key or padlock = unsecured site.
 - Check that the website address starts with https://. If it begins with just http://, it is not secure. [The 's' stands for 'secure'.]

- If you are given the option of using a secure checkout, choose 'yes'.

The purchaser must only place orders when in the secure part of a site.

- j) Other web browsers may be used to make on-line purchases provided they fulfil the following criteria:
 - The browser must be a Secure Electronic Transaction (SET)-enabled browser.
 - The transaction provider (the supplier from whom the purchase is being made) must also provide a SET-enabled server. (To find out whether the transaction provider has a SET-enabled server, the user can find a section of the website that will provide information on buying from that supplier on-line.)
- k) Once orders have been placed over the Internet, the purchaser must log out of the transaction provider's website and ensure that their details are no longer available to anyone using the computer thereafter (e.g. details left on screen.) To make certain that details are not readily available, the purchaser should disconnect from the Internet and restart the PC.

3. Authorising the Order / Commitment Accounting

To ensure that spending on internet purchases is controlled and secure, i.e.:

- the signatory of the order is satisfied that the goods or services ordered are appropriate and needed;
- there is adequate budgetary provision and this is approved by the budget holder prior to the purchase being made;
- the estimated cost is committed against the appropriate budget allocation for budget monitoring purposes,

the following controls should be implemented by academy management:

- a) A purchase requisition form should be raised prior to the order being placed on the internet. The requisition must include the website address, method of payment to be used and the address at which goods are to be delivered. The requisition form must be authorised by the budget holder.
- b) An official purchase order should then be raised on accounting system to allow for the proposed expenditure to be committed to the relevant cost centre and to ensure sufficient funds are available to finance the purchase. This should also be done prior to the order being placed on the internet, and should be authorised by the delegated officer (e.g. Head teacher).
- c) The order **must** be raised in the name of the academy, and not in the name of an individual. This is because, in law, the contract may be deemed to be not between the academy and the supplier, but between the individual and the supplier. The delivery address **must** also always be the academy's address as this will clearly identify the purchase as an academy expense.
- d) The designated officer can then order the goods via the internet. The academy's email address should be used as the email contact.
- e) When the order is placed with the supplier, an order and payment confirmation will be displayed and emailed to the registered email address. This must be printed off and attached to the official purchase order.

4. Making Payment

The academy does not operate an academy charge card scheme or credit card. For purchases made on the internet, there are three payment options available:

a) **School Makes Payment on Receipt of Invoice**

The academy should contact the internet supplier to order the product after following steps 3a) – c) above, and request an invoice in order that payment be made upon receipt of invoice. The invoice will be processed onto the accounting system and a cheque raised.

This is strongly recommended as payment will be made after the goods have been received. This is considered a low-risk option.

b) **Staff Use Their Own Credit or Debit Card**

A staff member orders the item on-line after following steps 3a) – e) above, and makes payment using their own credit or debit card. This is then reimbursed by cheque via the academy's bank account upon completion of a Cheque Reimbursement Form and production of the order and payment confirmation email as well as satisfaction that the goods or services have actually been received.

This is an efficient means of payment if the transaction is undertaken with reputable suppliers and in a secure manner. However, it still presents a number of risks that the school must be aware of as follows:

- Payment is made prior to the goods being received. This could result in financial loss to the academy if the supplier goes bankrupt or business is done with a non-reputable supplier.
- Payment is made prior to the quality of the goods being known. This could result in the academy receiving goods that are sub-standard and unsuitable for use in an educational setting. There may also be difficulty in seeking replacement for faulty items if payment has already been made.
- Under contract law, the contract may be seen as being between an individual and supplier. The academy would have no legal intervention powers.
- Credit or debit card fraud may occur as a result of the transaction.

c) **Schools Makes Payment Using A Purchasing Card**

The academy can use its purchasing card to pay for internet purchases. Steps 3a) – e) would be followed.

5. Receipt of Goods

- a) On receipt of the goods, a member of staff other than the person who had placed the order should check the items received to the goods delivery note and order and payment confirmation print. The goods delivery note and order and payment confirmation print should be signed and dated as confirmation of the check.
- b) If the goods are rejected, the supplier must be informed directly and as soon as possible. Depending on the terms and conditions as per sections 2d) and 2g), an

exchange of goods or a refund would be expected. Any email sent to notify the supplier of goods being rejected must be printed out and attached to the original official purchase order. A record of the return must be noted on the official purchase order in all instances.

6. Internet Purchasing Procedures – Final Points

- a) Academies should review their financial management procedures to take account of internet purchasing with reference to this Guidance Note and to ensure the effective and appropriate use of the internet.
- b) Academies should make it clear to staff both verbally (e.g. in staff meetings) and in writing (e.g. in the academy's Finance Policy) that they should refrain from using their own credit or debit card for making academy purchases (including internet purchases) as this can cause potential problems including liability, guarantees, VAT reimbursement and issues of legal ownership. Where staff do so, it is at their own risk and that neither the academy nor the MAT will accept liability for any loss incurred by an individual through the use of their personal credit or debit card.
- c) Before a payment is made on-line, the security checks as detailed in sections 2a) to 2k) must be carried out.
- d) An official purchase order must be raised as detailed in sections 3a) to 3c) for budget monitoring purposes.
- e) In addition, it is advisable to purchase only from suppliers where the Trust UK hallmark is displayed on the website (see below).



This sign denotes an approved web-trader and gives an assurance that the payment being made is secure. Any company that has the TrustUK logo subscribes to a strict code of practice that is endorsed by the government, ensuring that payments are secure. The company selling the product or service is responsible for subscribing to TrustUK.

- f) Adequate documentation to support all internet purchases should be obtained and retained for VAT recovery purposes.
- g) The internet order must be addressed to the academy and not solely in the name of the member of staff making the purchase; otherwise VAT will not be recoverable.

Appendix H



Expenses Claim Form

Name:		Department/Budget:					Claim for Month:			
Date	Brief Description and Reason for Expense	Receipt Number	Start of Journey Post Code	End of Journey Post Code	No of Miles	Mileage @ 45p per mile (£) 2.5p VAT per mile	Other Transport Costs (£)	Other Costs (£)	VAT (£)	Total (£)
	Mileage type Please tick Out of County <input type="checkbox"/> Grant Funded <input type="checkbox"/> (include name of grant if funded)									

Name Signed Date..... Authorised by Signed..... Date.....	Total Payable: Paid by: BACS/Cheque Sort Code: Account Number: Date Paid:
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NB: Expenses exceeding £50 (except for travel costs) should be ordered via the school office on an official purchase order



New Supplier Information Form

School Name

Date

To be Completed by School	
Supplier Name (in full) *	
Payee Name (if different) *	
Purchase Order Address *	
Telephone Number *	
Ordering E-mail Address	
Website *	
VAT Registration Number	
Company Registration Number	
Name of any connected company	
Brief Description of Goods/Service *	
Organisation Type (please circle) *	Self-Employed / Sole Trader / Other / Unknown

(* denotes required field)

To be Completed by Office Staff	
Bank Details	
Bank Sort Code	
Bank Account Number	
Alternative Payee / Factor	
Remittance E-mail Address	
Payment Address (if different from Order Address)	
Additional Checks	
Self-Employed / IR35	
VAT Registration Number Validity Check	
Documents	
Proof of Bank Details	
A Letterhead or other formal document issued by the company	

To be Completed by an Office Manager for The Vines Academy Trust	
Checks Completed by:	
Trust Authorisation Completed By:	
Date:	