



Financial Regulations Policy

Endeavour Multi Academy Trust

Committee:	Finance Committee
Version number	2021-22
Approved on:	28/6/2021
Next review date:	Summer 2022

Associated documentation	
Academy Trust Handbook	2021/22 Edition
Academies Accounts Direction	2020/21 Edition

This document sets out the regulations for the academy trust

Introduction	3
Financial Planning	3
The budget cycle	3
Budget	3
Other Government Funding	4
Other Grants and specific funding	5
Virements	5
Revised Budget	5
Budget Forecast Return	5
Monitoring and review (including management accounts)	6
Independent checking procedures	6
Review of regularity.....	6
Annual accounts	6
Value for money statement	7
Audit arrangements	7
Work undertaken during accounting period	7
Work undertaken for the year end	7
Accounts Return	8
Document retention	8
Accounting system.....	8
System Access	8
Back-up Procedures	8
Transaction processing	8
Transaction reports	9
Reconciliations	9
Cash Management	9
Bank Accounts	9
Deposits	9
Payments and withdrawals	10
Administration	10
Petty Cash	10
Payments	10
Administration	10
E-procurement & Payments	11
BACS Payments	11
Investments	12
Reserves	12
Capital Reserves	12
Payroll	12
Staff Appointments	12
Payroll Administration	13
Payments	13
Salary advances	14

Overtime	14
Severance payments	14
Ex-gratia payments	14
Income	15
ESFA grants	15
Other grants	15
Trips	15
Catering	15
Lettings	16
Sundry income	16
Gift aid	16
Bad debts	16
Purchasing	17
Routine Purchasing	17
E-procurement	17
Orders	17
Orders over £1,000 but less than £15,000	18
Orders over £15,000	18
Trading with related parties	19
Trading with connected parties	19
Goods and services for private use	19
Forms of Tenders	19
Preparation for Tender	20
Invitation to Tender	20
Tender Acceptance Procedures	20
Tender Opening Procedures	20
Tendering Procedures	21
Insurance	21
Governors/Trustees Expenses	21
Gifts	22
Energy Management	22
Fraud.....	22
Whistleblowing	22
Pooling of GAG	22
VAT	23
VAT 126 form	23
Construction Industry Scheme	23
Fixed assets	23
Asset register	23
Security of assets	24
Disposals	24
Loan of Assets	24

Introduction

1. The purpose of this manual is to ensure that the academy maintains and develops systems of financial control, which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education and Skills Funding Agency (ESFA).
2. The academy trust must comply with the principles of financial control outlined in the Academies Financial Handbook. This manual expands on that and provides detailed information on the academy's accounting procedures and system manual should be read by all staff involved with financial systems.
3. This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

Financial Planning

4. The academy trust prepares rolling 3 to 5-year budgets.

The budget cycle

5. The budget cycle is as follows:
 - Autumn term (Sept – Dec) ◦ Implementation of current budget plan ◦ Monitoring expenditure (continuous-monthly) ◦ Revised Budget where appropriate ◦ Reconciliation and closure of previous financial year
 - Spring term (Jan – Mar) ◦ Monitoring and Reviewing of year's budget ◦ Revised Budget where appropriate ◦ Pre-planning new financial year
 - Summer term (Apr – Aug) ◦ Planning for forthcoming year
 - Preparation and submission of financial budget plan
 - Review of current year's budget

All requirements of the ESFA, relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

Budget

6. The Chief Financial Officer is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Accounting Officer, Finance Committee and the Board of Trustees.

7. The annual budget will reflect the best estimate of the resources available to the academy 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.
8. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely number of pupils to estimate the amount of General Annual Grant and pupil funding from local authorities.
 - latest estimate of other ESFA funding e.g. pupil premium, Yr7 Catch-Up or other specific funds
 - 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 academy cost
 - 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
 - all carry forward balances
 - any unspent grants from the previous financial year
9. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.
10. If there is a significant departure from the anticipated budget this will be escalated to the Finance Committee as part of the monthly management accounts procedure.
11. The approved budget is then entered onto the finance system prior to the start of the new financial year.

Other Government Funding

12. In addition to GAG funding from the ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
13. The Chief Financial Officer is responsible for recording income and expenditure for each grant and providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

14. In addition to the GAG funding from the ESFA and other government funding, the academy/MAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
15. The Chief Financial Officer is responsible for recording income and expenditure for each grant and providing a reconciliation within the monthly management accounts.

Funds held in Trust

16. Where funds are held in 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.

Virements

17. Substantial virements shall be approved and minuted by the Finance and HR Committee and should be within the agreed criteria and financial limits.
18. The Chief Financial Officer is given delegated power to vire from one budget to another and shall seek approval from the Finance Committee retrospectively where the amount exceeds £5,000 or 2% of the budget.

Revised Budget

19. Monitoring and analysis of the agreed budget should be carried out monthly by the Accounting Officer, Chief Financial Officer and School Bursars and reports forwarded to the Board of Trustees. Where significant variations to the agreed budget are identified, or where a number of substantial virements have been approved by the Finance Committee and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Trustees. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

Budget Forecast Return

20. The approved budget must be submitted to the ESFA by 30 July each year by Chief Financial Officer. The Chief Financial Officer is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

21. Monthly reports are prepared by Chief Financial Officer and School Bursars. The reports include:
 - Actual income and expenditure against budget (shown as month to date and cumulatively)
 - Balance sheet
 - Cash flow forecast
 - A finance report that highlights and explains significant variances
22. Any potential overspend against the budget must in the first instance be discussed with the Headteacher and Accounting Officer.
23. The monthly reports are sent to the Accounting Officer, the Finance Committee and the Board of Trustees.

Independent checking procedures

Details of the requirements for delivering assurance are found in the financial handbook (<https://www.gov.uk/government/publications/academies-financial-handbook-2015>). In this section you should explain which arrangements you have in place from:

- An internal audit service

Review of regularity

24. The Chief Executive Officer (in their role as Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:
 - reviews management accounts
 - reviews compliance against the scheme of delegation
 - reviews transactions for evidence of connected party transactions
 - reviews value for money practice
25. The Accounting Officer is responsible for the following
 - adherence to tendering policies
 - review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
 - review of trustees/governors' minutes

Annual accounts

27. The academy trust must prepare annual audited financial statements for the

accounting period to 31 August.

28. The accounts are outsourced to the auditor for preparation.
29. The accounts are then submitted as follows:
 - by 31 December – to ESFA
 - by 31 January – published on our own website
 - by 31 May – to Companies House

Value for money statement

30. As part of the annual accounts the trust must include 3 focussed examples of value for money.
31. The Accounting Officer is responsible for collating the examples which are then confirmed by the Finance and HR committee.

Audit arrangements

32. External auditors have been appointed in accordance with the Academies Financial Handbook.
33. 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.

Work undertaken during accounting period

34. 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
 - monthly depreciation charges
 - maintaining income and expenditure records (including filing of invoices)
 - reviewing aged debtors for any provisions required
 - control account reconciliations (bank, wages, debtors, creditors)
 - Monitoring & reporting to the Accounting Officer and Board of Trustees

Work undertaken for the year end

35. 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:
 - prepayments of costs

- deferral or accruals for grant income
- control account reconciliations (bank, wages, debtors, creditors)
- close down of the purchase ledgers
- close down of the Sales ledgers and aged debtors
- pension valuations
- Pension Audit

Accounts Return

36. The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 January.
37. The accounts return is outsourced to Entrust Support Services Limited for preparation.

Document retention

38. Documents are retained for the following amount of time:
- Finance records – 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
 - Primary Schools forward student files to secondary schools
 - All student files until the student reaches the age of 21

Accounting system

39. All the financial transactions of the academy trust must be recorded in the computerised financial information accounting system. This system is operated by the Finance Department and consists of a nominal ledger, sales ledger and purchase ledger.

System Access

40. Access to the system is password restricted to finance staff within the MAT and external finance staff from Entrust Support Services, as authorised by the Accounting Officer.

Back-up Procedures

41. The finance system is backed up on the Cloud.

Transaction processing

42. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
43. All journal entries are posted directly into the finance system by staff with appropriate access to the system.

44. Bank transactions are input by School Bursars and reviewed by the Chief Financial Officer.

Transaction reports

45. The School Bursars and Chief Financial Officer review the following system reports to ensure that only regular transactions are posted to the accounting system:

- Trial Balance
- Management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

46. The Chief Financial Officer is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

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

47. The Chief Financial Officer electronically 'signs' all reconciliations as evidence of review.

Cash Management

Bank Accounts

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

- the trust is responsible for selecting the banking institution and negotiating the terms and conditions
- the Board of Trustees must authorise the opening of all bank accounts
- the academy/MAT will ensure that in the event of changes to key personnel or governors/trustees, signatories on the mandate will be changed immediately and the bank notified. Any on-line 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 minuted
- the trust must inform the bank, in writing, that their accounts must not become overdrawn
- the trust must ensure there are sufficient funds to cover large payments

Deposits

49. Deposits are made on a monthly basis, or until such time as to ensure that the cash balance stored in a safe did not exceed the limit for insurance purposes (£5,000).

50. In order to avoid excessive trips to the bank to make cash withdrawals, The Trust operates a policy that allows for up to £100 of cash receipts per week in school to be re-distributed to a different budget and used for a different purpose to that which it was received for originally.

The Finance Assistant is responsible for allocating the cash received on a spreadsheet to ensure that the correct budget is corrected, and ensuring that the cash is stored securely in the safe.

The Bursar is responsible for preparing and posting the journal onto the Finance system to ensure that all cash transactions are correctly coded to the appropriate budgets, and for issuing out cash to budget holders.

The CFO provides overall scrutiny and approval of the whole process.

51. A deposit must be banked via a paying-in slip and posted as a receipt to the finance system, which records:
- the amount of the deposit
 - a reference (for example the number of the paying in slip or allocated to a debtor account if an invoice has been paid)
 - a second officer is responsible for checking the income prior to banking and initialling the paying in slip counterfoil as evidence.
52. The School Bursars are responsible for updating the accounting system (within 2 working days) for deposits placed.

Payments and withdrawals

51. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two people from the bank mandate.
52. This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy including funds held in trust.
53. The School Bursars are responsible for updating the accounting system for deposits placed

Administration

54. The School Bursars download bank statements regularly and reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academy's cash book on the finance system
 - reconciliations are prepared by the Finance Department
 - reconciliations are subject to an independent monthly review carried out by the Chief Financial Officer.
 - adjustments arising are dealt with promptly

Petty Cash

55. The academy trust maintains a maximum cash balance of £750 in each school where appropriate, for the purchase of minor items, which is held in the office safes in schools and is the responsibility of the School Bursar,
56. The petty cash float must not be used for:
 - cashing personal cheques
 - paying staff loans

Payments

57. In the interests of security, petty cash payments are limited to £20. Payments are made on production of a valid receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

Administration

58. The petty cash float is maintained on the imprest system and the float is only reimbursed from the main bank account.
59. The petty cash float is reconciled monthly by the School Bursars. The reconciliation is then reviewed by the Chief Financial Officer and electronically 'signed' as evidence of review.
60. The Financial Support Officer carries out a spot check of the petty cash float once a term.

E-procurement & Payments

61. The schools purchasing cards are stored securely with access limited to restricted individuals.
62. Any department wishing to make a purchase on credit card must complete an order form authorised by the Headteacher and pass this to the [Bursar], to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
63. When the purchasing card statement arrives a VAT invoice is required to substantiate all purchases. The breakdown of purchasing card expenditure must be posted to the finance system by the School Bursars.
64. The purchasing card bill, along with all the relevant receipts and invoices are given to the Bursar who will check and approve the statement.

BACS Payments

65. A payment run will be created on a weekly basis by the School Bursar for all invoices that are due for payment up to the end of that week.

66. The payment run will firstly be approved by the Chief Financial Officer/CEO to confirm that this is line with the assumptions of the latest cash flow forecast and that sufficient funds exist to make these payments.
67. The School Bursar will then import the payment run file into the Lloyds Commercial Banking system.
68. On line approval will be made by the Chief Financial Officer and the CEO to ensure that the BACS file is processed and paid.
69. The Admin Team ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the Admin Team should request that the individual states his self-employment reference number on any invoice issued to the school.

Investments

71. Investments are made in accordance with written procedures approved by the Board of Trustees
72. All investments are 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.

Reserves

73. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
74. The Accounting Officer must inform the ESFA immediately if a deficit is anticipated.
75. If the academy trust is anticipating a deficit at the end of any financial year, the Board of Trustees have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The governing body must ensure that a recovery plan is approved.

Capital Reserves

76. Any overall surpluses at the end of the year are carried over to the following year.
77. It is the responsibility of the Chief Financial Officer to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

78. The **Bursars** maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to **Bursars** immediately.
79. The **Bursar** is responsible for obtaining the relevant DBS checks and ensuring these are retained on file

Payroll Administration

81. Payroll is administered through the academy trust's payroll provider/internal department.
82. All staff are paid monthly through the payroll provider. A master file is created for each employee which records:
 - salary
 - bank account details
 - taxation status
 - personal details
 - any deductions or allowances payable
 - other legal and relevant details
83. New master files can only be created by the Finance Department with the express approval of **Bursars**. Any master file amendments made by the Finance Department must be printed out each month prior to the payroll run and must be authorised by **Headteacher**. Any master file amendments made by **Bursars** must be authorised by the Principal **Headteacher**.
84. Each member of staff must complete a staff absence or sickness form which provides details of sickness and other absences during the month. These will be authorised by the head of department. Authorised staff returns should be sent to the Finance Department who then files the documents for payroll processing. Any new appointments or terminations will be raised by the Bursar and authorised by the Headteacher. The Bursar will authorise the payroll department and file the documentation in the staff file.
85. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the head of department, prepared by the Finance Team and signed off by **Headteacher (CTS/WHS) / Assistant Head (TRP) / Office Manager (TRP)**
86. The Bursar will display in the staff room a timetable for payroll processing specifying key dates for the month in question.

Payments

87. Before payments are dispatched a printout of all data should be obtained, including an exceptions report from the payroll provider and this should be checked against source

documentation by the Finance Department and then reviewed by the **Bursar**. Authority to release payment will be by **the Headteacher**.

88. All salary payments are made by BACS.
89. The Finance Department prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed and signed by **Bursar**.
90. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and checks for these amounts are prepared by the Finance Department and authorised for payment by **Bursar** and the Principal (or other authorised cheque signatory if one is unavailable) by the due date.
91. After the payroll has been processed the nominal ledger will be updated by the Chief Finance Officer. Postings will be made both to the payroll control account and to individual cost centres. The Chief Finance Officer reviews 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.
92. Annually, the **Bursar** checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the Principal's office.

Salary advances

93. The trust does not award salary advances.

Overtime

95. Overtime is recorded by the individual and submitted at the end of each month to **Headteacher/Bursar]** for authorisation, The **Bursar** completes the claim forms and copies of the time sheets in the main office.
96. Claim forms must not be submitted prior to work having been undertaken.
97. No payments for work undertaken will be made other than via the payroll system.

Severance payments

98. The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be prepared and approved by the Board of Trustees before agreeing a payment, using the form provided by the ESFA.
99. Where the non-contractual element is on or over £50,000 prior approval from the ESFA must be sought.

100. The Logistics Committee must sign off and review each business case.

Ex-gratia payments

101. Any ex-gratia payments must be submitted to the ESFA for prior approval.

Income

ESFA grants

102. The main sources of income for the academy are the grants from the 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 are collected.

Other grants

103. 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 are collected.

Trips

104. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher 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 Finance Department.

At Two Rivers, the Admin Assistant inputs details onto Parent Pay where a record is kept electronically.

105. Students should make payments to the Finance Department. A receipt must be issued from the Trip receipt book for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

Two Rivers use the Parent Pay system for electronic payments.

106. The Finance Department should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.

At Two Rivers, the Admin Assistant is responsible for chasing outstanding debts on Parent Pay.

107. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents.

If the school decides to subsidise the school trip the amount of subsidy must be approved by the Headteacher in advance of the booking being made.

108. Where Trips are funded by School Fund the appropriate manual Income and Expenditure records should be updated to account for this.
109. Where Trips are funded by school budgets, the appropriate Income and Expenditure should be recorded on the finance system against the relevant trip account.

Catering

If cash payments

108. Cash payments must be reconciled on a daily basis by **School Secretary/Admin Assistant** to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking. The **Bursar** must reconcile the weekly banking sheet to actual receipts banked. No receipts are issued to students or parents in relation to this income.

If electronic cash collection – Parent Pay

109. The weekly bank credits are reconciled to Parent Pay reports in the first instance. Weekly checks are undertaken by **Bursar** and cross referenced to a sample of individual pupils.

Lettings

110. The **Admin Officer** is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Invoices will be raised by the Bursar for the use of facilities.
111. Details of organisations using the facilities will be held by the Finance Department who will establish a sales ledger account and produce a sales invoice from the Financial Information accounting system.
112. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

Process for Invoicing

113. All invoices must be raised by the **Bursar** within 30 days of the goods or service being supplied
114. Credit notes must be approved by the **Headteacher**

Sundry income

114. Income from other sources (for example educational consultancy) is priced in consultation with **CFO**. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance with the agreed Consultants Policy. The **CEO** approves all credit agreements. Where requested by the customer, a receipt will be issued for payment of these invoices.

Bad debts

115. The academy trust chases all monies due by telephone and letter, for all invoices that have not been paid within 30 days of issue.
116. Where a dispute arises on an invoice, the escalation process is as follows:
- Resolution by the Bursar
 - Escalation to the Headteacher
 - Escalation to the Accounting Officer
 - Escalation to the Finance and HR Committee
117. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the School Bursar submits a report to the Accounting Officer for approval of write off.
118. The following write off limits apply:
- Up to £150 – Accounting officer
 - £151 to £500 – Finance and HR Committee
 - Over £500 – Board of Trustees and referral to a debt collecting agency

Purchasing

118. The academy trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:
- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
 - Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs
 - Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis

Routine Purchasing

119. Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder each month by the School Bursars.
120. Routine purchases up to £500 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Department. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with **[Bursar/Headteacher]**. Copies of all quotes must be attached to the order form.

E-procurement

121. Any department wishing to make a purchase on credit card must complete an official order form in the usual manner and pass this to the **Bursar**, or Admin staff to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
122. Occasionally the credit card is used to purchase small items or to fund Petty Cash, where it is not possible to order this elsewhere. This must be recorded and countersigned by the **Bursar**.

Orders

123. All orders must be submitted to the Finance department via an approved purchase requisition. Requisitions must bear the signature of the budget holder and must be forwarded to the Finance Department, who will check to ensure adequate budgetary provision exists before placing the order.
124. Approved requisitions will be converted into purchase orders using the finance system and emailed out to suppliers. This will allocate a purchase order number and commits expenditure.
125. The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
126. Advice notes and delivery notes should be forwarded to the Finance department to enable a GRN to be processed on the finance system. This serves as confirmation of delivery. All purchase orders require a GRN in order to ultimately pay the supplier.
127. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified. The Finance Department will keep a central record of all goods returned to suppliers.

128. All invoices should be sent to the Finance Department. Invoice receipt will be posted by the Finance Department (and the invoice scanned) into the finance system. If the invoice and the order matches, the goods receipted and the invoice is within a 2.5%/ £5 maximum tolerance, there is no requirement to seek additional approval of the invoice as authorization will already have been provided at ordering stage. The invoice will be paid within the prescribed credit terms.
129. If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
130. At the end of the month the School Bursars will produce a list of outstanding Goods Received Not Invoiced, for review by the Chief Financial Officer.
131. The Chief Financial Officer will review and reconcile the Aged Creditors ledger on a monthly basis.

Orders over £2,000 but less than £15,000

132. Two written quotations should be obtained, where possible, for all orders above £2,000 and three written quotations should be obtained, where possible for all orders over **£5,000 to £15,000** 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 and made in accordance with value for money principles.

There may be circumstances where it may not be possible to obtain the required number of comparative quotes. In these instances, the reasons for this should be documented, with non-compliance being approved by the Finance and HR Committee.

Orders over £15,000

132. All goods/services ordered with a value over £15,000, or for a series of contracts which in total exceed £15,000 must be subject to formal tendering procedures.

Non-Purchase Order Invoices

133. Where an invoice is received without a purchase order this is classed as a Non-Purchase Order Invoice. The approval process as per the Scheme of Delegation must be followed in order to ensure that appropriate authorisation is obtained and can be evidenced prior to posting on the finance system.

134. Typical examples of non-purchase order invoices include utilities, emergency work and SLA/contract invoices

Trading with related parties

All staff and Governors/Trustees have completed a Disclosure of Pecuniary interest, and will declare if they have any pecuniary interest. The forms will be kept with the minutes of the HR & Finance meetings.

Trading with connected parties

Trading with connected parties must be in line with the Academies Financial Handbook. We have also produced a factsheet on our library (<http://www.nasbm.co.uk/EFAlibrary.aspx>) on how to trade effectively with connected parties.

Goods and services for private use

134. No goods are ordered or services provided to include any elements of private use by governors and staff.

Forms of Tenders

135. 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 **property services** 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 academy'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

136. Full consideration should be given to:

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

137. 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.

138. A tender brief must always be prepared and is reviewed by **CEO**.

Invitation to Tender

139. 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.

140. 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
- dates for decision and work to be delivered

Tender Acceptance Procedures

141. The invitation to tender should state the date and time by which the completed tender document is received by the academy trust. Tenders are 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 are not accepted.

Tender Opening Procedures

142. 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 £15,000 - two of the budget holder, The **Headteacher**
- For contracts over £25,000 - the **Chair of Logistics Committee** or the **CEO** plus a member of the Finance Committee

143. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

144. 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.
145. 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.
146. Full records should be kept of all criteria used for evaluation and for contracts over £15,000 a report should be prepared for the Finance & Resources Committee highlighting the relevant issues and recommending a decision. For contracts under £15,000 the decision and criteria should be reported to the Finance & Resources Committee.
147. The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

Insurance

148. The Finance Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
149. Budget holders must ensure all valuable are kept under lock and key when not being used in a supervised manner.

Governors/Trustees Expenses

150. All governors/Trustees of this academy trust are not entitled to claim the actual costs, which they incur as follows:
- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
 - cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
 - the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
 - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
 - travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source

- telephone charges, photocopying, stationery, postage etc. □ any other justifiable allowances

151. The Governing Body acknowledges that:

- Governors/Trustees are not be paid attendance allowance .Governors/Trustees are not reimbursed for loss of earnings

Gifts

152. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Accounting Officer in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses (see Donations Policy for further details).

153. Gifts that have been reported are given a written letter of thanks and held in the donation register.

Energy Management

154. The **Site Officer** is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the [Admin Officer] immediately.

155. The **Site Officer** ensures that the school's heating system is operated and run as efficiently as possible.

156. The **Admin Officer** ensures that the school is purchasing energy at the most competitive prices available.

157. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud

158. The trust does not tolerate fraud. Where instances of fraud are found the Accounting Officer will notify the ESFA.

Whistleblowing

The trust must have an adequate whistle blowing policy in place, and also reference raising the issue with the EFA (<https://www.gov.uk/government/publications/complaints-about-post16-efa-funded-institutions>).

You can access our 'Whistleblowing template on our website www.endeavourmat.co.uk

Pooling of GAG

159. The trust does not pool GAG income. Any move to a GAG pooling arrangement will require approval from the Board of Trustees.

VAT

VAT 126 Return

160. The Chief Financial Officer is responsible for submitting the VAT 126 RETURN to HMRC each month.

Construction Industry Scheme

You should only refer to the CIS if you pay subcontractors for construction or spend over a certain threshold in a 3 year period (<https://www.gov.uk/what-is-the-construction-industryscheme>).

Fixed assets

Asset register

161. All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered on the fixed asset register within the finance system with the following details:

- asset description
- asset number □ serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value

- location
- name of member of staff responsible for the asset

162. 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
- support insurance claims in the event of fire, theft, vandalism or other disasters

163. Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses

Security of assets

164. All the items in the register are permanently and visibly marked as the academy trust's property.

165. Equipment is, where possible, stored securely when not in use.

166. An annual count is under taken by Headteacher, who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the governing body.

Disposals

167. Disposals, where applicable, are in line with the Academies Financial Handbook.

168. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Accounting Officer and, where significant, should be sold following competitive tender.

Loan of Assets

169. Items of academy property must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.
170. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

Inventory

171. Where an inventory is maintained within a school (e.g uniform) a periodic stock count should be undertaken at the end of each term by the **Bursar**. The stocktake report should be validated by a second officer and sent to the CFO for inclusion in the accounts.
172. Any inventory discrepancies or write-offs will need approval by the **Headteacher**.