



**St.Cuthbert's**  
Roman Catholic Academy Trust

## **Finance Policy**

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| <b>Responsible Officer</b>                                   | <b>CFO</b>          |

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## FINANCE POLICY

### 1 Introduction

The purpose of this policy is to ensure that St Cuthbert's Academies' 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).

The Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE. (Primarily the Academies Financial Handbook). This policy expands on that and provides detailed information on The Trust's accounting procedures and systems. Also the limits need to comply with the Scheme of Delegation document.

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

- Assets & Disposal Policy
- Repair and Renewal (in progress)
- Reserves Policy
- Treasury Management Policy
- Business Continuity Plans (in progress)
- Anti-Fraud & Corruption Policy

This policy will be reviewed on at least an annual basis and amendments can only be made following the approval of the Directors.

This policy applies to the Trust and to all individual academies. This policy should be used and applied by all staff involved in financial transactions.

Instances of non-compliance with this policy will be reviewed by the CFO and may be reported to the board of directors.

### 2 Financial Responsibilities

The key financial responsibilities within the Trust are outlined below:

#### The Board of Directors

The Board of Directors has overall responsibility for the administration of the Trust's finances. The Board is responsible for managing the financial affairs to ensure regularity, propriety and value for money, and for ensuring that the Trust's funds are used in accordance with charity law, company law and the funding agreement. The Directors are held to account by the Secretary of State however the Board delegates certain powers to the Accounting Officer.

### **Personal, Finance and General Purposes Committee (PF&GP)**

This sub committee of the Board of Directors meet at least once a term. The Board delegates many of its financial responsibilities to be carried out by the Finance Committee. The responsibilities of the Committee are detailed in written terms of reference, which have been authorised by the Board of Directors. One of the functions of the finance committee is to oversee the audit responsibilities of the Board. The PF&GP committee is responsible for providing assurance to the Board on the adequacy of financial controls within the Trust.

To support them in this role the Finance Committee has commissioned a programme of internal assurance testing to be carried out by the external audit providers. The Audit Committee receives internal assurance reports after audit testing throughout the year and also after the year end statutory accounts are prepared and audited.

The responsibilities of the Committee are detailed in the terms of reference which have been authorised by the Board of Directors

### **The Local Management Board (LMB)**

The Local Management Board is a sub committee of the main board and their financial responsibilities are set out in the scheme of delegation.

### **The Accounting Officer**

The Trust is required to appoint an Accounting Officer who has responsibility for ensuring compliance with the Academies Financial Handbook, the Funding Agreement and all relevant aspects of company and charitable law. This role is in addition to the CFO. The position of the Accounting Officer is undertaken by a Head teacher within the academy trust and is appointed by the Board of Directors.

### **The Chief Financial Officer (CFO)**

The Trust has appointed a Chief Financial Officer.

The main responsibilities of the CFO are:

Operating at a strategic and operational level, ensuring annual accounts are properly presented and the board of directors is fully informed of the financial position of the Trust. They also provide support to the Accounting Officer.

### **Other Finance Staff**

The School Business Managers play a key role in providing day-to-day support to the CFO and head of the school. They ensure that the day to day financial transactions are properly processed and recorded, prepare and update the school budget and prepare the monthly management accounts.

### **Other Staff**

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

### **Register of Interests**

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 Directors, 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 Trust may purchase goods or services. The register is open to public inspection.

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

### **Gifts and Hospitality**

All personal gifts and hospitality above a monetary value of £25 received by governors and staff should be declared and recorded in the Gifts & Hospitality register. This minimises the risk of staff and governors being compromised by expectations of reciprocal benefits.

The Head Teacher or the CFO should be consulted before any such gifts or offers of hospitality are accepted. Where one of these staff members is involved they must consult one of the other nominated staff. This is documented in more detail in the Anti Fraud & Bribery Policy.

3 Accounting System

**Accounting System**

**Key responsibilities of the Trust**

Establish and maintain the accounting system

Determine the financial control procedures

Determine user access rights

Complete control account and reconciliation procedures

**Key responsibilities of each academy**

Process transactions in line with agreed procedures and authorisation limits

Keep user access accounts secure and not share log-ins.

All the financial transactions of the Trust must be recorded on the computerised financial management system. This system is operated by all finance staff and consists of

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

**System Access**

Access to the accounts system is determined by the CFO in consultation with the SBM.

User access is controlled through secure user accounts and passwords. It is the responsibility of all users to keep their password secure. Access to the system is password protected.

**Back-up Procedures**

The ICT support provider has established a protocol to ensure that the server is backed up on a daily basis.

In the event of a lost of data the disaster recovery plan (to be written) will be implemented.

**Journal Processing**

All journal entries must be documented on the appropriate journal form, and authorised in accordance with the authorisation limits prior to being input to the accounting system. Records will be kept of each journal entry.

## Reconciliations

As part of every month end process, all SBMs will perform reconciliations of the balance sheet control accounts, including but not limited to bank balances, purchase ledger and sales ledger.

Records will be maintained within the month end management pack.

All monthly reconciliations will be reviewed by the CFO.

## Levels of Authorisation

Are determined by board of directors and set out in scheme of delegation

## 4 Financial Planning

### Financial Planning

#### Key responsibilities of the Trust

Determine the overall financial strategy for the Trust

Oversight of the Trust Finances

Oversight of compliance with funding agreement and statutory responsibilities

Production of management accounts

Production of annual financial statements

#### Key responsibilities of each academy

Budget management and monitoring

Maintenance of accounting records in line with the procedures in this policy

Production of Income and Expenditure report

### Medium term financial plan

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

The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year. The development planning process and the budgetary process are described in more detail below.

### Annual Budget

The CFO is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the board of directors.

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

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

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

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 will need to be revised until the budget shows a break even position or a surplus.

Once the different options and scenarios have been considered, a draft budget should be prepared by the SBM, head teacher and CFO and approved by the PF&GP Committee. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

### **Monitoring and Review**

Monthly reports will be prepared by the finance staff. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level.

Any potential under or over spend against the budget must in the first instance be discussed with the CFO and the Academy school Head teacher.

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

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

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

Any debt write-off exceeding £500 in value will need to be approved by the Finance & General Purposes Committee. Debts below £500 in value will be approved for write-off by the Head Teacher in conjunction with the CFO and reported for information to the Finance Committee.

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

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

The limits are as set out in the academies financial handbook.

### **Novel and contentious transactions**

The EFA defines novel payments as those in which the Trust has no experience; or are outside the range of normal business activity for the Trust. Contentious payments are defined as those which might give rise to criticism of the Trust by the public or the media.

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

## 5 Payroll

### **Payroll**

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

Compliance with the Trust Pay Policy

Ensure finance staff at Academies is reconciling payroll control accounts and update accounting system.

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

Ensure payroll records are maintained accurately and up to date

Undertake the payroll reconciliations

Check and authorize payroll notifications from payroll provider

Ensure payroll provider notified of all additional payments and amendments

### **Payroll Administration**

All members of staff are paid monthly, in arrears by BACS transfer, on the last working day of the calendar month.

The Trust payroll processing is administered through a contractual arrangement with an external payroll provider.

The payroll provider will also determine monthly payroll timetables for key processing dates, and means of communicating payroll information.

Claims for overtime, additional hours and supply cover are manually recorded and approved by the signature of the Head Teacher. These amendments are then submitted to payroll provider. .

The payroll provider processes the payroll and then sends a detailed staffing payment report for approval. This report is printed and reviewed by the academy finance staff, all transactions are checked for reasonableness and detailed spot checks are also completed. The report is then passed to the Head teacher for review and approval. Both the reviewer and the approver will sign the report to evidence these checks and will confirm with the payroll provider that the payment run can be processed or if corrections are required to be made.

The payroll provider makes all payroll payments directly to employees (net pay) and external bodies for deductions made. The payroll provider invoices the Trust for the total cost of each month's payroll.

Each academy is responsible for updating the local Sims data base with all personnel and pay related data.

### **Mileage Claims**

Claims for mileage are made on the appropriate form and signed by the employee and approved by the line manager, then submitted by the finance staff to payroll provider.

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

- is insured for business purposes;
- has a current MOT certificate( where applicable); and
- holds a valid driving licence.

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

### **Payment of salaries**

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

The payroll provider submits an invoice for the gross cost of the payroll, the invoice will be checked and authorised in line with procurement procedures detailed in this policy.

After the payroll has been processed the nominal ledger will be updated by the Trust finance team. Postings will be made both to the payroll control account and to appropriate cost centres. The Trust finance staff 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.

The Trust also has to have due regard under the Finance Handbook for the following staff payments:

Staff Severance payments that are non statutory or non contractual above £50,000 must have prior approval of the EFA .Such matters should go to the Finance Board first.

Compensation payments above £50,000 must also have prior approval by the EFA as should ex gratia payments of any amount. The definition of ex gratia payments is payments that go beyond statutory or contractual cover and examples are in annex 4.13 of HM Treasury's managing public money.

### 6 Purchasing

#### **Purchasing**

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

Ensure that the scheme of delegation in respect of purchasing is adhered to

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

Process transactions in line with agreed procedures and authorisation limits and the financial standards in this policy

Comply with competitive purchasing requirements

Manage the creditor database

Prepare and manage VAT returns

The Trust wants to achieve the best value for money from all our purchases. A large proportion of purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

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

#### **Routine Purchasing**

Budget holders will be informed of the budget available to them 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.

#### **Authorisation Limits**

Budget holders may submit requisitions which should be signed, however authorisation is as previously detailed in section 3

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

- Official orders must be created for all purchases other than utility payments, purchasing card transactions and those purchases controlled by a contract or agreement such as insurance etc.
- All orders must be made, or confirmed, in writing using an official order form, stocks of which are held in the Administration Office. Orders must bear the signature of the budget holder and must be forwarded to the finance office where a check is carried out to ensure adequate budgetary provision exists before placing the order.
- Approved orders, signed as per the above authorisation limits, will be recorded in the purchase order module of the accounting system which will allocate an order number. Incoming deliveries will be despatched to departments accordingly and the goods will be checked against the goods received note. Any discrepancies should be recorded and discussed with the supplier without delay.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy finance staff should be notified.
- All signed goods received notes and invoices should be sent to the Finance staff. Invoice will only be processed for payment if the order, and Invoice all match in terms of value and quantity of goods/services. Any mismatches will be investigated by finance team.

### **Payments**

Payments to suppliers will be made in accordance with agreed creditor terms with the supplier. Pay will be made by BACS unless the supplier prefers a cheque.

### **VAT**

The finance staff at each school will prepare their VAT 126 form and submit to the nominated business manager for collations and submission to HMRC

### **Supplier Files**

These files are maintained on an individual basis by the School Business managers. Changes to supplier bank account details are carefully controlled, as the Trust is aware that this is an area that is vulnerable to fraud. Supplier details will not be amended until the changes have been verified as being valid.

### **Competitive Purchasing Requirements and Limits**

#### **Orders up to £5000**

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

#### **Orders over £5,000 but less than £75,000**

Guidance on appropriate procurement routes above £5,000 should be sought from the CFO. At least three written quotations should be obtained for all orders between £5,000 and £75,000 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.

All potential contractors invited to submit quotations shall be provided in all instances with identical information and instructions.

Approval for the expenditure will be in line with the scheme of delegation. If competitive quotes cannot be sought, a report will be taken to the Finance Committee documenting the reasons why and how value for money has been otherwise assured.

### **Orders over £75,000**

All goods/services ordered with a value over £75,000, or for a series of contracts which in total exceed £75,000 must be subject to formal tendering procedures, detailed below and will be managed by the CFO.

### **EU Procurement Thresholds**

Purchases that fall under EU procurement rules require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook. When Governing bodies are likely to award such contracts further legal guidance should be sought.

### **Tendering Procedures**

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

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

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

### **Invitation to Tender**

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

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

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

Aspects to Consider

#### *Financial*

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- 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 Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted, unless the CFO and Chair of Board are satisfied that the tender was posted or dispatched on time but that delivery was prevented by an event beyond the control of the tenderer and that other tenders have not been opened.

### **Tender Opening Procedures**

All tenders submitted should be opened at the same time and the tender details should be recorded. Tenders should be opened in the presence of a Director of the Board and the CFO.

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

### **Tendering Evaluation Procedures**

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

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

Full records should be kept of all criteria used for evaluation for contracts over £75,000 and a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision.

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

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

### 7 Income

#### **Income**

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

Determine the financial control procedures  
Determine accounting treatment  
Process and reconcile income transactions

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

To receive and bank income in line with agreed procedures and meet the financial standards in this policy.  
To ensure all sales income is correctly identified, invoiced and recorded

The main sources of income for the Trust are the grants from the EFA, Pupil Premium and Nursery places.

The Trust and individual academies also obtain income from

- students, mainly for trips and meals and activities
- the public, mainly for lettings, donations

#### **Residential Trips**

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

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

- All students going on the trip will be issued with a payment card which will record the amount paid by the staff member receiving the payment.

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

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

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

### **School Meals**

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

- Payments are adequately monitored and debts chased up.
- Debts up to £50 can be written off at the discretion of the Head Teacher
- Income is reconciled against the number of meals provided
- Each reconciliation must be documented and signed.

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

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

- All cash and cheques must be kept in the safe prior to banking.
- Safe key holders are identified and keys are kept safe
- Banking should take place weekly or more frequently if the sums collected exceed the insurance limit on site, which is £1,000 across the trust.
- Monies collected must be banked in their entirety in the appropriate bank account and input in to accounting system.
- Banking must be reconciled to source records of income received

### **Income Reconciliation**

The School Business managers are responsible for preparing reconciliations 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 CFO.

## 8 Cash Management

### **Cash Management**

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

Determine the financial control procedures  
Manage cash deposits and investments in line with the policy  
Monitor the Trust cash flow

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

Monitor bank account transactions  
Reconcile bank accounts  
Process payments through on-line banking

### **Bank Accounts**

The opening of all accounts must be authorised by the Board of Directors who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### **Deposits**

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

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

### **Payments and withdrawals**

Cheques and payments from Trust bank accounts must bear the signatures of two of authorised signatories as detailed in scheme of delegation.

### **Lloyds Corporate On Line**

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

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

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

### **Upload payment schedules**

Finance Staff

### **Authorise Payments- in line with delegated authority.**

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

### **Bank Reconciliation**

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

- All bank accounts are reconciled with the bank and to accounting system;
- Adjustments arising are dealt with promptly.

### **Petty Cash**

Each academy has established procedures to deal with petty cash. These procedures must ensure that;

- Petty cash must be locked in the safe.
- All receipts supporting payments from petty cash are submitted to the finance office to enable the appropriate nominal code to be charged.
- Petty cash is reimbursed weekly.
- If the total amount due to any individual is in excess of £20 it will be paid into their bank account via BACS with the next payment run.
- The Petty cash account and sub accounts are to be reconciled monthly
- Each request for petty cash must be approved by the relevant budget holder and the Head teacher and signed, upon receipt of the funds, by the person receiving the cash.

### **Debit and Credit Cards**

Debit Cards are only approved on separate bank accounts with set limits to protect academy funds. There will be an individual policy on use of cards.

Academies have established procedures to deal with debit and credit cards usage. These procedures ensure that;

- Cards are stored safely
- Requests for new cards are made through the CFO
- All payments are approved prior to being made
- Cards are only used for academy business
- Supporting documentation is held for all transactions
- Each statement is reconciled and then authorised
- Records of the reconciliation and approval are maintained

### Cash Flow Forecasts

The CFO is responsible for the completion of monthly cash flow forecasts to ensure that The Trust has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile Income and Expenditure to cover potential cash shortages.

### Investments and Cash Deposits

Investments and deposits must be made only in accordance with written procedures approved by the CFO. (See Treasury Management policy)

#### 9 Fixed assets

#### **Fixed Assets**

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

Determine the financial control procedures

Determine accounting treatment

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

Maintain adequate security over assets as per the policy

Maintain asset register and inventory lists

Perform asset checks

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

### **Asset register**

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

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 Trust's financial system and
- To support insurance claims in the event of fire, theft, vandalism or other disasters.

### **Inventory of Assets**

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

### **Security of assets**

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

### **Disposals**

All requests for disposal must be submitted to the CFO and then approved by the Finance Committee. The best possible value must be obtained in the disposal of assets.

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

### **Disposal Limits**

The Secretary of State's consent is obtained before the disposal of any asset for which grant of over £20,000 was made, or where land or buildings has been transferred from the LA at no cost to The Trust.

If within any one fiscal year (Sept-Aug) The Trust disposes of items which collectively originally attracted grant of more than £20,000 then the DfE should be informed.

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

### **Loan of Assets**

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

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with The Trust's auditors.

Appendix 1

**Authorisation of Supplier Bank Account Changes.**  
**New supplier set up/existing supplier amendment.**

Supplier Reference No.....

Supplier Name.....

Existing Bank details (if applicable)

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

New Bank Details

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

Details of initial request received from supplier (attached)

.....  
.....  
.....  
.....

Details of confirmation with supplier/verification carried out – phone call, e-mail

.....  
.....  
.....  
.....

Confirmation verified by.....

Master file amended by.....

Authorised by .....

(CFO)