



Fulston Manor Academies Trust

Finance Policy

Fulston Manor School
South Avenue Primary School

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Member of Staff Responsible:	Mrs S Francis Trust HR & Business Director

FINANCE POLICY

1. INTRODUCTION

- 101 The purpose of this policy is to ensure that Fulston Manor Academies Trust (FMAT) 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)
- 102 FMAT must comply with the principles of financial control outlined in the Academy Trust Handbook (ATH) guidance published by the DfE. This policy expands on that and provides detailed information on FMAT's accounting procedures and system policy and should be read by all staff involved with financial systems.
- 103 These procedures apply to all schools who are members of FMAT.

2. ORGANISATION

- 201 FMAT has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

The Trust Board

The Trust Board has overall responsibility for the finances of FMAT. The Board, acting on the advice of the Trust Board Finance Audit Risk Committee, will approve budgets for each individual academy. (ATH s2.10)

The Trust Board Finance Audit & Risk Committee

This committee will provide strategic direction for all Academies within the group, monitor income and expenditure, recommend budget allocation to the Trust Board and operate within the terms of reference of the committee. The main responsibilities include:

- ❖ ensuring that all aspects of financial management are carried out in accordance with the prescribed standards;
- ❖ appointing the auditors and internal auditors; receiving reports from them and advising the Trust Board as to the accuracy and integrity of all financial matters across the academies;
- ❖ providing an Internal Audit charter to the responsible body;
- ❖ reviewing the reports of the Internal Audit on the effectiveness of the financial procedures and controls. Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985, the Charities SORP and the DfE guidance issued to academies.

The Local Governing Body

202 The local governing body of each academy within FMAT has overall responsibility for the administration of its' finances. The main responsibilities of the local governing bodies are prescribed in the Funding Agreement between FMAT and the DfE and in the scheme of delegation. The main responsibilities include:

- ❖ ensuring that grants from the DfE are used only for the purposes intended;
- ❖ ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended;
- ❖ recommendation for approval of the annual budget; (ATH s 2.10)

The Executive Headteacher

203 Within the framework of the FMAT development plan as approved by the Trust Board the Executive Headteacher (who holds the role of Accounting Officer) has overall executive responsibility for FMAT activities including financial activities. The financial responsibility is predominantly held by the Trust HR & Business Director (who holds the role of Chief Financial Officer).

Local Headteacher/Head of School/ (Fulston Manor & South Avenue)

204 The Local Headteacher/Head of School still retains responsibility for:

- ❖ approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trust Board have agreed should be approved by them;
- ❖ for Fulston Manor School, authorising contracts and purchases between £5,000 and £20,000 in conjunction with the Trust HR & Business Director;
- ❖ for South Avenue Primary School, authorising contracts and purchases between £5,000 and £10,000
- ❖ signing cheques and BACS payments in conjunction with another authorised signatory.

The Trust HR & Business Director

205 The Trust HR & Business Director (Chief Financial Officer) works in close collaboration with the Headteacher/Head of School(s) through whom they are responsible to the governors and Trustees. The Trust HR & Business Director also has direct access to the Governing Bodies. The main responsibilities of the Trust HR & Business Director in conjunction with the Local Headteacher/Head of Schools are:

- ❖ the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Governing Bodies and Trust Board;
- ❖ the maintenance of effective systems of internal control;
- ❖ ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- ❖ overseeing and ensuring the timely preparation of monthly management accounts;
- ❖ authorising orders below £20,000 in conjunction with budget holders;
- ❖ signing of payments as one of the authorised signatories for the Trust accounts.
- ❖ ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

Internal Audit

206 The Internal Scrutiny Auditors are appointed by the Trust Board Finance Audit Risk Committee and provides Trustees with an independent oversight of the Academy Trust's financial affairs. The main duties of the Internal Scrutiny Auditors are to provide the Trust Finance Audit Risk Committee with independent assurance that: (ATH s3.15)

- ❖ the financial responsibilities of the local governing bodies are being properly discharged;
- ❖ resources are being 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.

207 The Internal Scrutiny Auditor will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board Finance Audit Risk Committee. A report of the findings from each visit will be presented to the Trust Board Finance Audit Risk Committee. Detailed guidance on the transactions to be checked by the Internal Auditor is given in Appendix A of the DfE Guidance.

Other Staff

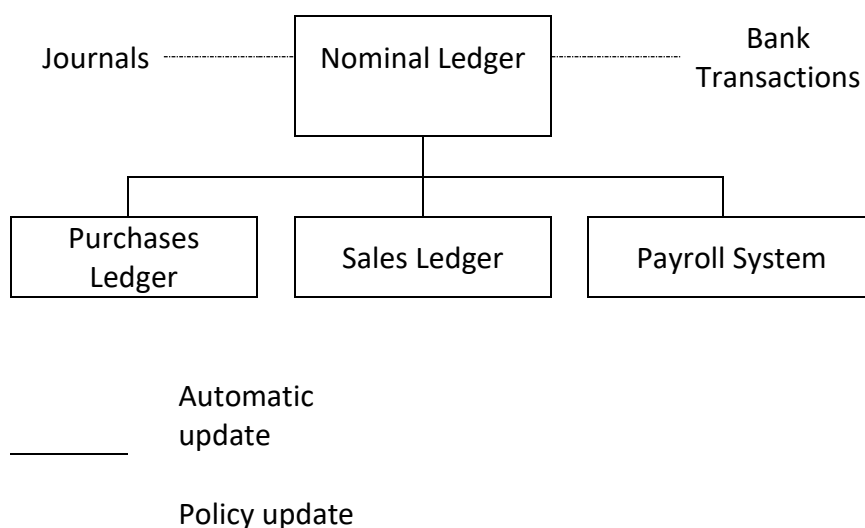
208 Other members of staff employed in each local academy, primarily members of the Trust Business Team and budget holders, will have some financial responsibilities and these are detailed in the following sections of this policy. All staff are responsible for the security of academy property, for avoiding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

Register of Interests

- 209 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. For the purposes of transparency all FMAT Governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.
- 210 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 academy. 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.
- 211 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. Where an interest has been declared, governors and staff are to remain impartial and abstain from attendance of these meetings.

3. ACCOUNTING SYSTEM

- 301 All the financial transactions of FMAT must be recorded on the PS Financials accounting system. The PS Financials system is operated by the FMAT Finance Department and consists of:



System Access

- 302 Entry to the PS Financials system is password restricted. Access to the component parts of the PS Financials system can also be restricted and the Trust Finance Manager is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 303 The Trust HR & Business Director is responsible for ensuring that there are effective back up procedures for the system. This is done in conjunction with the Trust ICT Manager and Network Manager.

304 The Trust HR & Business Director should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which FMAT is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

305 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the policy. Bank transactions are input by the Trust Finance staff under the supervision of the Trust HR & Business Director.

306 Detailed information on the operation of the PS Financials system can be found in the user policies held in the FMAT Business Team Office.

Transaction Reports

307 The Trust Finance Manager will obtain and review system reports to ensure that only valid transactions are posted to the accounting system. The reports obtained and reviewed will include:

- ❖ control accounts for payroll and
- ❖ management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

308 The Finance staff are 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;
- ❖ bank balance per the nominal ledger to the bank statement;
- ❖ VAT control accounts;
- ❖ Petty cash account

309 Any unusual or long outstanding reconciling items will be reviewed and signed by the Trust Finance Manager as evidence of their review.

4. FINANCIAL PLANNING

401 The Academy prepares both medium term and short-term financial plans.

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

403 The development plan provides the framework for the annual budget for both schools. The budget is a detailed statement of the expected resources available to FMAT and the planned use of those resources for the following year.

404 The development planning process and the budgetary process are described in more detail below.

Development Plan

- 405 The Trust development plan is concerned with the future aims and objectives of FMAT and how they are to be achieved; that includes matching FMAT'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.
- 406 The form and content of the development plan are matters for the local academy 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.
- 407 Each year the Local Headteacher/Head of School will propose a planning cycle and timetable to the governing body which allows for:
- ❖ a review of past activities, aims and objectives - "did we get it right?"
 - ❖ definition or redefinition of aims and objectives – "are the aims still relevant?"
 - ❖ development of the plan and associated budgets – "how do we go forward?"
 - ❖ implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course?" and
 - ❖ feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 408 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 Local Headteacher/Head of School.
- 409 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.
- 410 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a local academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the local senior management team on a quarterly basis. The local 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

- 411 The Trust HR & Business Director is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher/Head of School, and be ratified by the local Full Governing Body before being formally approved by the Trust Board. The approval must be minuted, (ATH s2.10)
- 412 The approved budget must be submitted to the DfE each year and the Trust HR & Business Director is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met. ATH s 2.15
- 413 The annual budgets for each school will reflect the best estimate of the resources available to each 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.

414 The budgetary planning process will incorporate the following elements:

- ❖ forecasts of the likely number of students/pupils to estimate the amount of DfE grant receivable;
- ❖ review of other income sources available to each academy to assess likely level of receipts;
- ❖ review of past performance against budgets to promote an understanding of each academy 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.

Balancing the Budget

415 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.

Finalising the Budget

416 Once the different options and scenarios have been considered, a draft budget should be prepared by the Trust HR & Business Director, and Trust Finance Manager for approval by the Headteacher/Head of School before being presented to the Local Governing Boards who will recommended approval to the Trust Finance Audit Risk Committee. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

417 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.

Monitoring and Review

418 Budget holders are able to access their budgets online through the PS Financials PSONline. The reports will detail actual income and expenditure against budget.

419 Budget updates based on management accounts and monthly budget reconciliations will be provided to to the Headteacher/Head of School and to the Chair of the Trust Board on a monthly basis.

420 The Chairs of each Local governing Body will feedback to the Governors on the budget position after each Trust Finance Audit Risk Committee meeting, where the consolidated Trust finance report is given.

421 Any potential overspend against the budget must in the first instance be discussed with the Trust Finance Manager.

422 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 by the Trust HR & Business Director

who will report on them to the Trust Finance Audit Risk Committee.

5. PAYROLL

501 The main elements of the payroll system are:

- ❖ staff appointments;
- ❖ payroll administration and
- ❖ payments.

Staff Appointments

502 The Executive Headteacher has approved a personnel establishment for each school within the academy. Changes can only be made to this establishment with the express approval in the first instance of the Executive Headteacher who must ensure that adequate budgetary provision exists for any establishment changes.

503 The Headteacher/Head of School has authority to appoint staff within the authorised establishment except for Deputy Headteacher/Head of Schools whose appointments must follow consultation with the Executive Headteacher and Trust Board. On behalf of the the Headteacher/Head of School the Trust HR team maintain personnel files for all members of staff which include contracts of employment. The Trust HR & Business Director will deal with all HR & Business issues. All personnel changes should be notified to the Trust HR & Business Director immediately.

Payroll Administration

504 The academy payroll is administered on the Sage payroll package operated in the Trust HR & Payroll Team. Access to the system is password controlled. Password control procedures and back-up arrangements are described in section two of this policy. The payroll system can only be accessed by the Trust HR & Business Director, Trust Payroll & Pensions Co-ordinator and the Trust HR & Payroll Officer.

505 All staff are paid monthly through the Sage payroll package. A master file is created for each employee which records:

- ❖ salary;
- ❖ bank account details;
- ❖ taxation status;
- ❖ personal details and
- ❖ any deductions or allowances payable.

506 New master files can only be created by the HR & Payroll team with the express approval of the Trust HR & Business Director. Any master file amendments made by the HR & Payroll team must be printed out each month prior to the payroll run and must be authorised by the Trust HR & Business Director. Any master file amendments made by the Trust HR & Business Director must be authorised by the Headteacher/Head of School.

507 Staff sickness certification forms should be submitted to the Trust HR & Business Director on a monthly basis and authorised by the Headteacher/Head of School and then passed to the Trust HR & Payroll Officer for entry on to the Sage system.

508 Before the payroll is processed a print of all data input should be obtained and this should be checked against source documentation by the Payroll Officer and then reviewed and authorised by the Headteacher/Head of School.

Payments

- 509 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 should be obtained from the system. The print must be reviewed and authorised together with authority to release payment by the Trust HR & Business Director and Headteacher/Head of School.
- 510 All salary payments are made by BACS.
- 511 The Trust HR & Payroll Officer should 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 should be reviewed and signed by the Trust HR & Business Director and Headteacher/Head of School.
- 512 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 BACS payments for these amounts should be prepared by the Trust HR & Payroll Officer and authorised for payment by the Trust Finance Manager by the due date using the Lloyds Commercial Banking online payment system.
- 513 Random checks of the payroll information will be made during any relevant Internal Scrutiny audits to ensure that the payroll system is operating correctly. This will not necessary be at every Internal Scrutiny visit. The information will be checked however during each annual external audit.
- 514 After the processing of the payroll the Trust Finance Manager posts a journal to update the nominal ledger. Postings will be made both to the payroll control account and to individual cost centres. The Trust Finance Manager reviews the payroll control accounts each month to ensure the correct amount has been posted from the payroll system and individual cost centres have been correctly coded.
- 515 On an annual basis the Trust HR & Business Director must check for each member of staff that the gross pay per the payroll system agrees to the statement of pay held on the personnel file.

6. PURCHASING

- 601 The Academy Trust wants to achieve the best value for money from all our purchases. This means budget holders must aim to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and there is a 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 FMAT;
 - **Accountability**, FMAT is publicly accountable for its expenditure and the conduct of its affairs;
 - **Fairness**, that all those dealt with by FMAT are dealt with on a fair and equitable basis.

Routine Purchasing

- 602 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. Budget holders are able to

access budget reports on the PS Financials system via the PS Purchasing login.

- 603 Routine purchases up to £1,000 (South Avenue) or £5,000 (Fulston Manor) can be approved by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance staff. 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 Purchaser should complete a Request for New Supplier form giving the reasons and must submit the form to the Trust Finance Manager for consideration.
- 604 All orders must be raised using the PS Financials PS Purchasing ordering system. Orders must be authorised by the budget holder and the Trust Finance Officer will review and approve all orders. Any budgetary overspend will be highlighted to the Trust Finance Manager prior to approval of the order.
- 605 On receipt of the goods the Trust Finance Assistant will 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 and record on PSF as "Goods Received" against the order. Discrepancies should be discussed with the supplier of the goods without delay. The delivery note will be filed with the respective Purchase order.
- 606 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Trust Finance Manager should be notified.
- 607 All invoices should be sent to the Trust Business Team. Invoice receipts will be recorded by the Trust Finance Assistant on the PS Financials system. The invoices will be annotated so that the following can be evidenced:
- ❖ invoice arithmetically correct;
 - ❖ budget holder approval of goods/services received;
 - ❖ invoice authorised for payment;
 - ❖ invoice & payment numbers;
- 608 All orders made must be raised with an official purchase order, the invoice will have an order number reference enabling the finance staff to confirm that the invoice matches to the PO, and Goods Received Notice (GRN)
- 609 If a budget holder is pursuing a query with a supplier the budget holder should email Finance@ so that they are aware of the query.
- 610 Each week the finance staff will generate the BACS payments required from the purchase ledger. The invoices and associated paperwork must be checked and authorisation obtained from the Trust Finance Manager or Headteacher/Head of School and then authorised by two of the nominated bank signatories. Once payment has been approved by the Headteacher/Head of School remittance advice will be forwarded to the relevant creditors.
- 611 IF online payment is not possible the Finance Team will arrange payment by alternative means such as Credit Card, the finance staff will also complete details of the payment on the invoice which will then be placed in the appropriate file.

Purchasing Cards

- 612 FMAT are party to the Barclaycard Procurement Purchasing card scheme which are held by the Trust Business Team. Purchases may be made with a credit card if by completing the Credit Card Requisition form and confirming authorisation has been gained for the spend out of the relevant budget by the budget holder. Once authorisation is obtained the order can be placed by emailing Finance@ and agreeing a time for a member of the Finance team to enter the credit card details onto your payment screen. Once the order has been placed the purchase confirmation and any Invoice provided should be sent to the Finance @ email address. Transactions are limited to £300 per transaction and restrictions are in place on the types of expenditure that is permitted. The only exceptions to this transaction limit at Fulston Manor are the Trust Facilities Manager, the Trust Finance Manager, the Trust Catering Manager and the Head of School
- 613 Card statements are received in the finance team each month and a reconciliation carried out by the Trust Finance Assistant to the orders received and to the bank statement direct debit. These payments are recorded on the PS Financials system. Balances are cleared in full to avoid incurring interest (ATH s5.33)

Orders over £1,000 (South Avenue) or £5,000 (Fulston Manor) but less than £20,000

- 614 At least three written quotations should be obtained for all orders between £1,000 (South Avenue) or £5,000 (Fulston Manor) and £20,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and forwarded to the Trust Finance Manager for audit purposes. ATH s2.28

Orders over £20,000

- 615 All goods/services ordered with a value over £20,000, or for a series of contracts which in total exceed £20,000 must be subject to formal tendering procedures, which will comply with Section 2 of the Academies Handbook and the ESFA rules contained therein. The Trust should not expect to receive any invoices greater than £20,000 that do not have a corresponding purchase order. ATH s2.28

Forms of Tenders

- 616 All tenders will comply with the regulations and guidance as set out in the Academies Handbook.
- 617 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 Trust HR & Business Director 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

618 Full consideration should be given to:

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

619 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

620 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.

621 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 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

- 622 The invitation to tender should state the date and time by which the completed tender document should be received by FMAT. 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

- 623 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 £20,000 - two of: The Trust HR & Business Director, The Trust Finance Manager, The Trust Facilities Manager with the Headteacher/Head of School;
 - ❖ For contracts over £20,000 - either the Trust HR & Business Director or the Headteacher/Head of School

- 624 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

- 625 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.
- 626 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.
- 627 Full records should be kept of all criteria used for evaluation and for contracts over £20,000 a report should be prepared for the Trust Finance Audit Risk Committee highlighting the relevant issues and recommending a decision. For contracts under £20,000 the decision and criteria should be reported to the Trust Board Finance Audit Risk Committee.
- 628 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.
- 629 The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

7. INCOME

- 701 The main source of income for the academies are the grants from the DfE. The receipt of these sums is monitored directly by the Trust Finance Manager who is responsible for

ensuring that all grants due to the academy are collected.

702 The Trust also obtains income from:

- ❖ Students/pupils, mainly for trips;
- ❖ Income generated by lettings;
- ❖ In-house catering (Fulston Manor School & South Avenue Primary School);
- ❖ The sale of school ties and stationery through the Business Team Office (Fulston Manor School only);
- ❖ Local Authority Grants;
- Provision of services to other Academies via Service Level Agreements;

Trips

703 A trip leader must be appointed for each trip to take responsibility for the collection of sums due. The trip leader must send letters to each student intending to go on the trip showing the amount due. Copies of the letter must be forwarded to the Events & Publicity Manager (FMS) or the Office Manager (SAPS).

704 Students should make payments to the relevant school. In the case of Fulston Manor school, payments are made using the online WisePay payment system, to which all parents/guardians have access. Receipts can be issued for monies collected on request. In the case of South Avenue Primary School payments are made via Parent Pay.

705 The Trip Coordinator at Fulston Manor School or the Office Manager at South Avenue Primary School should maintain an up to date record for each student showing the amount paid and the amount outstanding and this information should be provided to the finance staff. This record should be sent to the lead teacher as and when required and the lead teacher is responsible for chasing the outstanding amounts.

Lettings

706 The Trust Facilities Manager is responsible for maintaining records of bookings of facilities and for identifying the sums due from each school.

707 Charges will be reviewed annually in September by the Trust HR & Business Director in conjunction with the Trust Facilities Manager.

708 The Trust Facilities Manager will keep a schedule of lettings which will be invoiced by the Trust Business & Finance Assistant

709 No debts should be written off without the express approval of the local governing body (the DFE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter). ATH s5.19

710 Organisations using the facilities should be instructed to send all payments to the Trust Business Team.

Catering

711 Fulston Manor School operates a biometric cashless catering system. Cash is only accepted in the 6th Form Café. Cash from the Café is brought to the Trust Business team by the

Catering Manager on a weekly basis.

- 712 Monies collected are first counted and recorded by the Catering Manager before being double counted by the finance staff who bank them and a report is produced from the cashless system for reconciliation purposes.
- 713 South Avenue Primary school catering is paid for via the Parent Pay app, a report is produced from the system by the finance staff for reconciliation purposes against receipts in.

School Shop

- 714 At Fulston Manor School ties, badges and some stationery, mainly art books and revision guides, are sold from the FMAT Business Team Office. A stock take is carried out annually in order for a valuation of stock to be obtained.
- 715 The WisePay system is used to record all purchases and a sales report reconciled on a monthly basis alongside all other transactions.

Custody

- 716 The WisePay system issues an e-receipt for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Business Team safe prior to banking.
- 717 Monies collected must be banked in their entirety in the appropriate bank account. The Trust Finance Assistant is 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 deposit.

8. CASH MANAGEMENT

Bank Accounts

- 801 The opening of all accounts must be authorised by the Trust Board 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

- 802 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

- 803 All cheques and other instruments authorising withdrawal from FMAT bank accounts must bear the signatures of two of the following authorised signatories:
- ❖ The Executive Headteacher or Headteacher/Head of School
 - ❖ Trust HR & Business Director;
 - ❖ Deputy Headteacher/Head of School; Chair of the Trust Finance Risk and Audit Committee

❖ Chair of Trustees

This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy.

Debit and Credit Card Income

- 804 Fulston Manor School operates a debit/credit card terminals through Elavon. Card details are not kept in the school, with the exception of refunds owing to parents/guardians in relation to school trips. All transactions are receipted and details of the sale are noted in a credit card log book. All credit card payments are deposited straight to the main bank account and are reconciled each month with the bank statement. No card systems are in operation at South Avenue Primary School.

Administration

- 805 The Trust Finance Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that: ATH s2.7
- ❖ all bank accounts are reconciled to the academy's cash book;
 - ❖ reconciliations are subject to an independent monthly review carried out by the Internal Auditor and
 - ❖ adjustments arising are dealt with promptly.

Petty Cash Accounts

- 806 At Fulston Manor School, there are petty cash reserves for the Trust of £400. No separate petty cash is maintained at South Avenue Primary School. The cash is administered by the Finance Team and is kept in the Trust Business team Office.

Deposits

- 807 The deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

- 808 In the interests of security, petty cash payments will be limited to £20 (unless approved by the Trust Finance Manager). Higher value payments should be made by expenses claim directly from the main bank account as a cash book payment.

Administration

- 809 The Trust Finance Assistant is responsible for entering all transactions into the petty cash records on a regular basis and cash counts should be undertaken to ensure that the cash balance reconciles to supporting documentation. The accounts are reconciled each month and a cheque drawn to reimburse the petty cash account floats.

Physical Security

- 810 Petty cash should be held in a locking cash box which is kept in securely in the Trust Business Team Office.

Cash Flow Forecasts

- 811 The Trust Finance Manager is responsible for preparing cash flow forecasts to ensure that the Academy 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

- 812 Investments must be made only in accordance with the FMAT Investment Policy.
- 813 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.

9. FIXED ASSETS

Assets are described as items owned by the trust whose future economic benefits will flow to the entity. The capitalisation threshold for FMS and SAPS is £500. Further details are described below. The Trust holds tangible assets in the form of freehold property, motor vehicles, fixtures and fittings. Assets acquired with specific grants are matched to the relevant grant at cost and depreciated over their useful economic life. Where specific conditions are attached to the funding requiring continued use of the assets the related grants are credited to the fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation is charged to the fixed asset fund.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost of each asset over the course of its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged before they are used. An impairment review is carried out in the event of changes in circumstances which indicate the current carrying value does not accurately reflect its recoverable value. Shortfalls in the carrying value of the assets and its recoverable value is recognised as an impairment and is recognised in the statement of financial activities. (ath s 2.7)

Asset register

- 901 All items purchased with a value over FMAT's capitalisation limit must be entered in an asset register. The asset register should include the following information:
- ❖ asset description
 - ❖ date of acquisition
 - ❖ asset cost
 - ❖ depreciation
 - ❖ current book value
 - ❖ location i.e. in which school
 - ❖ name of member of staff responsible for the asset

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

903 Depreciation:

Methods and Rates are as described below:

Free hold Property

Freehold Buildings – Straight line over 50 years

Modular Buildings – Straight line over 20 years

Refurbished Modular Buildings – Straight line over five years

Motor Vehicles

Motor Vehicles - 25% reducing balance

Fixtures & Fittings

Fixtures & fittings 25% reducing balance

Multi use games Areas - Straight line over 10 years

Fitness Equipment - Straight line over four years

Computer Equipment

Computer Equipment – Straight Line over three years.

Security of assets

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

905 All the items in the register should be permanently and visibly marked as FMAT's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of FMAT property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Disposals

906 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Trust HR & Business Director and, where significant, should be sold following competitive tender. FMAT must seek the approval of the DfE in writing if it proposes to dispose of a freehold asset, an asset donated by the Local Authority or an asset for which capital grant in excess of £20,000 was paid.

907 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to

ensure licences for software programmes have been legally transferred to a new owner.

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

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

Loan of Assets

910 Items of FMAT property must not be removed from school premises without the authority of the Headteacher/Head of School. A record of the loan must be recorded.

911 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 HR & Business Director and the Trust's auditors.

10. RETENTION OF RECORDS

1001 All documentation relating to the administration of the Multi Academy Trust's finances are held for the necessary retention period.

APPENDIX 1: ROLES AND RESPONSIBILITIES

Executive Headteacher (FMAT) .	Mrs Susie Burden
Trust HR & Business Director	Mrs Suzanne Francis
Trust Finance Manager	Mrs Nicola Johnston
Trust Finance Officer Trust Finance Assistant	Mrs Seanne Cordes Mr Jordan Collins Mrs Rachel Pamplin Mrs Shelley Love Mr Jake Nicholls
Trust HR & Payroll Officer Trust Payroll & Pensions Co-ordinator Trust HR Assistant	Mrs Natalie Newnham Mrs Sandra Ingram Mrs Rebecca Nokes
Trust Facilities Manager	Mrs Kirsty Bravery