



Finance Policy & Procedures Manual

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Finance Policy and Procedures Manual

Glossary

AAS	Approved Administration Support (<i>clerical officers etc.</i>)
ABM	Academy Business Manager
BACS	Bankers' Automated Clearing Services
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DfE	Department for Education
ESFA	Education & Skills Funding Agency
FWC	Finance & Workforce Committee
LGB	Local Governing Body
MAT	Multi-Academy Trust
NCC	Nottinghamshire County Council
PSF	PS Financials
RO	Responsible Officer
SAAF	Schools and Academies Finance Ltd
SSL	Senior School Leader

1. Introduction

The purpose of this policy is to ensure that the Aspire Multi-Academy Trust (“The MAT”) maintains and develops systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the MAT’s Funding Agreement with the Department for Education

The MAT must comply with the principles of financial control outlined in the academy’s guidance published by the DfE. This policy expands on that guidance and forms the manual detailing information on the MAT accounting procedures and systems. It should be read by all staff involved with financial systems and accountability.

This policy is supported by other Aspire MAT policies which provide guidance of other finance-related issues:

- Pay Policy
- Anti-Corruption & Bribery Policy
- Gifts & Hospitality Policy
- Conflicts of Interest Policy
- Scheme of Delegation
- Pensions Policy*
- Charging & Remissions Policy*

* *in development*

2. Principles

The Board of Directors (“The Board”) will manage their affairs in accordance with the high standards detailed in ‘Guidance on Codes of Practice for Board Members of Public Bodies’ and in line with the seven principles of public life

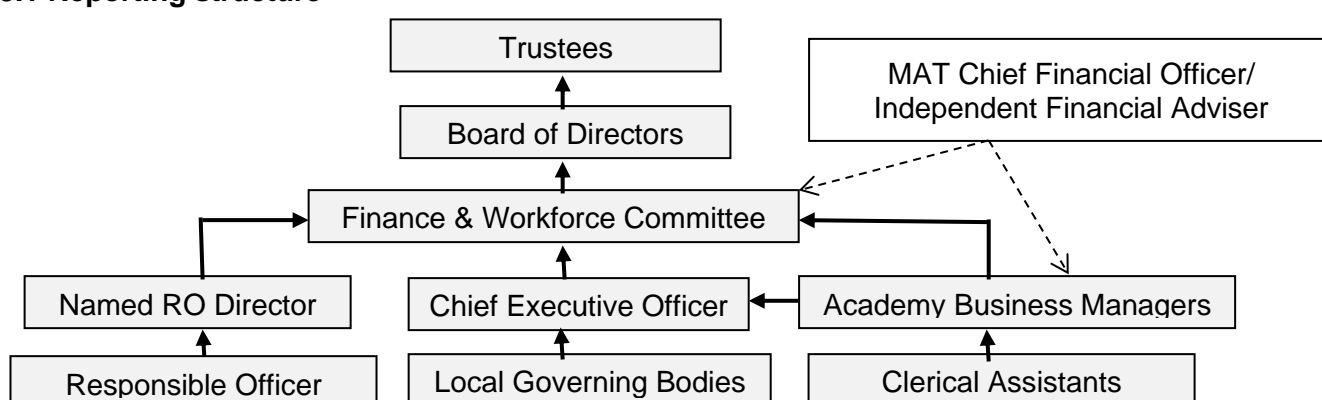
- Selflessness
 - Holders of public office should take decisions solely in terms of the public interest.
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- Integrity
 - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance or their official duties.
- Objectivity
 - In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.
- Accountability
 - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- Openness
 - Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interests clearly demands.
- Honesty
 - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.
- Leadership
 - Holders of public office should promote and support these principles by leadership and example.

3. Organisation and Responsibilities

The Board has defined the responsibilities of each person involved in the administration of the Aspire MAT and its academies' finances to avoid the duplication or omission of functions and provide a framework of accountability for the Board, LGBs and staff.

3.1 Reporting structure



3.2 Trustees

Members have the final accountability for the MAT's finances, including receipt of the Annual Statutory Accounts before submission to the ESFA.

3.3 Board of Directors

The Board has overall responsibility for administration of the MAT's finances. The main financial responsibilities of the Board are prescribed in the Funding Agreement between the Academy and the DfE. The main responsibilities include:

- Ensure the grant from the DfE and other Restricted funding is used for the purposes intended
- Approval of the annual budget and any material changes
- Ensure a Scheme of Delegation is in place
- Ensure assets are managed
- Ensure accurate accounting records are maintained
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure
- Approval of the Annual Statutory Account

3.4. Finance & Workforce Committee (FWC)

The main financial responsibilities of the FWC are detailed in their terms of reference, these include:

- Initial review and recommendation to the Board of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Financial Delegation;
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the Board.
- To review the financial policies of the MAT and where necessary make recommendations to the Directors

3.5 Local Governing Bodies (LGB)

The LGB has some powers and responsibilities for some finance and related issues delegated to it by the Board (see the Aspire Scheme of Delegation) which it should exercise either directly or through a formally constituted finance committee (e.g. Finance & General Purposes Committee, Operations Committee etc.). The responsibilities delegated to LGBs of individual academies include:

- Identify those additional services to be procured on behalf of individual academies;
- Develop and propose the individual academy budget;
- Approve the first formal budget plan each financial year;
- Monitor monthly expenditure;
- Approve any change between budget headings and/or likely budget overspends;
- Propose financial decisions levels and limits;
- Enter into contracts (Directors may wish to agree financial limits) up to the limits of delegation and within an agreed budget.

3.6. Chief Executive Officer (CEO)

The CEO has overall executive responsibility for the academies. The CEO retains responsibilities for:

- Approving SSL appointments within the authorised establishment.
- Authorising contracts up to the amount stated in the Scheme of Financial Delegation.
- Reporting these decisions to the FWC.
- Signing cheques as detailed in the scheme of delegation.
- Charge card holder.
- On-line banking & BACS authorisation.

The funding agreement identified the CEO as the Accounting Officer who is personally responsible to the Board for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the academy

The Accounting Officer has the duty to take action if the Board or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Board, details sent to the Permanent Secretary and the academy's external auditors.

The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

3.7. Academy Business Managers (ABM) and MAT Chief Financial Officer (CFO)

The CFO and ABMs work in close collaboration with the Head Teachers through whom they are responsible to the Board. The CFO has direct access to the FWC and ABMs. The main responsibilities of the CFO and ABMs (or delegated alternatives) are:

Responsibility	CFO	ABM
Close collaboration within the MAT to facilitate effectiveness of MAT functions and responsibilities;	√	√
The day to day management of financial issues including the establishment and operation of suitable accounting systems;	√	√
The management of academies' financial positions at an operational level;		√
The management of academies' financial positions at a strategic level	√	
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;	√	√
Preparation of monthly management accounts	√	√
Ensuring forms and returns are sent to the DfE in line with their reporting deadlines.	√	√
Signing cheques / authorising BACs in accordance with the bank mandates	√	√
Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the MAT's payroll service provider.	√	√
Management of MAT and academies' Service Level Agreements	√	√
Authorising orders and the award of contracts up to the amount stated in the Scheme of Financial Delegation (Appendix 1)	√	√
Signing cheques as detailed in the Scheme of Financial Delegation.	√	√
Charge card holder	√	√
On-line banking & BACS authorisation	√	√

The proportion of each activity undertaken by the CFO and/or ABM will depend on local circumstances and the management structure for MAT and/or academy processes.

3.8. Responsible Officer

Checks and balances need to be put in place to ensure that the financial management arrangements within the MAT are monitored. The DfE (Department for Education) requires a Responsible Officer (RO) to be appointed to fulfil this role.

The RO is appointed by the Board and is intended to provide an independent oversight of the MAT's financial affairs. The main duties of the RO are to provide the Board with on-going independent assurance that:

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

The Board has appointed an independent external body to independently undertake the duties of the Responsible Officer. A programme of checks will be agreed with the Board and the auditors/RO will carry out financial reviews in order to provide the Board, and indirectly the DfE, with the required assurance. These reviews will be undertaken at least annually for each academy. The RO will undertake the checks and balances in line with the recommendations shown in Annex 2b of the Finance Handbook.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (referring to Board, FWC, and LGB finance committee minutes.
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.

Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.

- Review returns to DfE to ensure the information supplied is consistent with the underlying records and internal management reports.
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tender procedures exist and are being followed.

The RO will produce a full report after each RO visit to the named RO Director who will personally report findings of each visit to the FWC and these will be reported back to the Board.

The current RO and Named RO Director for the MAT are detailed in Appendix 3.

3.9 Approved Administration Support (AAS)

AASs can be approved Clerical Assistants or other approved admin staff at each academy who will work in close collaboration with and are directly responsible to the ABMs. The main responsibilities, which will be determined internally by each academy, may include

- Day to day running of school cash office.
- Cash collection.
- Reconciliation of dinner money income.
- Weekly banking.

- Order and invoice processing.

3.10 Senior School Leader (SSL)

For the purposes of this policy, the SSL can be the Headteacher, Head of School or Deputy Head, as designated by each academy. They will assume the financial responsibilities where such duties have been delegated after approval by the Board.

3.11 Other staff

All staff are responsible for the security of property of the academies, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and conformity with the requirements of the MAT's financial procedures.

3.12 Register of Business Interests

It is vital that Directors, members of the LGBs and staff act, and are seen to act, impartially. All members of the Board of Directors are therefore required to complete a declaration of business interests. The principal and other senior staff are also required to complete declaration.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as a parent, spouse, child, cohabitee and business partner where that person could exert influence over a Director, Local Governor or member of staff.

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

It is the role of the Clerk to the Board to ensure the Register of Business Interests is up to date,

4 Financial Planning

The CFO and the ABMs will prepare both medium and short-term financial plans for each academy in the MAT. These plans are prepared to inform the strategic development of the MAT's academies' planning processes for the next 3 years.

The Strategic Plans for each academy identifies the development plan priorities over the medium term and the expected level of resources available.

The Annual Improvement Plan for each academy provides the framework for the annual budget. The annual budget is a detailed statement of the expected resources available to each academy and the planned use of those resources during the year

5 Annual Budget

5.1 Budget setting

The budget process follows an annual planning cycle which is contained in Appendix 2.

The ABMs, in liaison with the CFO, Chair of the Board and CEO, are responsible for the preparation and obtaining approval for the annual budget which the Board, through its FWC, must approve each year.

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

The annual budget will reflect the best estimate of the resources available each academy for the forthcoming year and will detail how those resources will be utilised establishing clear links to support the objectives identified in the School Improvement Plans.

The budget planning process will incorporate the following elements:-

- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable
- Review of other income sources
- Review of past performance against budgets
- Identification of potential efficiency and budget containment actions
- Annual review of expenditure headings to reflect known changes and expected variations in costs e.g. pay increases, inflation or other anticipated changes.

The draft budgets should be presented to the full Board together with a supporting report for approval. Once the budgets are agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

The budgets should be seen as working documents which may need revising throughout the year as circumstances change. Any revisions should be reported to the FWC through the CFO's report. Any substantial changes must be approved by the FWC in accordance with the Scheme of Financial Delegation – Appendix 1.

5.2 Budget conditions

Budgets should be set, wherever possible, on an in-year cost-neutral basis as a minimum. In-year deficit budgets will have to be justified to FWC and approved by the Board before being implemented. Academies will need to justify their reasons for approval of an in-year deficit budget and present a plan for subsequent recovery and non-repetition.

As part of budget planning, academies are required to retain a contingency which will be a minimum of 3% of GAG and a maximum of 8% of GAG.

- A contingency of less than 3% will need approval of FWC and the Board and require a recovery plan to ensure the 3% minimum will be attained the following year.
- A contingency of more than 8% will need FWC approval together an explanation of the higher carry-forward contingency and a plan showing how the surplus above 8% will be utilised.

6 Budget Management

The ABMs will reconcile all bank accounts and budgets monthly.

The CEO, FWC and Directors will receive, a minimum of termly budget monitoring reports from the CFO on current spend against budget and forecast outturn expenditure. Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at FWC.

The CEO may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the MAT as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the CEO who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspends against the budgets must in the first instance be discussed with the ABMs.

The FWC will continually monitor the quality of the financial Information presented to it to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

The original budget must be set in the PS Financials (PSF) accounting systems and up-to-date changes monitored against master budgets which will record in-year changes. An audit trail of all virements made after the approval of the original budgets must be made.

7. Accounting Systems

7.1 Financial Accounting System

The academies use PS Financials Accounting System (<http://www.psf Financials.com/>) and all financial transactions must be recorded using this system. Access rights within PSF are defined for each user with a unique ID and password. Users are detailed in the Scheme of Financial Delegation (Appendix 1).

- All financial transactions relating to the MAT/academies' budgets must be recorded using PSF. There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance system must be protected by robust back up procedures.

7.2 Transaction Processing

- All journal transfers and transactions in the Nominal Ledger will be processed by the ABMs/CFO;
- Cash Book entries will be made by the ABMs/CFO;
- Fixed Asset transactions will be made by the ABMs/CFO;
- Orders on requisitions authorised in accordance with the Scheme of Financial Delegation (Appendix 1) will be raised by the ABMs/CFO or AASs;
- Invoices will be processed ready for payment by the ABMs/CFO or AASs
- Sales Ledger & Purchase Ledger transactions will be processed by the ABMs/CFO or AASs;
- BACS or Manual Payments should be raised by ABMs and countersigned in accordance with the Bank Mandate as per Scheme of Financial Delegation (Appendix 1)
- The ABMs/CFO will obtain and review system reports to ensure only regular transactions are posted to the accounting system.
- The ABMs/CFO will ensure monthly reconciliations in respect of the sales ledger; purchase ledger, payroll, nominal ledgers and cash book

7.3 Accounting for 'Other' Income using School Cash Office

Academies will use a recognised parent payment system (RPPS), e.g. ParentPay (<https://www.parentpay.com/>), to deal with the collection of 'other income'. This system is set up for access by all office staff; each user is defined with a unique ID and password. Users are detailed in the Scheme of Financial Delegation (Appendix 1).

- The approved AASs are responsible for the day to day management of the RPPS system.
- The approved AASs produce reports for data input into PSF
- The ABMs are responsible for overseeing this system and receiving information from the approved AASs

The main elements of the payroll system are:

- Staff Appointments
- Payroll administration
- Payments and monitoring

8. Payroll

8.1 Staff Appointments

The Board, in conjunction with the LGBs, approves a personnel establishment for each academy, the Staffing Structure, and forms part of the Pay Policy. Material changes to the Staffing Structure of the academy may only be approved by the full Board that must ensure that adequate budgetary provision exists for any established changes and after the required period of consultation with unions and staff.

The SSL has the authority to appoint staff within the authorised staffing structure. The ABMs will maintain personnel files for all members of staff, which include contracts of employment.

8.2 Payroll Administration

The academy's payroll is outsourced to an appropriate provider organisation through a MAT tendering process. The current Payroll provider is Nottinghamshire County Council's Payroll Services (NCCPS). The Payroll Provider is subject to external tender.

All Payroll transactions relating to academy staff, permanent or casual, will be processed through the payroll system. Payments for employment will not be made to staff or visiting lecturers through any other mechanism.

All new appointments, leavers, changes to contracts or personal details are to be notified to the NCCPS on the appropriate forms which should be completed by the ABMs and signed by the Head Teacher. In the case of changes to the Head Teachers salary, forms should be signed by the Chair of the Board as per the Scheme of Financial Delegation (Appendix 1). Copies should be retained on the employees personnel file and the original sent to payroll.

All personnel files shall be stored in a lockable cabinet. Only the CEO, SSLs and ABMs will have access to staff files but individuals can request to see their own files in line with data protection policies.

ABMs are responsible for keeping the staff personnel database up-to-date via an approved information management system. Systems currently approved are detailed in Appendix 3.

Absence records are maintained by the ABMs. Unpaid leave is notified to payroll using NCC's Business Management Systems (BMS) recording system.

Staff claims for overtime must be checked by the ABMs (or designated alternative). Claims for overtime / variance of grade of duties, casual claims and supply claims will be entered on to the spreadsheet provided monthly by BMS. It will be countersigned by the Head Teacher and sent to payroll according to NCCPS timetable.

8.3 Payments and Monitoring

All salary payments are made by BACS.

BMS submit payroll reports prior to salary payments being dispatched detailing costs and individuals payment details. A BACS report is also submitted. The ABMs will undertake a sensibility check whenever possible to ensure the data does not contain major errors prior to salaries being paid.

The ABMs will undertake a reconciliation of all claims for additional hours / unpaid leave and investigate any differences between the previous months gross salary against the current months.

The payroll system automatically calculates the deductions due from salaries to comply with current legislation. The ABMs are responsible to pay the following agencies: Local Government Pension Scheme, Teachers Pensions, Prudential Teachers AVC's, Unison & GMB by the 7th of the month following the pay run and to HMRC by the 19th of the month following the pay run. NCCPS are authorised to make BACS payments to employees of the trust for their net pay. The total net pay per school is deducted from the Individual Academy's Bank Account by direct debit.

The ABMs will enter the payroll data into PSF via Journal Transfer at the earliest opportunity.

Each year the ABMs will check each member of staff's gross pay against the payroll system to the contract of employment.

9. Value for Money (VFM) Procedures

All orders for goods and services are subject to the following rules concerning quotes and tenders below:

9.1 Orders of £1,500 and below

Consideration to be given to alternative suppliers and evidence attached to requisition if quotes have been sought

9.2 Orders over £1,500 but less than £ 5,000

At least two written or verbal quotes should be obtained for all orders to identify the best source of the goods and services except: a) where the service is being provided by a contractor to maintain or extend systems they have previously installed or are under contract to maintain and b) have provided quotes and tenders for a similar service within the past 12 months where they were the selected supplier. Details should be recorded on or attached to the requisition form.

9.3 Orders over £- £5,000 £7,500 works but less than £15,000

At least two written quotations should be obtained for all orders to identify the best sources of the goods/services. Written details of quotations should be attached to the requisition form for audit purposes.

9.4 Orders over £15,000 but less than £25,000

At least three written quotations should be obtained for all orders to identify the best sources of goods/ services. Written details of quotations should be attached to the requisition for audit purposes.

9.5 Orders over £25,000 - £50,000

A minimum of three formal quotations to be obtained in writing by a specified date and time based on a written specification. Evidence to be attached to the requisition form. Formal tenders may be requested if it is felt appropriate.

9.6 Orders over £50,000 to EU (OJEC) thresholds

Goods or services ordered with a value over £50,000 or for a series of contracts in which the total exceeds £50,000 must be subject to formal tendering procedures as detailed below. All paperwork relating to the tender must be kept in the ABMs' office.

9.7 Orders over EU (OJEC) Threshold

<http://www.ojec.com/Thresholds.aspx>

- Supplies and services £118,133
- Works contracts £4,551,413

Purchases over the EU Thresholds are by law subject to EU Public Procurement Directives for the advertising and Award of Contracts.

10. Forms of Tender

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

10.1 Open Tender

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the CFO for MAT tenders and with ABMs for academy tenders how best to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

10.2 Restricted Tenders

This is where suppliers are specifically invited to tender and 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 requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

10.3 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 existing supplier are justified

10.4 Preparing for Tender

Full consideration should be given to:

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

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

10.5 Invitation to Tender

An invitation to tender should include the following:

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

- Form of response

10.6 Aspects to consider

Financial

- Comparison of like with like cost and if a lower price means a reduced service or lower quality this should be borne in mind when reaching a decision
- Hidden costs – care should be taken to ensure tender price is the total price.
- Is there scope for negotiation?

Technical

- Qualifications of contractor
- Experience
- Descriptions of technical and service facilities
- Compliance to CDM
- Certificates
- Quality control procedures
- Details of previous sales and references

Other considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier

10.7 Tender Acceptance Procedures

The tender invitation will state the time and date by which the completed tender document should be received by the MAT/Academy. Tender submissions should be received in plain envelopes clearly stating they contain tender documents they must be

- Date stamped and marked with the time of receipt
- Store, unopened, in a secure place prior to tender opening
- Tenders received after the deadline should not normally be accepted

10.8 Tender Opening Procedures

All tenders should be opened at the same time and tender details should be recorded and signed. Two persons should be present at the opening of the tenders this would normally be:

- CFO and CEO or Board Chair for MAT tenders
- ABM and the SSL for academy tenders, in some circumstances this could be delegated to an agent who has been employed by the academy to undertake the tendering process i.e. a firm of architects:

10.9 Tender Evaluation Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, which may influence their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation and for contracts over £25,000; a report should be prepared to the FWC.

The accepted tender should be one that is economically most advantageous unless it can be demonstrated that this is not the best option for the Academy and other factors outweigh any monetary savings.

11. Purchasing

The MAT and its academies will aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. The Head Teacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the Academy are dealt with on a fair and equitable basis.

The CFO and ABMs will ensure that there is a clear separation of duties within the finance team, which would, if combined, enable one individual transaction to record a complete transaction.

11.1 Orders for Goods and services

Budget Holders should raise an order for goods or services using a requisition form (Appendix 3) available from the academy offices.

Where the value of an order is over £1,500, the requisition must be accompanied by evidence of appropriate number of quotes /or proof that VFM exercise has taken place – as per section 9. Orders will be authorised only if the VFM documentation is present and correct. Advice about suppliers or obtaining best value is available from the CFO and ABMs.

- Upon receipt of a requisition form signed by the relevant budget holder, the requisition must be authorised by a signatory in line with the Scheme of Delegation (Appendix 1).
- Official orders will be raised through PSF and faxed, emailed or posted to the supplier by the ABMs.
- Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and with prior approval from the ABMs. In such cases, a written confirmation order will be raised as soon as possible, normally within 24 hours.
- Requisition forms must have the PSF generated purchase order recorded on it and filed in number order in the office.

11.2 Delivery of Goods and Services

- On receipt of goods the goods receiver (normally the ABMs, Clerical Assistants or Site Managers) will check the goods received matched to the delivery note and sign the note to confirm this.
- The goods receiver will check the delivery note against the original order to ensure the correct goods have been dispatched and then attach the delivery note to the original requisition form in the file
- The goods receiver will raise any discrepancies with the ABMs for investigation
- The goods receiver will despatch goods to the budget holder
- The budget holder must ensure that the goods received are of acceptable quality. Any goods that rejected must be notified to the ABMs within 2 days of delivery.

12. Payment of Accounts

12.1 Processing of Invoices

Payment for supplies and services will be paid upon receipt of an Invoice when

- It is confirm that goods or services have been received and are of the quality expected as per section 11
- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly

No photocopied or faxed invoices will be paid but invoices sent electronically by email are acceptable.

At least two people must be involved in the process of agreeing invoices and authorising payment. The ABMs will do the above checks and enter the invoices on to PSF as soon as possible. The ABMs will authorise the payment of the invoice within PSF to make it available for payment within the Accounting System. All invoices are to be processed through PSF, payments generated via BACS and authorised in accordance with the Bank Mandate. *In the future, policy will move towards payment being made by cheque or debit card only in exceptional circumstances.*

12.2 Payments to individuals

Payments can be made to individuals on production of an invoice. Academies will have an appropriate system to monitor HMRC status for paying individuals.

13. Other Purchases

The MAT recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased and claimed back.

13.1 Internet Purchases

It is expected that internet Purchases will be an exception to the norm.

When making a request for an internet order:

- Requisitions are required as per '*ordering goods and services*' procedures above.
- The ABMs (and where appropriate other senior designated staff) hold the debit card for orders placed over the internet and orders may be placed by them.
- The transaction is recorded in PSF as soon as possible and the transaction reference number recorded on the documentation
- The debit card(s) should be held securely by the ABMs (and where appropriate other senior designated staff) at all times and the PIN code(s) not disclosed to any other party,

13.2 Reimbursements to individuals

For reimbursement of cash transactions:

- Requests for re-imburement to individuals are to be made on the Receipt Form and MUST be supported by receipts for the goods/services received.
- Reimbursement may be refused if the ABMs consider maverick purchasing methods have been used, or the budget holder has already spent their full allocation and did not seek prior approval to exceed the funds available.
- The person being reimbursed signs for receipt of the reimbursement
- The reimbursement is recorded in PSF as soon as possible and the transaction number recorded on the documentation

13.3 Purchase of alcohol

Alcohol-containing products intended for recreational, social or gift purposes will not be purchased from the academy's revenue resources. Any such purchases will be made from external funding sources, e.g. PTA, individuals, external organisations, as long as such supply does not contravene the Gifts & Hospitality Policy.

The main sources of income for the academies are the grants from the ESFA and the Local Authority. The receipt of these funds is monitored by the ABMs who are responsible for ensuring all grants due to the academies are collected.

14. Income

14.1 Income collected by the academies

Academies collect income from parents or the public for:

- School Meals
- Trips and residential visits
- Book bags & Uniform
- After School Club
- Lettings
- Reimbursements from various parties for activities in which the academies play an active role.

Academies use a recognised parent payment system (RPPS) to administer the collection of this income. The ABMs are responsible for the day to day administration of the RPPS and the collection of income.

14.2 Trips / Activities

A lead teacher must be appointed for each trip. For every trip or activity an On/Off Site Activities form must be completed. The SSLs and ABMs are responsible for budgeting for the trip and collecting the sums due and liaising with the Lead Teacher over amounts outstanding. There must be evidence that there is no intention to make a profit from any trip or activity.

Cash/cheques sent in via pupils must be placed in the class collection boxes which are taken to the office each morning. Parents may pay at reception, or online using the RPPS. The value of the receipt and the number of the receipt is recorded against the pupil making the payment.

14.3 Lettings

The policy for lettings of premises is contained in a separate document. The Policy and charges will be reviewed annually and approved by the finance committee of each LGB or by the MAT FWC.

ABMs and/or Clerical Assistants are responsible for maintaining records of bookings facilities and for identifying the sums due from each organisation. Payments must be made in advance for these facilities whenever possible.

ABMs and/or AASs will be responsible for chasing outstanding debts, no debts will be written off without the express approval of the Board (the DfE prior approval is also required if the debt to be written off is above the value detailed in the funding agreement).

14.4 Custody

All receipts are generated and numbered automatically within SCO. All cash and cheques must be held in the academy finance office safe prior to banking. Banking will take place weekly or more frequently if the cash sum held exceeds £3,000.

ABMs input the banking amounts into PSF and complete reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system during routine month end procedure.

14.5 Debtors

- Debts under £50 may be written off by the Head Teacher.
- Debts over £50 may be written off only with the approval of the FWC
- Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a reminder will be sent asking for payment within 7 days.
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment.
- If payment is still not forthcoming, for debts over £300, a threat will be issued to put the matter into the hands of a nominated Solicitor if payment is not received within the next 7 days.
- If not received after 7 days, the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly.
- Debts of £300 and less will be pursued without reference to the nominated Solicitor and will be reported on at FWC meetings where Directors will decide on action to be taken.
- The current aged debtors report together with details of any debts written off (under £50) and solicitor's letters sent will be provided for each FWC meeting.

15. Cash Management

15.1 Bankers

The MAT and academies have appointed Lloyds as their bankers for all funds. The opening of all bank accounts must be authorised by the Board who must set out in the Scheme of Finance Delegation the arrangements covering the operation of accounts. This should include any transfers between accounts, cheque signing arrangements and the operation of systems such as BACS which must also be subject to the same level of control.

15.2 Deposits

Particulars of any bank deposit must be entered in a paying in slip and should include:

- The amount of the deposit and
- Report detailing all transactions

The Counterfoil should include:

- The amount of the deposit
- Signature of person preparing/checking the banking

15.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from any of the MAT/academy bank accounts must bear signatures / electronic signatures in line with the scheme of financial delegation.

15.4 Bank Reconciliations

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

- All Bank Accounts are reconciled to PSF system `
- Adjustments are dealt with promptly.

15.5 Cash Flow Forecasts

ABMs are responsible for preparing cash flow forecasts to ensure that the academies have sufficient funds available to cover day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

15.6 Investments

Investments must be made only in accordance with written procedures approved by the Board under a separate Investment Policy.

15.7 Reserves

The Budget is managed in line with the Balances and Reserve Policy which is reviewed annually.

16. Related Party Transactions

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies).

Academies must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's [related party on-line form](#). This requirement applies to all such contracts and agreements made on or after 1 April 2019.

Academies must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeding £20,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August

17. VAT

17.1 VAT 126 Claims

Under legislation VAT claims can be made on expenditure supporting the academy's core business purposes according to the simplified arrangement as detailed in the VAT Information Sheet 09/11 issued in June 2011.

ABMs will prepare local VAT 126 reports to be submitted to the CFO. Consolidated claims will be made to the HMRC on form 126 by the CFO monthly following full reconciliation of all accounts.

17.2 VAT Registration

Separate to the activities mentioned above the academy may choose to register for VAT in relation to its non-business activities, i.e. production of adult meals,

The academy is not registered for VAT at present this is kept under ongoing review with the MAT's External Auditors.

Guidance on VAT can be found at <http://www.hmrc.gov.uk/vat/start/introduction.htm>

18. Fixed Assets

The treatment of Fixed Assets is detailed in the MAT's Capitalisation and Control of Assets Policy.

19. Key Inventory

The key inventory for each academy is the responsibility of the Site Managers to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security ensures to be put in place and for the inventory to be updated.

20. Computer Systems

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plans

21. Reporting to the DfE

Each academy is required to submit reports to the DfE in the following areas

- Annual Accounts Return (AAR)
- Annual Budget
- Budget Monitoring
- Statutory Accounts

The CFO will prepare these returns with assistance from the appointed accountants where required.

21.1 Annual Accounts Return (AAR) and Whole of Government Accounts

Academies are required to submit an AAR by 30th January each year in the format supplied by the EFA. The ABMs will ensure this is completed and when necessary signed off the external auditors.

21.2 The Annual Budget

Academies are required to send a copy of its annual budget to the DfE. This will be in the format of an income and expenditure statement on an accrual basis.

The ABMs must ensure that a final budget is submitted setting out the academy's plans for the forthcoming academic year in more detail in the required format and by the required deadline as notified by the DfE year on year.

21.3 Budget Monitoring

Academies will submit budget-monitoring returns to the DfE, on an accrual basis in the required format by the required deadlines as notified by the DfE year on year.

21.4 Annual Accounts

As a Charitable company the MAT must comply with company law as set out in the Companies Act 1985. This includes a requirement to prepare a governors' report and financial statement ('annual accounts') and for these to be independently audited by a registered auditor. Financial Statements should be prepared to **31st August each year**. They should include:

- Incoming resources from all sources receivable in the period
- Resources expended on all activities within the period
- All assets and liabilities of the Academy at the balance sheet date
- All cash received and expended within the period
- Notes to the accounts

The Annual accounts must be submitted to the ESFA by **31st December**. As soon as the DFE deadline, but by no later than **30th June** (10 months after the end of the accounting year), a copy of

the governors annual report and audited final accounts must be sent to Companies Register and to the Charity Commission.

22 Self-Assessment of Management and Governance

The Board will appoint an appropriately qualified body/individual to carry out checks on the academies' systems of internal control and on the adequacy of the academies' arrangements for financial management and governance. The current body is detailed in Appendix 3.

The MAT will report to the ESFA annually through the Value for Money Statement on the effectiveness of their management of its resources.

23. External Auditors

The MAT will appoint an appropriately qualified company as their external auditor. This will be reviewed on a 3-yearly basis. The appointment of Auditors must be approved by the Board and Members. The current Auditors are detailed in Appendix 3.

24. Whole of Government Accounts

Apart from its own year-end date of 31st August, the academy is required to supply information to the DfE as of 31st March to support the Whole of Government Accounts. The CFO will supply the information requested within the published deadlines for that year.

Appendix 1. SCHEME OF FINANCIAL DELEGATION / MANAGING MONEY

see Appendix 4 for named designated people

Position	Authorised person/body	Limit/Restriction
Authorising orders for goods and services, authorising payments, entering into contracts and virements between cost centres		
MAT Board of Directors	Board	Over £30,000 – decision recorded in minutes
Finance & Workforce Committee (FWC)	Committee	£30,000 - decision recorded in minutes
MAT Board Officer	CEO/Board Chair	£20,000 - orders and contracts £20,000 - invoices
Local Governing Body (LGB)	LGB/finance committee LGB Chair	£10,000 - orders and contracts £10,000 - invoices
Senior School Leader (SSL)	Head Teacher/Head of School	£5,000 – orders and contracts £5,000 - invoices
Academy Business Managers (ABM)		£1,000
Managing the Academy Bank Accounts		
CEO		Cheque signatory one of two to sign Debit/charge card holder On line payment authenticator one of two to authenticate payments
Senior School Leader	Headteacher/Head of School	Cheque signatory one of two to sign Debit/charge card holder On line payment authenticator one of two to authenticate payments
ABMs/CFO		Cheque signatory one of two to sign Debit/charge card holder On line payment authenticator one of two to authenticate payments
Other staff <i>with authority of CEO, SSLs or CFO/ABMs</i>		Debit/charge card holder
Board of Directors	Chair	Cheque signatory one of two to sign
Authorising payroll documents		
Board of Directors	Chair	Sign payroll forms relating to CEO
CEO		Sign all Appointment & Leaver Forms and change of contract forms for SSLs Sign off SSL Monthly Claim documents

Position	Authorised person/body	Limit/Restriction
SSLs		Sign all Appointment & Leaver Forms and change of contract forms for academy staff Sign off academy staff Monthly Claim documents
CFO/ABMs		Completion of all payroll forms Sign Supply Starter Declarations Preparation of Monthly Claim documents
Authorising Travel / Subsistence Claims		
Board of Directors	Chair	Travel Claims of CEO
CEO LGB Chairs / Chairs LGB Finance Committees (<i>when delegated</i>)		Travel Claims of Head Teachers/CFO
SSLs		All staff claims
Authorisation to write-off bad debts		
Secretary of State		Detailed in funding letter
	Debts >£200 require a recovery action plan	
CEO		£100
FWC	Chair	Over £500 – recorded in minutes
LGB finance committee		Over £100
SSL		Over £50
Completion of VAT returns		
ABMs		N/A
Authorisation of expenses vouchers		
ABMs		£50
Credit/charge cards		
Senior MAT and School Leader	CEO, Headteacher, Deputy Headteacher	£1,000 per transaction
Other senior authorised persons	Senior teachers, site, catering and office managers	£100 per transaction without prior authorisation £1,000 with prior Headteacher authorisation
NOTE: There is an overall charge card limit of £5,000 per card per month.		
Evaluation of Tenders – for decision making at appropriate delegated levels		
Board of Directors	Chair	N/A
CEO		N/A
CFO/ABMs		N/A
In some instances it will be necessary to involve an appropriate member of staff i.e. Premises, Kitchen, or network Manager in order to ensure the evaluation process take into account the view of the immediate service area.		

Appendix 2. ANNUAL BUDGET CYCLE

January	ABMs complete the census return which is used by Government as the basis for the funding for the next financial year.
	Members hold AGM to receive and approve final Financial Statements (January-June)
February	The Senior Leadership Team start work on next year's priorities and possible staffing needs. These priorities will be discussed with the finance committees of the LGBs.
March	Academy receives its Draft Recurrent Grant for the following year from the ESFA.
	The EFBM/ABMs start to construct next year's budget.
	A mid –year review of current budget takes place.
April / May	EFBM/ABMs complete Whole of Government Accounts.
	CEO and EFBM discuss detail of next years' budget and present to FWC
June	FWC, and then the Board, approve final budget for the following year.
	The CFO then prepares returns to DfE which is signed by CEO and Chair of Board of Directors and returned to the ESFA.
	CFO/ABMs monitors current budget for predicted YE figure
July	Appointed Auditors start their preparative work on the Annual Accounts
August / September	Financial Year end (31st August)
	Start of new Financial Year (1 st Sept)
	CFO & CEO support the Board in preparation of Trustees' Report
October	Appointed Auditors continue audit field work and produce draft Annual Accounts for the Board to review.
November / December	Appointed Auditors present accounts to the Board to approve Financial Statements.
	Members hold AGM to receive and approve final Financial Statements.
	CFO presents monitor of current budget to FWC
December	By 31st Dec Financial Statements are published.

This schedule should take account of the Academies Planning Calendar (<https://www.gov.uk/government/publications/academies-planning-calendar>)

Appendix 3: CURRENT OFFICERS and APPROVED PROVIDERS

Chief Executive Officer	Kate Watson
Chief Financial Officer	Heather Detheridge
Chair of MAT Board	Peter Golightly
Responsible Officer (RO)	SAAF
Named RO Director	Heather Detheridge (<i>interim delegation</i>)
Payroll	Nottinghamshire County Council's Payroll Services (NCCPS)
Information Management Systems	ScholarPack http://www.scholarpack.com
Auditors	Streets Chartered Accountants http://www.streetsweb.co.uk/