

Education Learning Trust Multi Academy Trust

Finance Policy 2025-2026

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1 Introduction

The purpose of this policy and associated procedures is to ensure that the Education Learning Trust ("the Trust") and each of its constituent schools maintains and develops systems of financial control which conform to the requirements both of propriety and/or 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).

As a public body, the Trust must ensure regularity, propriety and value for money in their management of public funds. The Trust must comply with the principles of financial control outlined in the Academy Trust Handbook, published by the DfE. This policy expands on that and provides detailed information on the Trust's accounting procedures and systems.

This policy should be read and adhered to by all staff and trustees involved with financial systems.

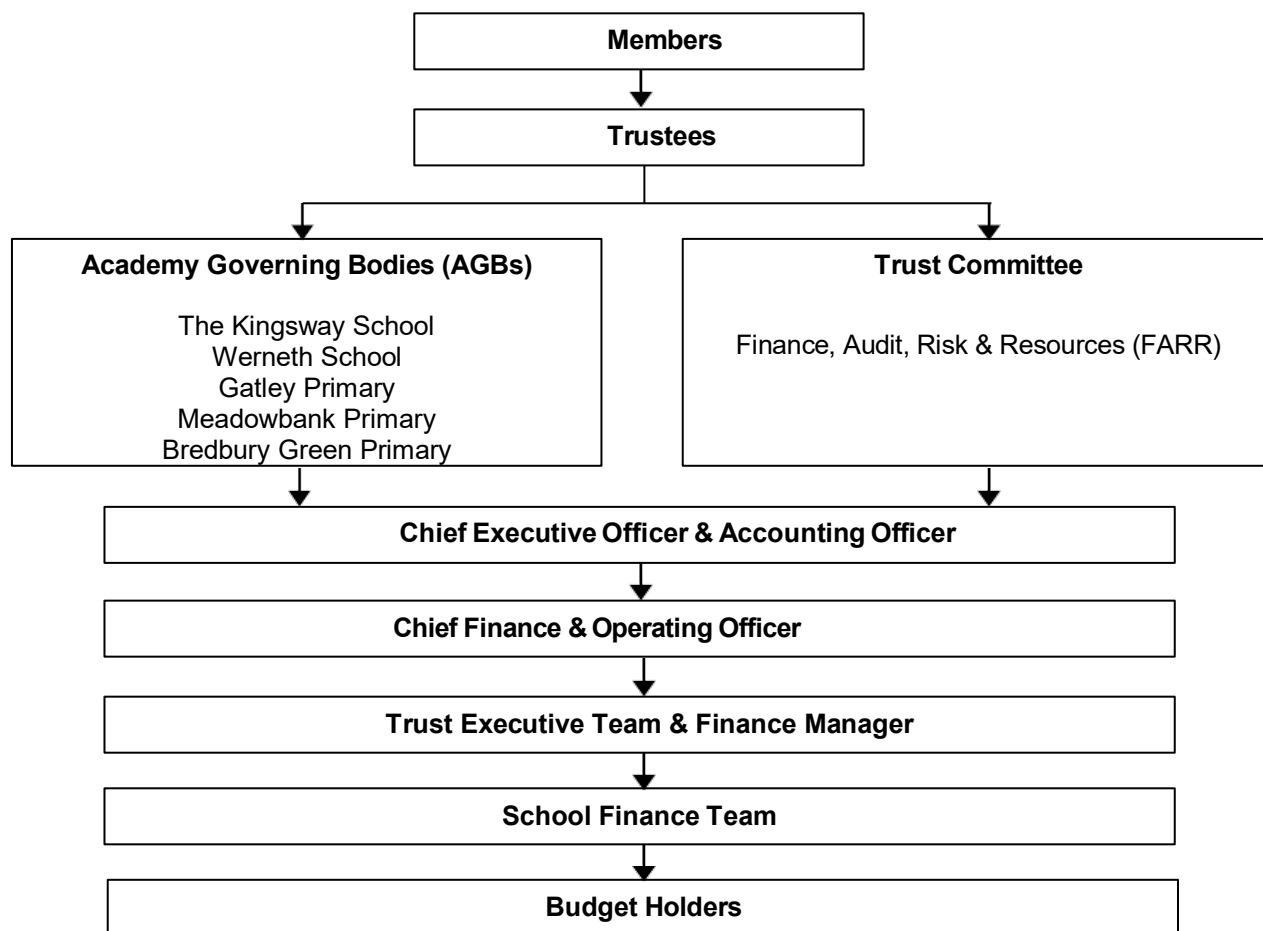
This policy relates to all of the Trust's schools. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

This policy is designed to be consistent with:

- Academy Trust Handbook
- Trust Articles of Association / Constitution
- Trust Scheme of Delegation
- Master and Supplementary Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money"
- The Seven Principles of Public Life (also known as the Nolan Principles)

2 Organisation and responsibilities

The Trust has defined the responsibilities of each function and person involved in the financial administration of the Trust to avoid the duplication or omission of functions and to provide a framework of accountability for trustees and staff. The financial reporting structure is outlined below:



2.1 Trust Board / FARR Committee

The Trust Board and FARR Committee of the Trust have overall responsibility for the administration of its schools' finances and the effectiveness of internal controls. The main responsibilities of the Board are prescribed in the Trust Articles of Association, its Constitution, the Scheme of Delegation and in the Funding Agreement between the Trust and each of its schools with the Department for Education (DfE).

The Trust Board is responsible for ensuring that high standards of corporate governance are maintained, addressing such matters as:

- Finance policy development and strategic planning
- Ensuring sound management and administration of the Trust and its schools and ensuring that managers are equipped with relevant skills and guidance
- Ensuring compliance with general legislative requirements
- Establishing and maintaining a transparent system of prudent and effective internal controls
- Management of the Trust's financial, human and other resources
- Monitoring performance and the achievement of objectives and ensuring that plans for improvement are acted upon
- Setting the Trust's standards of conduct and working principles
- Assessing and managing risk, (including the preparation of a statement on schools' risk management, for its annual report and accounts)
- To hold to account the Trust CEO & Accounting Officer and each AGB

The FARR Committee is responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and school finances and resources, including proper planning, monitoring and probity. It is also responsible for ensuring that risks are being addressed through internal scrutiny and reporting to the Trust Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks, most particularly by:

- Assisting to promote the highest standards of probity in the use of public funds and encourage proper accountability for the use of those funds
- Assessing and managing risk, (including the preparation of a statement on schools risk management, for its annual report and accounts)
- Improving the quality of financial reporting by reviewing internal and external financial statements on behalf of the Board
- Promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement and fraud
- Promoting the development of internal controls and risk management systems which will satisfy the Board that the Trust and its schools will achieve their objectives and targets and are operating:
 - In accordance with any statutory requirements for the use of public funds
 - Within delegated authorities laid down by the Trust Board
 - In a manner which will make most economic and effective use of resources available.
- Agreeing a programme of work annually to deliver internal scrutiny that provides coverage across the year
- Review the ratings and responses on the risk register to inform the programme of work, ensuring checks are modified as appropriate each year
- Consider reports at each meeting from those carrying out the programme of work
- Consider progress in addressing recommendations
- Consider output from other assurance activities by third parties including DfE financial management and governance reviews, funding audits and investigations

- Have access to the external auditor, as well as those carrying out internal scrutiny, review their plans and reports and consider their quality.

2.2 Academy Governing Body

Within the framework of the Trust's Scheme of Delegation, each school will continue to be supported by an Academy Governing Body (AGB). The constitution for each AGB and the level of delegated responsibility

will be approved by the Trust Board. The scheme of delegation will directly reflect the individual circumstances of the school in order to determine how responsibility is shared within the agreed decision-making framework.

The AGB has no responsibility for the school's finances.

2.3 Chief Executive Officer

The Chief Executive Officer (CEO) is the Accounting Officer with responsibilities as described in HM Treasury's "Regularity, Propriety and Value for Money". The Accounting Officer has personal responsibility for the propriety and regularity of the public finances for which he / she is answerable. It must be ensured that, in considering proposals relating to the expenditure or income for which they have responsibilities, all relevant financial considerations are considered and full regard is had to any issues of probity or regularity.

The main responsibilities of the CEO include:

- The development of the annual budget
- The development of medium-term financial planning
- The regular monitoring of actual expenditure and income against budget
- Ensuring value for money, avoidance of waste and extravagance and the effective use of resources
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to schools
- Ensuring that the regular reports provided to the Board are timely and accurate
- Authorising orders and the award of contracts within the approval limits shown in Appendix 1
- Authorising payments within the approval limits shown in Appendix 1
- Authorising changes to the Trust's personnel establishment.

2.4 Chief Finance & Operating Officer (CFOO)

The CFOO works in close collaboration with the CEO along with the Trust Executive Team. The Trust Executive Team are responsible to the Trust board. The main responsibilities of the CFOO are:

- The management of the Trust's financial position at a strategic level and operational level within the framework for financial control determined by the Board
- Ensuring returns to DfE and other funding agencies completed correctly and on time
- Ensuring returns to statutory agencies are completed
- Managing investments
- The preparation of budgets and medium-term financial plans
- Cash flow and treasury management
- Authorising orders and the award of contracts within the approval limits shown in Appendix 1
- Authorising payments within the approval limits shown in Appendix 1

- To direct effective financial strategy, short/medium/long term planning and risk assessment
- To manage the commercial responsibilities of the trust
- To support effective external audit and manage the associated contract with the approved accountancy provider
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each school
- The maintenance of effective systems of internal control
- To implement an effective internal audit process, with clear accountability reporting functions to the Trust FARR Committees
- To oversee the effective use of the agreed/approved accounting system ensuring open and transparent finance reporting for each individual school & at trust level

2.6 Trust Finance Manager

The Trust Finance Manager works in close collaboration with the Trust CFOO, all of whom are responsible to the CEO for financial management of the Trust and its' schools.

The main responsibilities of the finance teams are:

- Functional management of the School Business Managers and Finance Assistants if employed within the school
- Assisting the CFOO with ensuring returns to DFE and other funding agencies completed correctly and on time
- Assisting the CFOO with ensuring returns to statutory agencies are completed
- The preparation of monthly management accounts through the agreed/approved accounting system
- Assisting the CFOO with preparation of the budgets and medium-term financial plans
- Monitoring of budgets and preparation of monthly budget monitoring reports
- Assisting the CFOO with budget preparation including the production of curriculum plans
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of each school
- Internal and External Audit preparation and follow ups and liaising with the auditors
- The maintenance of effective systems of internal control
- Authorising payments within the approval limits shown in Appendix 1
- Ensuring that financial controls are working effectively at school level
- Management of the internal audit and external audit and ensuring effective and timely
- implementation of all recommendations
- Monitoring of all grant income and expenditure, ensuring grants are spent in line with the terms and conditions
- Ensuring half termly budget reports are passed to budget holders to give them an overview of current spend and to ensure no overspends
- Ensuring month end procedures are completed within the required reporting deadline (see checklist at appendix 10)
- Payroll reconciliations and gross to net comparisons for approval by the CFOO in their absence

2.7 School Business Manager /Finance Assistants

The School Business Manager and Finance Assistants work in close collaboration with the Trust Finance Manager. The main responsibilities for the school finance team are:

- Management of the day-to-day finance operations including the operation of the accounting system
- Checking all orders and invoices are being accurately processed and allocated to the appropriate budget
- Checking and inputting BACS payments on Access Finance
- Maintaining a balanced budget
- Assisting with the preparation of the annual budget by providing all and any information required by the Trust Finance Manager
- Ensuring virements within budget headings are carried out on a timely basis as agreed with the Finance Managers
- Ensuring other virements are carried out after approval in accordance with the scheme of delegation;
- Management of the school's Trust charge cards ensuring they are only used where a non-order invoice is not possible
- Completion of monthly bank and credit card reconciliations
- Month end procedures including accruals and prepayments (see checklist at appendix 10)
- Oversight of School Workforce Census

2.8 Other staff

Other members of staff, primarily Admin Assistants and budget holders, will have some financial responsibilities. School Business Manager / Finance Assistants will deal processing orders at school level subject to budget holder approval (see appendix 2). All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial and procurement procedures.

2.9 Internal Auditor

The Internal Audit process is approved by the Board (through the Trust FARR Committee) and will provide Trustees with an independent oversight of the financial affairs. The main duties of the Internal

Auditors are to provide the FARR committee with independent assurance that:

- The financial responsibilities of the Board 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.
- Risks are identified and appropriate actions put in the Risk Register.
- Trustees will appoint internal auditors to undertake a regular programme of reviews devised by the FARR Committee to ensure that financial transactions have been properly processed and that controls are operating effectively. A report of the findings from each visit will be provided to the Trust FARR Committee for review.

3 Accounting System

The Trust uses Access Accounting and Access Budgeting at all of its schools. The Trust's accounting system is fully computerised and all financial transactions of the Trust must be recorded on this system.

A critical incident plan is in place in the event of loss of accounting facilities or financial data. This links in with the annual assessment made by Trustees of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks which are documented in the risk register.

3.1 System Access

Access to the system is restricted to the Trust's employees and those authorised by the CFOO. The system has two components with separate access restrictions – Access Finance and Access Budgeting.

Access to Access Accounting is restricted to the CFOO, Finance Managers, School Business Managers and Finance Assistants. The CFOO and Trust Finance Manager are designated administrators on Access Accounting and as such are the only users with access to the full system and the ability to add or amend users, add or amend suppliers.

Access to Access Accounting is provided to those staff who require access; staff with responsibility for placing orders and budget holders with authorisation limits as set out in Appendix 1. The Trust Finance Manager is responsible for setting access levels for all members of staff using the system. Entry to both the accounting and budgeting systems is password restricted. Passwords are only known by the relevant member of staff and passwords are changed immediately if an employee is aware that an unauthorised person has learnt their password. Access for staff who are no longer employed by the Trust is removed as soon as the member of staff leaves by the Trust Finance Manager.

The Trust complies with the requirements of the UK GDPR. All accounting records including orders, invoices, bank statements, are retained electronically for six years, plus the current year. The CFOO makes arrangements for the secure retention of electronic accounting records.

3.2 System Back-up Procedures

The Access Accounting and Budgeting software is held remotely on the Access Cloud Server which is backed up daily. Access is a cloud-based solution and does not require daily/weekly back-ups.

3.3 Access Authorisation

Access allows authorisation limits to be set for each user and the Trust Finance Manager is responsible for ensuring each user has the appropriate authorisation limit in line with Appendix 1.

Authorisation of orders/invoices will be required from each authoriser up to their designated limit. If the value of an order/invoice exceeds an authoriser's limit, the system will automatically request authorisation from the next level authoriser until it has been appropriately authorised. The CEO and CFOO are responsible for setting budget holders and the Finance Managers are responsible for ensuring each budget cost centre is allocated the appropriate authorisers as per Appendix 1.

3.4 Administration of Access Accounting

The CFOO and Trust Finance Manager are designated administrators on Access Accounting and as such are the only users with access to the full system. They are responsible for:

- adding or amending users, including allocating the appropriate role and security
- adding or amending suppliers, including payment details
- adding or amending nominal codes and budget cost centres

3.5 Transaction processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy.

The School Business Manager / Finance Assistants must check all orders and invoices processed before they are submitted for authorisation. Checks must include ensuring transactions are posted to the appropriate nominal and budget cost centre; transactions are within the approved budget and details are accurate and complete, including school and supplier. Invoices must be scanned in to Access Finance at the time of input.

3.6 Reconciliations of Balance Sheet Accounts and accruals and prepayments

The Trust Finance Manager is responsible for ensuring the following reconciliations are performed routinely, and that any reconciling or balancing amounts are cleared:

- Sales ledger control account monthly
- Purchase ledger control account monthly
- Payroll control account monthly
- All suspense accounts monthly
- Balance sheet accounts monthly
- Review of trial balance for unusual postings monthly
- Bank balance per the nominal ledger monthly within 5 working days of month end

Accruals are considered on a monthly basis and adjustments are to be made for large accruals, such as utilities, on a monthly basis. Other smaller accruals do not need to be adjusted on a monthly basis but an exercise is to be completed at 31 August of each year to ensure all costs associated with the financial year are recognised in the correct period.

Pupil premium is received quarterly in arrears and profiled into the budget to reflect this. Pupil Premium Reports are reviewed by the School Headteachers, School Business Manager & Trust Finance Manager to confirm financial accuracy, before being published and returned to the DFE by the school. Other accrued income throughout the year is expected to have an immaterial impact on the management accounts. An exercise is to be completed at 31 August of each year to ensure all income receivable for the year is recognised in the correct period.

Deferred income is to be considered by schools on a monthly basis and adjusted for where large values are arising so as not to distort the management accounts. Trivial amounts are to be monitored within the separate accruals spreadsheet and adjusted for at year end if required. UIFSM received in July in advance of the next academic year will be deferred accordingly. An exercise is to be completed at 31 August of each year to ensure all income received in advance of the following year is deferred and recognised in the correct period.

Prepayments are to be monitored during the year but monthly adjustments are not required where the prepayment is less than £500. A schedule will be maintained throughout the year and final adjustments recognised in August so as to recognise expenditure in the correct period for reporting in the annual financial statements.

Accruals, accrued income, deferred income and prepayments are to be updated by School Business Managers / Finance Officers and monitored by the Trust Finance Manager throughout the year with a review every term by the CFOO.

4 Financial Planning and Budget Process

4.1 GAG Pooling

The Trust will work towards operating a GAG Pooling Policy (see appendix 6). The Academy Trust Handbook states that the Trust can amalgamate GAG for its schools to form one central fund. This enables the Trust to redistribute funds more evenly across its schools. The Trust will therefore receive funding centrally and then allocate budgets to the individual schools. School Condition Allocation and Devolved Formula Capital are treated as GAG. Pupil Premium and SEN funding are ringfenced for individual school use.

4.2 Financial Planning

The Trust and each school will prepare both medium-term and short-term financial plans. Medium term is defined as a period of three years. The medium-term financial plan is prepared as part of the Trust and School Development planning process. The budget is a detailed statement of the expected resources available to each school and the planned use of those resources for the following year. The schools will utilise the DfE Chart of Accounts **only**. Additional ledger codes will not be added without the prior agreement of the CFOO.

4.3 The Budget Process

The Trust must set a balanced budget, taking into account the current level of reserves, medium term projections and the need to invest to meet the longer-term business plan.

The CFOO is responsible for working with the CEO, Headteacher and Trust Finance Manager to prepare a draft annual budget for consideration by the Trust FARR Committee who submit the draft budget for approval by the Trust Board. Once agreed, the Trust Board must minute their approval of the budget in line with DfE requirements.

The approved budget must be submitted to the DfE by the specified date, and the CEO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met. Following approval, the budget will be communicated to all employees with budgetary responsibility by the individual school.

The annual budget forecast will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised.

A balanced budget must be set and agreed by the Board of Trustees.

The Board of Trustees must notify DfE within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year, which it is unable to address after unspent funds from previous years are considered

4.4 Recruitment

The CEO/CFOO for the Trust have the authority to appoint staff within the authorised establishment except for the role of Headteacher where the CEO and Trustees only will be involved. The CEO will approve all appointments to the Executive Team of the Trust.

For all staff appointments, a recruitment authorisation form (appendix 9) must be completed and forwarded to the CFOO or CEO in the CFOO's absence, for their approval and budget update. The recruitment process should not take place until a signed authorisation form is returned to the school.

4.5 Budget Monitoring and Review

Management Accounts will be prepared on a monthly basis by the Trust Finance Manager, setting out the Trust's financial performance and position and will be reviewed by the CFOO and the CEO.

The format of the management accounts must include:

- Income and expenditure account
- Variation to budget report
- Cash flow
- Balance sheet
- Key financial performance indicators

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. Alongside the monthly management accounts a monthly budget monitoring report will be produced, including the latest financial forecast for the year. If a budget overspend is forecast, it may be appropriate to transfer money from another budget. This must be authorised at the levels as shown in Appendix 1. Once reviewed by the CEO, the monthly management accounts will be emailed to the Chair of Trustees.

5 Reserves Policy

The Board of Trustees reviews the reserve levels of the School Trust annually at the year-end and as part of its budget planning process. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As part of its monitoring of in-year financial performance, the Board of Trustees reviews the forecast impact on reserves and considers this as a part of its medium-term financial planning.

The targeted level of reserves required is considered to be the equivalent of 6% of total GAG income of the Trust. If the Trust's free reserves falls short of this target, the Trust will continue to attempt to make cost savings to increase the reserves to the required level sustainably, whilst ensuring that the trajectory of school improvement is maintained.

Reserve funds will be held on deposit in an interest-bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the Board.

6 Purchasing and Procurement

The Trust must ensure that spending has been for the purpose intended and is required to achieve the best value for money from all its purchases. This means purchasing goods at the correct quality, quantity and time at the best possible price by following the general principles of:

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

All spend must be authorised through the internal delegation levels that apply throughout the Trust and are detailed in Appendix 1.

6.1 Purchase of Alcohol and Gifts

The trust's funds must not be used to purchase alcohol for consumption. No gifts for staff (including items such as vouchers or flowers) should be purchased using school budgets in line with guidance issued by the DFE. If schools wish to purchase gifts for external agencies providing voluntary work, this must be authorised by the CFOO prior to any spending.

6.2 Routine Purchasing

Budget holders will be informed by the school 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, working with the School Finance Team, and to ensure that any expenditure is consistent with the objectives of the school.

Appropriate authorisation limits are reviewed annually and approved by the Trust's Board (see Appendix 1). The detailed Purchasing Procedures can be seen at Appendix 2.

For routine purchases up to a value of £5,000, one quote or evidence of price should be obtained prior to an order being placed. Staff must be able to demonstrate they are achieving value for money with all purchases

The finance team centrally manages relationships with suppliers and can provide information to requisitioners and budget holders for preferred suppliers used by the Trust for value for money. The suppliers set up within the Trust's finance systems represent the Trust's approved supplier list. The use of suppliers not currently set up within the finance system is subject to prior approval from the Trust Finance Manager.

6.3 Quotes

For all purchases between £5,001 and £10,000, written quotes from at least two suppliers must be obtained prior to an order being placed. All quotations must be attached to orders before submission to the budget holder for authorisation.

For all purchases between £10,001 and £50,000, written quotes from at least three suppliers must be obtained prior to an order being placed. All quotations must be attached to orders before submission to the budget holder for authorisation.

For all purchases over £50,001 formal tendering must take place.

Where there is an emergency involving danger to life or health or serious damage to property, the CEO/CFOO can provide written authority to procure goods/services without obtaining the required number of quotes if the goods, work or services are needed more urgently than would be possible if the tender or quotation procedure were followed. A single tender action form must be completed and uploaded to the finance system.

6.4 Tendering

Levels of purchasing and tendering limits are included in Appendix 4.

It is necessary to take the most economically advantageous tender (MEAT) of best value into account at all times although this is not necessarily the lowest cost. An explanation will need to be provided when the lowest cost quotation or tender is not accepted.

6.5 Loyalty/ Reward Cards

Staff are not to use their own personal loyalty cards to obtain any personal benefit when making purchases for the Trust in line with financial regulations. Schools can use a loyalty/reward card, registered to the Headteacher at the school address, for purchases relating to pupils only. Any vouchers/points received for these

rewards/loyalty cards can only be used to obtain goods or services that benefit pupils of the Trust. Such cards include, but are not exhaustive to; Tesco Clubcard, Asda Rewards Card, Sainsburys Nectar Card, Coop rewards card, Morrisons reward card.

7 Income

The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the Trust Finance Manager who are responsible for ensuring that all grants due to the Trust are collected.

Grant funding is received for school conversions and bids made by the Trust. All external funding is managed and monitored by the CFOO and reported to Trust FARR Committee.

Other income received by the schools for such items as trips and visits, sales of educational items, uniforms, catering etc should be paid from parents directly into the cashless system for each school. Detailed guidance for income can be found in Appendix 4.

7.1 Bad debt

The write off of debts up to £500 can be approved by the CFOO or CEO. The write off of debts above £500 must be approved by the Trust FARR Committee.

The procedures for debt recovery are followed in line with month end procedures.

8 Bank and Cash Management

8.1 Bank Accounts

School Individual bank accounts are held; one for the Trust and one for School Funds. As part of moving to GAG pooling all individual school bank accounts will be closed with the funds transferred to the account held under Education Learning Trust with the Trust's commercial bank, currently Lloyds Bank. All funds of the Trust should be held under the name of Education Learning Trust.

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

- the opening of accounts must be authorised by the CEO and CFOO
- the Trust Finance Manager will ensure that in the event of changes to key personnel or authorised bank users, signatories will be changed immediately and the bank notified. Any online access to banking will also be removed immediately upon cessation of employment.
- terms of arrangements, including cheque signatories or Bankers Automatic Clearing System (BACS) authorisations and the operation of the accounts must be formally recorded and agreement minuted.

The Trust Finance Manager and CFOO are appointed as administrators of the bank. The following are approved users of online banking, with the prescribed authorisations:

- Trust Finance Manager, CFOO & CEO – Administrators and Payment Approvers
- Trust Business Lead – Payment Approvers / Payment Processing and Viewing
- School Business Manager/ Finance Assistants– Payment Processing and Viewing

8.2 Payments, Withdrawals and Transfers

All payments, withdrawals and transfers should be processed through online banking by the Trust Finance Manager or designated Finance member.

All BACs and other instruments authorising withdrawal from the Trust bank accounts must bear the signatures of 2 authorised signatories as follows:

- CFOO
- CEO
- Trust Finance Manager
- Trust Business Lead

Before authorising the payments, the Trust Finance Managers or CFOO should check a sample of payment details to the supplier invoices to confirm payment is being made to the correct bank account.

This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees of the Trust. The School Trust does not operate using cheque payments.

8.3 Administration

All bank accounts must be reconciled monthly by the Trust Finance Manager within the deadline set in the month end checklist (see checklist at appendix 10). These will be reviewed monthly by the CFOO as part of the monthly management accounts process.

8.4 Cash Management

The Trust does **not** facilitate cash payments and strongly recommends income is received via the cash- less systems at school-level. In the extreme, preapproved circumstance where cash has been received by a school within the Trust, the School Business Manager / Finance Assistant is responsible for recording the amounts received and what it relates to and then informing the Trust Finance Manager. Cash should be stored in a locked safe and paid into the bank by the Finance team if received in school or centrally within one week of collection. All cash should be counted and the paying-in slip counter-signed before being deposited.

8.5 Petty Cash

The Trust does not hold any petty cash.

9 Charge Cards

The Trustees have approved the use of charge cards for schools and the Executive Team for the following authorised users and approval limits:

- Chief Executive Officer (CEO) - £7,500
- Chief Finance & Operating Officer (CFOO) - £5,000
- Director of Operations (DOO) – £5,000
- Headteacher - £2,000

Charge cards are to be used by the nominated card holder only and in an event of an emergency or where there is no alternative ordering option i.e: train tickets, shopping orders for food technology. The card should be stored securely. The pin number for the card should be memorised and not stored with the card. When using the card online, the card details should not be saved or given out to anyone outside the authorised users. Procedures for the authorisation of expenditure using charge cards is identified in Appendix 3.

In order to minimise the risk with charge cards they all have a transaction limit and a monthly expenditure limit. The Trust has accounts set up with suppliers used across the schools therefore it may be the case that this method of payment can be used instead

of the purchase card. A list of suppliers can be obtained from Trust Finance Manager.

Each month a reconciliation of the charge card is completed by the school business manager/finance assistants. Should the finance team consider the spend inappropriate, then this should be reported to the Finance Managers.

10 Payroll

At the start of every academic year the Trust Finance Manager will provide the Finance Assistants and School Business Managers with a timetable for each month's payroll (see appendix 10).

School Business Managers/Finance Assistants employed at each of the Trust's schools are responsible for the day-to-day processing of monthly payroll changes on the system, including adding new starters to the system, processing leavers details and making any changes to contractual entitlements for any staff employed at their school. This can include changes to salary, incremental uplifts, contracted hours of working etc. If a new starter commences after payroll cut off for that month – i.e. cut off is the 30th of the month for payment on the 15th or 20th but the staff member does not commence in post until the 7th of the month, as this change occurs post cut off, they should not be processed for payment until the following month. This should always be communicated to new starters. Changes for any Executive Team members are made by the Trust Business Lead/Trust Finance Manager.

The School Business Managers/Finance Assistants for schools and Trust Finance Manager for the Executive Team, send monthly changes forms to the payroll provider for each month's payroll by the agreed deadline. Any leave requests or pay claims (such as overtime, KIT days or expenses) are submitted to the payroll provider by the HR or Finance teams, after being authorised by the Headteacher or CFOO for Central. All changes must be accounted for in the following month's pay. The CFOO/Trust Finance Manager/Trust Business Lead should be sent all payroll variations by the school in readiness for checking against the monthly payroll reports.

The Trust Business Lead will audit schools' SCR to ensure compliance with safer recruitment policy.

All payments of expenses are made through the payroll.

Following submission to the payroll provider of these changes, the Trust Finance Manager are provided with a first set of checking reports which are reviewed and checked to ensure all changes have been reflected and discuss any variances with the payroll provider.

Once all variances have been resolved and a final check completed, the Trust Finance Manager is provided with the final payroll reports. Payroll is then authorised by the Trust's Chief Finance and Operating Officer (CFOO) after all checks, relevant queries and issues have been resolved by the external payroll provider and agreed by the Trust Finance Manager. The CFOO is given a comprehensive log of all changes within that month to confirm why the changes are being made in order to query or approve the payroll for that month. In the absence of the CFOO, payroll will be authorised by the Trust Finance Manager.

Any changes to the CEO's salary are approved by the Trust Board. The Trust has a Pay Policy and all changes to pay must be consistent with this, any variations outside of the

pay policy must be raised with the CEO and reported to the Pay Committee Panel appointed.

The Trust follows the National Joint Council (NJC) and Teachers Pay and Conditions guidance.

11 Fixed Assets

11.1 Purchase of Assets

Assets purchased with a value over the school's capitalisation limit of £2,500 must be capitalised. Assets below this value will be charged to the income and expenditure in the year of purchase.

11.2 Asset Register

The asset register should be maintained by the Trust Director of Operations and reviewed on a monthly basis to ensure completeness and to identify any discrepancies. Any discrepancies over £1,000 must be reported to the CFOO.

The Asset Register helps:

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

11.3 Security of Assets

Assets must be secured by means of physical and other security devices. All the items in the asset register should be permanently marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. This will be organized by the Trust Director of Operations. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the CFOO. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted.

11.4 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal in accordance with the Finance Regulations in Appendix 1 and, where significant, should be sold following competitive tender. When disposing of assets, the Trust must achieve the best price that can reasonably be obtained and maintain the principles of regularity, propriety and value for money. As a result, disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment.

All disposals of land or buildings must be agreed in advance with the DFE.

11.5 Loan of Assets

Items of Trust property, except staff and student laptops or tablets, must not be removed from school premises without the authority of the Headteacher or CEO.

If assets are on loan for extended periods or to a single member of staff on a regular

basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

11.6 Depreciation

The Trust will depreciate fixed assets in line with recognised accounting standards, best practice and DfE guidelines. Depreciation rules will be approved by the board in advance of preparing the annual statements.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life. For all assets purchased from 1 September 2025 onwards, depreciation will be charges on a straight-line basis using the following rates:

- Freehold buildings – 2% (over 50 years)
- Leasehold buildings – 2% (over 50 years)
- Fixtures & Fittings – 25% (over 4 years)
- Computer Equipment – 25% (over 4 years)
- 3G – 10% (10 years)

11.7 Leases

All leases must be approved by the CFOO. The Trust is able to enter into operational leases as outlined in the Academy Trust Handbook and prior to entering into the lease the Trust must ensure the lease maintains the principles of value for money, regularity and propriety.

Finance leases are classed as borrowings and can only be entered into with the specific authority of the DFE.

12 Related Party Transactions

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. The Board of Trustees must ensure requirements for managing related party transactions are applied across the Trust. The Board Chair and the Accounting Officer must ensure their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the 7 Principles of Public Life.

12.1 Declarations and Register of Interests

To avoid any misunderstanding that might arise all Members, Trustees, AGB members, Senior Employees and employees with budgetary responsibility are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. The register is open to public inspection and published on the Trust's website.

The register must include:

- all business interests such as directorships, partnerships, employment with businesses, share- holdings or other appointments of influence within a business or organisation which may have dealings with the Trust.
- trusteeships and governorships at other educational institutions and charities
- relevant interests of close family relationships (defined below) between the Trust's members, Trustees and Governing Bodies
- relevant interests arising from close family relationships between the Trust's members, Trustees and

- Governing Bodies and employees.

For these purposes the following persons are related to a member, or trustee:

- a relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
- an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
- a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
- an organisation controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- any individual or organisation given the right under the trust's articles of association to appoint a member or trustee of the school trust; or anybody connected to such individual or organisation.

Trusts should consider whether other interests should be registered, and if in doubt should discuss this with the CFOO. The existence of a register of business interests does not detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed by the Board or a committee. Where an interest has been declared, Trustees and employees should not participate or attend that part of any committee or other meeting.

12.2 Reporting Related Party Transactions

If an order or contract with a related party is being considered, this should be reported to the CFOO/Trust Finance Manager and authorisation from the CFOO/ Trust Finance Manager must be received before the order/contract is agreed.

The CFOO/Trust Finance Manager must report all contracts and other agreements with related parties to DFE in advance of the contract or agreement commencing, using DFE's related party on-line form. This requirement applies to all such contracts and agreements made on or after 1 April 2019.

The CFOO/Trust Finance Manager should obtain DFE's prior approval, using DFE'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 authorised:

- a contract or other agreement exceeding £40,000
- 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, £40,000 in the same financial year ending 31 August

For the purposes of reporting to, and approval by, DFE contracts and agreements with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

13 Investment Policy

The Trust is firmly committed to ensuring that all funds under its control are administered in such a way as to maximise return whilst minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of funds.

Trustees' management of cash flow should ensure that there are always sufficient funds in the main bank account to cover operational costs.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, the CEO and CFOO may consider the investment of these funds in order to generate a longer-term income or capital fund. If this is proposed the action will go to the Trust FARR Committee for approval.

14 Tax

The Trust will account for VAT strictly in compliance with the rules and regulations applicable at that time. It is the responsibility of the CFOO to ensure compliance with VAT regulations. The Trust Finance Manager will complete the VAT returns from each School and complete the VAT return monthly following the month end procedures. The Trust Finance Manager will ensure that Corporation Tax returns are completed on time and in accordance with legislation, if applicable.

15 Insurance

The school trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on school trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme membership.

The CFOO will review all risks annually to ensure the cover available and the sums insured are adequate. The Trust will notify the insurers of any new risks or any other alterations affecting existing insurance.

The Trust will not give any indemnity to a third party. The Trust will immediately advise the insurers of any accident, loss or other incident which may give rise to an insurance claim.

16 Monitoring and Review

Outcomes will be monitored and reviewed by regular internal checks and scrutiny by senior management. Effectiveness of this policy and any associated procedures will also be monitored by the Trust FARR Committee, supported by External Audit, including the Regularity Audit, and regular testing by Internal Audit. Audit results will be presented by regular written reports to the Trust FARR Committee. Findings and recommendations will be used to revise this policy and associated procedures, and this will be undertaken by referring any recommendations for changes to the Trust FARR Committee.

Key Performance Indicators of the success of this policy are:

- No inappropriate use of money
- Adherence to budgets
- Value for Money being demonstrated
- Expenditure targeted on key priority areas
- Timely reports to Board, DfE and others

- Up to date, accurate records

APPENDIX 1 – DELEGATED LEVELS OF AUTHORITY

Account Details		Non-Payroll	Payroll	
Budget Holder (Including any Interim appointment)	Budget Reason	Authorised to commit up to (in one or more related transactions) : (Budgeted)	Routine Payments up to:	Discretionary Payments up to:
		£	£	£
Middle leaders:				
All Curriculum Leaders	Departmental Budget	£500		
Assigned Budget Holders	Assigned Budget (e.g ICT, Careers)	£500		
IT/Site Manager	Premises Budget	£1,000		
School Business Manager (Primary)	Purchase Orders Only	£500		
School Business Manager (Secondary)	Purchase Orders Only	£5,000		
Trust Finance Manager	All	£12,000		
Assistant Headteacher	Departmental/Assigned Budget	£5,000		
Deputy Headteacher	All	£7,500		£250
Headteacher	All	£12,000		£1,000
CEO	All	£50,000	£7,500	£7,500
CFOO	All	£25,000	£5,000	£5,000
Director of Operations	All	£15,000		
Main Board	All	No Limit	No Limit	No Limit
Chair or Vice Chair or FARR	All	£75,000	£10,000	£10,000

Asset Disposal/Bad Debt Write-Off/Budget Virement			
	Asset Disposal up to:	Bad Debt Write-Off up to:	Budget Virement up to
Headteacher, CEO or CFOO	£10,000	£1,500	£10,000
Chair or Vice Chair or Finance	£25,000	£5,000	£20,000
Premises & HR sub-committee			
Main Board	No Limit	£250,000	No Limit

Board

Approving severance and compensation payments up to £50,000, after which they must seek the DFE's prior approval.

Approving property lettings over one year and/or £5000. DFE approval required if taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years

Appendix 2 – Purchasing

Budget holders will be informed of the budget available to them once the budget is finalised. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget holders can request a report from the Trust Finance Manager/School Business Manager detailing actual expenditure against budget from the system.

Routine purchases of up to £500 can be ordered by budget holders (£1,000 for the Site Manager). In the first instance, a supplier should be chosen from the list of approved suppliers maintained by the Trust Finance Manager. An internal purchase requisition form must always be completed detailing the product price and information before any order is placed. Internal requisition forms should be submitted to the Finance Assistants to input the order on the finance system. Budget holders with an Access accounting account can place orders directly on the system without an internal requisition form. This order will then be authorised prior to purchase by the appropriate authoriser per Appendix 1.

If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, the reasons for this decision must be discussed and agreed with the Trust Finance Manager. If a new supplier is requested, a new supplier request form must be completed and submitted by the Finance Assistants. To change any supplier details, a supplier amendment form must be completed and submitted by the School Business Managers/Finance Assistants to the Trust Finance Manager's email address attaching any external documentation.

All orders must be made, or confirmed, using an official order requisition. Orders must be authorised electronically and checks made that sufficient budget is available. When the School Business Managers/Finance Assistants convert the requisition to an order, a secondary check will take place to ensure adequate budgetary provision exists before processing.

The School Business Manager/Finance Assistants must make appropriate arrangements for the delivery of goods to the school. On receipt they are responsible to ensure that a detailed check of the goods received against the goods received note (GRN) is undertaken and a record of any discrepancies between the goods delivered and the GRN is submitted to the Trust Finance Manager. School Business Manager/Finance Assistants should discuss the discrepancies with the supplier of the goods. The School Business Manager/Finance Assistants are responsible for processing the goods received against the order on Access. No invoice will be processed until goods received has been completed. All GRN will be uploaded to Access.

If any goods are rejected or to be returned to the supplier, the school should contact the supplier to make arrangements and keep a detailed record of the process. Updates should be given to the budget holder and central finance manager on a regular basis.

Where paper copies of invoices are received at the individual schools, the School Business Manager/ Finance Assistants will input these onto Access within 5 days of receipt.

The School Business Manager/Finance Assistants will check an order has been goods received and will then input the invoices onto the system and attach a scan of supporting documentation.

Non-order invoices should be limited to only where absolutely necessary, for example regular fixed expenditure such as utilities. Where invoices are received for goods or services for which the Trust Finance Manager deem an order should have been placed, the School Business Manager/Finance Assistants and budget holder will be informed and reminded of the requirement for orders to be placed to ensure accurate budget

monitoring and appropriate authorisation prior to procurement. If this reminder does not rectify the position, the Trust reserves the right to follow capability and/or disciplinary procedures.

For invoices received where an order has not been placed, the School Business Manager/Finance Assistants will input the invoices onto the system as a non-order invoice. Once uploaded the invoice will be authorised by the nominated authoriser based on limits set in Appendix 1.

Every week, or every two weeks during school holidays, the School Business Manager/Finance Assistants will review the invoices due for payment via BACS. The BACS payment will be checked and reviewed by the School Business Manager/Finance Assistants and uploaded to online banking to be authorised by two of the nominated authorisers (See Appendix 1). Invoices will only be paid in accordance with their due date. There is segregation of duties between the processing of orders/invoices and the authorising of payments.

Appendix 3 – Charge Card Procedures

All requests for charge card spend should be sent by the school to the CFOO explaining the need for a card and the CFOO will challenge that need and either agree or not to the issue.

The Trust charge cards will be managed by the Trust Finance Manager. All requests for new purchasing cards, in line with the approved persons per this policy, should be sent to the CFOO for approval.

When an authorised user ceases employment with the Trust, the charge card should be immediately returned to the Trust Finance Manager and they will then ensure that the card is cancelled once the balance is cleared.

The School Business Manager/Finance Assistants are appointed to control the use of the cards and to oversee the following:

- Cards should be stored in a locked safe at all times except when officially issued to an authorised user.
- The minimum spending limit on the card is £1 and the maximum spending limit is as described above for each user. Limits can be increased for a small period of time at the discretion and approval of the CFOO following a written request.
- An internal order requisition should be completed for all charge card purchases and authorised by both the budget holder and authorised user before the transaction occurs.
- Cards should only be used by the authorised user.
- Cards can only be used in conjunction with the core purpose of the Trust and with the exception of emergency needs, expenditure on the card should be within the approved budget and for purchases where it is not possible to set up a supplier for ordering purposes. Acceptable areas of use are detailed below.
- Receipts/invoices for all goods and services purchased with the charge card, including details of the nature and cost of those goods, should be returned to the authorised user who is then responsible for providing these to the Trust Finance Manager.
- The authorised user should complete all details in the charge card log as soon as the card is used.

The Finance Team should ensure that charge card transactions are processed on the system and reconciled to the bank statement on a monthly basis, in a timely manner and in line with the month end checklist (appendix 10).

If a receipt is lost, a lost receipt authorisation form must be completed and authorised by the Headteacher and CFOO or CEO (appendix 8).

A monthly statement will be issued by the charge card provider and the statement total paid by direct debit.

Acceptable Use of the charge card is as follows:

- Hotel Accommodation
- Train Tickets
- Hospitality
- Courses and Conferences
- Educational Visit Tickets
- Supermarket/Food Purchases
- Fuel for School Minibuses
- Free School Meal Vouchers

Appendix 4 – Competitive Tendering for Larger Purchases Policy

1. Purchasing

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

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the school;
- Accountability, the school is publicly accountable for its expenditure and the conduct of its affairs;
- Fairness, that all those dealt with by the school are dealt with on a fair and equitable basis.
- Value for Money, the School shall aim for:
 - Economy, minimising the cost having regard to appropriate quality
 - Efficiency, an appropriate relationship between outputs and costs
 - Effectiveness, the achievement of the intended outputs

2. Routine Purchasing

Routine purchases up to £5,000 can be requested and are authorised as per Appendix 1. A quote or price must always be obtained before any order is placed. The Trust Finance Manager have a list of regularly used suppliers, however, if the purchaser considers that better value for money can be obtained by ordering from a supplier not regularly used by the School then this must be discussed with the finance team.

3. Tendering

Formal tendering procedures should be followed for purchases or contracts over £50,001.

4. 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.

1. Open Tender

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the CFOO 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.

2. Restricted Tender

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

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering,
- risk regarding confidential information provided in the tender that should not be uploaded into the public domain for safety and security purposes.

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 or high health and safety/pupil safety/organisational risks exists,
- additional deliveries by the existing supplier are justified.

The tendering method must be agreed in advance with the CFOO. Final approval will be provided by the CEO/Trust Board.

5. Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills, qualifications and capabilities required
- after sales service requirements
- form of contract.

6. Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry. An invitation to tender should include the following:

- Introduction/background to the project;
- Scope and objectives of the project;
- Technical requirements;
- Implementation of the project;
- Explanation of how the tenders will be evaluated
- Terms and conditions of tender and;
- Form of response.

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

For any tenders received electronically these should be submitted to the designated email address out-lined in the invitation to tender and clearly marked to indicate they contain tender documents. For any hard copy tenders received the envelope should be time and date stamped on receipt and stored by the designated tender issuer securely prior to tender opening. Any tenders received after the submission deadline should not normally be accepted and must be approved by the CFOO.

7. 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 considered 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

- Insurances
- Pre-sales demonstrations
- After sales service
- Financial status of supplier and review of submitted accounts on public record. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service.

8. Tender Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

9. Opening and Evaluating Procedures

1. All tenders submitted should be opened at the same time and the tender details should be recorded in the presence of two people, one being the tender issuer.
2. A separate record should be established to record:
 - the nature of the goods or materials to be supplied or the works or services to be provided;
 - the name of each supplier or sub-contractor quoting/tendering;
 - the date and time of receipt of each quotation/tender;
 - the date and time of opening of the quotations/tenders;
 - the amount of each quotation/tender;
 - evaluation criteria and results
 - the name of all persons present at the opening of the quotations/tenders.

This record must be signed by two people present at the tender opening.

Tenders will be evaluated on both price and quality to determine the most advantageous offer. The scoring methodology will be determined by the tender issuer and bespoke to the contract required. This may include using a weighted percentage or evaluation based on criteria such as:

- Total cost
- Resourcing
- Implementation
- Relevant experience and expertise.

10. Tender Limits

Number of Bids/Tenders	Order Value	Designated Authority
1 bid or negotiation	Less than £5,000	Budget Holder
Two bids	£5001-£10000	See appendix one
Three bids	£10,001 - £50,000	See appendix one
	£50,001 - £139,687	See appendix one

Tender bids	Over £139,688	Find a Tender Service Compliance
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Contracts will be approved by the designated authority as set out in the Tender limit table above.

Full records should be kept of all criteria used for evaluation and decisions made.

A report should be prepared for the Trust FARR Committee highlighting the relevant issues and decisions made or recommending a decision for Committee approval, depending upon tender authorisation thresholds.

Dependent upon the service required, once a decision is made there may be a standstill period for a short (at least 10 calendar day) pause between the point when the contract award decision is notified to bidders and the final contract conclusion, during which time suppliers can challenge the decision.

11. Capital Monitoring

Where required by the terms and conditions of specific grants, submission of project details and spend will be provided to the relevant body.

Appendix 5 – Income

The Trust Finance Manager ensures that estimates for all income are included in the budget and that all income due to the school is collected.

All lettings are managed by Vivify (secondary schools only). A record of lettings is monitored by the CFOO and invoices raised by the School Business Manager monthly and in accordance with V.A.T. requirements.

The Trust Finance Manager will identify income due to the school. Where invoices are required, they are issued within 30 days and in accordance with V.A.T. requirements.

For income received, the Finance Assistants and School Business Managers are responsible for collecting and ensuring this is received. An aged debtors report should be run monthly to ensure no overage debts are present. Other records are maintained for small amounts of income and remittances are held by the finance team.

In the instances only where cash and cheque payments are approved, these should be locked in the fireproof safe and not exceed the agreed insurance limits. All income is banked with two weeks of receipt and reconciled against the receipts.

Appendix 6 – GAG Pooling Policy

Introduction

Schools' main source of income is from the DFE's General Annual Grant (GAG). This is calculated at individual school level using a number of measures (largely dictated by the Department of Education DFE) to calculate the annual funding allocation per pupil. The minimum funding level for primary pupils as at 1 September 2025 is £4995 and secondary £6465 which increases year on year as determined by the DFE. The GAG funding is not based on school need, OFSTED grading or current level of reserves, but on pupil numbers.

Schools also receive other 'earmarked' restricted funding, such as Pupil Premium, SEN 'top-ups' and PE and Sports Grants.

The Trust Executive Team and the cost of delivering the Core Service Agreement is met from levying a charge of GAG to each school, as minuted by the Board on an annual basis.

Many Trusts have now identified GAG to ensure that funds are targeted to where it is needed rather than based on a formulaic funding model. GAG is pooled and fund the Trust's operational costs, covering centralised functions, staffing and contracts and teaching and learning budget is then allocated to each school.

Budget Management

The budget management and financial management cycle follows the following principles:

- Budgets are agreed with the Executive Team each year and approved by the Trust Board in June/July for the following academic year
- Staffing structures are agreed annually and any changes are requested and reviewed by Executive Team, mindful of curriculum led financial planning
- A budget tracker is completed to monitor any virements, budgets and forecast budgets.
- Approval is needed from the CEO for any adjustments that negatively impact on the agreed budget via a business case with the CFOO
- The capital plan (estate condition) is reviewed constantly and approved by the Board regularly – the associated costs come predominantly from each schools' revenue funding
- The ICT capital plan is reviewed annually and approved by the Board
- Financial accountability sits with Trustees, not Local AGBs
- Smaller contracts are negotiated at school level and/or Executive Team
- Invoices and orders are processed at school level and/or Executive Team
- Monthly management accounts are produced at consolidated level, detailing budgets vs actuals and explaining any variances.

Process

- All General Annual Grant (GAG) allocations for schools and other non-earmarked funds will be pooled centrally and all operational costs will be funded from this central pool. Operational costs include the following: -
 - Executive Team
 - School Improvement Offer
 - Capital Estates and ICT Strategy
 - General School Staffing
 - Contracts
 - Premises occupation costs e.g. central office cost

- Educational funds will be delegated to the schools. These include the following:
 - Educational resources such as books, educational software, educational equipment
 - Resources to deliver the approved School Improvement Plan
 - Resources to deliver earmarked non-GAG fund costs e.g. Pupil Premium, Catch Up funding, SEN etc.

Benefits

Education Learning Trust is one legal entity - a collective with a shared vision. Having pooled GAG income will represent value for money and target where it is needed the most to improve teaching and learning of pupils across the whole Trust.

The Trust has a clear vision and GAG pooling will ensure that sufficient resources are targeted to adequately resource and deliver the vision for its constituent schools.

In addition, GAG pooling enables the development of a Trust wide School Improvement Team, creating development opportunities for staff and facilitating better collaborative working.

Occasionally, individual schools within the Trust face temporary hardship, either through low pupil numbers or capital needs. GAG pooling allows individual schools to apply to access pooled reserves to support such needs.

GAG pooling ensures that funding is targeted where there is the greatest need, ensuring that no child is disadvantaged due to historic school funding formulas.

Further centralising financial systems reduces school level admin and bureaucracy and frees up school leadership time to focus on strategic development and pupil outcomes.

Pooling GAG can also support the delivery of:

- The Trust ICT and Estate Strategy and ensure that school building and ICT is fit for purpose.
- Centralising procurement and contracts creating better economies of scale through shared procurement/contracts.

The target level of GAG should ensure that sufficient funds are held to enable the Trust to manage any financial risk, in the short term that may result from the following:

- Short term fluctuations in income e.g. lagged funding in relation to pupil numbers
- Funding of unforeseen expenditure e.g. urgent maintenance work,
- Funding of capital projects e.g. building improvement works
- Delivering a robust programme for renewal and replacement of school assets e.g. ICT hardware
- Funding of staffing costs that cannot reasonably be reduced within the required timeframe with a view that longer- term, cost savings will be made
- Funding of redundancy costs/severance payments to facilitate cost reductions moving forward
- Funding of staffing costs to support additional resources in teaching and learning as considered necessary by the Trust.

This centralisation will ensure internal control arrangements within the Trust are operating effectively and provide assurances over the application of public funds.

GAG Pooling will assist in strategic planning across the Trust to achieve maximum impact on pupil outcomes and experiences.

Work in Progress

In order for the Trust to create the right environment for GAG pooling, the following need to be undertaken to identify the level of funding required for the central services and each setting to be able to best meet pupil outcomes within the shared budget. These tasks are currently ongoing:

- Establishing one single central bank account to receive GAG funds
- Benchmarking staffing structures across the Trust and proposing central Trust and school level staffing structures

Appeals Process

The Academy Trust Handbook stipulates that there must be an appeal process in place for constituent schools:

"The MAT must consider the funding needs and allocations of each constituent school, and must have an appeals mechanism. If a constituent school's feels the school has been unfairly treated, they should appeal to the Trust. If the grievance is not resolved, they can appeal to the Secretary of State, via DFE, whose decision will be final and who can dis-apply the pooling provisions."

- Headteacher of the school to write to the Chief Executive Officer (CEO) outlining why the school has been unfairly treated as part of this arrangement and what action they expect to be taken to rectify it.
- The Executive Team will review each school appeal on an individual and Trust wide basis and reply to the constituent school within 10 days of receipt of the appeal.
- Should the Headteacher feel that their school has still been unfairly treated by the CEO, they have the right to appeal to the Trust FARR Committee who will discuss this at the next meeting and write back to the school within 10 days of that meeting.
- Should the Head or Executive Head still feel that their school has been unfairly treated by the Trust FARR Committee, they have the right to appeal to the Secretary of State. The decision by the Secretary of State will be final.

Appendix 7 – Reserves Pooling Policy

Introduction

Education Learning Trust (ELT) has established a reserves policy to protect its activities by providing a financial comfort zone against an unpredictable financial environment and to make sufficient provision for future cash flow requirements and capital procurement. The reserves policy also provides the framework for future strategic planning and decision-making. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of ELT.

The reserves policy and the establishment of ranges is based upon an annual risk assessment of the internal and external operating environment, as well as having a due regard for the nature of activities undertaken by the Trust for its beneficiaries.

Definitions

Revenue income: Includes all sources of income that are reported within the Unrestricted and Restricted Funds, and any amounts of capital funding used for revenue purposes. This does specifically exclude the Pension Fund income.

In-year revenue deficit: The in-year deficit generated on the Unrestricted and Restricted Funds, and any amounts of capital funding used for revenue purposes, but excluding Pension Funds.

In-year revenue surplus: The in-year surplus generated on the Unrestricted and Restricted Funds, and any amounts of capital funding used for revenue purposes, but excluding Pension Funds.

Deficit revenue balance: The overall deficit position on the Unrestricted and Restricted Funds, including the pooled funds and any amounts of capital funding used for revenue purposes, but excluding the Pension Fund.

Surplus revenue balance: The overall surplus position on the Unrestricted and Restricted Funds, including the pooled funds and any amounts of capital funding used for revenue purposes, but excluding the Pension Fund.

Types of reserve

Unrestricted

Reserves

Unrestricted Reserves (including Designated Reserves) are derived from income funds, grants or donations that can be spent at the discretion of the Executive Team in furtherance of any of ELT trust objectives.

If part of an unrestricted income fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Executive Team's discretion to spend the fund. Unrestricted Reserves will be achieved through operational efficiencies and any trading activities undertaken by ELT.

Unrestricted Reserves are generally defined as funds held after excluding:

- Endowment funds (permanent & expendable);
- Restricted funds;

- and funds that can only be generated on the sale of fixed assets used for charitable purposes.

The cumulative target range for Unrestricted Reserves has been established at equal to at least one total expenditure for the Trust.

Restricted Reserves

Restricted Reserves may be restricted income funds, grants or donations that are spent at the discretion of the Executive Team in furtherance of some particular aspect(s) of the objects of ELT; or where the nature of expenditure has been defined by the donor; or they may be endowment funds, where the funds or assets are required to be invested or retained for actual use, rather than spent. Restricted Reserves are only available for expenditure once ELT has met its commitments and other planned expenditure and is in accordance with the limitations outlined in the original funding.

The cumulative target range for Restricted Reserves (Revenue) has been established at equal to at least one month's salary costs for all staff, excluding the impact of the Pension Deficit/Surplus.

Restricted Reserves also are inclusive of capital items and are defined as Restricted Fixed Asset Reserves. This reserve is specifically held for capital purposes in furtherance of some particular aspect of the objectives of ELT.

All Restricted Reserves will be generated through improved operational efficiencies and effective manpower planning and resourcing in addition to a proactive programme to identify relevant sources of income generation.

Designated Reserves

Designated Reserves are reserves that have been set aside at the discretion of the Trustees in furtherance of any of the MAT's objectives. Where a designation has been identified, the purpose and timing of any expenditure must be explained.

The target range for any Designated Reserve will be determined by the nature of the designation itself; the reserves will be derived from unrestricted and restricted funds where applicable.

Pension Reserve

The risks surrounding any pension liability have been taken into consideration when calculating the target ranges. The presence of a pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean that the equivalent amount is already committed or no longer available to ELT.

The presence of a pension surplus or deficit will generally result in a cash flow effect for ELT in the form of an increase or decrease in employers' pension contributions over a period of years. ELT is confident that it can meet the required pension contributions from projected future income without significantly impacting upon its planned level of activities.

ELT continues to calculate its reserves without setting aside a designated reserve to cover the pension liability.

Management of Reserves

Reserves held in excess of the target percentage will be reviewed by the Executive Team & Trustees on a regular basis and an appropriate range of options will be considered which might include:

- releasing the funds into the revenue income budget for the forthcoming academic year (in furtherance of ELT's objectives);
- assigning funds to appropriate designated reserves as may be determined by ELT; or
- investing the funds to generate further income to allow expansion of ELT's work.

The movement of funds to and from the reserves identified (other than movements from restricted to unrestricted) above will be at the discretion of the Trustees (via the FARR Committee), subject to the

restrictions which will remain attached to Restricted Funds (Revenue and Capital) and their use. The movement of funds from restricted to unrestricted must be subject to obtaining appropriate consent from the original donor of the funds.

Brought forward reserves to be pooled for ELT

For all of the constituent schools, ELT will pool all reserves brought forward that relate to each of the income streams that can be found from the GAG allocation statement and those reserves from operational/commercial activities. All of the other funds brought forward will remain within each of the constituent schools.

Schools joining ELT and treatment of reserves

On conversion or transfer into ELT, all funds (surplus or deficit) relating to income streams that form part of the reserves identified will be pooled for sponsored schools. For schools joining the trust voluntarily, agreement can be sought for reserves to be retained with the school for the first two years and that they can spend up to 5% of the reserves on planned and approved activities, within those first two years. Unofficial school fund balances will remain with the constituent school/school joining and will not form part of the pooling arrangement, unless specifically agreed as part of the legal conversion or transfer documentation (e.g. ELT agrees to use part of the surplus reserves to fund a particular project on conversion or transfer).

Where balances are transferred into ELT and do form part of a legal or transfer document, the balance will be managed and reported in line with that legal conversion or transfer documentation.

Other balances transferred in, that are not subject to any legal or transfer documentation, will be managed, monitored and reported on a constituent school basis, until the balance transferred in reduces to £Nil.

Schools leaving ELT and treatment of reserves

If ELT is in a surplus restricted revenue reserve position

If a constituent school leaving the Trust has a deficit revenue balance, from the non-GAG pooled restricted revenue income, the constituent school will leave ELT with that deficit revenue balance.

If ELT is in a deficit restricted revenue reserve position

If a constituent school leaving the Trust has a deficit revenue balance, from the non-GAG pooled restricted revenue income, ELT will calculate the constituent school's share of the GAG pooled deficit revenue balance, which will be added to the deficit revenue balance that the constituent school will leave ELT with. The calculation of the constituent school's share will be based on pupil numbers. For example, if the constituent school leaving the Trust has 250 pupils and ELT as a whole has 2,500 pupils (including the constituent school leaving ELT), the constituent school's share of the GAG Pooled deficit revenue position will equate to 6%.

If a constituent school leaving the Trust has a surplus revenue balance, from the non-GAG pooled restricted revenue income, ELT will calculate the constituent school's share of the GAG pooled deficit revenue balance, which will be deducted from the surplus revenue balance that the constituent school will leave the Trust with. The calculation of the constituent school's share will be based on pupil numbers. For example, if the constituent school leaving ELT has 250 pupils and ELT as a whole has 2,500 pupils (including the constituent school leaving ELT), the constituent school's share of the GAG Pooled deficit revenue position will equate to 6%.

Appendix 8 – Lost Receipt Form



LOST RECEIPT CERTIFICATION FORM

If an original receipt is lost, the requester must ask the place of purchase for a duplicate. If the place of purchase is unable to provide a duplicate the requester must indicate that they attempted to secure a copy of the lost receipt.

This certification confirms:

- A. No original receipt is available for this expense. Please check applicable statements below.
- B. A duplicate receipt obtained from place of purchase is attached.
- C. The place of purchase is unable to provide a duplicate receipt. Proof of payment is attached (i.e credit card statement, cancelled check)
- D. Other explanation

Please provide details below:

Amount: _____

Date Expense Incurred: _____

Place of Purchase: _____

Description of Expense: _____

Please provide signatures: _____

Requester signature: _____

Headteacher signature: _____

CFO/CEO authorisation: _____

Appendix 9 – Recruitment Authorisation Form



Recruitment Authorisation Form

School name: _____

Job Title: _____

Teaching or Support Staff: _____

Employment Type: ☐ Full-time ☐ Part-time or Term Time ☐ Contract ☐ Fixed Term/Maternity

If Part time/Term time provide working hours/working weeks:

Salary Grade & Range: _____ **TLR:** _____

Budget Code/Cost Centre: _____ **Proposed Start Date:** _____

Reason for Recruitment:

- ☐ New Role (expansion)
- ☐ Replacement (due to resignation/termination)
- ☐ Internal Transfer/Promotion Backfill
- ☐ Other: _____

Why is this role required (i.e. replacing leavers). If replacing the current role, who is leaving and what is their leaving date:

Recruitment Source: ☐ Internal ☐ External

Advertising source (i.e. TES) _____

Approved by: _____

Headteacher: _____

Date: _____

CEO/CFOO ELT: _____

Date: _____

☒ Once approved, schools may proceed with recruitment.

Appendix 10 – Month End Checklist

School Name:
Period:
Month and Year

	Person Responsible	Task Complete	Date	Completed By
1 Transactional Processing				
Purchase orders reviewed and cancelled if necessary	Schools	☐		
Purchase invoices	Schools	☐		
Sales invoices <i>including lettings</i>	Schools	☐		
Income Journals	Schools	☐		
Expenditure Journals	Schools	☐		
DD Journals	LH	☐		
Post top slice journal as per top slice schedule	SC	☐		
Transfer top slice money from schools to Trust	SC	☐		
<i>Ensure all evidence uploaded to Access</i>				
2 Payroll Reconciliation				
Payroll Reconciliation	SC	☐		
Payroll Journal to control account	SF	☐		
Net Pay BACS from bank entered in current period	SC	☐		
3 Bank Reconciliation				
Bank Account Unreconciled Report Checked: ☐				
a) No remaining Open Items In Bank	SC	☐		
b) Open Items In Books reviewed and out of date/incorrect entries reversed	SC	☐		
c) Confirm that Bank Reconciliation Agrees	SC	☐		
4 Credit Card Reconciliation				
Credit Card expenditure transactions entered on Access	Schools	☐		
Credit Card payment entered on Access and allocated to expenditures	Schools	☐		
Credit Card statement uploaded and reconciled	Schools	☐		
5 Petty Cash Reconciliation				
Ensure all transactions are posted and reconciled	Schools	☐		
Complete Petty Cash Tab	Schools	☐		
6 VAT Submission				
Prepare VAT Report	SC	☐		
VAT Report reviewed and any 'Further Details Required' transactions corrected	SC	☐		
VAT 126 Submitted	SC	☐		
7 Accruals and Prepayments				
Add prepayments to the Accruals and Prepayments Form	Schools	☐		
Add deferred income/Accrued income and Accrued Expenditure to Spreadsheet	SC	☐		
Calculate pay accrual if appropriate	SC	☐		
Post Accruals and prepayments	SC	☐		
<i>Prepayments - Spend that relates to future months</i>				
<i>Deferred Income - Income received in advance</i>				
<i>Accrued Income - Income that is expected but not received</i>				
<i>Accrued Expenditure Spend that relates to current and future months but not paid</i>				
8 Budget reforecast				
Ensure all changes are captured in the working budget	SF/Schools	☐		
Import working budget into Access	SC	☐		
9 Other Checks and balances				
Confirm aged creditors reports total matches TB	Schools	☐		
Review aged creditors and provide comments as appropriate	Schools	☐		
Confirm aged debtors reports total matches TB	Schools	☐		
Review aged debtors and provide comments as appropriate	Schools	☐		
10 Fixed Assets				
Ensure Fixed Assets purchased within the month are added to the FA register	SC	☐		
Calculate and post depreciation	SC	☐		
11 Reporting				
Management Accounts for Schools - <i>Includes comments from finance staff</i>	SC	☐		
Consolidate Trust Management Accounts	SC	☐		
a) Add commentary on variances	SC	☐		
b) Calculate KPIs	SC	☐		
c) Prepare cash flow forecast	SC	☐		
b) Review Balance Sheet	SC	☐		
Notes:				
Authorisation				
Signed (ELT Finance):			Date:	
Countersigned (CFOO):			Date:	

Appendix 10 – Petty Cash Form



School Name:
Period:
Month and Year

Petty Cash Reconciliation

Amount	Number held	Cash in hand
£50.00		£ -
£20.00		£ -
£10.00		£ -
£5.00		£ -
£2.00		£ -
£1.00		£ -
£50.00		£ -
£0.20		£ -
£0.10		£ -
£0.50		£ -
£0.20		£ -
£0.01		£ -

Total Cash in hand A £ -

Total Cash in Access B £ -

Difference (Should be 0.00) £ -

Authorisation

Signed Finance Team Member:

Date:

Countersigned (E.L.T.):

Date:

Monthly Reporting Timetable

Period	Month	School Posting Date Deadline on Access
1	Sep-24	07-Oct-24
2	Oct-24	07-Nov-24
3	Nov-24	06-Dec-24
4	Dec-24	10-Jan-25
5	Jan-25	07-Feb-24
6	Feb-25	TBC
7	Mar-25	TBC
8	Apr-25	TBC
9	May-25	TBC
10	Jun-25	TBC
11	Jul-25	TBC
12	Aug-25	TBC