



# Financial Management Manual

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November 2019

Version 4.0

**Agreed by Finance & Audit Committee on 7 November 2019**

**Due for annual renew by Finance & Audit Committee in November 2020**

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## **RELATED DOCUMENTS**

Scheme of Financial Delegation

Bank Mandate and Signatories

Accounting Guidance (incl. FMS set-up; Year-end procedures; Key control account reconciliations; Inter-charging process; Management Accounts template, Training Materials)

Staff Business Declaration Form

Conditions of Service for Self-Employed Consultants

Academies Financial Calendar:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/822660/Academies\\_planning\\_calendar\\_2019\\_to\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/822660/Academies_planning_calendar_2019_to_2020.pdf)

### **Other linked documents**

Finance & Audit Committee Terms of Reference

Charging and Remissions policy

Pay Policy

Whistleblowing Policy

BMDS 16 – 19 Bursary Policy; Music Bursary Policy

Lettings Conditions of Use

## 1. INTRODUCTION

The purpose of this manual is to ensure that The Tenax Schools Trust (the “Trust”) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly across the Trust to meet the requirements of its funding agreements with the Education and Skills Funding Agency (ESFA).

Each School within the Trust must comply with the principles of financial control outlined in the academies guidance published by the ESFA in the Academy Funding Agreement and the Academies Financial Handbook. This manual expands on some of these principles and provides more detailed information on the Trust’s framework for internal control and financial procedures. The Academy Funding Agreement and the Academies Financial Handbook, together this manual and its appendices, should be read by all staff involved with financial systems and processes and copies made available as necessary. This manual also provides a standardised approach to all finance related tasks within the Trust. This should supersede any existing school level policies or procedures.

Compliance with the contents of this manual is mandatory and any contravention of procedures must be brought to the attention, in the first instance, to the Chief Financial Officer (CFO) who reports to the Accounting Officer. For the Trust the Accounting Officer is the CEO.

All staff who deal with financial matters should be aware of the appropriate controls and procedures and be sufficiently skilled and experienced to perform their role competently and in accordance with their assigned responsibilities. Training should be made available where necessary. **Roles and responsibilities at school level should be recorded and a plan in place to cover for any staff absences.**

**All staff should be aware of the Trust’s whistleblowing policy** and to whom they should report any concerns regarding malpractice and wrongdoing. Any suspected financial irregularity will be reported to the DfE.

The Trust’s Finance & Audit Committee will be responsible for reviewing all controls and procedures of financial systems operating within the Trust.

## 2. FINANCIAL RESPONSIBILITIES

The Academies Financial Handbook, as recognised in the Trust’s Governance Plan, sets out the responsibilities of the DfE, ESFA, Members, Trustees and the Trust’s Accounting Officer and Chief Financial Officer. This part of this manual defines the financial responsibilities of the Trust’s Chief Financial Officer (CFO), Headteachers, and Finance staff.

### Role of the Chief Financial Officer

The Trust has appointed a Chief Financial Officer (CFO), who works in close collaboration with the Chief Executive Officer (CEO) through whom she is responsible to Trustees. The CFO also has direct access to the Headteachers. The CFO need not discharge all of their duties personally. The Trust may decide that its needs are adequately served by employing staff or contractors with the relevant skills and knowledge at the appropriate time (e.g. when accounts are being prepared).

The main responsibilities of the CFO are:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Trust’s central budget and individual schools
- management of the Trust’s financial position at a strategic and operational level within the framework for financial control determined by the members and directors
- preparation of budget plans in conjunction with the CEO and Headteachers
- the maintenance of effective systems of internal control and audit
- maintenance of adequate fixed asset registers

- liaising with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly monitoring, including income and expenditure reports, cash flow forecasts and a balance sheet
- ensuring that school returns to the ESFA are submitted according to published deadlines
- additional roles, some of which are not directly finance related, as outlined in the CFO's job description

### **The role of the Headteacher**

The day-to-day operation of the budget is delegated to the school's Headteacher, who will be responsible for:

- preparing the school improvement plan and school budget in accordance with priorities agreed by the CEO
- managing internal control systems and internal financial transactions
- maintaining adequate financial records in accordance with this manual and the Tenax Records Management Policy
- providing a monthly budget monitoring report to CFO. This should report any variations against the approved budget plan
- monitoring the school cash flow
- providing access to accounting and other relevant records for Audit, including school fund(s), and implementing auditor recommendations where necessary
- checking that the school inventory is maintained as accurately and up to date as possible
- recommending to CFO equipment to be written off or disposed of. Ensuring that disposal of such equipment is adequately recorded and that the disposal of assets is conducted in an open manner and where income generated from disposal is maximised. Ensuring that stolen items are reported to the CFO before formal approval to delete that item from the inventory/asset register
- ensuring that adequate procedures are in place for the prompt security marking of all valuable items of a portable and desirable nature
- ensure that adequate controls are in place to ensure that all responsibilities delegated are monitored
- agree if it is appropriate to have any budget holders, and if so who these should be and advise the SBM accordingly
- maintain a central file of all submitted applications for grant funding and counter sign for audit purposes

### **The role of the School Business Manager (or equivalent)**

The Headteacher may delegate financial procedures to the other members of staff in a school, typically the School Business Manager (SBM). The role of the SBM, or equivalent officer, should be defined in a job description and may include:

- providing budget monitoring /outturn monthly reports for the Headteacher to present to the CFO
- submitting pay returns to payroll as appropriate
- reviewing the monthly salary reports, noting and resolving any queries and confirming they are accurate and
- ensuring that invoice checking procedures are followed
- ensuring that, in conjunction with the Headteacher, authorisation of orders, invoices and financial schedules are in accordance with this document
- prompt and accurate banking of income and associated recording of income
- operating the local expenditure bank account (cheque book &/or BACS scheme)
- managing cash flow so as to ensure the school has sufficient cash to meet its needs administering the recording of income received, and payments made from the school fund. Retention of all documents such as collection records and receipts to support the transactions processed through the school fund. Preparation of the year end summary of transactions for inspection,
- assisting in the maintenance of an accurate inventory and associated security procedures
- assisting in the preparation of the budget, and three year plan, and the financial returns to the ESFA

- providing such assistance to the CFO/CEO and Board of Directors and their committees as necessary for the satisfactory compliance with the finance manual and completion of their financial responsibilities, including access to all financial documents and accounting systems.
- Completing monthly checks as per guidance notes including account reconciliations and monthly monitoring

### The role of budget holders

The Headteacher may delegate responsibility of areas of the allocated budget to a named individual, the budget holder. In Primary Schools, it is likely that the Headteacher or SBM will remain the budget holder for most cost centres. When budgets are allocated to individual 'cost centres' or teams, if appropriate, the initial budget should be compiled with the participation of whoever will be responsible for its control and performance and the outcome of any budget decisions should be communicated to all relevant staff. Budget holders are responsible for:

- ensuring that all commitment and expenditure is within limits of approved budget for your cost centre and within the limit of delegated authority
- ensuring only purchases are made for which the funds were allocated
- managing the budget in a prudent manner and ensure that value for money is achieved
- notifying the SBM of any potential overspend or variation to approved budget
- completing and authorising an order requisition (on school's standard form) for commitments
- ensuring that invoices for expenditure against budget are for goods or services properly ordered, have been received, confirmed to specification and are of satisfactory standard. If so, authorising the invoice promptly for payment and return it to Finance Office.

### The role of school staff

The role of staff in school financial administration is:

- conducting all financial transactions relating to the school in accordance with this manual
- actively seeking 'best value' on all work, goods, materials or services procured on behalf of the school
- ensuring that all relevant documents (delivery notes, invoices etc.) are promptly passed to the SBM, or equivalent, for processing

## 3. LEVELS OF FINANCIAL AUTONOMY

The Trust protocol is for all schools to have the maximum level of autonomy needed for the Trust's effective functioning. However different schools will be more or less successful/able in managing their financial systems and procedures as well as in reacting to adversity caused by sudden changes and/or unexpected difficulties. It is the role of the CEO, CFO and the Finance & Audit Committee to identify what is happening, whether there are remediable issues or not, and what would most effectively improve upon them. Reductions in autonomy will be situation dependent and decided on the basis of the following financial deviance procedure. All reductions in autonomy will be detailed for the Headteacher having its autonomy restricted along with detailed recommendations for actions necessary to facilitate improvement and to move the school back to a higher level of autonomy. It will include timescales for the improvement, performance criteria for the improvement to be deemed successful and how the return to a higher level of autonomy would be effected.

Level of Financial Autonomy	Control Over	Identification	Notification of move reducing autonomy to next level down
<b>3 - Complete</b>	All aspects of financial and budgetary management, staff	CFO: Through regular financial and	Verbal highlighting of issues by CFO to CEO and Headteacher to enable

	employment, resource procurement, capital programmes under the full control of the Headteacher subject to contents of this manual and scheme of financial delegation	budgetary monitoring and month-end checks	remedial actions before next Finance & Audit Committee
<b>2 – Largely</b>	Some reduced autonomy in areas of financial and budgetary management and closer monitoring of controls and areas of financial expenditures by CFO and CEO	CFO/CEO: Through regular monitoring and evaluation done by CFO/CEO and then the Finance & Audit Committee identifying remedial actions	Letter from Chair of Finance & Audit Committee to Headteacher outlining extent of reduction in autonomy and issues and detailed recommendations that must be implemented within a set timescale in order to address issues identified regain greater autonomy
<b>1 – Minimal</b>	Significant reductions in areas of financial and budgetary management as well as most financial expenditures including staff employment, larger resource procurement, capital programmes and virements of the budget	CEO: following extensive monitoring and evaluation by CFO/CEO and agreement by Finance & Audit Committee they make all necessary recommendations for reductions in autonomy	Letter from Chair of Finance & Audit Committee to Headteacher outlining issues and detailed recommendations that must be immediately implemented in order to address serious weaknesses identified
<b>0 - None</b>	Zero autonomy with all aspects of financial management, staff employment, resource procurement and under the full control of the CEO and the CFO	Finance & Audit Committee: following extensive monitoring and evaluation by CFO/CEO and Finance & Audit Committee they remove all financial autonomy to prevent further financial risk/damage	

#### 4. BUSINESS INTEGRITY

- All members, trustees, any local governing body members and other individuals deemed to form part of the Trust's key management personnel should declare any direct or indirect pecuniary interests at all times and should enter any on-going interests that may raise a conflict of loyalty in a Register of Interests kept in each school within the Trust. **These Registers should be drawn to Trustees' attention at least once a year and updated annually.** It is held by the Clerk to the Trust and is open to public inspection.
- The Trust will include the interest of other individuals in the register of interest and this will include close family members of individuals already on the register as appropriate and in accordance with the Academies Financial Handbook.
- **Relevant business interests of members, trustees and local governors must be published on the website each year.** Consideration will be given to the publication of interest of close family members and each case will be decided upon its merit.
- A separate **related party questionnaire** should be completed by all members, trustees, and other individuals deemed to form part of the Trust's key management personnel. Additionally it should also be completed by any person who has donated land to the academy trust.
- All staff should complete an annual declaration of interests form.

#### Related Party Transactions

The Trust follows the policy for related-party transactions laid out in the Academies Financial Handbook for academy members, trustees, accounting officers, chief financial officers and auditors.

In addition the following applies:

- Where possible, related-party transactions should be avoided. Where there is no alternative supplier of necessary services other than those provided by the related party, or where the related party demonstrably provides higher quality and/or cheaper services than any alternative, then the rules below for trading with connected parties must be followed.
- Any related-party transaction must be approved in writing by someone more senior than the person in the school who has the relationship with the related party. The approver must have the delegated authority as set out in the school's delegated authority schedule to approve the transaction. The approver must satisfy themselves that this policy (including all rules below for trading with connected parties) has been followed in full and their written approval should include a declaration that the policy has been followed to the best of their knowledge.

#### Managing Conflicts of Interest

All staff are required to declare all conflicts of interest and potential conflicts of interest in relation to the school/Trust. Once a conflict or potential conflict of interest has been identified, the following procedures will be used to manage the conflict.

- All staff involved in the recruitment process must declare any close relationships that they may have with those who have applied.
- Those who have close personal relationships with candidates should not be involved in any stage of the recruitment process e.g. shortlisting, interviewing etc.

- In cases where a conflict of interest may arise (but where none of the parties is the CEO), a member of staff more senior than both members in the close relationship should replace or act in addition to the person in the close relationship in the recruitment process and on the interview panel
- All reasonable steps should be taken to avoid people being in the direct line management structure with (not just the immediate superior of) someone with whom they have a close relationship. This will include considering appointing one of the people with the relationship to an equivalent role in a different line management structure. In cases where this cannot be avoided (and where none of the parties is the CEO), a member of staff more senior than both members in the close relationship will make decisions about areas which would otherwise lead to conflicts of interest.
- Where one of the parties is the CEO, two members of the Leadership Team (including at least one head of school or equivalent) and a Trustee will be involved in making decisions which otherwise would lead to conflicts of interest.
- Conflicts of interest must be considered as part of any appointment process and management of the issue must be identified before any appointment is made which could lead to a conflict of interest or the perception of it.
- A close relation cannot be appointed to a role which reports directly to the CEO. In the event that the CEO enters a relationship with a direct report, one or other must leave the school, or take a position that reports into someone else among the school staff.
- A staff member's appraisal or pay review should not be conducted by a person with whom they are in a close relationship.
- Where it has been impossible to avoid a line manager directly managing someone with whom they have a close relationship, the appraisal and pay review will be done by someone in the line who is senior to the manager (usually the manager's manager) having discussed the appraisal with the direct line manager.

## 5. BUDGETARY PLANNING

The Board shall plan the Trust finances through:

- The approval and implementation of an annual budget based on the aims, objectives and priorities of the Trust, the financial position of the Trust and the levels of projected reserves.
- Preparation of a medium term financial plan of at least three years, updated annually

The Trust's approval of the budget and assumptions should be clearly recorded in the minutes of the appropriate meeting and a copy of the full details of the approved budget should be shared with the Headteacher.

The budgetary planning process at school level will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
- review of other income sources available to the individual schools within the school to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the Trust and school objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes
- liaising with external agencies including major suppliers to ensure that the Trust's best financial interests are met

Individual school plans and budgets should be revised until income and expenditure are in balance. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

If a potential surplus is identified at an individual school within the Trust, this may be held back as a contingency or alternatively carried forward to invest in future years' priorities for the students that the school serves.

**It will be the responsibility of each school's Headteacher in conjunction with the Trust's CFO to recommend an annual budget for submission to the Finance & Audit Committee.** Such budget should be provided to the CFO in sufficient time to allow prompt submission of aggregated plans to the Finance & Audit Committee and ESFA and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The CFO, in conjunction with the CEO, is responsible for preparing and obtaining approval for the Trust's annual budget, which aggregates the budgets of each school in the Trust. The budget must be reviewed by the Finance & Audit Committee & then approved by the Trustees.

The approved aggregated budget must be submitted to the ESFA by the date specified by the ESFA and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The agreed budget allocations and profile of expenditure and income are to be entered in the school's accounting system against each budget heading as agreed by the CFO.

## **6. INTERNAL FINANCIAL CONTROLS**

### **PLEASE REFER TO THE TENAX SCHEME OF FINANCIAL DELEGATION**

#### **Ordering Goods & Service**

The Trust wants to achieve the best value for money from all purchases. This means getting what we need in the correct quality, quantity and time at the best price possible. All purchases should be made through the Trust's ordering system. The SBM, or delegate, shall keep records of all purchases made including quotations received and accepted.

A large proportion of purchases will be paid for with public funds and to maintain the integrity of these funds the following general principles should be applied:

- **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.

#### **Payment for goods & services**

**Invoices must include all the correct information and be checked for accuracy and authorised by relevant delegated authority.**

**All cheques and BACS payments require two signatories** from the bank mandate as approved by the CFO.

If the payment value is **over £25,000, the CEO, CFO, or chair/vice-Chair of Finance & Audit Committee, and who is not the budget holder, must be one of the signatories.**

- Each school will maintain an up to date list of suppliers to be paid by BACS. Maintenance of the list will be restricted to the SBM (FM at Bennett) and if applicable, Finance Officers. These individuals will be responsible for ensuring the bank details have been checked and correctly loaded onto the Financial Management System (FMS &/or Lloydslink)
- The **BACS Schedule must be approved and signed by TWO authorised bank signatories** .
- BACS schedules and summary should be retained in accordance with the retention periods for financial records and filed appropriately.
- BACS approvers will ensure that any relevant documentation, card reader, bank card and passwords to access the account will be kept secure and confidential.

### **Business Charge Card (Procurement Card)**

The Trust will hold business charge cards (also referred to as procurement cards) to facilitate the purchase of certain items where the supplier requires direct payment and is not able to provide an invoice on credit terms. It removes the need for members of staff to use their own cash or credit limits in these instances. The intention is that the business charge card is to be used as a last resort for transactions that fall outside the normal procurement process. The primary method remains purchase orders/invoicing and should be used in preference to card purchases wherever possible. Under no circumstances must cards be used for private purposes.

These procedures are designed to protect both the school and members of staff issued with cards.

- The Senior Finance Officer will act as main representative and first point of contact for the bank and will maintain the register of cards issued to employees.
- The **business charge cards will be locked away securely in the safe when not in use.** Cards are issued to individuals and must not be shared with other members of staff. The limits on each card will be maximum of £5,000 for Primary School cardholders and £30,000 for Secondary School & Trust cardholders.
- The card is issued to facilitate the purchase of goods/services. Cash withdrawals are not permitted.
- Where at all possible purchases should be made in accordance with the school's standard procurement procedures from existing suppliers who have pre-agreed terms and credit lines in place. This will limit the use of the business charge cards.
- All shipments of goods and services must be for delivery to the school address. The receipt of goods will be authorised by as with standard purchase orders.
- The SBM (or FM for Bennett) is responsible for ensuring that an original VAT invoice/receipt is obtained where possible in respect of any transaction. Invoices paid by charge card should be checked and authorised by the delegated authority
- Business charge card transactions will be input to the financial management system on a monthly basis.
- The monthly statements will be reconciled by the SBM or his/her representative, together with supporting invoices and receipts
- The business charge card balance will be paid in full by Direct Debit on a monthly basis.
- Should fraud or misuse be suspected, the bank should be informed immediately so that the appropriate action can be taken.
- A cardholder will be personally responsible for transactions they make using their card. If they are found to have made any that are not in line with this policy then the Trust will be authorised to recover the cost of any such transactions and where reimbursement is not received, to make a salary deduction for the amount due.

### **The monthly statement should be checked and authorised in accordance with scheme of financial delegation**

In the event that a business charge card is lost or stolen, the cardholder must contact the issuing bank – details to be held in the Finance Office.

## Direct debit payments

Direct debit payments may be entered into for the payment of suppliers with whom the school has a regular contract. The value of each Direct Debit should be reviewed and compared with invoices received from the supplier, with **the invoice authorised in accordance with scheme of financial delegation**. Invoices paid by direct debit are to be processed on FMS using either a dummy cheque-book system or cashbook journal; a copy of the dummy cheque or journal should be printed from FMS and attached to the invoice(s) as a cheque/BACS payment would be. The **FMS printout should be authorised** in accordance with the Scheme of Financial Delegation. Suppliers paid by Direct Debit should be reviewed regularly to ensure they continue to provide Best Value.

## Bank Accounts

School bank accounts should be with Lloyds.

Each school must implement the following controls:

- **opening of all bank accounts must be authorised by the CFO**
- **a list of cheque signatories and BACS approvers should be drawn up and agreed by the CFO and be consistent with the bank mandate**
- **a minimum of five signatures should be maintained on the mandate, including CEO, CFO and Chair of Finance & Audit Committee .**
- the school must not borrow money under any circumstances

Arrangements must be made with the bank must include:

- a statement to be provided at least once a month
- to disallow any overdraft
- Online banking to be available
- On receipt of the bank statements, the school will reconcile the bank balance to the balance held in the FMS system.

## Petty Cash

Petty cash should be controlled by the SBM or delegate.

All cash payments should be supported by properly authorised documentation.

In the interests of security, petty cash payments are limited to £100. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account. **Recipients should initial the receipt to acknowledge correct payment.**

**The SBM or delegate should monthly reconcile the account to cash in hand with the balance on FMS, and should sign and date the monthly trial balance to confirm these checks.**

Schools must not keep more than £5000 in the school safe.

## Payroll

- As part of the annual budget process, the CFO should approve a staffing structure for the Trust and academies in line with the approved budget.
- **Where schools are operating >85% staffing costs/GAG revenue, Headteachers (or via SBMs) must consult with CFO before taking any staffing decision.**

- **Where schools are operating <85% staffing costs/GAG revenue, Headteachers (or via SBMs) must consult with CFO on any staffing decision that could push the KPI over 85%.**
- **All appointments and pay decisions for posts on Leadership Scale must be approved by CFO as need to be reported to Pay Committee.**

The CEO will approve all appointments to the senior leadership team of the Trust.

The Trust has a Pay Policy and all changes to pay must be consistent with this. Any variations to this must be raised with the CEO. The monthly payroll must be approved by the SBM prior to payments being made and signed off subsequently by the Headteacher (SBM or delegate at Bennett).

Headteachers at each school must ensure that adequate budgetary provision exists for any establishment changes. **Each School in the Trust must maintain personnel files for all members of staff which include signed contracts of employment and documented vetting checks.** All personnel changes must be notified to the SBM or delegate immediately and records kept on file.

**Headteachers will be responsible for maintaining accurate records of all staff employed at their school in a single central record and ensuring that the Tenax safer recruitment procedures are administered.**

Personnel information is held in manual files under the guidance of the HR Director with access strictly limited to authorised officials only and separately on the SIMS computer system.

The Trust's payroll is administered by external providers at school level.

Amendments to payroll data, e.g. appointments, resignations, pay changes and overtime, are made at school level and authorised by the Headteacher (or SBM or delegate at Bennett) and sent to the payroll provider.

**The CFO should check a sample of supply teacher, overtime, casual and expenses to ensure that the payroll system is operating correctly.**

All staff should be paid monthly by bank credit transfer to their bank accounts.

**On an annual basis, the SBM or delegate should produce pay statements for all teaching staff and support staff, with a copy kept on file.**

The Trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. In order to achieve this, the following guidelines should be followed:

- an assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed) using the HMRC employment status indicator tool, and the PDF bearing the 14 digit ESI reference number downloaded from the summary of outcome screen. If the worker's employment status is questioned in the future, HMRC will only be bound by the ESI outcome if this document can be produced. Individuals should complete a self-declaration form, available from the CFO.
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

**Severance payments** must be made in line with the Academies Financial Handbook.

**The Accounting Officer must sign off and review each business case. All severance payments must be approved by the CEO.**

**Ex-gratia payments** must be made in line with the Academies Financial Handbook. Any ex-gratia payments must be submitted to ESFA for prior approval.

## **Receiving Income**

**All documents evidencing income due to the schools, including ESFA and LA Funding allocations, should be checked by the SBM and filed in Finance Office.**

Schools may pursue active income generation to offset the pressures on school budgets. Income generating projects should be agreed between the Headteacher and SBM and be consistent with maintaining the high quality educational and safeguarding provision.

All monies must be banked, in their entirety, in the appropriate bank account. The SBM (FM at Bennett) is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

The SBM (FM at Bennett) should identify all income due to the school/Trust. Actual income should be compared to budget and any shortfall be investigated.

Invoices should be filed and rendered promptly (in the case of lettings, if possible, before the event takes place) and a copy be retained.

The word 'invoice' must be included on the document, as well as

- a unique identification number
- your company name, address and contact information
- the company name and address of the customer you're invoicing
- a clear description of what you're charging for
- the date the goods or service were provided (supply date)
- the date of the invoice
- the amount(s) being charged
- VAT amount if applicable
- the total amount owed

Invoices should be printed with sequential numbering and should be issued sequentially and access to them should be restricted to the SBM or delegate.

Reminders should be issued no later than a month after an invoice has been rendered, with second and final reminders issued a month later.

The SBM or delegate should oversee the debt control process to ensure all the income due to the school is collected and banked.

Schools may write off debts and losses in consultation with the CFO, including any uncollected fines up to the following delegated limits:

- 1% of total annual income or £1,000 (whichever is smaller) per single transaction

Debts in excess of this must be reported to the Finance & Audit Committee, and where necessary ESFA prior approval obtained as per the delegated limits in AHF.

Charges can also be made to students to defray the costs of certain activities (see the Trust's Charging Policy). Certain curriculum departments generate some income through entrepreneurial activities. Such charges should be made in accordance with the Charging Policy.

Premises hire charges are determined at the discretion of the Headteacher (see the Trust's Lettings Policy).

### **Donations**

Where schools receive any donations during the year, a schedule should be maintained to verify amounts received and any restrictions on their use.

### **Trips**

A member of staff should take responsibility for the collection of sums due for each trip, this may be the Business Manager. A record for students intending to go on the trip showing the amount due should be produced – either on the electronic accounting system or paper copy. A copy of the record should be kept by the Finance Department.

Students should make payments to the Finance Department.

The Finance Department should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be monitored on a regular basis for chasing the outstanding amounts.

Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Refer to the Trust's Charging and Remission Policy.

### **Catering**

Where schools outsource the collection of catering money, the arrangements should be clearly communicated to staff and parents.

If the school is responsible for the collection of catering money from parents and staff then:

If cash payments:

Cash payments must be reconciled on a daily basis by Finance Department to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto a weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking. The Business Manager must reconcile the weekly banking sheet to actual receipts banked.

If electronic cash collection:

The weekly bank credits are reconciled to the system reports in the first instance. Monthly checks are undertaken by SBM.

### **Trust's Inter-charging process**

Please refer to the separate guidance for accounting for school's monthly contribution to the Trust, and any inter-school/Trust transfers of monies and charges.

### **Insurance**

The Trust has chosen to opt in to the **risk protection arrangement (RPA)** for all its schools. Schools will take out such insurance as advised by the CFO, and to comply with statutory requirements. The school will obtain the following insurance cover as a minimum:

- Buildings and contents
- Business continuity
- Employers and Public Liability

All insurance claims should be reported to the CFO.

All contractors must have public liability insurance before they are allowed to undertake work on the school's premises.

People hiring the school's premises and using facilities should either be covered by the school's insurance at an additional cost, or must produce a valid public liability insurance with indemnity up to £5,000,000

### **Accounting System**

All the financial transactions of the Trust must be recorded on the designated accounting system, FMS, operated by the Finance Office in each school.

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

### **System Access**

The designated accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled and individual log-ins and passwords should not be compromised. Access to finance systems should be restricted and the Headteacher is responsible for determining the access levels for all members of staff using the system.

All leavers with previous access to finance systems must have their access permissions formally removed.

### **Back-up Procedures**

The BM or delegate is responsible for ensuring that there are effective back up procedures for the system.

The BM or delegate should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by Trustees of the major risks to which the School is exposed and the systems that have been put in place to mitigate those risks.

### **Reconciliations**

It is essential that thorough procedures are in place to ensure that all costs incurred and income received against the school's account(s) are valid and verify that they are the responsibility of the school. The Headteacher is responsible for ensuring that controls are in place for these checks to be carried out. The Headteacher may delegate this role.

The SBM or delegate is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- **payroll** - to check that transactions for supply staff, casual staff and overtime have been made correctly against authorised claim forms submitted; to reconcile between the current month's actual expenditure and the budgeted payroll costs. Any variations should be investigated and reported to the Headteacher and queries

raised immediately with the payroll provider. **The payroll report and reconciliation should be signed by the Headteacher (SBM or delegate at Bennett)**

- **bank balance per the nominal ledger to the bank statement** – to check that the bank statement is reconciled to the school's bank balance on FMS. Any variations should be investigated and reported to the Headteacher and queries raised immediately with the bank. **The bank statement and reconciliation should be signed by the Headteacher (BM or delegate at Bennett)**
- **business cards** - to check statements reconcile to authorised orders. **The business card statement should be reviewed and signed by the Headteacher and cardholder (SBM or delegate at Bennett)**
- VAT – to check no discrepancies in VAT 126 and submittal report. **VAT submittal report should be reviewed and signed by the Headteacher**

## Independent Checking

The Trust's Finance & Audit Committee will undertake the process for the independent checking of financial controls, systems, transactions and risks in line with AFH.

The Committee will review the risks to internal financial control for the Trust and agree an annual scheme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

This programme will be managed through one or more of the following options:

- the work of an internal audit service (either in-house or bought-in externally)
- the performance of a supplementary programme of work by the Trusts external auditors
- completing the work by peer review

The review will provide Trustees with an independent oversight of the Trust financial affairs. The main duties of the review are to provide the Trust Board with independent assurance that:

- financial responsibilities of the Trust are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions

A report of the review findings from each visit will be presented to the Finance & Audit Committee and the individual schools within the Trust, and in line with any specific reporting requirements as set out in the AFH.

## Audit

The Trust will be subject to an audit as per the Academies Financial Handbook. Also, the schools will receive an 'end of year audit' in preparation for submitting the end of year accounts to Companies House.

## Data Retention

**Financial records are required to be kept for at least six years after the financial year end.** This includes orders, invoices, delivery notes, payroll reports, staff contracts, asset registers.

## Financial Monthly Reporting

Financial monitoring template reports have been developed and should be used by SBMs or delegates. **Monthly reports, period end documentation, and bank reconciliations should be prepared by each school before the 15<sup>th</sup> day of the following month.** The financial monitoring reports will detail actual income and expenditure against budget and a revised forecast for the year end, which should be **checked by the Headteacher** and a copy must then be provided to CFO to produce and provide an aggregated report for the Finance & Audit Committee.

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. Any potential overspend against budget must be discussed with the CFO.

## 7. Month- End Checklist

	<ul style="list-style-type: none"> <li>•</li> </ul>
	<ul style="list-style-type: none"> <li>•</li> </ul>
Orders	<ul style="list-style-type: none"> <li>• Review deliveries and chase supplier for outstanding invoices</li> <li>• Review outstanding orders and cancel if appropriate</li> <li>• Review unauthorised orders and check with budget holder</li> </ul>
Payroll	<ul style="list-style-type: none"> <li>• Approve overtime claims submitted</li> <li>• Approve Pay run</li> <li>• Post on costs</li> <li>• Post Salary Journal onto FMS</li> </ul>
System Checks	<ul style="list-style-type: none"> <li>• Ensure all cheqs posted and BACs payment processed</li> <li>• Ensure all purchase orders on system and authorised</li> <li>• Ensure all income posted</li> <li>• Ensure all invoices authorised</li> <li>• Post direct debits and purchase card expenditure</li> </ul>
Central	<ul style="list-style-type: none"> <li>• Ensure all pension documentation posted/uploaded</li> <li>• Prepare VAT return</li> <li>• Recharge to departments/schools where applicable</li> <li>• Transfers between bank accounts</li> <li>• Close period</li> </ul>
Balance Sheet Reconciliation	<ul style="list-style-type: none"> <li>• Complete balance sheet reconciliations as per Tenax guidance</li> <li>• Accruals (note any &gt;£1k)</li> <li>• Prepayments (note any &gt;£1k)</li> <li>• Review and reconcile credit card expenditure</li> <li>• Reconcile trips/breakfast/after-school club income</li> </ul>
Budget Monitoring	<ul style="list-style-type: none"> <li>• Complete monthly management accounts</li> <li>• Review spend against budget</li> <li>• Send out budget holder reports (termly)</li> </ul>
Reports	<p><u>Essential</u></p> <ul style="list-style-type: none"> <li>• Management accounts with commentary</li> <li>• Balance Sheet reconciliations</li> </ul> <p><u>Desirable</u></p> <ul style="list-style-type: none"> <li>• Monthly financial health check</li> <li>• Complete log of staffing and budget changes authorized by CFO</li> </ul>

## 8. ASSET MANAGEMENT

### Asset Management

The Trust invests a significant amount of capital in the acquisition of Fixed Assets. Therefore, controls are put in place to ensure that fixed assets are recorded correctly and safeguarded against loss and theft.

### Fixed Asset Register

The Fixed Asset Register consists of a list of items (or specific group of items purchased within the accounting period) **valued over £5000** that is considered to have a life longer than the financial year in which they were purchased.

Attractive and portable items of equipment in excess of £500 will be recorded in the Equipment register but will not appear on the balance sheet.

Fixed Assets are categorised as follows:

- Land and Buildings
- Plant and Machinery
- Furniture and Equipment
- Computer Equipment and Software
- Assets under construction

Assets excluded from the Fixed Asset Register are current assets and stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis.

The appropriate accounting transactions will be processed for all capitalised assets and recorded on the Fixed Asset Register. Transactions will be recorded within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet.

The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- location
- name of member of staff responsible for the asset

### Depreciation

Non-Current Assets are to be capitalised i.e. the cost of the asset is allocated over the number of years for which the asset will be in use (useful life). Non-Current Assets are depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year-end accounts.

Depreciation method used is straight line, as this is the simplest and commonest form of depreciation for assets. It is calculated by taking the purchase price of the assets less the salvage value and dividing the result by its useful life.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance & Audit Committee will discuss these items on an individual basis.

- **ICT related fixed assets – 1 to 3 year straight line method of depreciation**
- **All other type fixed assets (except Land & Buildings) - 5 year straight line method of depreciation.**

## **Disposal of assets**

The Board of Trustees recognise that the following are valuable assets of the school:

- (a) Staff; (b) Land; (c) Buildings

For the purpose of this policy, 'assets' shall be fittings, furniture, equipment, apparatus, books and other materials originally purchased for the purpose of running the school and having an original individual value of £1000 or more.

It shall be the responsibility of the appropriate Head of Department or budget holder to identify any such assets, which are surplus to requirements.

The Head of Department or budget holder shall identify surplus assets to the SBM or delegate who upon endorsing the identification shall recommend disposal as appropriate.

Disposal of an asset with a carrying amount (cost less accumulated depreciation) above £1,000 must be approved by the CFO. Where possible surplus assets shall be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the assets register.

In the case of all disposals, there must be evidence that an enquiry has been made to see if the item could be used elsewhere within the Trust and if not required the Trust obtained value for money in the sale or scrapping of the equipment. If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary interests must also be considered at all times.

The requirements of the academies' funding agreement with the Secretary of State will be adhered to when considering the disposal of a capital item.

Funds obtained by the sale of surplus assets shall be identified in the relevant accounts and accessible for audit.

## **Security of Assets**

- All fixed assets recorded in the register should be permanently marked, wherever practical, as being the property of the school.
- The asset register is to be kept with physical counts against the register undertaken at least annually. Differences between counts and the register should be investigated promptly and significant differences reported to the CFO.
- Only authorised personnel may access secure storage areas.
- Safes must be kept locked and the key removed. Keys to safes and cash boxes/ drawers must be stored securely at all times. The loss of such keys should be reported to the Headteacher immediately.
- Money left on the premises shall be secured in a locked safe, where provided, or in a locked secure cabinet. **The insurance limit for cash (and cheques) held in a safe is £5,000.**
- Unused accounting stationary (eg cheques) should be held securely by the SBM or delegate. The CFO should periodically check unused stationary to ensure that it is secure.
- Losses due to theft of stocks or cash shall be promptly reported to the Police, Headteacher, CFO and the Chief Executive Officer.

- Any suspected financial irregularity should be reported to the CFO, and correct procedures followed

### Loan of Assets

- School property must not be removed from premises without the authority of a member of Leadership Team or Head of Department. A record of the loan should be recorded in a loan book and booked back to the school when it is returned.
- If assets are on loan for extended period or to 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.

### Portable and Attractive items

The following list is not exhaustive and there may be items not listed that should be labelled and tracked. If there is any doubt, the CFO should be consulted.

Category	Description of Item
ICT	Desktop PCs, monitors, printers, laptops, fax machines, fax machines, projectors, portable hard drives, PDAs, iPads
Electrical	Cameras, CD players, AV equipment, mobile phones, TVs, printers/labellers, laminators
Music	Musical instruments, keyboards
Maintenance	Power tools

## 9. THE TRUST’S LEASING POLICY

An operating lease is the only type of lease agreement that schools and the Trust can enter into without prior approval. In order to enter into a finance lease, the Trusts must obtain prior approval from ESFA.

No other form of finance (such as hire purchase) may be entered into by a school as this is a prohibited form of borrowing.

## 10. THE TRUST’S FRAUD & THEFT POLICY

The Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in respect of recognising a potential fraud, preventing and detecting fraud. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.

It is the duty of all Trustees and staff to take reasonable steps to limit the possibility of corrupt practices, and to take advice from the Responsible Officer and auditors on the adequacy of the measures taken by the Trust to ensure financial compliance.

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these “others” are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason, it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretenses, forgery, corrupt practices and falsification of accounts.

Corruption is defined for the purpose of this manual as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Trust, its staff, or Trustees.

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
- **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption** - involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations;
- **Failure to observe**, or breaches of, financial procedures, that in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Examples of what could constitute fraud and corruption are -

- theft of cash;
- non receipt of income e.g. not handing in cash received intact on behalf of the Trust to the Finance Office; not recording receipt of cash intact on the financial management system
- not properly accounting for income received or repaying surplus cash at the end of an activity e.g. school trips;
- substitution of personal cheques for cash;
- travelling and subsistence claims for non-existent journeys/events;
- travelling and subsistence claims inflated;
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the Trust;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;
- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.

The above list is not exhaustive. Staff must refer to the SBM or CFO if they are in any doubt about whether a matter is an irregularity or not.

Failure to observe these procedures will be viewed by Trust as gross misconduct and may lead to disciplinary procedures (see disciplinary policy).

If there is concern or doubt about any aspect of a matter that involves an irregularity, or an on-going investigation into a suspected irregularity, staff must refer to the CFO or SBM.

## 11. THE TRUST'S INVESTMENT POLICY

The Finance & Audit Committee should consider the management of the Trust's funds bearing in mind the responsibilities that come with the receipt of central government funding and should

- Regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.
- Ensure schools' accounts are not overdrawn.
- Keep the automatic transfer facility for current accounts in operation to maximise interest in deposit accounts bearing higher interest rate.
- Review periodically and at least annually interest rates and compare with other investment opportunities.

## **12. THE TRUST'S RESERVES POLICY**

The Finance & Audit Committee should consider the maintenance of a minimum working reserve in order to minimise any financial risks facing the Trust, such as delays between spending and receipt of grants or unexpected emergencies, and should

- Regularly review the level of reserves and the nature of income and expenditure streams and the need to match income with commitments
- Disclose the reserve funds for each school, with individual schools to normally spend these as determined by the school and CFO
- Allow a surplus balance brought forward into the Trust by a joining school to be normally deployed at discretion of the school in agreement with the CFO
- Ensure schools are maintaining balanced 3 year budgets where in-year income matches expenditure
- Maintain the appropriate level of free reserves at Trust level currently approved by Trustees to be between 2-5% of annual revenue income (to be reviewed and agreed annually)
- Consider the set aside of funds for significant projects that cannot be met by future income alone
- Allow sinking funds for specific regeneration projects, for example the allweather pitch, to fall outside of the general reserves balance and agree these annually by the Finance & Audit Committee with level of contributions derived from associated trading profits
- If the level of reserves held could be deemed high, full disclosure to be made in the trustees' report to explain the reasons.

## **13. THE TRUST'S TENDERING PROCEDURES**

The following procedure should be followed in the event that tenders are required in accordance with the thresholds specified in the procedures.

The Trust will seek external advice and guidance as required for tender purchases outside the scope of expertise of the CFO or Finance & Audit Committee.

### **Forms of Tenders**

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

#### **I. Open Tender:**

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

#### **II. 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.

### III. **Negotiated Tender:**

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

### **Preparation for Tender**

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.
- where appropriate disposal (or life) costs will be considered.

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### **Invitation to Tender**

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

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

### **Aspects to Consider**

#### **a) Financial**

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- If there is scope for negotiation, this must be considered.

#### **b) 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.

**c) Other Considerations**

- Pre sales demonstrations
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.
- If in practice there is a sole provider of the goods or services, appropriate consideration will be given to ensuring that value for money is being obtained (which may include benchmarking similar services or providers elsewhere in the country) and evidence retained for audit purposes.

**Tender Acceptance Procedures**

The invitation to tender should state the date and time by which the completed tender document should be received by the School. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

**Tender Opening Procedures**

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as **either the SBM or Headteacher plus the CFO or a member of the Finance & Audit Committee.**

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

**Tender Evaluation**

- The evaluation process will involve at least two people. Those involved shall 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 shall not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- Full records will be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance & Audit Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the CFO and Finance & Audit Committee.
- Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.
- The accepted tender should be the one that is economically most advantageous to the School and Trust. All parties shall then be informed of the decision.
- Although cost is important, the quality & reliability of service should always be considered before automatically accepting the lowest bid.
- In the event that a tender other than the lowest is accepted, those involved in making the decision shall document and report the reasons for not accepting the lowest bid to the CFO and Finance & Audit Committee

**Retention of Records**

All relevant documents relating to the tender process (including minutes of meetings held and a written record of the reasons for the decision made) shall be retained by the School or Trust for audit purposes.

## **14. THE TRUST'S LETTINGS POLICY**

The Finance & Audit Committee has agreed to supplement the budget by encouraging the letting of the school premises where possible, provided that any letting must not be detrimental to the Trust's ethos and vision, or the schools or its pupils. All educational use takes priority over any letting application.

### **Guiding Principles**

All lettings will be at the discretion of the Headteacher or their representatives, who may refuse lettings if they consider it in the interests of the schools' to do so.

- All hirers must complete an Application Form. In the case of regular hirers, this should be done annually.
- All hirers must comply with the conditions of use (in line with the Tenax proforma for conditions of use)
- All hirers must be aged over eighteen
- Public Liability insurance has been taken out to cover occasional/individual hirers who are not able to arrange their own insurance. The cost of this is 15% of the hiring fee and should be passed directly onto the hirer. Large organisations and those who hire the facilities regularly are expected to have their own insurance cover and a copy of the relevant policy document must be shown to the SBM or delegate as evidence
- The hirer must be aware of the fire evacuation procedures, call point locations and their responsibility regarding first aid
- All school buildings and associated premises are non-smoking areas
- The schools are not responsible for any loss of or damage to vehicles parked on its premises, or their contents
- Outside areas will not be let unless in a suitable condition to be used
- Details of current lettings charges should be available from the Finance Office

### **Safeguarding**

The Trust is committed to safeguarding and promoting the welfare of children and young people and expects hirers and their representatives to share this commitment. For all hiring involving groups working with children, appropriate level of disclosure must be obtained and DBS clearance for individuals working on the school premises. It is the responsibility of the hirer to ensure they have complied with latest safeguarding requirements. The hirer will be required to provide evidence that DBS checks have been carried out on request. They will also be expected to show they have robust safeguarding arrangements in place.

### **Charges**

- All charges will be subject to periodic review by the Headteacher and SBM
- The calculation of charges will include consideration of the real costs of heat, light, sewerage and water, and the cost of caretaking for the event
- Lettings to charitable and community groups will be considered at cost only
- Other charges may include an element for profit above actual costs
- Discounts should be considered for groups that enhance the school and promote links with the local community

### **The application process**

- The hirer completes the application form, which sets out the time and date of the proposed hiring and the precise definition of the premises and facilities to be hired, including changing rooms for sporting events, lavatories and kitchens
- The Headteacher considers the application, or SBM on their behalf and a decision is made whether to permit the hire

- The SBM or delegate is informed and will make the necessary arrangements for the letting.
- The SBM or delegate will confirm arrangements with the applicant with the terms of the hire, including insurance requirements
- An invoice is issued prior to the letting and must be paid in advance
- A receipt should be issued where possible.

Schools may decide to adopt more detailed procedures for Lettings, provided the guiding principles of lettings are consistent with the Trust's Letting Policy and conditions of use.

## **15. THE TRUST'S STAFF EXPENSES POLICY**

This policy is to ensure that public funds are used, and seen to be used, only for activities and events that are necessary to improve outcomes for the pupils and support the school's ethos.

As a general rule, staff will be reimbursed for all reasonable expenses that they incur wholly, necessarily and exclusively in relation to better outcomes for the pupils of The School. The Trust must, however, ensure that such payments comply with Inland Revenue regulations, and it is therefore essential that the rules detailed in the Staff Expenses Policy are followed when making an expenses claim.

### **Procedures**

- Before incurring costs, members of staff should seek pre-approval from their line manager or relevant budget holder by way of their signature in the relevant space on the Staff Expenses Request Form.
- Requests for payments to members of staff for personal expenditure (e.g. mileage, subsistence etc.) must be made using a Travel Claim Form or a Staff Expenses Claim Form.
- The purchase of classroom equipment and sundries must be requested using the purchase ordering procedures. As such, an individual must not use a Staff Expenses Claim Form to reclaim for the costs of such purchases, unless this has been agreed in advance.
- Supporting documentation (e.g. receipts, proof of stay, and other supporting information) must be attached to the Claim Form when it is submitted to the SBM or delegate.
- The SBM, or delegate, will present the claim to the Headteacher, or a named person acting on behalf of the Headteacher in his/her absence, for authorisation. Claims by the Headteacher should be authorised by the CEO or CFO
- Claims that have not been approved in compliance with these procedures should not be processed and should be returned. Self-authorized claims should not be accepted for payment under any circumstances, and if a member of staff attempts to submit a false claim this will be treated as a serious matter which may lead to disciplinary procedures.
- The original claim, together with supporting documents, will be filed centrally at the Finance Office.
- Payments will be made by bank transfer or cheque.
- To reduce administration, unless substantial sums are involved, members of staff are asked to claim in arrears within one month, prior to the end of the financial year in question.

### **Income Tax Considerations**

Where the procedures in this Policy are adhered to in full the claim will be paid without the deduction of income tax. Nonetheless, it will be the responsibility of the claimant to account for and pay to HM Revenue and Customs any tax that may be due.

Other legitimate personal expenses will be paid via payroll as they will be treated as benefits-in-kind and taxed accordingly.

### **Travel Expenses**

Payment for mileage will be at the rate published for on a fuel-only basis at the HM Revenue and Customs published rate. This rate is paid irrespective of the actual capacity or fuel type of the car. No other costs (e.g. for maintenance, general running costs) will be reimbursed. The current rate (effective September 2016) is 45p per mile.

It is the claimant's responsibility to ensure that adequate receipts are attached to a claim and the line manager's responsibility to check that the receipts are valid before authorising the claim.

Normally, mileage claims will be paid only for journeys that start and end at the staff member's normal place of work/operating site. However, if a member of staff starts and/or ends their journey at their home, and the distance travelled is less than the distance that would have been travelled had the journey started and ended at their operating site, then the lesser distance will be paid.

Full details of all journeys including the date, reason for the journey, starting point and destination should be shown on the Staff Expenses Claim Form.

The Trust or school will not, under any circumstances, reimburse parking fines or speeding fines.

### **Insurance**

As the Trust or school does not necessarily provide car insurance cover for staff using their own vehicles, staff are required to confirm that they have taken out personal car insurance with an appropriate extension to cover use in connection with the school's or Trust's business. Staff must ensure that the car is safe and legal to drive.

### **Public Transport**

Where staff use public transport, reimbursement will be on a receipts basis, provided the expenses are reasonable.

In general, staff should ensure that the most economical class of travel is used. In practice this will usually be standard class or economy class.

The school will only be liable for the costs relating to a member of staff's travel. Any accompanying persons will be responsible for their own costs. The exception to this is where their attendance is required as a representative of The Trust, and in such circumstances prior approval must be obtained from the Headteacher or CEO.

### **Subsistence Allowance: Daily and Overnight**

The subsistence rates listed below represent the maximum permissible rates available.

#### *Daily Subsistence Rates - No receipts required*

A subsistence allowance may be claimed to cover meals taken by staff required to work at a location which is more than five miles away from both their home and their normal place of work. The following allowances may be obtained:

Length of Absence	Allowance
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More than 5 hours	£5.00
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More than 10 hours	£10.00
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#### *Overnight Subsistence Rates*

The school will reimburse the reasonable costs of accommodation, food and drink when supported by receipts.

- i) The school will only bear the cost of accommodation required for business purposes and will not meet the costs of any extensions to a stay for personal reasons or for accommodation provided to a spouse/partner or other family members.
- ii) The exception to this is where their attendance is required as a representative of the school, and in such circumstances prior approval must be obtained from the Headteacher.
- iii) Items of a personal nature, such as alcoholic drinks, mini-bars, video hire etc. will not be reimbursed by the school, and these should be deducted from any bills submitted for reimbursement.

#### *“Staying with Friends” Allowance*

Where employees choose not to stay in a hotel or guesthouse and instead stay with friends or relatives, an allowance of £25.00 per night may be claimed as a contribution towards the costs incurred by relatives in providing the accommodation. This allowance is instead of any hotel costs that might normally be claimed.

#### **Miscellaneous Expenses**

- *Telephone Calls* - The school will not reimburse staff for phone calls made from home and expects them to make any business-related calls from the school or Trust telephones.
- *Mobile Phones* - The school provides mobile phones only where a specific operational need arises. It is the policy of the school that no private use is made of such mobile phones except in emergencies. Staff members will be required to reimburse the school for the costs of any non-emergency private calls. The school will not reimburse staff for the use of private mobile phones but will meet the cost of business calls made on private phones subject to the claimant providing supporting evidence of the calls with their Staff Expenses Claim Form.

#### **Enquiries**

Any enquiries relating to these rules should be addressed in the first instance to a line manager or the Headteacher or CFO.

## **16. THE TRUST’S GIFTS & HOSPITALITY POLICY**

Employees of the Trust should take guidance from the following general rules relating to the receipt of gifts and hospitality as an employee of the Trust:

To accept gifts should be the exception. Small ‘thank you’ gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value may be accepted. The SBM or delegate should be notified of any gift over this value for entry in the Register of Business Interests.

Gifts should be refused if it is believed the giver has an ulterior motive such as the receipt of a more prompt service or preferential treatment.

Gifts or hospitality should never be accepted from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust, seeking employment with the Trust or is in dispute with the Trust, even if you are not directly involved in that service area.

Where items purchased for the Trust include a ‘free gift’, such a gift should either be used for Trust business or handed to the BM or delegate to be used for charity raffles.

If there is any doubt about the acceptability of any gift or offer of hospitality, the SBM or CFO must be consulted.

A gauge of what is acceptable in terms of hospitality is whether the Trust would offer a similar level of hospitality in similar circumstances.

- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:
  - a) sponsored cultural and sporting events, or other public performances, as a representative of the school;
  - b) special events or celebrations.

But, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.

- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to work are acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the Trust must be agreed in advance with the CEO. Where a spouse or partner is included in the invitation, and approval has been given to attend, it will be acceptable for a spouse or partner to attend as well, but if expenses are incurred, these must be met personally.
- Any invitation accepted should be made in a professional/working capacity as a representative of the Trust

## 17. THE TRUST'S TRUSTEE & GOVERNOR EXPENSES POLICY

This policy statement has been developed in accordance with the Education (Governors' Allowances) Regulations 2003. It applies to both Trustees / Directors on the Trust Board and Governors on the Local Governing Body.

It is illegal for governors / trustees / directors to receive any remuneration for their work as trustees, other than payment of reasonable out of pocket travel, accommodation or other expenses legitimately incurred by them in connection with their attendance at meetings acting in the capacity of governor / trustee / director of the school / trust. It is right however for them to not be out of pocket as a result of their duties.

The Trust believes that paying allowances, in specific categories as set out below, is important in ensuring equality of opportunity to serve as governor / trustee / director for all members of the community and so is an appropriate use of funds. The specific items allowable reflect this objective.

All serving on the Trust Board or a Local Governing Body of one of the trust's schools will be entitled to claim the actual costs, which they incur where the allowances are incurred solely in carrying out their duties as a governor / director or representative of the School or Trust.

Governors / trustees / directors will be able to claim for the following:

- Child care or babysitting where there is no spouse, partner or other responsible adult available
- Care arrangements for an elderly or dependent relative
- The translation of documents or provision of an interpreter for a governor / trustee / director whose first language is not English
- The provision of facilities or equipment, including travelling and subsistence for a person providing support, for a governor / trustee / director with a special need
- Telephone, postage, stationery and photocopying costs where the governor / trustee / director is unable to use the school's facilities
- Travel at the standard school rate up to a maximum of 20 miles may be claimed where the distance between the home of the governor / trustee / director and the school exceeds 3 miles.

Allowances can only be paid up to the actual cost incurred and on the production of a receipt.

Allowances cannot be claimed for expenses that have already been met by the local authority or any other body.

Claim can only be made where the facilities required were not available through the school.

To reduce administration, a governor / trustee / director should claim termly in arrears prior to the end of the financial year in question.

All claims must be submitted to the Clerk to the Trust/LGB and authorised by either the CFO or the Headteacher.

## 18. THE TRUST'S STAFF BENEFITS POLICY

There are a number of staff benefits, made in addition to salary, which have been agreed by the Trustees. These are at the Headteacher's discretion and may include:-

- Complimentary food may be made available to all staff on CPD days when the school is closed. Lunch is provided at the current duty meal per member of staff cost
- Complimentary food may also provided prior to evening events, e.g. parents' evenings, open evenings and the maximum cost per head is less than £5.
- Light refreshments can be provided at any school or departmental working lunches. The refreshments must be consumed on school premises and considered light (i.e. pizza or sandwiches, fruit, cake, soft drinks) maximum cost - £5 per head.
- Staff undertaking lunchtime supervisory duties, a club or who are on call through the lunchtime period are given a daily allowance at the current duty meal per member of staff cost to be spent on a lunch in the canteen. Please note that if the allocation is not spent it is removed at the end of each day and cannot be carried over. There are no cash alternatives and allocations cannot be transferred to others.
- Complimentary food and beverages served on the last day of the summer term. Maximum cost - £5 per head.
- Leaving presents for staff (maximum value £30)
- Free flu vaccinations
- Reimbursement of eye test cost for qualifying staff as described in the school Health and Safety Policy and, where an optician certifies that a new or altered prescription for glasses is solely for VDU usage, the school will make a contribution towards the cost of frames, lenses and any special prisms or tinting, subject to a maximum of £50.
- Free access to any onsite gym
- Subject to CEO approval, complimentary food and beverages to be consumed by SLT on off-site meetings for strategic planning

## 19. THE TRUST'S FUNDRAISING POLICY

The purpose of this policy is to set out the Trust's position on fundraising practice and to document the standards expected in raising funds from its stakeholders. It applies to all schools and entities within Tenax.

The Trustees of Tenax are committed to ensuring that fundraising activities are carried out in an ethical manner and they are responsible for the implementation and review of this policy. The responsibility for carrying out the periodic review is delegated to the Finance & Audit Committee.

All key management and Headteachers must adhere to this policy.

### **The Trust will adhere to the following principles:**

1. Fundraising activities carried out by Tenax and its schools will comply with UK law

2. The Trust should abide by the standards for good fundraising practice as set out by the UK Fundraising Regulator
3. Any communications to stakeholders made in the course of carrying out a fundraising activity shall be truthful and non-deceptive
4. All money raised via fundraising activities will be for the stated purpose of the appeal and be in line with Tenax's charitable purpose and vision and ethos
5. All personal information collected by Tenax is confidential and is not for sale. The Trust's data protection policy sets out the full detail on how Tenax manages personal data
6. Nobody directly or indirectly employed by, or volunteering for, Tenax shall accept commissions or bonuses for fundraising activities
7. The Finance & Audit Committee (a sub-committee of the Board of Trustees) will oversee the governance of Tenax's fundraising programme. The Finance & Audit Committee reports regularly to the Trustees.
8. Proper due diligence checks should be carried out on those individuals and organisations that give money to or receive money from fundraising activities.
9. A statement estimating income and expenses should be prepared prior to the commencement of any new fundraising activity that may present a financial risk to Tenax. Fundraising activities should not be undertaken if they will expose Tenax to an inappropriate financial risk.
10. Fundraising activities should not be undertaken if they are detrimental to the reputation of Tenax or its schools. Financial contributions will only be accepted from individuals, companies or other organisations that the Trust considers to be ethical. A report on fundraising will be prepared by the CFO on behalf of the Finance & Audit Committee for inclusion in the annual Trustees Report and financial accounts.
11. Tenax will not engage in any intrusion on privacy, be unreasonably persistent in fundraising or place undue pressure on its stakeholders to donate. If any person objects to any or all types of fundraising carried out by Tenax, this will be noted on the fundraising database so that future appeals (and/or methods of approach) are not made to that individual.
12. Anyone having concerns or complaints regarding the Tenax's fundraising schemes should be raised initially with the Headteacher. The Headteacher will report to the CFO regarding all fundraising issues and complaints.

Further information and guidance can be found in Charity Commission CC20 guidance  
<https://www.gov.uk/government/publications/charities-and-fundraising-cc20>