

FINANCIAL MANAGEMENT POLICY & PROCEDURES

Version 8.0

Academies Financial Handbook: Schedule of Requirements and “musts” must be reviewed and updated annually. Other sections reviewed as required, but at least three yearly (reviewed March 2020)

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Adopted by Governing Body: TBC

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Schedule of Requirements Review: Autumn Annually

Reviewer: School Business Leader

Governor Link: Chair of Resources Committee

Financial Management Policy & Procedures

East Barnet School, Chestnut Grove, East Barnet, EN4 8PU

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RELATED DOCUMENTS AND POLICIES

This Financial Management Policy includes the following documents which must be referred and adhered to:

Academies Financial Handbook 2019

The following policies and documents are not part of this Financial Management Policy, but should be referred and adhered to where applicable:

East Barnet School Articles of Association:

1. Memorandum of Association dated 4th March 2011
2. Original Articles of Association dated 4th March 2011
3. Updated Articles of Association dated 18th December 2018 East Barnet School

Funding Agreement

Audit Committee Terms of Reference

Governing Body Decision Planner

Pay Committee Terms of Reference

Resources Committee Terms of Reference

Levels of Authority Authorised Signatories and £ Limits

Complaints Policy

Freedom of Information Publication Scheme

Gifts & Hospitality Policy

Governor Expenses Policy

ICT & Acceptable Use Policy - Staff

Information (including Data Protection) Policy

Staff Expenses Policy

Pay Policy

Pension Policy

Whistle Blowing Policy

Financial Management Policy & Procedures

STATEMENT OF PRINCIPLE

1. The Governing Body is responsible for ensuring that all the funds available to the school must be used to ensure economy, effectiveness and efficiency, subject to financial and legal requirements, and to use its discretion reasonably taking into account any and all relevant guidance on accountability and propriety to provide our students with the best possible education.
2. The budget must achieve the best strategic use of resources to reflect and meet the basic educational needs, priorities and objectives of the school, within the funds available, and to deliver the priorities identified in the School Development Plan.

3. The school must ensure that quality financial management controls are implemented using effective and efficient monitoring, evaluation and reporting procedures.
4. The principles of best value must be applied to all financial and school dealings, to ensure the most effective, economic and efficient means available to:
 - 4.1. Challenge how and why a service is provided (including consideration of alternatives);
 - 4.2. Compare performance against other schools taking into account the views of parents and students;
 - 4.3. Consult with stakeholders especially parents and students;
 - 4.4. Compete to secure efficient and effective services.
5. The Governing Body has responsibility for overall financial management of the school and must ensure the requirements of the 'Academy's Financial Handbook' and associated guidance from the Department for Education are met.
6. A balanced budget for the financial year must be approved and minuted by the full board of trustees.
7. The board of trustees must notify the ESFA within 14 days if it is formally proposing to set a deficit revenue budget for the financial year, which it is unable to address after funds from previous years are taken into account.
8. The Governing Body has a duty to ensure that the Policy and Procedures contained in this document are approved and implemented in order to fulfil the requirements of the 'Academy's Financial Handbook'.
9. In the management of all budgets, the Governing Body require the school to comply with any requirements and guidance from the DfE, Companies House or included in the 'Funding agreement'.
10. The details of the financial responsibilities and procedures for the school are set out in this Financial Management Policy and Procedures document specifically approved by the Full Governing Body.
11. The Governing Body can delegate its financial powers to Committees, individual governors, the Headteacher or other staff, but must record its decision (and any revisions) in the minutes of the Governing Body.
12. The Governing Body will annually appoint three of its members to an Audit Committee who will meet to review the annual Audit and Management Letter.
13. The Governing Body will appoint auditors to provide all accounts required for submission to Companies House, the DfE, ESFA and any other body as required. They will also appoint a qualified person to carry out termly spot checks of policy and procedure compliance.

ACADEMIES FINANCIAL HANDBOOK

The Academies Financial Handbook must be adhered to as part of East Barnet School's Financial Management Policy

1. Roles and Responsibilities

The latest Academies Financial Handbook sets out the roles and responsibilities of of:-

- DFE
- Education and Skills Funding Agency
- Governors/Trustees
- Members
- Accounting Officer
- Chief Financial Officer

2. Scheme of Requirements

The Academies Financial Handbook sets out the responsibilities and requirements relating to:

- Roles and responsibilities
- Main financial and governance requirements
- Delegated Authorities
- Audit Requirements

The requirements in the Handbook, the '**musts**', are attached as appendix 1, however, the full Handbook must be adhered to as part of East Barnet School's Financial Management Policy.

A. SCHEME OF DELEGATION

1. The Governing Body have agreed delegation as shown in the Governing Body Decision Planner and the Resources Committee Terms of Reference.
2. The Headteacher may delegate further to the Leadership Team members, school Business Manager and Heads of Faculty as detailed in appropriate areas of this Financial Management Policy & associated Procedures documentation. Expenditure Authorisation Levels are shown below and in a separate Table of Authorised Signatories & Limits.
3. **Expenditure Authorisation Levels**
 - 3.1. **Resources Committee agree:**
 - 3.1.1. The annual budget with the Headteacher and School Business Leader and present it to the Governing Body for approval.
 - 3.1.2. All general maintenance and repairs over £10,000 for any single project, provided that expenditure remains within budget.
 - 3.1.3. All capital works, if delegated to the Committee, by the Full Governing Body.

3.1.4. Formulation and implementation of programmed maintenance, repair and redecoration.

3.1.5. All non-staff related contracts over £10,000 and then report to Full Governing Body

3.2. Headteacher:

3.2.1. The Headteacher and the School Business Leader prepare and present the annual budget to the Resources Committee. When the budget has been fixed for the financial year, the Headteacher has the authority to spend within the agreed budget. When the Headteacher wants to spend from the contingency fund he is required to obtain the approval of the Resources Committee.

3.2.2. The Articles of Association require two signatories: the Headteacher is the Bank signatory together with a second signatory for all payments.

3.2.3. The Headteacher authorises all payments made on the payroll.

3.2.4. The Headteacher has authority, without reference to the Resources Committee and provided that expenditure remains within budget, to agree:

3.2.4.1. All general repairs up to £10,000 for any single project, but limited to two instances in any calendar month.

3.2.4.2. All non-staff related contracts up to £10,000.

3.2.4.3 All such delegated expenditure involving single projects over £3,000 should be reported to the Resources Committee.

3.3. Other Budget Holders:

3.3.1. The Headteacher may delegate financial authorisation levels to the Leadership Team members and the School Business Leader appropriate to their areas of responsibility and to Heads of Faculty/Year/Department as appropriate to their agreed budget levels.

3.4. School Business Leader

3.4.1. The Headteacher delegates the responsibility to the School Business Leader to prepare and monitor the annual budget.

3.4.2. The School Business Leader authorises all orders placed within budget of £5,000 and above.

3.4.3. The Finance Officer holds a school charge card with a maximum spend limit of £7,500 per month. All transactions are authorised by the Headteacher prior to the actual purchase being made.

3.4.4. The School Business Leader is authorised to transfer funds between school bank accounts using the Inter-Account Transfer facility to maximise bank interest whilst maintaining adequate cash flow levels.

3.5. Senior Finance Officer/Finance Officer

3.5.1. The Finance Officer authorises all orders placed within budget up to £5,000.

3.5.2. The Senior Finance Officer and Finance Officer both hold a school charge card with a maximum spend limit of £7,500 per month. All transactions are authorised by the Headteacher prior to the actual purchase being made.

B. ASSETS & INVENTORY

1. Acquisitions of assets are subject to the same authorisation procedures as other purchases (see section on Ordering and Purchasing).
2. **The Inventory should:**
 - 2.1. Ensure that staff take responsibility for the safe custody of assets
 - 2.2. Enable school management to undertake independent checks on the safe custody of its assets as a deterrent against theft or misuse;
 - 2.3. Support insurance claims in the event of fire, theft or other losses.
3. **Maintenance of the inventory:**
 - 3.1. The records are maintained on computer and updated by the Finance Staff as and when the assets are received in the school;
 - 3.2. All items over the value of £3,000 are to be included;
 - 3.3. All items on the inventory are marked with an identifying label;
 - 3.4. An annual count must take place by person(s) other than the Finance Staff, and any discrepancies reported to the Governing Body.
4. **Disposal of assets entered in the inventory**
 - 4.1. All disposals of material assets, by sale or write off, require authorisation by the Headteacher and/or Governing Body. The date of disposal, area removed to and quantity disposed must be recorded in the assets register by the Finance Officer, and the Headteacher must then sign against the date.
 - 4.2. Surplus or obsolete assets which are more than five years old can be disposed of at the Headteacher's discretion, and in a way approved by the Headteacher, and reported to the Governing Body at the next Resources Committee meeting. See Asset Write Off Form.
 - 4.3. Other surplus or obsolete assets may only be disposed of with the prior approval of the Governing Body and in a way which provides value for money for the school.
5. **Recording of Assets**
 - 5.1. The School must maintain an official inventory of all its moveable assets with a value in excess of £3,000 and in a form that complies with guidance given by the DfE or other statutory bodies.
 - 5.2. Assets worth less than £3,000 should be recorded in some form.
 - 5.3. Surplus or obsolete inventory or stock items disposed of must be removed from the inventory and asset registers.
6. **Asset Checks**
 - 6.1. The Senior Finance Officer must carry out spot checks of the whole school inventory against actual physical assets and investigate any discrepancies found.
 - 6.2. A complete inventory check must be made annually against both the electronic and hard copy inventories, and updated if necessary.
7. **Security Marking**
 - 7.1. The Finance Officer must notify the Senior Finance Officer of the purchase of any new asset.

7.2. The Finance Officer must then ensure that equipment is marked with the School name and the item reference number.

8. Insurance

8.1. The Official Inventory as well as records of assets below £3,000 should be used to determine a suitable level of insurance cover or covered under the Risk Protection Arrangement.

8.2. Consideration should be given to the adequacy of the current insurance cover when purchasing assets of significant value or covered under the Risk Protection Arrangement.

C. CONTROLS – INTERNAL/RESPONSIBLE OFFICER

1. The Academy Trust must have in place sound internal control and risk management processes.

2. Audit Committee:

2.1. The Governors appoint annually an Audit Committee comprising three Governors with one or more Governors shadowing the Audit Committee.

2.2. The Audit Committee meet at least once per annum to:

2.2.1. review the risks to internal financial control;

2.2.2. agree a programme of work to address these risks;

2.2.3. review the annual accounts and governance statement and provide assurance to the external auditors

2.2.4. review the Management Letter and ensure that the issues identified are addressed in a timely and appropriate manner.

3. Headteacher as Accounting Officer:

3.1. The Headteacher as the Accounting Officer is personally responsible to the Governing Body for and whose duty it is to take appropriate action to ensure:

3.1.1. regularity and propriety;

3.1.2. prudent and economical administration;

3.1.3. avoidance of waste and extravagance;

3.1.4. efficient and effective use of available resources; and

3.1.5. the day to day organisation, staffing and management of the academy.

4. Responsible Officer:

4.1. To manage the programme of risk review and checking of financial controls, the Governors appoint annually a Responsible Officer to review and report on financial systems on a termly basis. This is currently carried out by an external audit service.

4.2. The Responsible Officer can be:

4.2.1. An internal audit service (in-house or external)

4.2.2. Supplementary service provided by the trust's external auditor

- 4.2.3. An unpaid, non-employed trustee with appropriate qualifications and/or experience.
- 4.2.4. A suitably qualified or experienced, independent peer reviewer from another academy trust (i.e. Principal Finance Officer).
- 4.3. The main duties of the Responsible Officer are to provide on-going independent assurance that:
 - 4.3.1. the financial responsibilities of the governing body are being properly discharged;
 - 4.3.2. resources are being managed in an efficient, economical and effective manner;
 - 4.3.3. sound systems of internal financial control are being maintained; and
 - 4.3.4. financial considerations are fully taken into account in reaching decisions.
- 4.4. The Responsible Officer will cover the following checks:
 - 4.4.1. Review that bank reconciliations have been carried out each month, including a review of validity of reconciling items;
 - 4.4.2. Review of the monthly payroll to ensure that any changes have been appropriately authorised;
 - 4.4.3. Check of a sample of orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised;
 - 4.4.4. Check of a sample of payments back to invoices, orders and delivery notes to confirm they are bona fide purchases;
 - 4.4.5. Review of a sample of expense claims to ensure there is appropriate documentation to support the claim and that the claim is appropriately authorised;
 - 4.4.6. Review the returns to the ESFA to ensure the information supplied is consistent with the underlying accounting records and internal management reports;
 - 4.4.7. Carry out spot checks of petty cash balances and supporting vouchers and
 - 4.4.8. Review all major contracts and ensure formal tendering procedures exist and are being adhered to.
- 4.5. The Responsible Officer will issue the report to the Headteacher and the School Business Leader will forward this to all Governors for information.
- 4.6. The School Business Leader will action any recommendations or issues and report back before the next meeting to the Governors Resources Committee.
- 4.7. The Responsible Officer report will be minuted at the termly Full Governing Body meeting.

D. BANK CREDIT/CHARGE CARD USAGE

1. To conform to the principles of the Financial Management Policy, the primary method of billing must remain as invoicing and this shall generally be used in preference to card purchases.
2. Best Value must be achieved when purchasing goods or arranging for services for the school from companies requiring a direct or internet payment.
3. The use of debit card is not permitted due to the financial risk of gaining access directly to the main school bank account.

4. The practice of obtaining cash from an Automatic Teller Machine must be restricted to named staff members and only used on specific occasions in accordance with this Financial Management Policy.
5. Cardholders must not use the cards for personal expenditure under any circumstances.
6. Effective financial controls must be implemented with procedures in place to safeguard the use of charge/store cards.
7. The cardholder must take the necessary precautions for the security of the card.
8. To fulfil the requirements of HM Treasury's Managing Public Money guidance and to ensure that the use of credit cards does not conflict with any restrictions on borrowing set out in the Funding Agreement, the credit/charge card balances must be repaid in full each month by direct debit.

Requirements

9. The cardholder must ensure that all purchases made are within budget.
10. All card payments must all be supported by receipts and monthly statements for payment.
11. The Headteacher must authorise, in writing, any use of a charge card to obtain cash from ATMs or when obtaining currency for school trips.
12. Supplier charge cards, i.e. store cards, fuel cards, must be initiated and controlled by the Senior Finance Officer
13. Any application for a charge card shall have the approval of the Governing Body on the recommendation of the Resources Committee
14. The Governing Body, on the recommendation of the Resources Committee, may authorise the Headteacher to be a cardholder.
15. The Headteacher may authorise a member of staff to be a cardholder, as appropriate, namely the School Business Leader, Finance Officer, Associate Deputy Headteacher or Assistant Headteacher.
16. Each card is the responsibility of the cardholder and shall be stored safely and securely by the cardholder
17. The PIN number for each card shall be known only by the cardholder and not disclosed to anyone else or written down.
18. In the event of loss of the PIN number, the bank will be able to provide the cardholder only with the information.
19. Should the card be lost or stolen, the loss shall be reported by the cardholder to the issuing bank, the police (in the event of theft), the school School Business Leader and the Headteacher immediately.
20. The charge card shall be issued by the school's bankers, currently NatWest Bank.
21. The charge card account shall have a monthly spending limit of £15,000 controlled by the bank.
22. The charge card balance shall be settled in full automatically each month by direct debit thereby avoiding interest charges and fulfilling borrowing legislation.
23. The charge card transaction should be entered in the accounts as soon as possible with the card authorisation number, ready to be reconciled when the bank statement reaches the school

24. In addition to the above, Charge Cards (including store cards) will only be approved where there is an evident need to purchase from that source regularly.
25. All purchases shall be agreed by the Headteacher (up to and including £1,000) and by the Headteacher and one other authorised signatory (above £1,000), in accordance with the Bank Mandate by two authorised signatories.
26. Receipts for all purchases shall be sent to the Finance Office as soon as practicable after the transaction has happened.
27. Foreign currency purchases for school journeys are only permitted with the written permission of the Headteacher.
28. All authorised cardholders shall take necessary precautions to:
 - 28.1. keep the card securely
 - 28.2. ensure that transactions on their card are conducted with the approval of the school in accordance with this policy.
29. Cardholders shall be made aware of the action to take in the event of a card being stolen, lost or missing.
30. Cardholders may not use cards for personal transactions or purchases.
31. Separation of duties and signatory requirements are fulfilled by the following:
 - 31.1. Budget holder completes and signs the purchase order;
 - 31.2. Finance Officer checks against the budget on the accounting system and authorises the purchase;
 - 31.3. Headteacher, as signatory, authorises payment of the transaction before the Cardholder makes the purchase;
 - 31.4. Finance Officer records expenditure on the schools accounting system;
 - 31.5. Finance Officer reconciles card receipts against:
 - 31.5.1. Direct debit on bank account statement on charge card statement;
 - 31.5.2. Transactions on bank account statement on cash card withdrawals;
 - 31.5.3. Statement of account for charge card purchases.
32. For all Purchases:
 - 32.1. A purchase order shall be completed promptly and signed by the budget holder and must be given to the Finance Officer/ for authorisation as within budget and annotated as payment by card;
 - 32.2. The order confirmation shall be printed immediately and coded, authorised and posted as a direct charge card payment onto the accounting system;
 - 32.3. For online ordering, the cardholder must have a purchase order signed in advance by the Budget Holder and authorised for processing by the School Business Leader
 - 32.4. All orders must be evidenced/recorded (computer or paper);
 - 32.5. Telephone orders are permitted with prior agreement by the School Business Leader, and then only by the Senior Finance Officer/Finance Officer as cardholder;
 - 32.6. Purchasing records must allow correct coding in accounts;
 - 32.7. A receipt/invoice must be obtained, showing full VAT details (where applicable);
 - 32.8. Cardholder must present the card receipt/invoice to the School Business Leader;

- 32.9. All orders/goods:
 - 32.9.1. Must be delivered to the school address;
 - 32.9.2. Must have record of receipt of goods/service at school, i.e. delivery note;
- 32.10. Purchases under £200 may be off-site;
- 32.11. Purchases off-site may be up to £500 as agreed by the Headteacher;
- 32.12. Purchases over £200 must be ordered on the school premises, usually by the Finance Officer/Senior Finance Officer as cardholder.

E. BANKING AND PAYMENTS

1. The use of any bank accounts operated by the School must be properly controlled and operated securely.
2. The school bank accounts must have parameters as to their use agreed with the Governing Body.
3. The School's bank is currently NatWest, North Finchley B Branch and the accounts are conducted in accordance with the mandate agreed by the Governing Body and within the regulations laid down by the DfE.
4. As required, the School will maintain separate records of public and non-public monies. All grants and budgets from the DfE are paid directly into the public funds bank account.
5. The bank accounts must not be overdrawn. If there are insufficient funds in the school's account to honour a payment against that account, the Headteacher must be notified immediately.
6. Bank statements are obtained once a month and must be promptly reconciled with the Bank record on the School Accounts System. Any discrepancies are to be investigated immediately. The bank reconciliation must be certified as carried out by the Senior Finance Officer or Finance Officer. The reconciliation must also be reviewed and countersigned by the School Business Leader and Headteacher or Associate Deputy Headteacher. Statements and reconciliations must be filed in statement number order and kept in the Finance Office.
7. Staff private bank accounts are not to be used for any school payment or receipt except for items bought specifically for school use when it is not practical for payment to be made directly by the school
8. A VAT receipt must be obtained from the supplier in such circumstances and in order to obtain reimbursement from the school.
9. Funds surplus to immediate requirements are to be placed in an interest bearing account with NatWest.
10. The Governors have agreed that the NatWest accounts may be accessed for Internet Banking purposes – Refer to Section K. Internet Banking and BACS payments.

Requirements

11. The Bank Mandate to December 2018 requires that all payments, whether by BACS or cheque, should be made by one signatory up to and including £1,000 and two signatories over £1,000.
 - 11.1. All payments are signed by the Headteacher and one other signatory or, in the absence of the Headteacher, by two signatories with the prior agreement of the Headteacher.
 - 11.2. In the event of the unforeseen or extended absence of the Headteacher, the Chair of Governors will act as a signatory together with one of the other signatories.

12. **Bank Signatories - Headteacher + Senior Leadership Team** Details for financial year 2019-2020:

Name of Signatory	Official Position
Ms Leann Swaine	Headteacher
Mr Major John Ireton	Chair of Governors
Miss Laura Jayne Coffill	Associate Deputy Headteacher
Mrs Faye Hurst	Associate Deputy Headteacher
Mr Chris Hunt	Associate Deputy Headteacher

13. BACS electronic payments are made via the bank's Bankline facility.

13.1. The Finance Officer submits the payment details to the bank either directly to Bankline or from the accounting system.

13.2. Authorisation is given by the signatories on-line according to the Bank Mandate.

13.3. The signatories sign and date the BACS report/documentation to confirm authorisation of the BACS payment.

14. Direct Debit payments are claimed directly via the bank account.

14.1. Authorisation is given by the signatories according to the Bank Mandate.

14.2. The signatories sign and date the documentation to confirm authorisation of the Direct Debit payment.

15. School cheques can only be issued in accordance with parameters as to their use as agreed with the Governing Body, as follows:

15.1. All cheques must be crossed 'account payee only'.

15.2. Cheques must be signed in accordance with the Bank Mandate.

15.3. Full signatures must be used on all cheques - initials are not acceptable.

15.4. The signature must be the last item to be placed on all cheques - no pre-signing of cheques will take place.

15.5. Pre-printed sequentially numbered cheques are kept securely in a locked filing cabinet in the Finance Office which is locked when unoccupied.

16. At least once per week the Finance Officer must check which creditors should be paid, usually determined by the date that the payment is due and should check that the invoice has been authorised for payment by the Headteacher, the Associate Headteacher or an Associate Deputy Headteacher with the consent of the Headteacher in her absence.

16.1. The Finance Officer then prints off from the School Accounts System the BACS/cheque run details and each cheque with remittance advice on the next sequentially numbered preprinted blank cheque form.

16.2. For handwritten cheques, the Finance Officer will check against the invoice, remittance advice and cheque number to ensure the correct number and details are inserted on the School Accounts System.

16.3. BACS payments are submitted to Bankline either by manual entry or by template uploaded by the Finance Officer.

- 16.4. Together with all the relevant supporting documentation, all BACS payments/cheques must then be passed to the signatories in accordance with the Bank Mandate.
- 16.5. The signatories must check and sign that payment is supported by the relevant authorised documentation and sign and date the reports and cheques.
- 16.6. The documentation must be returned to the Finance Officer, who sends an emailed remittance advice for BACS payments or the cheque and remittance advice to the supplier.

Authorised Signatories & Limits – September 2019

Areas of Authorisation	Full Governing Body	Chair of Governors **	Governors' Resources Committee	Headteacher / Accounting Officer	Associate Deputy Headteacher	School / Company Secretary	Finance Officer	Finance Assistant	Budget Holder
1c Bank transfers and cheques (× in absence of Headteacher)		×		✓	✓				
1d Inter Account Transfer of funds - NatWest accounts only						✓			
2. Certification of Invoice and Petty Cash payments(× in absence of Headteacher)		×		✓	×				
3. Orders for supplies, works and services						✓	✓	✓	✓
3a. Authorisation of orders up to £5,000							✓		
3b. Authorisation of orders £5,000 and above						✓			
3c. Authorisation of Contracts	✓	✓	✓	✓					
3d General Maintenance & Repairs, within Budget			>£10K	<=£10K					
3e Capital Works (Resources if delegated by FGB)	✓		✓						
4. Salaries & Wages, including honoraria, timesheets, overtime, car mileage & travel claims & HMRC returns (× in absence of Headteacher)		×		✓					
5a Annual Budget Approval	✓								
5b Budget Virements – Resources (Finance) Committee Terms of Reference *			✓	✓					
6. Education & Skills Funding Agency (ESFA) Returns		✓	✓	✓					
7. Documentation relating to the Academy Trust			✓			✓			
9. Charge Card Holder - purchases up to £7,500 each card per month						✓	✓		

* To permit the Headteacher to authorise budget virements with the limitation of 10% of each C.F.R code, subject to a maximum of £25,000 in each case. These virements must be subsequently advised to the Resources Committee in writing for their ratification. Virements in excess of these limits must have prior agreement of the Resources Committee and be reported to the full Governing Body for their approval.

Note: In the event of the unforeseen or extended absence of the Headteacher, the Chair of Governors will act as a signatory together with one of the other signatories.

F. BUDGET MANAGEMENT & REPORTING

1. The responsibilities of the Governing Body, its committees, the Headteacher and the staff should be clearly defined and the limits of delegated authority be clearly established
2. The school's budget should not result in a deficit position. Should this be the case, the ESFA may issue a Financial Notice to Improve (FNtI) setting out the actions required by the ESFA that the Trust must take in order to address the underlying cause(s) about financial management and/or governance of the Trust.
3. In the event of a deficit budget position, this must be agreed by a majority of Governors prior to submission to the ESFA.
4. The Governing Body must approve any application for an advance of Budget Share and/or capital for future years for a specific project. Note: If approved, the advance would be granted subject to certain terms and conditions as set out in the Scheme
5. The school must establish sound internal controls to ensure the reliability and accuracy of its financial transactions;
6. The school will monitor the budget and report to the Governing Body regularly.
7. The Annual audited accounts must be presented to the Trustees and posted on the school website.

Requirements

8. Funding

- 8.1. The school's delegated budget: includes funds delegated by the ESFA (General Annual Grant/Pupil Premium and other restricted funds) and school generated income (unrestricted funds), such as catering income, lettings charges; as well as money held for educational trips (restricted funds).
- 8.2. Private funds (donations, staff and student funds) are subsumed within the accounting structure, are subject to the same standards of financial management and held within the main school bank account.
- 8.3. In the event of a deficit budget situation, the school will have regard for and safeguard any restricted or private funds being held in the main school bank account.

9. Scheme of Delegation

- 9.1. The day to day steering and strategic medium and long term budget planning and financial management has been delegated by the Governors to the Headteacher. The Headteacher will consult closely at all stages with the School Business Leader and the Leadership Team. Budget holders are involved at various points and their Development Plans are instrumental in planning some aspects of the budget. The annual budget is presented to the Governors' Resources Committee, where it is reviewed, modified and agreed.

10. Budget and Financial Planning

- 10.1. Initial planning, staffing and curriculum needs are established by the Headteacher. The progress of the current three year School Development Plan is reviewed by the

- Headteacher and Leadership Team. The whole school staff and governors are consulted and involved at the start of a new three year School Development Plan cycle.
- 10.2. The School Business Leader will monitor the current year's budget figures, together with forecasts for three years, to ensure accuracy in planning and report regularly to the Headteacher and termly to the Resources Committee.
 - 10.3. The School Business Leader will use salary cost models, current and previous year's figures for premises and other costs, benchmarking comparisons with similar schools and the School Development Plan to plan the draft budget in consultation with the Headteacher.
 - 10.4. The current year's actual is reconciled to 31st March with the forecast to 31st August for review by the Resources Committee and uploaded to the ESFA website by 31st May (Budget Forecast Return Outturn).
 - 10.5. The draft budget is drawn up by the School Business Leader in the Spring Term and discussed with the
Headteacher and the Leadership Team. On receipt of the budget allocation in early March, the School Business Leader will revise the draft budget for review by the Resources Committee, with any subsequent budget revisions made by the ESFA incorporated prior to ratification.
 - 10.6. The budget is finalised and presented to the Resources Committee for agreement and reported to the full Governing Body for ratification before the end of the summer term and must be submitted to the ESFA by 31st July.
 - 10.7. The outturn for the previous year is established through the year end audit as at 31st August and the new year budget refined to incorporate any variance in the previous/current year's surplus
 - 10.8. Year End and Three Year Forecasts are reported to the Governors' Resources Committee each term.

11. Budget Monitoring & Reporting

- 11.1. The Senior Finance Officer ensures that all salary payments are correct and that any corrections are made. **The Senior Finance Officer checks and monitors the monthly payroll reports and liaises with the School Business Leader/ Headteacher to ensure accuracy. The Headteacher and School Business Leader sign the reports.**
- 11.2. Accounts are reconciled to Bank Statements at each month end and Bank Reconciliations are prepared by the Finance Officer and signed by the Headteacher.
- 11.3. The budget is regularly monitored by the Headteacher and the School Business Leader - information is provided to budget holders regularly as required. The School Business Leader will report to the Headteacher any specific issues which may arise. Staff are regularly informed at briefings about the state of the budget.
- 11.4. The budget is managed in a dynamic way and funds are moved between budget headings (virement) to reflect changing needs. A revised forecast will be presented to the Resources Committee at least bi-annually for agreement and sign off.
- 11.5. Monitoring reports are presented to the Chair of Governors on a monthly basis and Governors' Resources Committee at the half-termly meetings showing income and

expenditure against current budget, with comparisons to previous years. Benchmarking comparisons with similar schools are made annually.

12. Cash Flow Monitoring

12.1. The Senior Finance Officer completes a monthly Cash Flow Monitoring Report to monitor and check income, expenditure and commitments to ensure that the expenditure profile can be afforded from the school's expected income. The Cash Flow is reported half-termly to the Governors' Resources Committee.

13. Value for Money Statement

13.1. Academy trusts are required to complete an annual Review of Value for Money which now forms part of the Governance Statement in the annual accounts. The statement is to help the Academy self-assess what has been done to maximise the impact of their money.

14. Surplus/Deficit Balances

14.1. Academies are currently permitted to carry forward the surplus or deficit balance from one financial year to the next.

14.2. Under the original funding agreement with the Secretary of State the academy trust was subject to limits on the amount of GAG that could be carried forward from one year to the next. This has been superseded by a Deed of Variation dated 12 April 2013 which states that the Academy Trust may hold and use unspent GAG from previous Academy Financial Years amounting to such percentage (if any) as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify. There are currently no restrictions of amounts carried forward.

15. Risk Analysis

15.1. The Resources Committee must review the risks to internal financial control at the trust and must agree a programme of work that will address these risks, to inform the governance statement that accompanies the trust's annual accounts and, so far as is possible, provide assurance to the external auditors.

15.2. The Responsible Officer provides the internal audit service and reports termly to the Resources Committee.

G. CATERING FINANCIAL MANAGEMENT

1. The Catering facility must operate according to the principles and requirements of financial management as contained within the Financial Management Policy and Procedures.
2. The Catering Manager will prepare trading accounts on a monthly basis for review by the School Business Leader
3. Effective and efficient financial controls must be in place to protect personal and school funds.
4. The use of cash to purchase goods or services within the school should be minimised to reduce the possibility of theft, loss and conflict, as well as for the purposes of good hygiene.

5. Students will have the opportunity to learn how to manage their own accounts effectively.
6. Parents of students in all years will be provided with a mechanism to monitor how their children spend money and what they are eating.
7. Staff will not have to carry cash around with them.
8. The system of payment should serve to minimise queuing.
9. The processing of any cash must follow procedures which ensure adequate financial control.
10. The cashless operating system must allow:
 - 10.1. anonymity for students on free school meals
 - 10.2. temporary overdraft facilities
 - 10.3. parents to pay by electronically, but cash or cheque may be accepted on occasional instances.

Requirements

10. The Biometric System

- 10.1. The Biometric system must comply with General Data Protection Regulations and Protection of Freedoms Act 2012 (sections 26 to 28) legislation which requires written consent from one parent. This can be revoked at any time in writing from either parent or verbally by the student.
- 10.2. The system operates by a thumb/finger scan which then accesses the user's account details held on the computer server to debit purchases made a breakfast, break or lunchtime.
- 10.3. Details of the user's account are kept on the computer server and the biometric data can only be accessed for use by the catering management system.
- 10.4. PIN numbers are given to those not consenting to use the biometric system.
- 10.5. The account has a daily limit for purchases.
- 10.6. All students using the biometric catering system must fill in application Biometric Consent form, giving details of name and biometric consent/refusal, daily limit if different to the default. See Cashless Catering System Application Form (appendix 4)
- 10.7. For new students transferring in September, parents/carers will be given a form to be completed and returned before the 'Year 6 visit' to the school in July.
- 10.8. For other casual admissions, the Year Head will arrange for the new student to go to the Finance Office.

11. The Finance Officer will:

- 11.1. set up a student/staff account on the Cashless Catering system with data supplied
- 11.2. scan the finger/thumb or issue PIN number

12. Setting up & Maintaining Accounts

- 12.1. The cashless system will be populated via updates from Facility CMIS via ParentPay and Trust E cashless systems.
- 12.2. For staff, the Finance Officer will open a new account on the data file using the Facility CMIS reference code.

13. ParentPay Online Payments

- 13.1. Electronic payments via a secure portal, i.e. Parent Pay, are permitted. This allows parents to access their child's cashless account to make online payments for catering and educational trips by debit or credit card and to view details of expenditure
- 13.2. Parents will be issued with a username and password for the ParentPay system on admission of their child but can request this information again via the Finance Office if required.
- 13.3. PayPoint barcodes are issued for parents to make cash or card payments at local outlets.
- 13.4. Any refunds due are made via the ParentPay system.

14. Loading Cash or Cheques to the Account

- 14.1. Whilst the school operates on a cashless basis, the school will accept cash or a cheque if necessary.
- 14.2. Parents should write the student's details on the reverse of any cheque, e.g. John Smith, 7C, Catering
- 14.3. Cash or cheques payable to "East Barnet School" should be brought into the Finance Office
- 14.4. The Finance Officer will credit the cash or cheque amount to the user's ParentPay account (cheques can be split between siblings' accounts)
- 14.5. Cheques will be paid into the school's bank within 7 working days
- 14.6. The school will charge parents/staff the value of the bank charge (currently £4.00) for any cheques returned unpaid for any reason.

15. Purchasing Meals

- 15.1. Users select their meals and go to the Electronic Point of Sale (EPOS) Cashless Till
- 15.2. Users scan their thumb or use their PIN which brings up the details of their account
- 15.3. From details shown on the EPOS Till, the Kitchen Staff can:
 - 15.3.1. verify that the user has sufficient money to pay for the chosen meal or has a Free School Meal allowance
 - 15.3.2. select the meal items chosen and debit the account accordingly.
- 15.4. The user can see the display screen to check details.
- 15.5. If the user has insufficient funds for their purchases, they can be given an overdraft and informed that this should be repaid the next day. Permission will have to be sought from Year Heads or the Finance Office for any further loan, which may be refused.

16. Free School Meals

- 16.1. Students receiving Free School Meals (FSM) will be able to purchase:
 - 16.1.1. A breakfast meal deal at the 8am Breakfast Service
 - 16.1.2. Only a main hot meal or salad plus pudding/fruit or a sandwich/roll at the Lunchtime Service (chilled water is available free in the dining area)
- 16.2. FSM Students may not use their free meals allowance at breaktime or to buy 'snacks' or 'drinks'

- 16.3. FSM Students are able to add money onto their account if they wish to purchase snacks, drinks or additional meals in the normal way.
- 16.4. The FSM allowance is limited by date of renewal, usually issued in April by HMRC, and parents will be reminded the month before the expiry date. Any purchases made after the expiry date will be chargeable if the FSM allowance has not been renewed with the School. However, under the transition to Universal Credit, students are eligible for FSM until 31 March 2022.
- 16.5. It is the responsibility of the parent to ensure that correct documentation is provided and to notify the School should their entitlement cease before the renewal date.
- 16.6. Students who were on Free School Meals in the last six years (Ever 6) will be able to purchase a Breakfast Meal Deal as an additional allowance funded by Pupil Premium.

17. Account Management

- 17.1. Parents are encouraged to provide sufficient funds for their child/ren to allow the account to run easily, as suits their personal situation
- 17.2. The system limits the maximum amount used per day and the parent can give permission for the daily limit to be adjusted up or down to help manage the account
- 17.3. Staff/Students/Parents are able to pay in larger sums, rather than small amounts daily.

18. Daily Limit

18.1. The system daily limit default is currently £6 for students and £10 for teachers and Sixth form students. Accounts are set at default unless otherwise requested by parents/staff on the application form or subsequently in writing or by telephone to the Finance Officer

19. Temporary Overdraft Facility

- 19.1. The Finance Officer can allow a user an overdraft facility in order to have enough credit to purchase a meal. The user will be told to repay the loan the next school day
- 19.2. If repayment is not made and the user requests further overdraft facilities, the Year Head/Finance Officer may allow one further overdraft but inform the user that no further overdrafts will be granted until the account is back in credit

20. **Information for Parents** can be found on the ParentPay website but, for those parents who are unable to use the system, reports on usage, including purchases made and payments into the account, can be provided on request by the parent to the Finance Department personally, by telephone or email to finance@eastbarnetschool.com

21. Catering Purchases

- 21.1. The Chef Manager will liaise with suppliers on a regular basis to achieve Best Value on prices, quality of food and delivery requirements.
- 21.2. The Chef Manager will place orders by telephone based on the prices agreed with the supplier
- 21.3. Deliveries must be checked carefully according to the Food Hygiene Regulations by the Kitchen Staff and placed in appropriate storage conditions immediately on receipt of goods.
- 21.4. The Chef Manager will check and sign invoices and credit notes to authorise payment and pass to the Finance Officer for payment

21.5. The Finance Officer will enter details of all invoices on the accounting system-and make payment in accordance with the separate 'Non-Order Invoices' procedures.

22. Monthly Procedures & Reports

22.1. Each month the Senior Finance Officer will extract expenditure and income information held in the

Cashless System and do journal entries to the accounting system:

- 22.1.1. Sales
- 22.1.2. Income received showing VAT charged for adult purchases
- 22.1.3. Free School Meals
- 22.1.4. Staff Duty Meals and Catering Staff Duty meals
- 22.1.5. Charges for functions, INSET refreshments (information provided by Chef)
- 22.1.6. Stock held (information provided by Chef)

22.2. Annually, or as requested, The School Business Leader reports to Headteacher and Governors' Resources

Committee giving comparisons of current and previous years, as follows:

- 22.2.1. Energy Costs
- 22.2.2. Equipment Costs
- 22.2.3. Income
- 22.2.4. Provisions Costs
- 22.2.5. Staff Costs - Mealtime & Senior Mealtime Supervisors
- 22.2.6. Staff Duty Meals
- 22.2.7. Student Free Meals
- 22.2.8. Training
- 22.2.9. Total Overall Costs/Profit

H. POLICY - CHARGING AND REMISSION FOR SCHOOL ACTIVITIES

1. The School must adhere to current legislation and Department for Education regulations with regard to charging for school activities.
2. **The School cannot charge for:**
 - 2.1. An admission application;
 - 2.2. Education provided during school hours (including the supply of any materials, books, instruments or other equipment);
 - 2.3. Education provided outside school hours if it is part of the national curriculum, or part of a syllabus for a prescribed public examination that the student is being prepared for at the school, or part of religious education;
 - 2.4. Instrumental or vocal tuition, for students learning individually or in groups, unless the tuition is provided at the request of the student's parent;

- 2.5. Entry for a prescribed public examination, if the student has been prepared for the examination at the school;
- 2.6. Entry for a prescribed public examination re-sit(s), if the student is being prepared for the re-sits(s) at the school;
- 2.7. Transport of registered students where:
 - 2.7.1. there is a statutory obligation to provide transport;
 - 2.7.2. the governing body has arranged for students to be educated on other premises;
 - 2.7.3. the student needs to meet an examination requirement, if prepared for that examination at the school;
 - 2.7.4. transport is provided in connection with an educational visit.
- 2.8. No charge can be made for supply teachers to cover for those teachers who are absent from school accompanying students on a resident visit.;

3. The School is permitted to request voluntary contributions:

- 3.1. For the benefit of the school or any educational activities as shown in clause 2 above, whether in or out of school time.
- 3.2. Parents must be notified that there is no obligation to make any contribution but, if insufficient voluntary contributions are raised, the activity may be cancelled.
- 3.3. Parents on low incomes and in receipt of certain benefits (see Remissions) must be made aware of the support available to them when being asked for voluntary contributions towards the cost of school activities.
- 3.4. No student will be excluded from an educational activity as shown in clause 2 above, if the parents are unwilling or unable to pay.

4. Education partly during school hours:

- 4.1. Subject to clause 2 above, if 50% or more of the time spent on **non-residential activities** occurs during school hours, it is deemed to take place during school hours. Travel time counts if the travel occurs during school hours. School hours do not include the break in the middle of the day.
- 4.2. If the number of school sessions taken up by a **residential visit** is equal or greater than 50% of the number of half days spent on the visit (periods of 12 hours ending with noon or midnight on any day), it is deemed to have taken place during school hours (even if activities take place in the evening):
 - 4.2.1. Students are away from noon on Wednesday to 9pm Sunday: 9 half days including 5 school sessions, so the visit is deemed to have taken place during school hours;
 - 4.2.2. Students are away from noon on Thursday to 9pm Sunday: 7 half days including 3 school sessions, so the visit is deemed to have taken place outside school hours

5. The School can charge for:

- 5.1. Education provided outside of school time, including materials, books, instruments, or equipment, that is not part of the national curriculum, or part of a syllabus for a prescribed public examination that the student is being prepared for at the school, or part of religious education;
- 5.2. Examination entry fee(s) if the student has not been prepared for the examination(s) at the school;
- 5.3. Transport, subject to Clause 2 above;
- 5.4. Instrumental or vocal tuition, both individually or in groups, where the tuition is not an essential part of the national curriculum, the student is not a looked after child, and the tuition is provided at the request of the student's parent;
- 5.5. Any materials, books, instruments, or equipment where the child's parent wishes him/her to own them;
- 5.6. Board and lodging for a student on a residential visit; see Remissions for exceptions.
- 5.7. Residential activities, including tuition, transport, board and lodging and other costs, which fall outside of school hours;
- 5.8. School meals and other catering items on sale in the school;
- 5.9. Extended day services offered to students (for example breakfast club, after-school clubs, and supervised homework sessions);
- 5.10. Costs of repair or replacement resulting from wilful or reckless damage or loss of school property;
- 5.11. Reprographics costs, where a document has been photocopied on request, whilst respecting copyright laws;
6. The charge must not exceed the actual cost but, in calculating any charges, an amount may be included in relation to:
 - 6.1. Any materials, books, instruments, or equipment provided in connection with the activity;
 - 6.2. The cost of buildings and accommodation;
 - 6.3. Teaching staff engaged under contracts for services or supply teachers engaged purely to provide the activity;
 - 6.4. Non-teaching staff;
 - 6.5. The cost, or an appropriate proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, or vocal tuition, where the tuition is chargeable;
7. To determine the charge, the total costs must be divided equally by the total number of students who will be participating in the activity. There must be no subsidy for other students wishing to participate whose parents are unwilling or unable to pay the full charge.

8. Parental agreement to pay is a pre-requisite of the provision of any chargeable activity.

Remissions & Concessions

9. The Headteacher may use discretion to subsidise part or all of the payment of some charges for certain activities and students.

10. Any requests for the remission of charges will be treated as confidential.

11. The Headteacher will determine and authorise any remission of charges.

12. The school will give consideration to the remission of charges to parents or carers who prove they are in receipt of the following support payments:

12.1. Income Support (IS);

12.2. Income Based Jobseekers Allowance (IBJSA);

12.3. Income related Employment and Support Allowance.

12.4. Support under part VI of the Immigration and Asylum Act 1999;

12.5. The guaranteed element of Pension Credit;

12.6. Child Tax Credit (provided that there is no entitlement to Working Tax Credit and the family's income does not exceed the current level set by Her Majesty's Revenue and Customs);

12.7. Working Tax Credit run-on – paid for 4 weeks after ceasing qualifying for Working Tax Credit;

12.8. Universal Credit –

13. Children of families who receive these support payments or children who receive these benefits directly are:

13.1. entitled to free school meals at the current school meal rate set by the Governing Body;

13.2. exempt from paying the cost of board and lodging, provided the residential visit is required as part of the national curriculum or part of the syllabus for a prescribed examination;

13.3. Children eligible for free school meals remain eligible until they finish the phase of schooling (primary or secondary) they are in on 31 March 2022.

14. Parents of students who are eligible for free school meals or Pupil Premium have the right to apply for financial assistance where a charge is payable or a voluntary contribution is requested.

I. COMPUTER SYSTEMS (FINANCE)

1. The financial records held by the school must be secure and confidential as well as providing a true picture of the school's financial position. The school is registered under the Data Protection Act, so this section of the Financial Management Policy should be used in conjunction with the guidance and requirements set out in the School's Data Protection Policy and the new General Data Protection Regulations, effective from 25 May 2018.
2. **Daily accounting records**
 - 2.1. In order to maintain daily accounting records, the school, with effect from September 2019, operates Access Education Finance. The School Business Leader, in conjunction with the Senior Finance Officer and Finance Officer has overall responsibility for its management on a day to day basis. This is a cloud based system. The GDPR and back up policy is included in appendix 1.
3. **Accessibility**
 - 5.1. Each member of the finance staff has a password for access to the computer software used for school financial management. Passwords are not disclosed to anyone else and are changed regularly.
 - 5.2.
4. **Salary information**
 - 6.1. Details of staff salary are maintained on Access Education Budgets and are used to establish budgetary information, for checking against information supplied by payroll and providing data to Teachers Pensions. This database is only accessible to the School Business Leader and the Senior Finance Officer.

J. FIXED ASSET ACCOUNTING

1. **Tangible Fixed Assets**
 - 1.1. Tangible Fixed Assets are those assets intended to be held for use on a continuing basis in connection with the activities of the academy. All fixed assets acquired since the academy was established should be included in the balance sheet, disclosing the net book value of fixed assets after deductions for depreciation and impairment. The notes to the accounts should analyse the funding source, cost, depreciation, (impairment if any) and net book value of assets, including leased assets, in the following categories:
 - 1.1.1. land and buildings, freehold and leasehold;
 - 1.1.2. plant and machinery;
 - 1.1.3. furniture and equipment;
 - 1.1.4. computer equipment and software;
 - 1.1.5. assets under construction.

- 1.2. Land and buildings inherited from the local education authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. Freehold land is not depreciated. Equipment inherited from the local education authority is included in the balance sheet at valuation. Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life. (See Section 5.)
- 1.3. Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.
- 1.4. Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

2. Leased assets

- 2.1. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

3. Investments

- 3.1. Investments may be shown as either fixed or current assets. Generally only investments which the trustees intend to realise without reinvestment will be shown in current assets. All investment assets should be included at market value.

4. Capitalisation Policy **(AGREED BY FGB)*

- 4.1. Individual assets costing less than £3,000 per item will be written off in the year of acquisition. Other assets may be capitalised, with consideration given at the time of purchase to any lower valued assets purchased as part of a project or large order.
- 4.2. Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.
- 4.3. ICT equipment and related devices should be capitalised when purchased as a project above £3,000.
- 4.4. Computer software that is separable should be capitalised as “intangible fixed assets”. Separable items include word processing or finance packages but excludes software required for the computer hardware to operate, such as a Windows operating system.

5. Depreciation Policy **(AGREED BY FGB)*

- 5.1. Depreciation is provided on a straight line basis on the cost of tangible fixed assets, with the aim of writing them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

	Annual Depreciation	Expected Lifetime

Long leasehold property	2%	50 years (Lease 125 years) *
Plant and machinery	15%	10-15 years
Furniture and equipment	15%	5-10 years
Computer equipment and software	25%	3-5 years

* Subject to recommendations in Surveyor's report

5.2. Depreciation on intangible fixed assets will be amortised but the useful economic life of the asset remains unaffected.

6. Trading Company

6.1. As it is planned to have a limited company to act as East Barnet School's trading company, the Academy's shareholding in the wholly owned subsidiary, when such a company is incorporated, will be included in the balance sheet at the cost of the share capital owned. There is currently no readily available market value and the cost of valuation exceeds the benefit derived.

7. Restricted fixed asset funds

7.1. Department for Education/Education Skills & Funding Agency capital grants

7.2. Other government capital grants and

7.3. Sponsorship monies received for capital projects

7.4. Restricted income received for the acquisition of fixed assets should be shown in Restricted Fixed Asset Fund

7.5. DfE/ESFA General Annual Grant funding is intended to cover Academy Trust running costs but can be used in part for purchases which can be accounted for as fixed assets, e.g. computer equipment.

8. Unrestricted fixed asset funds

8.1. Unrestricted income received which is used for the acquisition of fixed assets should be shown in Unrestricted Fixed Asset Fund.

9. Endowment Fund

9.1. An endowment fund is a restricted fund which is held on trust to be retained for the benefit of the Academy Trust as a capital fund, but the income can be expended either for the specific purposes (restricted income) for which it was received, or at the discretion of the governors (unrestricted income) as appropriate. Income should not be included in the endowment column unless there is new endowment capital received in the period.

9.2. The Governing Body of East Barnet School hold 3 per cent London County Consolidated Stock in the value of £980.64 for which the School receives a quarterly dividend. The foundation is called "The Vialou Endowment" and was created in 1945 for the financial assistance of students of East Barnet School.

10. Impairment

10.1. Impairment Reviews for items on the Asset Register will be undertaken as required.

10.2. Where following an impairment review the asset has a recoverable amount that is significantly below the carrying value, then an impairment loss should be recognised and the asset's carrying value reduced to the recoverable amount.

11. Revaluation of Fixed Assets

11.1. In accordance with FRS 15, fixed assets do not need to be re-valued unless the charity adopts a policy of revaluation. Any such policy should be disclosed. However, if an individual fixed asset is re-valued, all other fixed assets in that class (e.g. all buildings) would need to be re-valued at the same time. If a policy of revaluation is adopted then assets should be re-valued (using any reasonable basis) at least every 5 years.

11.2. The Academy Trust policy is that there will be no revaluation of tangible fixed assets.

K. INCOME

1. Income received by the school must be properly controlled and accounted.

Requirements

2. All income collections must be promptly paid, in their entirety, into the school account.
3. Income collected is receipted against each student's ParentPay account and can be viewed on-line by parents or a print-out can be requested.
4. Sales invoices must be issued from PS Financials to charge for services provided. The School's VAT number 111 2978 35 must be quoted on the invoice and VAT added, where appropriate. The invoice should be filed and the file checked regularly to ensure that income is received promptly.
5. When cash or cheques are collected, the income is to be retained in a locked drawer, or in the safe overnight, until it is banked.
6. All cash or cheque income is to be recorded on a numbered internal income form, noting where the money has come from, and to which income budget account it is to be credited.
7. The total banked is to be agreed with the total amount of the green internal income forms, which are to be annotated with the banking slip number.
8. All income is to be recorded on Access Education Finance to an income nominal account and against a relevant Cost Centre:
 - 8.1. Nominal Receipt for cash or cheque income from the green internal income form, noting the bank slip number,
 - 8.2. Nominal Receipt for funds received directly into the bank account,
 - 8.3. Sales Receipt for income received against a Sales Invoice.
9. Money from income must not be used to 'cash personal cheques'.

L. INTERNET BANKING & BACS PAYMENTS

1. The dual authorisation Internet Banking facility with the school bankers must be used to improve the efficiency of cash flow, minimise bank charges and maximise the potential for income to the school from bank interest.
2. Strict, effective, financial controls must be maintained by all those individuals accessing the Internet Banking facility to safeguard its use, with procedures in place to enable the Headteacher, other signatories, School Business Leader and Finance Officer to access the school bank accounts via secure internet link with appropriate restrictions in place to ensure separation of duties.
3. The following activities will be undertaken according to role:
 - 3.1. transfer funds between bank accounts
 - 3.2. improve cash flow management and gain higher bank interest income
 - 3.3. view and download bank statements

- 3.4. set up and authorise BACS and international payments to suppliers
4. Changes to the usage of the Internet Banking facility must be agreed by the Governors' Resources Committee and approved for use by the Governing Body.
5. The policy and procedures will be reviewed by the School Business Leader and reported to the Governors Resources Committee annually.
6. If there is a change of personnel with access to the Internet Banking Facility, the Internet Banking Facility may be suspended for the individual's post until such time as the Governing Body is satisfied that this should resume.

Requirements

7. The Internet Banking facility shall be issued by the school's bankers, currently NatWest Bank.
8. The Internet Banking facility will be used as a Dual System Administrator Authority requiring any changes to the Internet Banking facility permissions to be set up by one Administrator and verified by the other Administrator.
9. The Governing Body, on recommendation of the Resources Committee, may authorise the Headteacher to be an Internet Banking System Administrator/User. The Headteacher may authorise the School Business Leader to be an Internet Banking System Administrator/User and the Finance Officer as a User.
10. System Administrator and User details must be fully documented using the bank application forms and signed by duly authorised signatories with copies kept in school for Audit purposes.
11. All authorised System Administrators and/or Users must take the necessary precautions for the security of transactions on the school's bank accounts which must be conducted with the approval of the school in accordance with this policy.
12. Administrators and Users must not use the banking facility for personal transactions under any circumstances.
13. **Access & Security:**
 - 13.1. All Users can use the Internet Banking Facility, according to the level of access given by the System Administrator, via a password and PIN protected internet access.
 - 13.2. Users have a Smartcard security device to use with a PIN number for payment authorisation and Inter Account Transfers.
 - 13.3. The PIN number for each Smartcard shall be known only by the device holder and not disclosed to anyone else or written down.
 - 13.4. All Smartcards will be kept safely and securely by the device holder.
 - 13.5. System Administrators and/or Users shall be aware that, should a Smartcard be lost, stolen or any misuse of the Internet Banking Facility occur, this shall be reported by the device holder and/or User to the issuing bank, the police (in the event of theft), the School Business Leader and the Headteacher immediately.
 - 13.6. A Smartcard may only be taken off the school premises with the written permission of the Headteacher.
14. **System Administrators:**

- 14.1. System Administrator 1 (the Headteacher) must be a signatory on the Bank Mandate.
- 14.2. System Administrator 2 (the School Business Leader) is not a signatory.
- 14.3. System Administrators under dual control can set up Users, give Users access to the Internet Banking facility, suspend or delete users, order and issue Smartcards, give access rights and entitlements according to the role of individual users, including account viewing and payment authorisation limits.
15. **Non Signatory Users:**
 - 15.1. The Senior Finance Officer, Finance Officer or School Business Leader as Users can view the accounts, view and download bank statements and submit/cancel BACS or international transactions which have been duly authorised according to the Financial Management Policy & Procedures.
 - 15.2. The School Business Leader can make Inter Account Transfers between the NatWest Current and Business Reserve accounts only, using the PIN protected Smartcard.
16. **Signatory Users:**
 - 16.1. Signatory Users can view the accounts.
 - 16.2. Signatory Users can authorise payments via the PIN protected Smartcard.
 - 16.3. A signatory user must authorise payment in accordance with the Bank Mandate,
17. **Movement of Funds:**
 - 17.1. The Internet Banking Facility shall not be used for personal expenditure nor shall funds be transferred to personal accounts under any circumstances.
 - 17.2. The Headteacher delegates responsibility to the School Business Leader to move funds between the school's Current Accounts and Reserve Accounts as required to maximise bank interest.
 - 17.3. The Bank shall be notified that transfers may only be made between these four accounts.
 - 17.4. All movement of funds will be evidenced and recorded on the School's Accounting System.
18. **Separation of duties is fulfilled by the following:**
 - 18.1. In accordance with the Financial Management Policy, the Budget Holder passes the invoice for payment for goods/services received
 - 18.2. Finance Officer enters the invoice on the accounting system
 - 18.3. Headteacher authorises the invoice for payment
 - 18.4. Finance Officer sets up the BACS payment on the Internet Banking Facility, annotates the invoice and prints out the BACS report
 - 18.5. Senior Finance Officer will review the BACs payments and relevant invoices
 - 18.6. Headteacher receives the BACS report with relevant invoices, authorises the BACS payment on line and signs the BACS report.
 - 18.7. The same agreed limits and procedures as per cheque payments will be followed, eg a Second Bank Signatory will co-authorise BACS payments and sign the BACS report; the Headteacher cannot authorise payments to herself or a family member, etc

- 18.8. Finance Officer reconciles BACS payments against the monthly bank statement
- 18.9. The Headteacher will view and sign the bank statements with the monthly accounting reports
- 18.10. The Senior Finance Officer will regularly monitor the online bank accounts and charge card accounts.

M. INVESTMENT POLICY

1. The Governing Body will approve a treasury management statement as part of the Financial Procedures Manual, which documents the Academy Trust's investment policy.
2. The Trust's investment policy is to invest surplus cash reserves on deposit with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are reviewed during the year to ensure that returns are maximised whilst safeguarding the funds invested.
3. The Governors are the holders of a 3% London County Consolidated Stock which provides £23.55 interest per year. This fund dates back to 1945 and is named the Vialou Endowment and its object is to provide for the benefit of our students.

N. LETTINGS & SHARED FACILITIES

With effect from 1st March 2020, Schools Plus have taken over the contract for managing the school lettings. The policy and principles remain the same.

1. Policy

- 1.1. The school is committed to make the premises available for use outside of school hours for community use, both as a service to the local community and a means of income generation.
- 1.2. No letting will be accepted which may bring the name of the school into disrepute because of activities taking place during a letting.
- 1.3. The school reserves the right to refuse any letting.

2. Principles

- 2.1. The day to day running of the school for the benefit of its students must take precedence over any let.
- 2.2. The impact on the school's ability to function as an educational establishment must be considered before agreeing to any let.

3. Requirements

- 3.1. The school must be adequately reimbursed for all costs incurred in providing the facility, including wear and tear. The Governing Body has delegated the charging policy in respect of lettings to the Head teacher, and the governors shall be notified of rates at the Governors' finance meetings.
- 3.2. The fee charged, especially for non-educational based lettings, should include a sufficient margin to provide the school with additional income.
- 3.3. All health and safety regulations must be complied with and that both personnel and school property must be adequately insured during the letting.
- 3.4. The procedures included in this Policy must be followed to establish the contract and safeguard the position of the school.

4. Procedures for extra-curricular room use by staff

- 4.1. Staff should request the use of rooms outside of normal curricular use by emailing the EBS Service Desk with relevant details.
- 4.2. A template email is provided for this purpose.
- 4.3. Any additional requirements for refreshments etc. should be booked by the member of staff with the kitchen and costs should be borne by the faculty

5. Procedures for external lets

- 5.1. All telephone and email enquiries should be referred to the Premises Manager
- 5.2. A hire information pack, which will include terms and conditions (T&Cs), hire rates and a Contract of Agreement available on the website, will be sent to the prospective hirer within two working days of the enquiry.

- 5.3. The Premises Manager will arrange a site visit and answer any subsequent questions if necessary.
- 5.4. The Hirer returns completed Contract of Agreement (which forms the contract) and deposit, to secure the booking (or full amount if under three weeks to event).
- 5.5. Confirmation email sent with itemised invoice, compiled from information on booking form with a further copy of the contract of agreement and the T&Cs.
- 5.6. The payment should be received at least two weeks before the hire takes place.
- 5.7. For 'one off' lettings, an indemnity payment, appropriate to the letting, must be received in advance of the hire, to be refunded in full, provided that no damage or loss has occurred to school property.
- 5.8. The current regulations regarding VAT on lettings must be followed.
- 5.9. An appropriate entry is to be made in the lettings diary to avoid 'double booking'. The Premises Manager should refer to the School Calendar to ensure that no letting clashes with School events. Any clashes should be referred to the appropriate member of staff.
- 5.10. Payment is to be paid into the School bank account and recorded on the school accounting software for audit purposes.
- 5.11. The Hirer is covered by the Third Party Public Liability, Hirers section of the School's Risk Protection Arrangement which provides Hirers Public Liability cover from any negligent act they commit during the hire which results in injury or damage to third parties and/or their property. The cost will be included within the hire charge.
- 5.12. The insurance does not cover use for commercial or political purposes.
- 5.13. Any additional cover required will be the responsibility of the Hirer.

6. VAT on income from Lettings

- 6.1. Lettings of accommodation for events that do not require the use of additional or specialised equipment are exempt from VAT. The letting of rooms and halls involving the use of catering facilities are normally exempt from VAT providing the School is not also acting as caterer.
- 6.2. The letting of sports facilities are also exempt if:
 - 6.2.1. The facilities are let for a series of sessions provided **all** the following conditions are met:
 - 6.2.1.1. The series consists of ten or more sessions;
 - 6.2.1.2. Each session is for the same sport or activity;
 - 6.2.1.3. Each session is in the same place;
 - 6.2.1.4. The interval between each session is at least a day and not more than 14 days;
 - 6.2.1.5. The full value of the invoice(s) must be paid. Instalments are acceptable;
 - 6.2.1.6. The person to whom the facilities are let has exclusive use during the sessions.
 - 6.2.2. Or it is for a single letting of sports facilities for a continuous period of over 24 hours to the same person.
 - 6.2.3. Or the sports facilities are let for purposes other than sport, such as a political or religious meeting.

6.3. Events predominantly involving the use of special equipment, such as lighting equipment are generally Standard Rated.

6.4. The provision of conference facilities beyond the letting of space in a building is Standard Rated.

6.5. The provision of catering for an event is Standard Rated.

See: Terms & Conditions

Hire Rates

Contract of Agreement.

O. ORDERING AND PURCHASING

1. All purchases, goods and services should be obtained at the correct quantity, quality and price available. Best value principles must be applied: Challenge, Compare, Consult, Compete.

Requirements

2. Price should never be the sole factor by which one decides what goods or services to order, e.g. lower maintenance costs and a longer life span for a product can mean that money is saved in the medium to long term. To establish whether a price is competitive, one or more of a variety of strategies should be used before committing any expenditure:

2.1. Consult relevant frameworks, e.g. DfE Deals for Schools, via the Crown Commercial Services's procurement frameworks, publications and templates. This non-statutory advice provides guidance to schools about buying practices, how to achieve better value for money and schools' obligations in relation to the basic rules of procurement and operating a further competition either through CCS or independently.

2.2. Consult Crescent Purchasing Consortium(CPC), Eastern Shires Purchasing Organisation (ESPO), Yorkshire Purchasing Organisation (YPO) and any other such purchasing frameworks;

2.3. Check trade journals, catalogues and magazines, internet websites/searches;

2.4. Use prior knowledge of goods or services purchased previously, provided that such products are tested against best value principles regularly;

2.5. Seek price comparisons, quotations or formal tenders;

2.6. Collate orders from several departments in order to procure discounts;

2.7. Ensure that offers of discounts are taken up if appropriate;

2.8. Consult and collaborate with other local schools and academies, where possible.

3. Official orders sequentially numbered by the accounting system should be used to purchase most of the school's goods and services except utilities. Notable exceptions are water, electricity, gas and petty cash expenditure.

4. All contracts for goods and supplies must be managed and monitored from delivery through to completion.

5. **Thresholds for Procurement:**

5.1. For small value or petty cash expenditure (up to £100), best value principles should be applied.

- 5.2. For low value purchases (between £100 and £10,000), best value principles should be applied and it is considered best practice to obtain three quotations or price comparisons. For values above £10,000, three quotations or price comparisons are required.
- 5.3. For medium value purchases (over £10,000 to up to £60,000), three quotations must be obtained against a written specification and evaluated using whole-life cost and best value for money to identify the best quote.
- 5.4. High value purchases (above £60,000) must be advertised to potential suppliers with an Invitation to Tender and fully detailed specification issued to interested suppliers. Tenders must be evaluated using whole-life cost and against pre-set evaluation criteria and weightings. Both successful and unsuccessful suppliers should be notified of the decision and a 10 day standstill period is desirable. Key Performance Indicators and Service Level Agreements should be agreed with the successful supplier before awarding the contract.
- 5.5. For whole-life contract costs above the EU Threshold (Schools: fixed from 1st January 2018: supplies & services £181,302 (2016-17: £164,176), works £4,551,413 (2016-17 £4,104,394), procurement should be through either an existing contract or framework agreement or via OJEU (Original Journal of the European Union). This process can be managed either directly or using a consultant or agency.
- 5.6. Framework Contracts/Preferred Suppliers complete a competitive process and evaluation against relevant criteria before being awarded a contract on the framework. All suppliers on the framework are invited to quote/tender by the school according to the procurement threshold levels.
- 5.7. An OJEU eNotice must be published to request all suppliers to submit expressions of interest. Over £100,000, a pre-qualification questionnaire may be used to create a shortlist of suppliers. An Invitation to Tender will then be issued with a fully detailed specification and giving appropriate response dates. Tenders will be evaluated using whole-life cost and pre-set criteria and weightings. All suppliers must be notified of the decision with a mandatory 10 day standstill period. Key Performance Indicators and Service Level Agreement will be agreed with the successful supplier before awarding the contract.

Procedures

6. Prior to placing an order:

- 6.1. The budget holder must obtain price comparisons or quotes to ensure that the best value principles have been applied and should ensure that there are sufficient funds available within the budget. Purchases valued between £10,000 and £60,000 must have three like-for-like quotes with evaluations attached to the order form which is held in the Finance Office. Purchases valued above £60,000 are subject to the tendering process. No order will normally be processed unless there are sufficient funds in the appropriate budget account.

7. Placing of Orders:

- 7.1. Orders are placed by budget holders using an internal EBS order form which is passed to the Finance Assistant or via the Education Access Finance system which requires:
- 7.2. Department/budget heading;
- 7.3. Name and signature of person (budget holder) placing order;
- 7.4. Supplier's name and address;
- 7.5. Description of goods to be ordered, supplier's stock codes, quantities and price;
- 7.6. Special instructions;
- 7.7. Copies of three quotes for orders valued between £5,000 and £60,000;
- 7.8. Copy of evaluation criteria for orders valued between £10,000 and £60,000;
- 7.9. Copy of specification, Key Performance Indicators, Service Level Agreement, contract for orders above £60,000.

8. The Finance Officer will:

- 8.1. enter the details on Access Education Finance
- 8.2. check funds available
- 8.3. commit the estimated cost against the appropriate budget allocation
- 8.4. if an order exceeds the budget, the internal order form is returned to the Senior Finance Officer to discuss the overspend with the budget holder. The School Business Leader will counter-sign the order form to authorise the order.
- 8.5. generate a draft official order number which will be written on the internal order
- 8.6. documentation will then be passed for authorisation to either the Senior Finance Officer or Finance Officer

9. Authorisation of Orders

- 9.1. Once the order has been input, the system generates an email to:
 - 9.1.1. the Finance Officer for authorisation of orders up to £5,000 or
 - 9.1.2. the School Business Leader for orders of £5,000 and above.
 - 9.1.3. On receipt of this email, the order will be checked and authorised on the system.
 - 9.1.4. The order will be printed from the system, attached to the original request and filed by the Finance Officer.
 - 9.1.5. The Finance Officer will place the order by email or fax.
 - 9.1.6. The funds committed will appear in the monthly budget statements issued to the budget holder.

10. Processing of Orders

- 10.1. One copy of the official order is filed by supplier together with relevant quotes or price comparisons, delivery note and invoice in the Finance Office and retained for six years.
- 10.2. One copy is held by the Budget Holder and the Finance System can be accessed for all orders and budget information.
- 10.3. Official orders may be emailed, faxed or posted.
- 10.4. Staff may not place orders via telephone, fax or otherwise without prior authorisation from the Senior Finance Officer who will issue an official order number. This will only be permitted where orders are urgent.

- 10.5. Staff must not purchase goods/services by personal funds except in emergency/special cases, e.g. obtaining petrol on a field trip. If a member of staff has made a direct purchase on behalf of the school, reimbursement is made after the VAT invoice/receipt is presented, the good have been received in school and authorised for payment by the budget holder. The Finance Officer will enter the details on Access against the relevant name on the Staff Ledger. Payment is by BACS to the bank account where the employee's salary is paid.
- 10.6. Staff wishing to order goods via the Internet should contact the supplier to arrange for an account to be set up so that the usual ordering procedure may be facilitated. Where it is only possible to order via credit card, staff must give details to the Finance Officer who will check that the budget holder has available funds, issue an official order number (if this is possible via the supplier's website) and use the school charge card as appropriate to purchase the item, provided that this has been authorised by the Headteacher.
- 10.7. Individuals are not allowed to use official orders to purchase goods and services for private use.

11. Checking Goods received:

- 11.1. Goods are to be signed for as 'unchecked' and the goods and delivery note are passed to the ordering department/budget holder for detailed checking for quality and quantity. The signed delivery note is then passed to the Finance Office and attached to the invoice.
- 11.2. Shortages/discrepancies are to be reported to the Finance Officer and the Budget Holder should notify the supplier immediately. The Budget Holder investigates any discrepancies between the order and the goods received and reports back to the Finance Officer to confirm whether a credit note is requested, goods have been returned, damaged goods have been replaced, etc.
- 11.3. When the invoice is posted into the finance system, the Finance Officer checks that the amount being invoiced matches the amount ordered and received.
- 11.4. In the event that an employee arranges for delivery of his/her personal items to the school address, the school reserves the right to open and view the items delivered.

12. Checking, Authorising and Payment of Invoices:

- 12.1. The Finance Officer will:
 - 12.1.1. check each invoice to ensure that it is valid, bears the school's official order number, there is a valid supplier VAT registration number (if appropriate) and date-stamps when received.
 - 12.1.2. pass a copy of the invoice to the budget holder for signed confirmation to pay the invoice and follow up those not returned within 48 hours to avoid late payment charges.
 - 12.1.3. Control-stamp and initial invoices, to record that the various checks have been carried out, enter on PS Financials and then pass to the Headteacher (or

Associate Deputy Headteachers with the consent of the Headteacher in her absence) with all supporting documentation for authorisation prior to payment.

- 12.1.4. hold authorised invoices ensuring that payment is made by the due date in order to maximise the interest received from the Bank. Care must be taken not to pay later than the due date (especially during school holidays) in case penalties are incurred.
- 12.1.5. set up the BACS payment or cheques on Access
- 12.1.6. print out the BACS run report and/or cheques.
- 12.1.7. print out the Direct Debit report.
- 12.1.8. annotate the date and number of the cheque on the invoice.
- 12.1.9. BACS payments or cheques are signed and issued in accordance with the section on 'Banking & Payment Arrangements'

13. Returned Goods:

- 13.1.1. Any faults/discrepancies should be reported to the Finance Officer immediately.
- 13.1.2. The Budget Holder will then report it to the supplier, usually within three days of delivery, and obtain instructions/official returns number/reference and a credit note.
- 13.1.3. Goods must never be returned to a supplier without a supplier's returns number/reference or otherwise the school is still responsible for the goods and therefore payment.

14. Non-Order Invoices:

- 14.1. Non order invoices usually relate to telephone orders (only made in emergencies, and kept to a minimum), inspection copies of books, catering invoices, supply teacher invoices and public utilities, e.g. water, fuel bills, telephones bills, etc.
- 14.2. Non-order invoices are checked by the Finance Officer to ensure that they are valid and authorised for payment by the Headteacher.
- 14.3. Non order invoices should be signed by the budget holder where appropriate.
- 14.4. The Finance Officer enters non-order invoices into the accounts system once the control-stamp has been coded correctly and authorised as goods received.

15. Heads of Department/Budget Holders are expected to look for best value for money on all purchases of goods and services. Major purchases are checked by the Headteacher before the purchase is made, to ensure that the best possible value for money is achieved.

16. Travelling expenses are paid to teachers where approved by the Headteacher. The current HMRC mileage rate is applied and approved by the Governors.

P. PETTY CASH

1. Cash held by the school must be secure and properly controlled.
2. The petty cash has a limit of £600 set upon it by the Governing Body - this limit represents a compromise between the need for cash to be readily available and the need for security.
3. However, to facilitate certain occasions, including but not limited to trips and deposit refunds, requiring larger amounts of cash as either sterling or foreign currency, the Governing Body authorises the Headteacher to permit a short term increase to the petty cash limit up to a total of £5,000. This increase must be reconciled and returned to the £600 limit within two school weeks of the event.
4. The school is insured by the ESFA's Risk Protection Arrangement for money held in locked safes of £10,000 per loss and for money in transit or not held in a locked safe of £5,000 per loss.
5. The following principles are applied to the use of petty cash:
 - 5.1. Only Finance Staff have access to petty cash;
 - 5.2. Personal cheques are not encashed from petty cash;
 - 5.3. Only minor, appropriate items should be paid for with petty cash (max. £100 inc VAT)
 - 5.4. Items may only exceed the £100 limit if purchases relate to trips when cash or currency is required to make payment.
 - 5.5. Petty cash is not to be used to pay for goods or services from regular suppliers;
 - 5.6. Finance Staff must be able to produce, on demand, any cash or vouchers to agree the amount of cash on hand.
 - 5.7. Petty cash must be kept in a lockable cash box which is kept in a locked drawer during the day and locked in the safe at night.
6. Each member of staff authorised to hold petty cash is responsible for:
 - 6.1. Obtaining proper vouchers and receipts for all cash payments made, submitting these and any unused cash balance to the Finance Officer and bringing purchased items into school, where appropriate, within two weeks of the cash advance. Any VAT should be identified as a separate amount and the receipt should bear the supplier's name and address and VAT number
7. Employees may be personally liable for any difference or unaccounted cash balance.

Procedures General

8. Income collected as cash may be paid into the Petty Cash Account when completing the weekly banking process to reimburse the float as required.
9. All cash is recorded on the Finance System and the balance in the cash float is checked regularly to the petty cash balance on PS Financials.
10. The Petty Cash Monthly Balance form must be checked and signed by the Finance Officer and School Business Leader.
11. The receipts must be filed in numerical order in a separate file.

Petty Cash Advance

12. The Finance Officer will provide an advance of petty cash to an employee on completion of the Petty Cash Advance form which must be signed by the Budget holder to authorise the purchase
13. The employee should ensure that a valid VAT receipt is obtained and return any unused cash to the Finance Officer. The purchased items must be brought into school.
14. The Finance Officer must return any unused cash to the Petty Cash tin, enter the details on the accounting system, write the Finance system reference number on the Petty Cash Advance form, pass to the Headteacher for signed authorisation, then file sequentially.

Cash/Currency for Trips

15. Where there is a requirement for trip leaders to take larger amounts of cash, the trip leader will liaise with the Finance Officer who will provide the required cash in the form of sterling or local currency.
16. The Finance Officer will request the Headteacher to authorise the cash required, set up a BACS payment or take sterling to the currency exchange to acquire the local currency.
17. The cash will be signed out as received by the trip leaders before the trip departs and all valid receipts will be passed to the Finance Officer immediately on return.
18. The Finance Officer will return any unused cash to the Petty Cash tin, enter the details on the accounting system, write the PSF reference number on the Petty Cash Advance form, pass to the Headteacher for signed authorisation, then file sequentially.

Petty Cash Reimbursement

19. Staff private bank accounts or personal funds are not to be used for any school payment except for items bought specifically for school use when it is not practical for payment to be made directly by the school. In such cases, a VAT receipt must be obtained from the supplier in order for the relevant member of staff to be eligible for reimbursement from the school.
20. The Staff Expenses Reimbursement form must be completed, signed and authorised by the Budget Holder. Reimbursement will be made by BACS to the bank account where salary is paid.
21. As the Science Technicians are required to make frequent, small value purchases for experiments, it has been agreed that petty cash can be claimed on a weekly basis, provided that the relevant receipts are provided and the Budget Holder has authorised the claim.
22. The Finance Officer will check the claim and reimburse the cash to the claimant, who will sign the acknowledge receipt.
23. The Finance Officer will enter the details on the accounting system, write the PSF reference number on the Petty Cash Advance form and file sequentially.

Q. PENSION DEFICIT – LOCAL GOVERNMENT PENSION SCHEME

1. On conversion to Academy Status, the Local Government Pension Scheme for Support Staff showed a deficit balance which is reviewed and reported annually in the Annual Accounts (FRS102).

2. The Scheme deficit will be reviewed tri-annually by the Local Government Actuary with employer contribution rates and deficit adjustments being set for the subsequent three years.
3. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

R. RESERVES POLICY

1. The Resources Committee of the Governing Body will review the reserve levels of the Academy annually and recommend these to the Full Governing Body for agreement.
2. The review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.
3. The governors have determined that the appropriate level of free reserves should be equivalent to one month's salary expenditure, approximately £600,000, to provide sufficient working capital to cover delay between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Where this is not possible, the Resources Committee will agree a temporary variance to policy and an action plan required for recovery.
4. Uncommitted and/or unspent funds from previous years must be taken into account to offset a deficit revenue budget.

S. REGULARITY AUDIT

1. The Headteacher as Accounting Officer's statement on regularity, propriety and compliance must be included in the academy trust's annual report.
2. This is a formal declaration by the trust's accounting officer that they have met their personal responsibilities to Parliament for the resources under their control during the year.
3. It includes a responsibility to ensure that public money is spent for the purposes intended by Parliament (regularity) and a responsibility to ensure that appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control (propriety), a responsibility to ensure good value for money and for the efficient and effective use of all the resources in their charge.
4. The accounting officer also has a responsibility to advise the board of trustees and the ESFA of any instances of irregularity or impropriety, or non-compliance with the terms of the trust's funding agreement. The format of the statement is included within the ESFA's Accounts Direction which is issued annually.
5. A review of the accounting officer's statement must be included within the remit of academy trusts' external auditors.
6. The auditor's conclusions on regularity will be addressed jointly to the trust and to the Secretary of State through the ESFA.
7. The ESFA will draw formal assurance from this regularity audit. Further information is included in the Accounts Direction.

T. RISK PROTECTION ARRANGEMENTS / INSURANCE

1. The school is covered by the Education Funding Agency's Risk Protection Arrangement (RPA) which is not an insurance scheme but a mechanism through which the cost of risks that materialise will be covered by government funds.
2. As cover for vehicles, engineering and worldwide school journey travel is not included in the RPA, cover is provided by an insurance provider.
3. Staff absence insurance is generally found to be expensive, so not used.

Summary of Cover provided by RPA

Type of risk	Description	Limit
Material damage	Loss or damage to buildings, contents, computers and stock owned by or the responsibility of the academy	Reinstatement value of the property
Business interruption	Compensation for increase in cost of working, resulting from interruption or interference with the business following a material damage loss	£10,000,000 any one loss
Employers liability	All sums the academy may become legally liable to pay (including claimants' costs and expenses) following death, injury or disease sustained by employees and arising out of and in the course of their employment by the academy	Unlimited
Third party liability	For all sums the academy may become legally liable to pay (including claimants' costs and expenses) as damages in respect of accidental third party injury or third party property damage	Unlimited
Governors' liability	Governors' liability expense	£10,000,000 any one loss and any one membership year
Professional indemnity	Actual or alleged breach of professional duty	Unlimited
Employee and third party dishonesty	Direct pecuniary loss due to the dishonesty of academy employees and/or theft of money by computer fraud	£500,000 any one loss and any one membership year
Money	Loss of money whilst in transit or elsewhere	Various, including cash on premises in safe £10,000 or in transit £5,000
Personal accident	Compensation for accidental bodily injury to employees, governors, trustees, volunteers and pupils of the academy whilst on the business of the academy in the UK	Death and capital benefits £100,000
United Kingdom travel	Compensation for travel related costs including loss of baggage and money, cancellation, curtailment, rearrangement and change of itinerary	Baggage and money £2,000 per person. Cancellation £1,000 per person

Overseas Travel including winter sports	Compensation for medical expenses, repatriation and emergency travel, foreign hospital confinement, personal accident and liability, search and rescue, baggage, equipment hire, money, travel documents, cancellation, curtailment, rearrangement and change of	Limited to £10m per person overall. Accidental death, total disablement, loss of
	itinerary, political and natural disaster evacuation, disruptive students, missed connection or departure, kidnap consultant, piste closure, legal expenses.	limb or eye, Search & rescue £100,000
Legal expenses	Reimbursement of legal expenses relating to employment disputes, contractual disputes, tax investigations, civil actions in relation to school expulsions	£100,000 any one loss and any one membership year

U. SPECIAL PAYMENTS

1. Special payments are transactions that fall outside the academy trusts' planned range of activities. They are non-statutory or non-contractual and so are subject to greater control than other payments. They include:
 - 1.1. Staff severance payments
 - 1.2. Compensation payments
 - 1.3. Ex gratia payments.
2. The ESFA must give prior approval for any special payments which must adhere to the stipulations and conditions in the current Academies Financial Handbook.

V. VALUE FOR MONEY

1. The Headteacher, as accounting officer, is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources.
2. The Headteacher must be aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.
3. The Headteacher must ensure that the academy trust's use of its resources has provided good value for money during the academic year and review annually within the Annual Report and Financial Statements.

W. WRITE-OFFS AND LIABILITIES

1. The Trust must obtain ESFA's prior approval for the following transactions beyond the delegated limits of the two categories set out below:
 - 1.1. writing off debts and losses;
 - 1.2. entering into guarantees, indemnities or letters of comfort.
2. The delegated limits, subject to a maximum of £250,000, are as detailed in the Academies Financial Handbook, which should be referenced in relation to these limits, and depend upon the Academy Trust submitting timely, unqualified financial returns:

- 2.1. 1% of total annual income or £45,000 per single transaction;
- 2.2. Cumulatively 2.5% of total annual income in any one financial year per category of transaction if timely, unqualified audited accounts have not been submitted for the previous two years;
- 2.3. Cumulatively 5% of total annual income in any one financial year per category of transaction if timely, unqualified audited accounts have been submitted for the previous two years.

X. BUSINESS INTERESTS AND RELATED PARTIES

1. The trust must keep sufficient records and make sufficient disclosures in the Annual Accounts to show that transactions with related parties have been conducted in accordance with the high standards of accountability and transparency required within the public sector.
2. The School Business Leader will obtain details of the Business Interests and Related Party Interests of the Members, Governors, all senior staff and budget holders annually.
3. The School Business Leader will maintain the Register of Business Interests of the Members and Governors annually and update when changes are notified.
4. The Clerk to the Governors will post the Register of Business Interests on the school's website and circulate with a standing agenda item at the termly FGB meetings, reminding Governors to notify any changes to the School Business Leader.
5. Similarly, the meetings of the Members of the Trust will include a standing agenda item for their meetings for declarations of interest and reminding Members to notify any changes to the School Business Leader.
6. The School Business Leader will ensure that all Governors provide the following annually at the October FGB and Members at the AGM in December:
 - 6.1. Business Interests
 - 6.2. Related Party Interests
 - 6.3. Fit & Proper Person Declaration
7. The School Business Leader will check directorships of the Members and Governors annually against Companies House to ensure that all disclosures have been made correctly.
8. The School Business Leader, Finance Officer and Finance Assistant will refer to the current Register of Business Interests to check whether a proposed transaction is a related party transaction prior to placing the order.
9. The trust must pay no more than "cost" for goods or services provided by a related party where the goods or services exceed £2,500 cumulatively in any one financial year; full details of "at cost" requirements are provided in the Handbook.
10. With effect from 1 April 2019, before entering into a related party transaction:
 - 10.1. All transactions with related parties must be reported using the ESFA's online form in advance of the transaction taking place;
 - 10.2. Prior approval must be obtained using the ESFA's online form:
 - 10.2.1. for related party contracts exceeding £20,000;

10.2.2. any novel, contentious and/or repercussive transactions.