



# Financial Regulations Policy

---

Endeavour Multi Academy Trust

<b>Committee:</b>	<b>Finance Committee</b>
<b>Version number</b>	<b>2024-25</b>
<b>Approved on:</b>	<b>10 July 2023</b>
<b>Next review date:</b>	<b>Autumn 2025</b>

<b>Associated documentation</b>	
<b>Academy Trust Handbook</b>	<b>2024/25 Edition</b>
<b>Academies Accounts Direction</b>	<b>2024/25 Edition</b>

This document sets out the regulations for the Academy Trust

DOCUMENT CONTROL		
Approved for operation within	Endeavour Multi Academy Trust	
Version number	V1.0	
Consulted on with recognised trade unions	N/A	
Reviewed By	Trust Finance Committee	
Recommended to Full Trust Board by:	Trust Policy Oversight Committee	
Date approved by the Trust Board	16 December 2024	
Risk Register Item Number	16, 19, 20, 23	
Review Period	Annual	
Next Review Date	Autumn 2025	
Policy status	Non-statutory	
Location published	External	
Owner	Trust Finance Committee	
DOCUMENT HISTORY DATE	DOCUMENT VERSION	DOCUMENT HISTORY
10/07/2023	V1.0	Scheduled review

Introduction	5
Financial Planning	5
Budget	5
Other Government Funding	6
Other Grants and specific funding	7
Funds held in Trust	7
Virements	7
Revised Budget	7
Budget Forecast Return	8
Monitoring and Review (including Management Accounts)	8
Independent checking procedures	8
Review of regularity	8
Annual Accounts	9
Value for money statement	9
Audit Arrangements	9
Work undertaken during accounting period	9
Work undertaken for the year end	10
Accounts Return	10
Document Retention	10
Accounting System	10
System Access	10
Back-up Procedures	10
Transaction processing	10
Transaction reports	11
Reconciliations	11
Cash Management	11
Bank Accounts	11
Deposits	11
Payments and withdrawals	12
Administration	12
Petty Cash	13
Payments	13
Administration	13
E-procurement & Payments	13
BACS Payments	14
Investments	14
Reserves	14
Capital Reserves	14
Payroll	15
Staff Appointments	15
Payroll Administration	15
Salary advances	16
Overtime	16
Severance payments	16

Ex-gratia payments	16
Income	16
ESFA grants	16
Other grants	16
Trips	17
Catering	17
Lettings	18
Process for Invoicing	18
Sundry income	18
Bad debts	18
Purchasing	19
Routine Purchasing	19
E-procurement	19
Orders	19
Orders over £2,000 but less than £40,000	20
Orders over £40,000	20
Non-Purchase Order Invoice	21
Trading with related parties	21
Trading with connected parties	21
Goods and services for private use	21
Insurance	21
Fraud	21
Whistleblowing	21
Pooling of GAG	22
VAT	22
VAT 126 form	22
Fixed Assets	22
Asset register	22
Security of assets	23
Disposals	23
Loan of Assets	23
Inventory	23

## Introduction

1. The purpose of this manual is to ensure that the academy maintains and develops systems of financial control, which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education and Skills Funding Agency (ESFA).
2. The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook. This manual expands on that and provides detailed information on the academy's accounting procedures and system manual should be read by all staff involved with financial systems.
3. This manual serves as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

## Financial Planning

4. The Trust prepares rolling 3 to 5-year budgets.
5. The budget cycle is as follows:
  - Autumn term (Sept – Dec)
    - Implementation of current budget plan
    - Monitoring expenditure (continuous-monthly)
    - Revised Budget where appropriate
    - Reconciliation and closure of previous financial year
  - Spring term (Jan – Mar)
    - Monitoring and Reviewing of year's budget
    - Revised Budget where appropriate
    - Pre-planning new financial year
  - Summer term (Apr – Aug)
    - Planning for forthcoming year
    - Preparation and submission of financial budget plan
    - Review of current year's budget
6. All requirements of the ESFA, relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

## Budget

7. The Chief Financial and Operating Officer (CFOO) is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Accounting Officer, Finance Committee and the Board of Trustees.

8. The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
9. The budgetary planning process will incorporate the following elements:
  - forecasts of the likely number of pupils to estimate the amount of General Annual Grant and pupil funding from local authorities.
  - latest estimate of other ESFA funding e.g. pupil premium, or other specific funds.
  - review of other income sources available to the academy to assess likely level of receipts.
  - review of past performance against budgets to promote an understanding of the academy cost.
  - identification of potential efficiency savings.
  - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.
  - all carry forward balances.
  - any unspent grants from the previous financial year.
10. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.
11. If there is a significant departure from the anticipated budget this will be escalated to the Finance Committee as part of the monthly management accounts procedure.
12. The approved budget is then entered onto the finance system prior to the start of the new financial year.

### **Other Government Funding**

13. In addition to GAG funding from the ESFA, the Trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, etc. This funding may be from the Department for Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
14. The CFOO is responsible for recording income and expenditure for each grant.

## **Other Grants and specific funding**

15. The academy/Trust may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding or other Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
16. The CFOO is responsible for recording income and expenditure for each grant

## **Funds held in Trust**

17. Where funds are held in trust, the CFOO is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

## **Virements**

18. Substantial virements shall be approved and minuted by the Finance Committee and should be within the agreed criteria and financial limits.
19. The CFOO is given delegated power to vire from one budget to another and shall seek approval from the Finance Committee retrospectively where the amount exceeds £5,000 or 2% of the budget.

## **Revised Budget**

20. Monitoring and analysis of the agreed budget should be carried out monthly by the Accounting Officer, CFOO and School Bursars and reports forwarded to the Finance Committee.
21. Where significant variations to the agreed budget are identified, or where a number of substantial virements have been approved by the Finance Committee and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Finance Committee. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.
22. A system of exception reporting against original budget has been agreed with the Finance Committee, which will form the basis of the commentary in the Finance Report. The thresholds for this are as follows:
  - Staffing cost variances in excess of 5%
  - All other income and expenditure in excess of 10%
  - Any account variances over 10% may require an explanation or justification from the Headteacher to be presented by them at the next available Finance Committee meeting.

## Budget Forecast Return (BFR)

23. The approved budget must be submitted to the ESFA by 31 August each year by the CFOO. The CFOO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

## Monitoring and Review (including Management Accounts)

24. Monthly reports are prepared by CFOO and School Bursars. The reports include:
- Actual income and expenditure against budget (shown as month to date and cumulatively)
  - Balance sheet
  - Cash flow forecast
  - A finance report that highlights and explains significant variances
25. Any potential overspend against the budget must in the first instance be discussed with the Headteacher and Accounting Officer.
26. The monthly reports are sent to the Accounting Officer, the Finance Committee and the Board of Trustees.

## Independent Checking Procedures

Details of the requirements for delivering assurance are found in the Academy Trust handbook ([Academy Trust Handbook - Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)). In this section you should explain which arrangements you have in place from:

- An internal audit service

## Review of Regularity

27. The Chief Executive Officer (in their role as Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:
- reviews management accounts
  - reviews compliance against the scheme of delegation
  - reviews transactions for evidence of connected party transactions
  - reviews value for money practice
28. The Accounting Officer is responsible for the following:
- adherence to tendering policies



- review of transactions confirming in line with delegated authorities as set out by the Academy Trust Handbook
- review of trustees/governors' minutes

## **Annual Accounts**

29. The academy trust must prepare annual audited financial statements for the accounting period to 31 August.
30. The accounts are outsourced to the auditor for preparation.
31. The accounts are then submitted as follows:
  - by 31 December – to ESFA
  - by 31 January – published on our own website
  - by 31 May – to Companies House

## **Value for money statement**

32. As part of the annual accounts the Trust must include 3 focussed examples of value for money.
33. The CFOO and Accounting Officer are responsible for collating the examples which are then confirmed by the Finance Committee.

## **Audit Arrangements**

34. External auditors have been appointed in accordance with the Academy Trust Handbook.
35. The CFOO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

## **Work undertaken during accounting period**

36. The CFOO is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
  - reviewing the structure of the trial balance
  - maintaining a fixed asset register
  - depreciation charges
  - maintaining income and expenditure records
  - reviewing aged debtors for any provisions required
  - control account reconciliations (bank, wages, debtors, creditors)
  - monitoring & reporting to the Accounting Officer and Board of Trustees

## **Work undertaken for the year end**

37. The CFOO is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- prepayments of costs
- deferral or accruals for grant income
- control account reconciliations (bank, wages, debtors, creditors)
- close down of the purchase ledgers
- close down of the sales ledgers and aged debtors
- pension valuations

## **Accounts Return**

38. The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 January. -This is outsourced to the external auditor for preparation.

## **Document Retention**

39. Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 7 years after an employee has left
- Primary Schools forward student files to secondary schools
- All student files until the student reaches the age of 21

## **Accounting System**

40. All the financial transactions of the academy trust must be recorded in the computerised financial information accounting system. This system is accessed and operated by the CFOO, relevant Finance/Admin staff and Headteachers (as transactional approvers) in each school.

### **System Access**

41. Access to the system is password restricted to finance staff and Headteachers (acting as transactional approvers) within the Trust as authorised by the CFOO.

### **Back-up Procedures**

42. The finance system is an online system (Xero) All data is available electronically and backups are the responsibility of Xero.

### **Transaction processing**

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

44. All journal entries are posted directly into the finance system by staff with appropriate access to the system.
45. Bank transactions are input by school bursars and reviewed by the CFOO.

### **Transaction reports**

46. The school bursars and CFOO review the following system reports to ensure that only regular transactions are posted to the accounting system:
  - Trial Balance
  - Management accounts summarising expenditure and income against budget at budget holder level

### **Reconciliations**

47. The CFOO is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
  - sales ledger control account
  - purchase ledger control account
  - payroll control account
  - VAT control account
  - all suspense accounts
  - bank balance per the nominal ledger to the bank statement
48. The CFOO electronically 'signs' all reconciliations as evidence of review.

## **Cash Management**

### **Bank Accounts**

49. The following procedures must be followed when opening a bank account and operating it:
  - the Trust is responsible for selecting the banking institution and negotiating the terms and conditions
  - the Board of Trustees must authorise the opening of all bank accounts
  - the Trust will ensure that in the event of changes to key personnel or governors/trustees, signatories on the mandate will be changed immediately and the bank notified. Any on-line access to banking will also be removed
  - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
  - the Trust must inform the bank, in writing, that their accounts must not become overdrawn
  - the Trust must ensure there are sufficient funds to cover large payments

### **Deposits**

50. Deposits are made on a monthly basis, or until such time as to ensure that the cash balance stored in a safe did not exceed the limit for insurance purposes (£5,000).

51. In order to avoid excessive trips to the bank to make cash withdrawals, The Trust operates a policy that allows for up to £100 of cash receipts per week in school to be re-distributed to a different budget and used for a different purpose to that which it was received for originally.
52. The Finance Assistant is responsible for allocating the cash received on a spreadsheet to ensure that the correct budget is corrected, and ensuring that the cash is stored securely in the safe.
53. The Bursar is responsible for preparing and posting the journal onto the finance system to ensure that all cash transactions are correctly coded to the appropriate budgets, and for issuing out cash to budget holders.
54. The CFOO provides overall scrutiny and approval of the whole process.
55. A deposit must be banked via a paying-in slip and posted as a receipt to the finance system, which records:
  - a. the amount of the deposit
  - b. a reference (for example the number of the paying in slip or allocated to a debtor account if an invoice has been paid)
  - c. a second officer is responsible for checking the income prior to banking and initialling the paying in slip counterfoil as evidence.
56. The School Bursars are responsible for updating the accounting system (within 2 working days) for deposits placed.

### **Payments and withdrawals**

57. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two people from the bank mandate.
58. This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy including funds held in trust.
59. The school bursars are responsible for updating the accounting system for deposits placed

### **Administration**

60. The Xero finance system includes a direct link to the bank account and bank transactions are pulled through via a live feed. This allows for an ongoing reconciliation of the bank reconciliation. Reconciliation procedures must ensure that:
  - a. all bank accounts are reconciled to the academy's cash book on the finance system
  - b. reconciliations are prepared by the Finance Department
  - c. reconciliations are subject to an independent monthly review carried out by the CFOO.
  - d. adjustments arising are dealt with promptly

## Petty Cash

61. The Trust maintains a maximum cash balance of £750 in each school where appropriate, for the purchase of minor items, which is held in the office safes in schools and is the responsibility of the School Bursar,
62. The petty cash float must not be used for:
  - a. cashing personal cheques
  - b. paying staff loans

## Payments

63. In the interests of security, petty cash payments are limited to £50. Any exceptional payments in excess of this are subject to approval by the Headteacher. Payments are made on production of a valid receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

## Administration

64. The petty cash float is maintained on the imprest system and the float is only reimbursed from the main bank account.
65. The petty cash float is reconciled monthly by the school bursars. The reconciliation is then reviewed by the CFOO and electronically 'signed' as evidence of review.
66. The CFOO carries out a spot check of the petty cash float once a term.

## E-procurement & Payments

67. The schools purchasing cards are stored securely with access limited to restricted individuals.
68. Any department wishing to make a purchase on a credit card must complete an order form authorised by the Headteacher and pass this to the Bursar, to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
69. When the purchasing card statement arrives a VAT invoice is required to substantiate all purchases. The breakdown of purchasing card expenditure must be posted to the finance system by the school bursars.
70. The purchasing card bill, along with all the relevant receipts and invoices are given to the Bursar who will check and approve the statement.
71. The terms and conditions of the agreement with Lloyds Bank include provision that each card must only be used by the named individual. Staff should not be using cards in other people's names in order to avoid any liability that might otherwise arise in relation to fraudulent transactions.

## **BACS Payments**

72. A payment run will be created on a weekly basis by the CFOO for all invoices that are due for payment up to the end of the following week.
73. The payment run will be approved by the CFOO to confirm that this is line with the assumptions of the latest cash flow forecast and that sufficient funds exist to make these payments.
74. The CFOO will then import the payment run file into the Lloyds Commercial Banking system.
75. Online approval will be made by the CFOO and another approved user to ensure that the BACS file is processed and paid.
76. The Admin Team ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the Admin Team should request that the individual states his self-employment reference number on any invoice issued to the school.

## **Investments**

77. Investments are made in accordance with written procedures approved by the Board of Trustees.
78. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## **Reserves**

79. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
80. The Accounting Officer must inform the ESFA immediately if a deficit is anticipated.
81. If the Trust is anticipating a deficit at the end of any financial year, the Board of Trustees have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Governing Body must ensure that a recovery plan is approved.

## **Capital Reserves**

82. Any overall surpluses at the end of the year are carried over to the following year.
83. It is the responsibility of the CFOO to keep accurate records of the capital funds, especially where grants have been received for capital projects.

# Payroll

## Staff Appointments

84. The **Bursars** maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to **Bursars** immediately.
85. The **Bursar** is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.

## Payroll Administration

86. Payroll is administered through the Trust's payroll provider/internal department.
87. All staff are paid monthly through the payroll provider.
88. Changes to payroll data can only be processed by the **Bursars** and must be authorised by **Headteacher**.
89. Each member of staff must complete a staff absence or sickness form which provides details of sickness and other absences during the month. These will be authorised by the Headteacher. Authorised staff returns should be sent to the bursars who then file the documents for payroll processing. Any new appointments or terminations will be processed by the Bursar and authorised by the Headteacher.
90. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is processed by the Bursar and signed off by the **Headteacher**.
91. The **Bursar** will display in the staff room a timetable for payroll processing specifying key dates for the month in question.
92. Before payments are processed, a report of all data is produced, including an exceptions report from the payroll provider (a reconciliation between the current month and previous month's gross salary payments). This will be reviewed by the CFOO.
93. Final approval of the Trust payroll for the month will be made by the CFOO.
94. All salary payments are made by BACS.
95. The payroll provider automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay report.
96. After the payroll has been processed the nominal ledger will be updated by the CFOO. Postings will be made both to the payroll control account and to individual cost centres. The CFOO reviews the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

97. Annually, the **Bursar** checks each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

### **Salary advances**

98. The Trust does not normally award salary advances. In exceptional circumstances, a salary advance may be issued, subject to prior approval from the Headteacher.

### **Overtime**

99. Overtime is recorded by the individual and submitted at the end of each month to the **Headteacher** for authorisation. The **Bursar** processes the claim forms for payment on the payroll system.
100. Claim forms must not be submitted prior to work having been undertaken.
101. No payments for work undertaken will be made other than via the payroll system.

### **Severance payments**

102. The Trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be prepared and approved by the Board of Trustees before agreeing a payment, using the form provided by the ESFA.
103. Where the non-contractual element is on or over £50,000 prior approval from the ESFA must be sought, as per the Academy Trust Handbook.

### **Ex-gratia payments**

104. Any ex-gratia payments must be submitted to the ESFA for prior approval.

## **Income**

### **ESFA grants**

105. The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by the CFOO, who is responsible for ensuring that all grants due to the academy are collected.

### **Other grants**

106. The receipt of these sums is monitored directly by the CFOO, who is responsible for ensuring that all grants due to the academy are collected.



## **Trips**

107. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the School Office.
108. At Two Rivers, the Admin Assistant inputs details onto Arbor where a record is kept electronically.
109. At Cherry Trees and Wightwick Hall School students should make payments to the School Office. A receipt must be issued from the Trip receipt book for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
109. The School Office should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.
110. At Two Rivers, the Admin Assistant is responsible for chasing outstanding debts on Arbor
111. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Headteacher in advance of the booking being made.
112. Where trips are funded by School Fund the appropriate manual Income and Expenditure records should be updated to account for this.
113. Where trips are funded by school budgets, the appropriate Income and Expenditure should be recorded on the finance system against the relevant trip account.

## **Catering**

### ***If cash payments***

114. Cash payments must be reconciled on a daily basis by **School Secretary/Admin Assistant** to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to banking. The **Bursar** must reconcile the weekly banking sheet to actual receipts banked. No receipts are issued to students or parents in relation to this income.

### ***If electronic cash collection – Arbor***

115. The weekly bank credits are reconciled to the Arbor reports in the first instance. Weekly checks are undertaken by **Bursar** and cross referenced to a sample of individual pupils.

## Lettings

116. The **Admin Officer** is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Invoices will be raised by the **Bursar** for the use of facilities.
117. Details of organisations using the facilities will be held by the Finance Department who will establish a sales ledger account and produce a sales invoice from the Financial Information Accounting system.
118. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

## Process for Invoicing

119. All invoices must be raised by the **Bursar** within 30 days of the goods or service being supplied.
120. Credit notes must be approved by the **Headteacher**.

## Sundry income

121. Income from other sources (for example educational consultancy) is priced in consultation with the CFOO. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay. The CEO approves all credit agreements. Where requested by the customer, a receipt will be issued for payment of these invoices.

## Bad debts

122. The Trust chases all monies due by telephone and letter, for all invoices that have not been paid within 30 days of issue.
123. Where a dispute arises on an invoice, the escalation process is as follows:
  - Resolution by the Bursar
  - Escalation to the Headteacher
  - Escalation to the CFOO and Accounting Officer
  - Escalation to the Finance Committee
124. If the debt remains unrecoverable after following the procedure set out in the Debt Recovery Policy, or it becomes clear that the debt will not be repaid, the school bursar submits a report to the CFOO for approval of write off.
125. The following write off limits apply:
  - a. Up to £150 – Accounting Officer
  - b. £151 to £500 – Finance Committee
  - c. Over £500 – Board of Trustees and referral to a Debt Collecting Agency

## Purchasing

126. The Trust must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

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

### Authorisation Levels for Orders and Invoices

- Orders and invoices up to £15,000 – Headteacher
- Orders and invoices up to £25,000 – Logistics Committee (Local Governing Boards)
- Orders and invoices up to £50,000 – Trust Finance Committee
- Orders and invoices over £50,000 – Full Trust Board
- In addition to the above limits, for schools that are carrying a cumulative deficit balance, CEO approval is required for all orders and invoices over £5,000.

### Routine Purchasing

127. Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder each month by the school bursars.

### E-procurement

128. Any department wishing to make a purchase on a credit card must complete an official order form in the usual manner and pass this to the **Bursar** or **School Office** to make the purchase. All order forms detailing the purchase must be signed by the Headteacher.

129. Occasionally the credit card is used to purchase small items or to fund Petty Cash, where it is not possible to order this elsewhere. This must be recorded and countersigned by the **Bursar**.

### Orders

130. All orders must be submitted to the **School Office** via purchase requisition. Requisitions must bear the signature of the budget holder and must be forwarded to the **School Office**, who will check to ensure adequate budgetary provision exists before placing the order.

131. Approved requisitions will be converted into purchase orders using the finance system and emailed out to suppliers. This will allocate a purchase order number and commits expenditure.
132. The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
133. Advice notes and delivery notes should be forwarded to **School Office** to enable a GRN to be processed on the finance system. This serves as confirmation of delivery. All purchase orders require a GRN in order to ultimately pay the supplier.
134. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the **School Office** should be notified. The **School Office** will keep a central record of all goods returned to suppliers.
135. All invoices should be sent to the **School Office**. Invoice receipt will be posted by the School Office (and the invoice scanned) into the finance system, for subsequent approval by the Headteacher. The invoice will be paid within the prescribed credit terms.
136. If a budget holder is pursuing a query with a supplier, the **School Office** must be informed of the query and periodically kept up to date with progress.
137. The CFOO will review and reconcile the Aged Creditors ledger on a monthly basis.

### **Orders over £2,000 but less than £40,000**

138. Three written quotations should be obtained, where possible, for all orders above £2,000 and less than £40,000. This is in line with the threshold for low and medium value contracts as specified by the Public Contracts Regulations (PCR).
139. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.
140. There may be circumstances where it may not be possible to obtain the required number of comparative quotes. In these instances, the reasons for this should be documented, with non-compliance being approved by the Finance Committee.

### **Orders over £40,000**

141. All goods/services ordered with a value over £40,000, or for a series of contracts which in total exceed £40,000 must be subject to formal tendering procedures.

## Non-Purchase Order Invoices

142. Where an invoice is received without a purchase order this is classed as a Non-Purchase Order Invoice. The approval process as per the Scheme of Delegation must be followed in order to ensure that appropriate authorisation is obtained and can be evidenced prior to posting on the finance system.
143. Typical examples of non-purchase order invoices include utilities, emergency work and SLA/contract invoices

## Trading with related parties

All staff and governors/trustees have completed a Disclosure of Pecuniary interest and will declare if they have any pecuniary interest. The forms will be kept by the Trust PA.

## Trading with connected parties

Trading with connected parties must be in line with the Academy Trust Handbook.

## Goods and services for private use

144. No goods are ordered or services provided to include any elements of private use by governors and staff.

## Insurance

145. The Finance Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for Trust property when off the premises.
146. Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.

## Fraud

147. The Trust does not tolerate fraud. Where instances of fraud are found the Accounting Officer will notify the ESFA.

## Whistleblowing

The Trust must have an adequate whistle blowing policy in place, and also reference raising the issue with the EFSA ( <https://www.gov.uk/government/publications/complaints-about-post16-efa-funded-institutions> ).  
You can access our 'Whistleblowing template on our website [www.endeavourmat.co.uk](http://www.endeavourmat.co.uk)

## Pooling of GAG

148. The Trust does not pool GAG income. Any move to a GAG pooling arrangement will require approval from the Board of Trustees.

## VAT

### VAT 126 Return

149. The CFOO is responsible for submitting the VAT 126 return to HMRC each month.

## Fixed assets

### Asset register

150. All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered on the fixed asset register within the finance system with the following details:

- a. asset description
- b. asset number
- c. serial number
- d. date of acquisition
- e. asset cost
- f. source of funding (% of original cost funded from grant and % funded from other sources)
- g. expected useful economic life
- h. depreciation
- i. current book value
- j. location
- k. name of member of staff responsible for the asset

151. The asset register helps:

- a. ensure that staff take responsibility for the safe custody of assets
- b. enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- c. to manage the effective utilisation of assets and to plan for their replacement
- d. help the external auditors to draw conclusions on the annual accounts
- e. support insurance claims in the event of fire, theft, vandalism or other disasters

152. Examples of items to include on the asset register include:

- a. ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- b. Reprographic equipment – photocopiers, comb binders, laminators
- c. Office equipment – shredders, switchboard
- d. Furniture
- e. AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers

- f. Cleaning equipment – vacuum cleaners, polishers
- g. Catering equipment – ovens, fridges, dishwashers, food processors
- h. Technology equipment – sewing machines, craft machinery
- i. Premises equipment – lawn mowers, power tools, generators
- j. Other equipment – musical instruments, PE equipment
- k. Minibuses

## **Security of Assets**

- 153. All the items in the register are permanently and visibly marked as the Trust's property.
- 154. Equipment is, where possible, stored securely when not in use.

## **Disposals**

- 155. Disposals, where applicable, are in line with the Academy Trust Handbook.
- 156. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Accounting Officer and, where significant, should be sold following competitive tender.

## **Loan of Assets**

- 157. Items of academy property must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.
- 158. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

## **Inventory**

- 159. Where an inventory is maintained within a school (e.g uniform) a periodic stock count should be undertaken at the end of each term by the **Bursar**. The stocktake report should be validated by a second officer and sent to the CFOO for inclusion in the accounts.
- 160. Any inventory discrepancies or write-offs will need approval by the Headteacher.