

Aspire Learning Trust

Financial Regulations Manual

Policy Reference:	A15
To be reviewed:	Annually
Policy Owner:	F, I and HR Committee

Initial approval date:	December 2016
Next review date:	June 2027
Approved by:	F, I and HR Committee
Signature of Chair:	Mr Karl Munns

Policy Reviews

Review approval date:	28 th November 2022
Approved by:	Trust Board

Review approval date:	27 th March 2023
Approved by:	Trust Board

Review approval date:	26 th June 2023
Approved by:	Trust Board

Review approval date:	5 th February 2024
Approved by:	Trust Board

Review approval date:	5 th March 2024
Approved by:	Trust Board

Review approval date:	3 rd March 2025
Approved by:	Trust Board

Review approval date:	29 th September 2025
Approved by:	Trust Board

Review approval date:	22 nd June 2026
Approved by:	Trust Board

Revisions made:		
Date:	Page no.	Description of changes:
13/05/2019	All	Fully changed
18/05/2020	Addendum	Covid-19 Pandemic
13/07/2020	Various	
13/07/2022	Various	
13/03/2023	Various	
26/6/2023	Various	
19/7/2023	Various	
5/2/2024	Various	
25/03/2024	Page 18-19	Paragraphs 105-111 updated and added - Reserves
03/03/2025	Various	SFA updates and reflect working practices
April 2025		New suppliers added to Appendix 4
June 2025	Page 26	Quote limits amended. Also updated in Appendix 3.
September 2025	Page 2	CEO/Accounting officer updated.
September 2025	Page 16	E-procurement and payments updated
September 2025	Page 24	Purchasing updated
September 2025	Page 45	Appendix 5 added
June 2026	Page 7	Other grants and specific funding updated
June 2026	Page 18	Investments updated
June 2026	Page 39	Appendix 1 updated

Contents:

	Page no.
INTRODUCTION	1
ORGANISATION	1
Board of Trustees	1
Resources Committee	1
Internal Scrutiny and Risk Committee	2
Chief Executive Officer	2
Principal/ Executive Headteacher	3
Chief Operating Officer	3
Trust Director of Finance	3
Trust Finance Manager	4
Local Governing Bodies	4
Other Staff	4
FINANCIAL PLANNING	5
The Budget Cycle	5
Strategic and School Improvement Plan	5
Budget	5
Other government funding	7
Other grants and specific funding	7
Virements	7
Revised budget	8
Budget forecast return	8
Monitoring and review (including management accounts)	8
INDEPENDENT CHECKING PROCEDURES	8
REVIEW OF REGULARITY	9
ANNUAL ACCOUNTS	9
Value for money statement	10
Audit arrangements	10
Work undertaken during accounting period	10
Work undertaken for year end	11
ACCOUNTS RETURN	11
DOCUMENT RETENTION	11
ACCOUNTING SYSTEM	12
System access	12
Back-up procedures	12
Transaction processing	12
Transaction reports	13
Reconciliations	13
CASH MANAGEMENT	13
Bank accounts	13
<i>Deposits</i>	14
<i>Payments and withdrawals</i>	14
<i>Administration</i>	15

Contents:

	Page no.
Petty Cash	15
<i>Deposits</i>	15
<i>Payments</i>	15
<i>Administration</i>	15
E-procurement and Payments	16
BACS Payments	16
Cheque payments	17
Supplier details	17
INVESTMENTS	17
RESERVES	17
Introduction	18 17
Purpose	19 18
Definition of reserves	20 18
Exclusion from reserves	20 18
Reserve contributions	21 19
Reserve levels	21 19
Reserves review	19
CAPITAL RESERVES	19
PAYROLL	19
Staff appointments	19
Payroll administration	20
Payments	21
Salary advances	22
Overtime	22
Severance payments	22
Ex-gratia payments	22
INCOME	22
ESFA grants	22
Other grants	22
Trips	23
Catering	23
Lettings	23
Sundry income	23
Bad debts	24
PURCHASING	24
Routine purchasing	24
Purchase of Alcohol	24
Expenses claimed and Out of pocket expenses	24
E-procurement	25
Orders	25
<i>Trust Order Authorisation Rules</i>	26
Managing and Disclosing Related Parties and Transactions	27
Trading with connected parties	28
Goods and services for private use	28

Forms of tender	28
Preparation for tender	29
Invitation to tender	29
Tender acceptance procedures	29
Tender opening procedures	29
Tendering Procedures	30
Insurance	30
Governors/ Trustees Expenses	30
Energy Management	30
FRAUD	31
WHISTLEBLOWING	31
LEASING	31
VAT	31
FIXED ASSETS	31
Asset register	31
Security of assets	32
Disposals	32
Loan of Assets	33
Cyber Risk Assessment	33

Appendices

- [Appendix 1](#) – Project Approval Form
- [Appendix 2](#) – ATH Summary of Freedoms & Delegations
- [Appendix 3](#) – Internal Order Form
- [Appendix 4](#) – Approved Supplier List

INTRODUCTION

1. The purpose of this manual is to ensure that the Trust 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 Department for Education (DfE).
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 Trust's accounting procedures and systems. This manual should be read by all staff involved with Trust finances.
3. This manual serves as an adjunct to the scheme of delegation, providing information on and procedures for the day-to-day operations of the Trust.

ORGANISATION

4. The Trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, governors and staff. This section sets out the arrangements for ensuring financial commitment is properly considered and authorised.

The Board of Trustees

5. The Board of Trustees has overall responsibility for all financial decisions that are made and decides the strategic direction of the MAT and its schools, supported by information and advice from the Executive Leadership Team. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between the Trust and the DfE and in the Trust's Governance Information Booklet, which includes the Scheme of Delegation and the Scheme of Financial Authorities. The main responsibilities include:
 - ensuring that grants from the DfE are used only for the purposes intended;
 - ensuring that funds from sponsors are received according to the Trust's Funding Agreement, and are used only for the purposes intended;
 - approval of the annual budget;
 - authorising the award of contracts and the purchase of goods and services as detailed on pages 25-26 and those of a lower value which are identified in the Academy Trust Handbook Summary of Freedoms and Delegations (see [Appendix 2](#));
 - appointment of the CEO and,
 - appointment of the Trust Director of Finance and Chief Operating Officer, in conjunction with the CEO;

Resources Committee

6. The Resources Committee is a committee of the Trust Board, which meets twice per term, but more frequent meetings can be arranged if necessary. The main responsibilities of the Resources Committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities include:

- the review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- authorising the award of contracts and the purchase of goods and services as detailed on pages 25-26, except those identified in the Academies Trust Handbook Summary of Freedoms and Delegations (see [Appendix 2](#));
- authorising changes to the Trust personnel establishment;

The Internal Scrutiny and Risk Committee

7. The Internal Scrutiny and Risk Committee is a committee of the Trust Board, which meets termly, but more meetings can be arranged if necessary. The main responsibilities of the Internal Scrutiny and Risk Committee are detailed in written terms of reference which have been authorised by the Trust Board. The main responsibilities include:

- receiving and reviewing the internal scrutiny reports on the effectiveness of the Trust's financial procedures and controls;
- monitoring that recommended actions have been completed by Trust staff to ensure the Trust's financial procedures and controls are effective;
- reporting to the Trust Board on the effectiveness of the Trust's financial procedures and controls;
- reviewing the Trust's risk register;
- monitoring that planned actions have been completed by Trust staff to mitigate the identified risks;
- reporting to the Trust Board on the risks posed to the Trust and actions identified to mitigate these.

The Chief Executive Officer (CEO)

8. The CEO is the Accounting Officer with responsibilities as described in HM Treasury's "Regularity, Propriety and Value for Money" and "Managing Public Money". The Accounting Officer has personal responsibility for the propriety and regularity of the public finances for which they are answerable. It must be ensured that, in considering proposals relating to the expenditure or income for which they have responsibilities, all relevant financial considerations are taken into account and full regard is had to any issues of propriety or regularity.

Within the framework of the Trust's scheme of delegation, as approved by the Trust Board, the CEO has overall executive responsibility for the Trust's activities, including financial activities. Much of the financial responsibility has been delegated to the Trust Director of Finance, but the CEO still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trust Board have agreed should be approved by them;
- authorising the award of contracts and the purchase of goods and

services as detailed on pages 25-26 in conjunction with the Trust Director of Finance and the Chief Operating Officer except those identified in the Academies Trust Handbook Summary of Freedoms and Delegations (see [Appendix 2](#));

- being a co-signatory for payments/withdrawals in line with the rules in paragraph 78 of this manual.

The Principal/ Executive Headteacher

9. Within the framework of the Trust's scheme of delegation, as approved by the Trust Board, the Principal/ Executive Headteacher has responsibility and accountability for:
 - School performance, including internal organisation and management;
 - Reporting on progress, and providing Trustees with enough information to ensure that they are confident that the Principal's/ Executive Headteacher's responsibilities have been met;
 - authorising the award of contracts and the purchase of goods and services as detailed on pages 25-26 except those identified in the Academies Trust Handbook Summary of Freedoms and Delegations (see [Appendix 2](#));
 - being a co-signatory for payments/withdrawals in line with the rules in paragraph 78 of this manual.

The Chief Operating Officer (COO)

10. The Chief Operating Officer works in close collaboration with the CEO through whom he or she is responsible to the Trust Board. The COO also has direct access to the Trust Board via the Finance, Infrastructure and HR and the Internal Scrutiny and Risk Committees. The role is to provide strategic vision and operational leadership across the Trust.

The key responsibilities of the COO include:

- Strategic leadership and overview of Operations to include Health and Safety, Premises, Operations, Marketing, Business and Human Resources.
- managing the tendering / purchasing of key products and services
- authorising the award of contracts and the purchase of goods and services as detailed on pages 25-26, in conjunction with budget holders (also in the absence of the CEO authorising up to the value of £49,999); except those identified in the Academies Trust Handbook Summary of Freedoms and Delegations (see [Appendix 2](#));
- being a co-signatory for payments/withdrawals in line with the rules in paragraph 78 of the Financial Regulations manual at Signatory Group B level

The Trust Director of Finance

11. *'The board **must** appoint a Chief Financial Officer (CFO), who is (and whose job title may instead be) the trust's Finance Director, Business Manager or equivalent, to whom responsibility for the trust's detailed financial procedures is delegated. The CFO should play both a technical and leadership role. '* 2021 Academy Trust Handbook

The Trust Director of Finance works in close collaboration with the CEO through whom

he or she is responsible to the Trust Board. The Trust Director of Finance also has direct access to the Trust Board via the Finance, Infrastructure and HR Committee and the Internal Scrutiny and Risk Committee. The role is to provide strategic vision and financial leadership in the operation, maintenance and development of financial systems, processes and procedures.

The key responsibilities of the Trust Director of Finance includes:

- to be Trust's Chief Financial Officer
- operation and management of Trust finances through a suitable accounting system;
- the management of the Trust financial position at a strategic level within the framework for financial control determined by the Trust Board and Academy Trust Handbook
- implementation of rigorous and robust audits and internal control;
- ensure Trust continues to be a Going Concern and the annual accounts are properly presented;
- authorising contracts and purchasing goods as detailed on pages 25-26, in conjunction with budget holders; except those identified in the Academies Trust Handbook Summary of Freedoms and Delegations (see [Appendix 2](#));
- being a co-signatory for payments/withdrawals in line with the rules in paragraph 78 of the Financial Regulations manual at Signatory Group C level

The Trust Finance Manager

12. The Trust Finance Manager works in close collaboration with the Trust Director of Finance and the school Heads through whom s/he is responsible to the Trust Board. The main responsibilities of the Trust Finance Manager are:

- the operation of a suitable accounting system;
- the management of the Trust financial position at an operational level within the framework for financial control determined by the Trust Board;
- operation of rigorous, effective and robust internal controls;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- the preparation of monthly and annual management accounts;
- the day-to-day management of financial issues;
- to provide day-to-day guidance and support to the finance and payroll staff;
- ensure finance and payroll systems are effectively managed;
- assisting with writing bids for funding and development;
- authorising orders and/or contracts below as detailed on page 25-26, in conjunction with budget holders;
- to assist with the tendering of all service contracts and procurement;
- monitoring all insurance policies.

Local Governing Bodies

13. Review the annual budget and school improvement plan. Monitor expenditure and actions relating to audit findings.

Other Staff

14. Other members of staff will have some financial responsibilities. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

FINANCIAL PLANNING

15. The Trust prepares rolling five year budgets.

The Budget Cycle

16. The budget cycle is as follows:
 - Autumn term (Sept – Dec)
 - Implementation of current budget plan
 - Monitoring expenditure and income (continuous-monthly)
 - Reviewing performance against budget and revise budget where appropriate
 - Reconciliation and closure of previous financial year
 - Spring term (Jan – Mar)
 - Monitoring expenditure and income (continuous-monthly)
 - Reviewing performance against budget and revise budget where appropriate
 - Pre-planning new financial year
 - Summer term (Apr – Aug)
 - Monitoring expenditure and income (continuous-monthly)
 - Reviewing performance against budget and revise budget where appropriate
 - Planning for forthcoming year, including review of current year performance
 - Preparation, approval and submission of financial budget plan

All requirements of the DfE, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the combined MAT budget.

Strategic and School Improvement Plans

17. Each school will have a School Improvement Plan (SIP) that will document the school's strategic objectives, supported by more detailed action plans, for a rolling five-year period. The actions identified in the SIP must be accompanied by a value in the cost column, except where the cost of the action will be covered by the normal departmental capitation and/or within the existing agreed staffing structure.
18. The MAT will have a strategic plan.

Budget

19. The annual budget is to be prepared using IMP Budgeting software. It is the

responsibility of the Finance Officer/Manager in each school, and the Trust Director of Finance for the Central budget, to ensure that the correct core values are entered into the software e.g. pay rates, employers pension contribution rates, inflation rates, etc.

20. It is the responsibility of the Finance Officer/Manager in each school to prepare the school budget, in collaboration with the Headteacher and the Trust Director of Finance. The proposed budget should meet the approval of the Headteacher and the Local Governing Body, but ultimate ratification must be sought and granted from the Trust Board before 31st July each year. Preparation of the Central budget is the responsibility of the Trust Director of Finance, in collaboration with the CEO and Trust Finance Manager. The budget must be ratified by the Trust Board, along with that of the member schools, by 31st July each year.
21. The annual budget will reflect the best estimate of the resources available to the schools and Central operations for the forthcoming year, and will detail how those resources are to be utilised. There must be a clear link between the School Improvement Plan (SIP) objectives and the budgeted utilisation of resources.
22. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely number of pupils to estimate the amount of General Annual Grant
 - latest estimate of other ESFA funding e.g. pupil premium, Yr7 Catch-Up or other specific funds
 - review of other income sources available to the academy to assess likely level of receipts
 - review of the School Improvement Plan objectives, costings and priorities
 - 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 SIP objectives
 - review anticipated variations in costs e.g. pay increases, inflation, employers pension contributions, and other factors beyond the control of the Trust
 - identifying unspent special grants to be ring-fenced and carried forward e.g. Year 7 Catch-Up, funding for named students, etc.
 - forecasts for the apprenticeship levy
23. 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 should be allocated to areas of need in accordance with the SIP.
24. If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the Trust Finance, Infrastructure and Human Resources Committee as

part of the monthly management accounts procedure.

25. The approved budget is then entered onto the finance system at the start of the new financial year.
26. Termly, the school Finance Officers/Manager will review their school's approved budgets in collaboration with the Headteacher and the Trust Director of Finance. The Trust Director of Finance will also review the Central budget in collaboration with the CEO. They will recommend changes (virements) for approval to the Trust Finance, Infrastructure and HR Committee in the form of a revised annual budget. If and when these changes are approved by Trustees, the finance system will be updated with the revised version of the budget, which will be used for the monthly management account monitoring.
27. The Trust Finance Manager is responsible for consolidating the budgets for all entities and entering and submitting the Budget Forecast Return to the ESFA.

Other Government Funding

28. In addition to GAG funding from ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Additional Special Educational Needs funding, Year 7 Catch-up Funding, 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.
29. The Finance Officer in each school is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts. The Trust Finance Manager is responsible for this when funds have been received at MAT level.

Other Grants and specific funding

30. In addition to the GAG funding from the ESFA and other government funding, the schools and/or MAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications over £7,500 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. Staff members wishing to bid for additional funds over £7,500 to support a project they want to champion should, in the first instance, complete the form at [Appendix 1](#) and submit it to the Trust Director of Finance.
31. The Finance Officer in each school is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts. The Trust Finance Manager is responsible for this when funds have been received at MAT level.

Virements

32. Where variations to the agreed budget are identified in the monthly monitoring and analysis of the agreed budget, it will be necessary for the school to vire money between budgets to resolve the variance.
33. Virements shall be approved and minuted by the Trust Resources Committee before being undertaken by the school's Finance Officer or by the Trust Finance Manager. This will normally be done through the submission of a revised budget to the Trust Finance, Infrastructure and HR Committee.

Revised Budget

34. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Trust Finance Manager, and reports forwarded to the Principal, Executive Headteacher, Trust Director of Finance, Accounting Officer and Board of Trustees. Where the Trust Finance, Resources Committee has approved a revised budget, this should then form the basis of analysis of all income and expenditure.

Budget Forecast Return

35. The academy trust must submit to ESFA, in a form specified by ESFA, an Academies budget forecast return (BFR) by the end of August.

This must be approved by the trustees before submission.

The Trust Director of Finance is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

The board of trustees must notify ESFA within 14 calendar days of its meeting, if proposing to set a deficit revenue budget for the current financial year, which it cannot address after considering unspent funds from previous years, as this would be non-compliant with the funding agreement and the ATH.

Monitoring and review (including management accounts)

36. Monthly reports are prepared by the Trust Finance Manager. The reports include:
 - actual income and expenditure against budget (shown as month to date and cumulatively)
 - balance sheet
 - cash flow forecast
 - combined income
 - one-page summary highlighting and explaining significant variances (those of at least 10% or £2,500 - whichever is smaller)
 - reserves balances (annual update)
 - Trust KPIs
37. Any potential overspend against the budget must in the first instance be discussed with the Trust Director of Finance.
38. The monthly reports are sent to the Principal, Executive Headteacher, Trust Director of Finance and the Accounting Officer. The Principal and Executive Headteacher are

responsible for sharing the reports with the schools' local governing bodies. The Trust Director of Finance is responsible for sharing the reports with the Trust Finance, Infrastructure and HR Committee. The chair of the Trust Finance, Infrastructure and HR Committee is responsible for sharing the financial information with the Trust Board.

INDEPENDENT CHECKING PROCEDURES

39. The Trust Board will have an Internal Scrutiny and Risk Committee which meets at least termly (three times) during the school year. The committee will be responsible for receiving and reviewing reports resulting from internal and external audits of the Trust's operations, and reviews the Trust's risks, and reporting to the Trust Board.
40. The Internal Scrutiny and Risk Committee will be responsible for agreeing resolutions for issues identified and monitoring that these are implemented.
41. The Trust will appoint an external auditor to carry out periodic audits throughout the year and to provide the Internal Scrutiny and Risk Committee with associated reports on the Trust's compliance with the Academies Financial Handbook.
42. The Local Governing Bodies will be responsible for keeping and maintaining a school Risk Register. Risk registers are to be reviewed at least annually, or when a risk has changed, or when a new risk has been identified.
43. The Clerk of each governing body will provide the Internal Scrutiny and Risk Committee with the most up-to-date version of the risk register for their school after every occasion when it has been reviewed.

REVIEW OF REGULARITY

44. The CEO (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
 - value for money practice
45. The Accounting Officer has delegated the following responsibilities to Trust Director of Finance:
 - adherence to tendering policies
 - review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
 - review of trustees/governors' minutes
46. A checklist is completed for each review undertaken.

ANNUAL ACCOUNTS

47. The Trust Finance Manager will be responsible for collaborating with the Trust's accountants to prepare annual audited financial statements for the accounting period to 31st August, as explained in the Academies Accounts Direction, which is published annually by the ESFA.
48. The accounts are then submitted as follows:
- by 31 December – to ESFA (by the Trust Finance Manager)
 - by 31 January – published on our own website (arranged by the Trust Finance Manager)
 - by 31 May – to Companies House (by the Trust's accountants)

Value for money statement

49. Value for money must be reviewed annually. As part of the annual accounts the trust must include 3 focussed examples of value for money.
50. The Trust Director of Finance is responsible for collating the examples which are then confirmed by the finance committee.

Audit arrangements

51. External auditors must be appointed in accordance with the Academies Financial Handbook.
52. The Trust Director of Finance 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

53. The Trust Finance Manager is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
- the tasks in paragraph 51 for Aspire Learning Trust (Central operations) i.e. non-school matters
 - reviewing the structure of the trial balance
 - monitoring & reporting to the Principal, Executive Headteacher, Trust Director of Finance and Accounting Officer. *(The Principal and Executive Headteacher are responsible for sharing the reports with the schools' local governing bodies. The Trust Director of Finance is responsible for sharing thereports with the Trust Finance, Infrastructure and HR Committee. The chair of the Trust Finance, Infrastructure and HR Committee is responsible for sharing the financial information with the Trust Board.)*
54. The Finance Officer in each school is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
- maintaining a fixed asset register

- monthly depreciation charges
- monthly accruals
- maintaining income and expenditure records (including filing of invoices)
- reviewing aged debtors for any provisions required
- control account reconciliations (bank, wages, debtors, creditors)

55. The Clerk to Governors for each school, and the Company Secretary for the Trust, are responsible for the following tasks during the year to facilitate a smooth audit process:

- keeping a list of governors and maintaining this information on Get Information About Schools(GIAS)
- maintaining a record of meeting attendance
- maintaining a record of the training completed by governors/trustees
- keeping minutes of the meetings of the governing bodies and Trust board, and their committees

Work undertaken for the year end

56. The Trust Finance Manager is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- the tasks in paragraph 54 for Central operations
- close down of the purchase ledgers
- close down of the sales ledgers and aged debtors
- acquiring an LGPS pension valuations
- TPS pension audit (year end 31st March)

57. The Finance Officer in each school is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- prepayments, accruals, accrued debtors, accrued creditors, income received in advance, retentions
- stock take and year end stock value
- control account reconciliations (bank, wages, debtors, creditors)

58. The Clerk to Governors for each school, and the Company Secretary for the Trust, are responsible for the following tasks during the year to facilitate a smooth audit process:

- maintaining a record of governors/trustees interests, related and connected party transactions

ACCOUNTS RETURN

59. The academy trust must prepare an Annual Accounts Return (AAR) for the accounting period to 31 August, which is submitted to the ESFA by 31 January.

60. Preparation of the accounts return is outsourced to the Trust's auditors.

DOCUMENT RETENTION

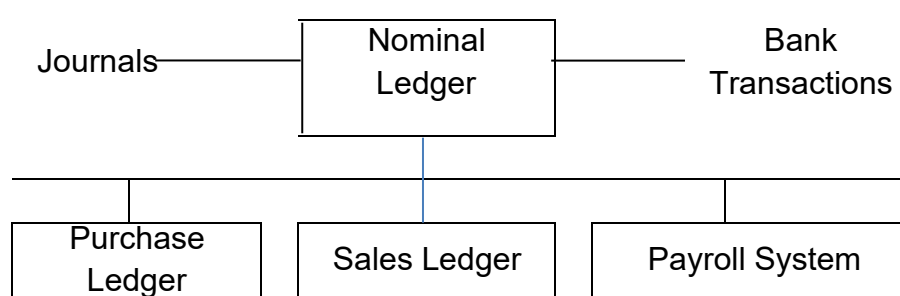
61. A comprehensive list can be found in the Trust Data Retention Guidelines document.

However, in brief documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Supply cover insurance – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 6 years after an employee has left
- All student files – DOB of the child +25 years

ACCOUNTING SYSTEM

62. All the financial transactions of the Trust and its member schools must be recorded into Sage, the computerised financial information accounting system. This system consists of:



Automatic update –
Sales, Purchase and
Nominal Ledgers

Manual update –
Journals, Payroll data,
and Bank
reconciliation/transactions

System Access

63. Access to the system is password restricted, and is limited to the Trust Director of Finance, Trust Finance Manager and the Finance Officers in each school.
64. The log in credentials are linked to the users' network accounts, and as such password changes are forced quarterly.

Back-up Procedures

65. The IT Core Service & Help Desk Manager employed through our ICT Partnership with Meridian is responsible for ensuring that there are effective back up procedures for the system. Data is backed up on a suitable medium or server and the copies stored in a secure place (in a fireproof container). Back-up copies are taken on at least a daily basis.
66. A hard copy of the nominal ledger and audit trail are printed each month and stored separately from the accounting system.

Transaction processing

67. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
68. All journal entries are supported by documentation, which is filed with the Trust accounting records.
69. Bank transactions are input by the Finance Team

Transaction reports

70. The Trust Director of Finance reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
 - the Monthly audit trail reports;
 - master file amendment reports for the purchase ledger and sales ledger;
 - management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

71. The Senior Finance Officers are 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
 - petty cash account
 - bank balance per the nominal ledger to the bank statement
 - school fund
 - school trips
72. The Trust Director of Finance signs all reconciliations as evidence of review.
73. Any unusual or long outstanding reconciling items are brought to the attention of the Accounting Officer and dealt with according to the bad debt limits in this manual.

CASH MANAGEMENT

Bank Accounts

74. 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 Trust Board must authorise the opening of all bank accounts
 - the Trust Finance Manager will ensure that in the event of changes to key

personnel or governors/trustees, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be adjusted accordingly

- 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

75. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:

- the amount of the deposit
- a reference (for example the number of the receipt or the name of the debtor)

76. The Finance Officer in each school (and the Trust Finance Manager for Central operations) is responsible for updating the accounting system (within 20 working days) for deposits placed.

Payments and withdrawals

77. All cheques and other instruments authorising withdrawal from Trust and school bank accounts must bear the signatures of two signatories as per the table below:

Signatory Groups:

- A. Nominated Trustees
- B. CEO
- B. Chief Operating Officer
- C. Principal or Executive Headteacher
- C. Trust Director of Finance
- D. Deputy Principal/Head or Assistant Principal/Head

Payment/ withdrawal value:	Authorisation requirements:
0 to 999	Any two signatories from any Group.
1,000 to 14,999	One signatory from Group C and any one signatory from any other Group.
15,000 to 49,999	One signatory from Group B and any one signatory from any other Group.
Over 50,000	One signatory from Group B and one signatory from group A

78. This provision applies to all accounts, public or private, operated by or on behalf of

the Trust Board including funds held in trust. Authorised signatories should endeavour to avoid authorising a payment relating to goods or services for which they have also authorised the expenditure, but it is recognised this is not always possible.

79. The Finance Officer in each school (and the Trust Finance Manager for Central operations) is responsible for updating the accounting system (within 20 working days) for withdrawals made.

Administration

80. The Finance Officer in each school (and the Trust Finance Manager for Central operations) ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the school/Trust cash book
- reconciliations are prepared by the Finance Department
- reconciliations are subject to an independent review carried out by Trust Director of Finance or in his/her absence the Accounting Officer
- adjustments arising are dealt with promptly

Petty Cash

81. The maximum cash balance held for the purchase of minor items, which must be held in a locked cabinet in each school, and is the responsibility of the Finance Officer in each school, is subject to the following limits:

- New Road Primary School £100
- Park Lane Primary School £100
- Sir Harry Smith Community College £300

82. The petty cash float must not be used for:

- cashing personal cheques
- paying staff loans

Deposits

83. The only deposits to petty cash should be from authorised credit card cash machine withdrawals. The receipt should be recorded in the petty cash system with the date and amount. All other cash receipts should be paid directly into the bank.

Payments

84. In the interests of security, petty cash payments are limited to £40. Payments are made on production of a valid till receipt and are subject to the same authorisation procedures as purchases made through the main accounts.

Administration

85. The Finance Officer in each school is responsible for entering all transactions into the petty cash records (within 5 working days).

86. The petty cash float is reconciled monthly by the Finance Officer in each school. The reconciliation is then reviewed by the Trust Director of Finance and initialled as

evidence of review.

87. The Trust Director of Finance carries out spot checks of the Petty cash holdings termly

E-procurement & Payments

88. The following cards exist within the Trust:

- Park Lane Primary School: School Administrator
One Lloyds Bank credit card with a £500 limit
- Central Team
6 Lloyds Bank credit card, one for CEO £5k limit, one for COO £5k limit, one for FD £5k limit, 2 for Senior Finance Officers £5k limit per card, one for Finance Officer £5k limit.

These cards are used mostly for internet purchases, and train tickets.

The cards are kept in a locked cupboard in the finance office or school office, and are only used by the personnel named on the cards.

The credit cards are billed monthly and the full balances cleared monthly by direct debit.

89. All cardholders are required to sign the “Agreement for use of Aspire Learning Trust credit card ([Appendix 5](#))
90. Any department wishing to make a purchase on credit card must complete an order form on elementary or a school charge card payment form. Nothing must be ordered until this request has been authorised.
91. Each credit card is the sole responsibility of the designated card holder. Any staff member who is found to be mis-using the credit card in anyway way will have the card removed from their possession and disciplinary action may be taken.
92. Personal loyalty card should not be used in conjunction with Aspire Learning Trust credit cards
93. Occasionally a 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 Budget Holder.
94. When the card bill arrives there will be a signed order form relating to each entry on the statement, a VAT invoice is required for all purchases and it is sometimes necessary to chase suppliers for this. A cash book journal is keyed for each entry on the statement.
95. The card bill is reconciled with all the relevant internal order forms and receipts, and the bill payment will be authorised by the Finance Director, who will check the statement and a sample of the transactions. These are then filed away together in the credit card folder.

BACS Payments

96. On receipt of an invoice, the budget holder signs the invoice, to signify:
- an official purchase order has been raised for the purchase
 - the invoice matches the PO
 - the PO matches the delivery note
 - the goods match the delivery note (correct quantity, quality, specification)
 - the invoice has not been previously paid
 - funds are available in the relevant budget
97. The payment is then prepared by the Finance Officer/Manager (or the Trust Finance Manager for Central operations) and passed to the approvers. BACS payments have to be authorised electronically by two approvers (who are bank account signatories) in line with the rules in paragraph 75. Before authorising the BACS payment each approver will review the documentation provided to ensure the payment should be made i.e. it meets the criteria listed above, and that the bank account and sort codes have been correctly entered.
98. Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.
99. The Finance 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 Finance Team will request a disclosure from the individual to confirm they take responsibility for declaring the payment received to HMRC, this check will be included on the new supplier form.

Cheque Payments

100. If an invoice is being paid by cheque rather than BACS, the procedures outlined above will apply, except that payment is affected through the raising of a cheque rather than a BACS payment.
101. Once prepared by the Finance Officer (or Trust Finance Manager for Central operations), the cheque is passed to the approvers. Cheques have to be signed by two approvers (who are bank account signatories). Before signing the cheque each approver will review the documentation provided to ensure the payment should be made i.e. it meets the criteria listed above.

Supplier Details

102. Finance staff must remain vigilant to ensure all payments are being sent to authentic recipients, as fraudsters are known to be targeting schools.
103. It is imperative that details for existing suppliers, including addresses, bank account numbers and sort codes, are not amended in the accounting system unless the Finance Officer is completely satisfied the new information is legitimate.
104. The details for new suppliers must be corroborated directly with the supplier before being added to the accounting system.

INVESTMENTS

105. Investments are made in accordance with the Investment Policy approved by the Trust Board.

RESERVES

Introduction

106. Academy trusts are required by the Academy Trust Handbook (ATH 2.8) to have in place a reserves policy and to explain it in their annual report and accounts. Trusts like ours will hold reserves for various reasons including: cashflow; minimum trust reserves; building/estates/non-building capital projects; development and growth and future change and uncertainty.

Purpose

107. The Trust is responsible for setting the level of reserves to hold that is appropriate for the individual circumstances and priorities of our trust. The reserves policy should help trustees mitigate financial risks – first by encouraging trustees to identify what the risks are, and then by deciding how much the trust needs to hold to address them and ensure its financial health.

The trust holds **reserves** for:

Cashflow – enabling the trust to manage fluctuations in income by ensuring sufficient cash is available to pay bills and expenditure items as they fall due.

Minimum trust reserves - setting aside a contingency amount to cover any unforeseen issues or extra costs in-year. This could be to balance budgets where in-year expenditure exceeds income.

Building/estates/non-building capital projects – growing savings to enable maintenance, development, and improvement of the trust's infrastructure to deliver the trust's capital and estates strategy. This could include sinking funds that set aside money each year to grow funds for premises projects and building plans, but could also be significant investment in the curriculum, IT or school improvement strategies.

Development and growth – providing for the trust's financial health. This could include preparing for new schools to join the trust, for existing schools to expand, training for staff or investing in the central services of the trust to improve delivery or increase capacity.

Future change and uncertainty – planning for a period of reduced pupil numbers or covering unexpected costs to ensure the trust's overall budget is balanced.

Definition of Reserves

108. For the purpose of this policy the trust consider **reserves** to be the balance of unspent, unrestricted funds (to the extent that they have not been used for the acquisition of fixed assets) plus the balance of unspent general annual grant ("GAG"). Although GAG is a restricted fund, any unspent GAG is usually considered as **reserves** on the basis of its permitted use for the general running of the trust's main activity of delivering education.

Exclusions from Reserves

109. Exclusions from reserves:

- tangible fixed assets used to carry out the trust's activities, such as land & buildings
- programme-related investments held solely to further the trust's purposes
- other restricted funds where the donor or grantor has specified the purpose to which the grant/donation must be applied
- designated funds set aside to meet essential future spending, such as funding a project that could not be met from future income
- commitments that have not been provided for as a liability in the accounts

Reserve Contributions

110. The trust take's a top slice from the GAG for central services and passes the rest of the funding on to the individual academies. Reserves are pooled in a central fund, with each academy contributing through their yearly surplus or (deficit).

Reserve Levels

111. The trust need to strike the right balance between holding sufficient reserves to ensure the financial health of their schools and the ability to fund significant future investment, without holding back too much that could otherwise be used to benefit pupils. They will need to decide how to manage the interplay between their reserves and wider budget planning, especially where there is particular uncertainty around their underpinning assumptions.

When considering a minimum level of reserves, trustees will need to be assured that there is sufficient contingency should something unforeseen occur and that there are funds in place to maintain the school estate and infrastructure

Trustees after review have determined that the minimum level of reserves should be no less than 5% of current year Trust Budget Income.

Requests to draw upon the reserves should be made through a 'paper' from the executive leadership to the trust either in its committees or its board meetings.

Reserves Review

112. Trustees should review reserve levels quarterly or when reserves are projected to drop below the minimum level agreed in this policy.

Trustees should review the Reserves policy annually

Note – ESFA have published a guidance policy – Academy Trust Reserves

CAPITAL RESERVES

113. Any year end school surpluses are carried over to the following year and ring-fenced.

114. It is the responsibility of the Finance Officer in each school (or the Trust Finance Manager for Trust level funds) to keep accurate records of the capital funds, especially where grants have been received for capital projects.

PAYROLL

Staff Appointments

115. The Trust Board has approved staffing structures for each school and Central operations through approval of the annual budget for each entity. The staffing detailed in the approved version of the budget held in Access Education Budgets will be recognised as the approved staffing structure. An anonymised version of this information will be appended to the Trust Pay Policy which is reviewed annually in September. Changes can only be made to these structures with the express approval in the first instance of the Trust Finance, Infrastructure and HR Committee, who must ensure that adequate budgetary provision exists for any changes.

116. Authority to appoint staff within the authorised staffing structure is delegated as follows:

- | | |
|-------------------------------------|-------------------------|
| • Central Operations | Chief Executive Officer |
| • New Road Primary School | Executive Headteacher |
| • Park Lane Primary School | Executive Headteacher |
| • Sir Harry Smith Community College | Principal |

The exceptions to this are the roles listed below, for which appointments must follow consultation with the Trustees:

- Chief Executive Officer
- Chief Operating Officer
- Trust Director of Finance
- Principal and Executive Headteacher
- Senior Leaders (members of the Senior Leadership Team) in all schools

117. Personnel files are maintained for all members of staff which include contracts of employment. Responsibility for maintaining these files is as follows:

- | | |
|-------------------------------------|---------------------------|
| • Central Operations | COO/SHS Personnel Manager |
| • New Road Primary School | Administrator |
| • Park Lane Primary School | Office Manager |
| • Sir Harry Smith Community College | Personnel Manager |

All personnel changes must be notified to the individuals holding the roles listed above, in writing, immediately.

118. The individuals listed above in point 113 are responsible for obtaining the relevant vetting documents, including DBS disclosures, and ensuring these are retained on file.

Payroll Administration

119. Payroll is administered by each school through the Trust's payroll provider.

120. All staff are paid monthly through the payroll provider. A master file is created for each employee in SIMS and on the EPM Portal, which records:

- contract including salary
- bank account details

- personal details
- any deductions or allowances payable
- other legal and relevant details

NB for the Primary schools the Master File is that held in SIMS. For SHS the Master File is that held on the EPM Portal.

121. New master files can only be created by the following personnel:

- | | |
|-------------------------------------|---------------------------|
| • Central Operations | COO/SHS Personnel Manager |
| • New Road Primary School | Administrator |
| • Park Lane Primary School | Office Manager |
| • Sir Harry Smith Community College | Personnel Manager |

With the express approval of the following:

- | | |
|-------------------------------------|-------------------------|
| • Central Operations | Chief Executive Officer |
| • New Road Primary School | Executive Headteacher |
| • Park Lane Primary School | Executive Headteacher |
| • Sir Harry Smith Community College | Principal |

Any master file amendments made must be printed out each month prior to the payroll run and must be authorised according to the approvers list that precedes this paragraph.

122. A monthly record of staff absences must be made on SIMS and the EPM Portal by the School Administrator (Primary Schools)/Personnel Manager (SHS), and reported to the Finance Officer in each school (or the Trust Finance Manager for Central personnel), along with details of any new appointments, terminations or contract changes in readiness for the monthly payroll reconciliation.

123. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn these are authorised by the budget holder and uploaded to the EPM Portal by the school Finance Officers.

Payments

124. Before payments are authorised electronically by the Principal/Executive Headteacher via EPM Portal a reconciliation of the payroll run (EPM costings reports and exceptions reports) is to be made against source documentation by the Finance Officer and any queries addressed. Central staff are included on the SHS payroll reports.

125. All salary payments are made by BACS.

126. HR at the secondary school (HR and Finance at the Primary schools) carries out a monthly analysis of the EPM costings report to identify any variances in contractual pay. School supplied documentation relating to new/amended contracts, absences and overtime claims are also reconciled to the EPM costings report. Anomalies will be addressed with EPM/school staff until all queries are resolved. All documentation relating to these monthly payroll reconciliations are kept on file, and are available for scrutiny by the Principal/Executive Head before the payroll is authorised as identified in paragraph 114.

127. The Trust's payroll provider, EPM Ltd, is responsible for calculating the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions; others include Trade Unions Subs, Student Loans, etc. The amounts payable are summarised on the gross to net pay reports and the BACS payments for identified amounts are processed by EPM on the Trust's behalf, once the Principal/Executive Head has authorised the payroll for their school(s) in accordance with the monthly deadlines.
128. After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres, and there will be separate entries for salaries, employer NI and employer pension contributions. The Finance Officers should review 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.

Salary advances

129. The Trust does not award salary advances.

Overtime

130. Overtime is recorded by the individual on an authorised overtime claim form and submitted, according to the deadlines in the schedule, to the academy's Finance Officer for processing. The Finance Office adds these payroll variances to the EPM Portal according to the schedule, after which they are filed in the academy's payroll folder awaiting reconciliation before the payroll is authorised.
131. No payments for work undertaken will be made other than via the payroll system.

Severance payments

132. The academy trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.
133. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
134. The Accounting Officer must sign off and review each business case.

Ex-gratia payments

135. Any (and all) ex-gratia payments must be submitted to ESFA for prior approval.

INCOME

ESFA grants

136. The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by each academy's Finance Officer who is responsible for ensuring that all grants due to the academy are collected.

Other grants

137. The receipt of these sums is monitored directly by each academy's Finance Officer who is responsible for ensuring that all grants due to the academy are collected.

Trips

138. A lead member of staff must be appointed for each trip to take responsibility for trip costings and the collection of sums due. They will provide the admin team with these details, plus a list of participants, and the admin team will add the trip as a payment item to ParentPay/ SchoolComms. The admin team must prepare a record for each student intending to go on the trip showing the amount due.
139. Students should make payments to the academy through its nominated online payment collection service provider e.g. ParentPay. No cash or cheques are to be accepted in school, unless in exceptional circumstances.
140. The admin team 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 regular basis and the lead teacher is responsible for chasing the outstanding amounts.
141. Trips are planned to be run at cost price, although allowance can be made for administrative fees and other costs in line with the Trust Charging and Remissions Policy. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Principal in advance of the booking being made.

Catering

142. The bank credits received from the academy's online payment service provider are reconciled to the Sage reports monthly by the academy's Finance Officer.

Lettings

143. The academy's Site Manager is responsible for maintaining records of bookings of sports facilities, etc. and for identifying the sums due from each organisation. This information is passed on to the academy's Finance Officer for an invoice to be raised. Charges are to be raised in line with the academy's lettings policy.
144. 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 accounting system.
145. 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.

Sundry income

146. Income from other sources (for example educational consultancy) is priced in consultation with the Trust Director of Finance. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay.

Bad debts

147. The academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.

148. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the Trust Finance Manager submits a report to the Trust Director of Finance for approval of write off.

149. The following write off limits apply:

- Up to £150 – Trust Director of Finance
- £151 to £500 – Chief Executive Officer
- £501 to £1,000 – Finance, Infrastructure and HR Committee
- Over £1,001 - Trust Board and refer to debt collecting agency

PURCHASING

150. 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 Trust is publicly accountable for its expenditure and the conduct of its affairs
- Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis
- Further guidance and support on procurement can be found in section 2.23 -2.26 in the procurement and spending decisions section of the [Academy trust handbook](#)

Routine Purchasing

151. Budget holders will be informed of the budget available to them ideally 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 half-term. Budget holders will be able to monitor data relating to their own budget areas on a half-termly basis via reports from the Trust Finance Officers.

152. Budget holders must follow the procedures on ordering, starting at paragraph 158 (subject to their annual budget). Copies of all quotes must be uploaded to elementary [Appendix 3](#).

Purchase of Alcohol

153. The Trust's funds **must** not be used to purchase alcohol for consumption, except where it is going to be used in religious services.

Expense Claims and Out of Pocket Expenses

154. Staff should where possible secure approval in advance to making an expense claim from their budget holder / senior manager. Staff should claim re-imbursement for the expense claim using the Staff Re-imbursement form/s authorised by their budget holder / and or senior manager. Budget holders and other staff must not approve their own expense claims.
155. Staff are discouraged from making out of pocket expenses, as all purchasing should follow the procedures identified in the following paragraphs. However, the trust recognises that in some circumstances, for example paying for parking, it is reasonable for staff to request reimbursement on presentation of a relevant receipt.

Due to the nature of such claims, they should be below £40 in value and the procedures set-out under Petty Cash on page 15 should be followed, however should there be a claim over £40 in value it will be paid by BACS. Out of pocket expenses should be approved by the claimants budget holder / and nor Senior Manager. Budget holders and other staff must not approve their own out of pocket expenses.

Staff reimbursements need to be submitted to the Trust finance team within 3 months of purchase to qualify for payment.

E-procurement

156. Any department wishing to make a purchase on credit card must complete an official elementary order to make the purchase.
157. 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 principal/ headteacher.

Orders

158. All requisitions must be raised through Elementary and authorised by the budget holder and authorised in accordance with appendix 3 before the order can be placed.
159. Approved orders will be recorded in the purchase order module of the financial system which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the Finance Department All orders must be made, or confirmed, in writing using an official purchase order form, bearing an official order number and issued by the Finance Department
160. The budget holder must make appropriate arrangements for the delivery of goods to their faculty area. On receipt of goods the budget holder must undertake a detailed check of the goods received against the order, or goods received note (GRN) if available, and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be brought to the attention of the Finance Department for follow-up with the supplier without delay.
161. If any goods are rejected or returned to the supplier because they are not as ordered

or are of sub-standard quality, the Finance Department should be notified. The Finance Department will keep a central record of all goods returned to suppliers.

162. All invoices should be sent to the Finance Department. Invoice receipt will be recorded by the Finance Department into the Financial Information System purchase ledger module). The Finance Department will stamp invoices with a grid against which the following can be:
- Goods/services received
 - Goods/services as ordered
 - Prices correct
 - Invoice authorised payment
 - Payment made
163. The Finance Officer/Manager must make a detailed check against the order and/or the GRN and these documents must be attached to the invoice before it is sent through for payment. These checks must be undertaken without undue delay.
164. If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
165. The Finance Department will then input details of payments to be made to the purchase ledger and generate the cheques required. The cheques and associated paperwork must be authorised by two of the nominated cheque signatories.
166. BACS payments are input by the Finance Team and authorised on-line by two signatories in accordance with the banking policy and procedures (see E- procurement and Payments above).

Ordering

167. In the first instance, check to see if the required product/service is available from one of the Trust's approved suppliers. The list of approved suppliers can be found at [Appendix 4](#). If not, the following procedures must be followed:

Ordering Goods, Service and Capital - Financial Authorisation Rules (Subject to UK / EU procurement rules applicable at purchase)				
*	Order Value	Delegated Authority	Finance Check	Decision Support
Ordering Goods, Services, SLAs, and Capital - Academies Use Trust (Elementary) Electronic Order system to raise order - use Project Approval Form for key capital projects.	<£1,001	Exec Head / Budget Holder	Finance Manager	One Estimate
	£1,001 to £5,000	Exec Head / Principal	Director of Finance	One Estimate
	£5,001 to £7,500	Exec Head / Principal	Director of Finance	At least 2 written quotes
	£7,501 to £15,000	Exec Head / Principal	Director of Finance	At least 3 written quotes
	£15,001 to £50,000	Chief Executive Officer	Director of Finance	At least 3 written quotes
	£50,001 to £75,000	Resources Committee	Chief Executive Officer	At least 3 written quotes
	£75,001 to £177,500	Trust Board	Chief Executive Officer	Tender
	£177,501 +	Trust Board	Chief Executive Officer	PCR Tender

Delegated Duty	Order Value	Delegated Authority	Finance Check	Decision Support
Ordering Goods, Services, SLAs, and	<£1,001	Chief Executive Officer	Finance Manager	One Estimate
	£1,001 to £5,000	Chief Executive Officer	Director of Finance	One Estimate

Capital - Central Team Use Trust (Elementary) Electronic Order system to raise order - use Project Approval Form for key capital projects.	£5,001 to £7,500	Chief Executive Officer	Director of Finance	At least 2 written quotes
	£7,501 to £50,000	Chief Executive Officer	Director of Finance	At least 3 written quotes
	£50,001 to £75,000	Resources Committee	Chief Executive Officer	At least 3 written quotes
	£75,001 to £177,500	Trust Board	Chief Executive Officer	Tender
	£177,501 +	Trust Board	Chief Executive Officer	PCR Tender

Delegation - Absence / Emergency - Executive:

- Chief Executive Officer financial authority including order authorisation limits delegate to Chief Operating Officer
- Director of Finance financial authority including order authorisation limits delegate to the COO when the CEO is primary approver & to the CEO otherwise

Delegation - Absence / Emergency - Trust

- Resource Committee (2+ weeks from next meeting) delegate order authorisation limit to Committee Chair or Vice-chair + 1 Trustee
- Trust Board (2+ weeks from next meeting) delegate order authorisation limit to Board Chair or Vice-chair + 1 Trustee

168. Decision Support Rules are suspended only if at least one the following conditions are met:

- The order is sourced from Trust Approved Supplier
- The order is sourced from a DfE approved framework
- The item / service is only available from one source i.e. a Specialist
- Order is time critical

169. Written details of quotations obtained should be prepared by budget holders and retained by the Finance Department for audit purposes. The decision about which supplier to use must be in accordance with value for money principles

Managing and Disclosing Related Parties and Transactions

170. In order to comply with the disclosure and ESFA reporting requirements we need all Trustees and Members together with Staff who influence any Trust financial transactions to declare their related parties and any proposed or actual related party transactions that they are aware of. To do this they must fully complete the Related Parties Declaration form annually and also when any detail changes.

The Senior Finance Officer compiles a register for related parties from the declaration forms. The Trust Governance professional makes sure that the register for Trustees and Members is published on the Trust web-site excluding names of close family members if no business interests are declared.

The related party register itself is not published and is accessible only by the Senior Finance Officer and the Director of Finance.

All new Trustees and Members should fill out the Related Parties Declaration form before they are appointed. If the Trust is undertaking transactions with any declared business interests, it should inform the ESFA before the appointment is ratified by the Board.

It is also a standing item on the agendas of both the Finance, Infrastructure and HR Committee and the Trust Board for attendees to declare interests pertaining to items included on the agenda.

Any new supplier details and those identified during tendering or re-tendering must be checked by the Senior Finance Officer or the Director of Finance against the Related Parties Register and any issues flagged before business is commenced – it may need ESFA approval. The Trust Finance teams should be alert to any potential conflicts or related party transactions before they take place if possible.

As an Academy we must continue to log and report all related party transactions, regardless of value, in their annual financial statements. We must seek prior approval from ESFA when:

- a single proposed contract or agreement with a related party exceeds £40,000
- a proposed contract or agreement of any value means the total value or contacts or agreements with the same related party exceeds £40,000 in a financial year

A series of intended transactions with the same supplier can be submitted as a single request for approval, as long as sufficient detail about each transaction is included in the evidence provided.

Trading with connected parties

171. Trading with connected parties must be in line with Academies Financial Handbook.

Goods and services for private use

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

Forms of Tender

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

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Officer how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits

of open tendering.

- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

174. Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

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

176. A tender brief must always be prepared and is reviewed by the Finance, Infrastructure and HR Committee.

Invitation to Tender

177. If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

178. An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender
- form of response
- dates for decision and work to be delivered

Tender Acceptance Procedures

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

Tender Opening Procedures

180. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:
- For contracts up to £25,000 – the budget holder and the Trust Finance Manager
 - For contracts over £25,000 - the Trust Finance Manager or the Trust Director of Finance plus a member of the Finance, Infrastructure and HR Committee
181. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

182. The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.
183. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
184. Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance, Infrastructure and HR Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance, Infrastructure and HR Committee.
185. The accepted tender should normally be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

Insurance

186. The COO reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.
187. We have opted in to the Department for Education's Risk Protection Arrangements.
188. All staff must ensure all valuables are kept under lock and key when not being used in a supervised manner.
189. The first £500 of replacement has to be funded by the department concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

Governors/Trustees Expenses

190. The Trust's separate policy on Governance Expenses covers this section.
191. The Trust Board acknowledges that:
- Trustees and governors are not to be paid attendance allowance
 - Trustees and governors are not reimbursed for loss of earnings

Energy Management

192. The academy's Finance Officers are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the Site Manager immediately.
193. The Site Manager ensures that the school's heating system is operated and run as efficiently as possible.
194. The Trust Finance Manager ensures that the school is purchasing energy at the most competitive prices available.
195. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

FRAUD

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

WHISTLEBLOWING

197. The Trust has a separate Whistleblowing Policy.

LEASING

198. The Trust is able to enter into operational leases as outlined in the Academies Trust Handbook maintaining the principles of value for money, regularity and propriety.
199. Finance leases are classed as borrowings and can only be entered into with the specific authority of the ESFA – if in doubt check with external auditor.
200. All leases or contracts longer than one year must be approved by the Director of Finance.

VAT

201. The Trust Finance Manager is responsible for submitting the VAT 126 form every month.

FIXED ASSETS

202. Academy trusts must obtain prior approval from ESFA for the following transactions;
- Acquiring a freehold of land or buildings
 - Disposing of a freehold of land or buildings
 - Disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

Asset register

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

- asset description
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
 - Land – Ongoing
 - Buildings – 50 years
 - Computer Equipment – 5 years
 - Fixtures, Fitting & Equipment – 5 years
- depreciation
- current book value
- location (School)

204. The asset register helps:

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

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

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses

Security of assets

206. All the items in the asset register and the ICT Inventory are permanently and visibly marked as the Trust's property.

207. Equipment is, where possible, stored securely when not in use.

208. An annual audit is undertaken by the Trust's auditor. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Trust Board.

Disposals

209. Disposals, where applicable, are in line with the Academy Trust Handbook. Assets that have been disposed of should remain on the Fixed Asset Register showing as Disposed.
210. 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 the principles of value for money, proprietary and regularity.

Loan of Assets

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

Cyber Risk Assessment

213. The Trust undertakes an annual Cyber Risk Assessment and reports any risks to the Audit and Risk Committee. The Audit and Risk Committee are informed when a cyber-security incident has occurred, and also made aware of any potential cyber breach and any immediate action required/taken to control the risk.
214. The Trust does not pay any cyber ransom demands.



Project Approval Form (over £7,500)

School

Project Title

Project Description

Why do you need your project?

What impact will your project make?

What supporting evidence have you got to back up the need for your project?

How does the project link to the school improvement plan?

What is the Business / Financial Case for your project?

How do you plan to deliver, monitor and evaluate your project?

Completed by

Name:	Date:
Approved by:	Date:

Notes:

Recommended for use on Projects £5,000 and above

Summary of freedoms and delegations

5.64 This summary is not a substitute for the full handbook. Trusts' delegated authorities are subject to the conditions in section [5.59](#). Trusts under a [financial notice to improve](#) will have their delegated authorities revoked under section [6.17](#).

Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required [5.5]
Special payments	Staff severance and compensation	ESFA agreement required if £50,000 or more before tax [5.10] and [5.14] .
	Ex gratia payments	ESFA agreement required [5.17]
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds: • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively [5.18] and [5.19]
	Entering into guarantees, indemnities or letters of comfort	
Acquisition and disposal of fixed assets	Acquiring freehold land/buildings	ESFA agreement required [5.22]
	Disposing of a freehold on land/buildings	ESFA agreement required [5.22]
	Disposing of heritage assets	ESFA agreement required [5.22]
	Other disposals	Trust has full discretion [5.23]
Leasing	Taking up a finance lease	ESFA agreement required [5.25]
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more [5.25] .
	Taking up any other lease	Trust has full discretion [5.26]
	Granting a lease on land and buildings	ESFA agreement required [5.25] .
GAG	GAG carry forward	No limits if trust eligible [5.28] .
	Pooling by MATs	No limits (except PFI) if trust eligible [5.29] .
Borrowing	Loan, overdraft	ESFA agreement required [5.32]
	Credit cards (for business use)	Trust has full discretion provided charges not incurred [5.32]
Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000 and over associated limits in [5.41] .

[illegible]

By authorising the spend below the Budget Holder is confirming that all Financial Procedures, shown overleaf, have been followed for this order.										Sub Total	£	-
--	--	--	--	--	--	--	--	--	--	-----------	---	---

This constitutes a Financial Record and as such MUST be securely stored by the initiating department for 7 Years.		TOTAL	£	-
---	--	-------	---	---

Order No: -	Faxed / Sent on: -	Goods Received on: -	Total Spend Authorised by: -
-------------	--------------------	----------------------	------------------------------

Trust Order Authorisation Rules

Ordering Goods, Service and Capital - Financial Authorisation Rules (Subject to UK / EU procurement rules applicable at purchase)				
*	Order Value	Delegated Authority	Finance Check	Decision Support
Ordering Goods, Services, SLAs, and Capital - Academies Use Trust (Elementary) Electronic Order system to raise order - use Project Approval Form for key capital projects.	<£1,001	Exec Head / Budget Holder	Finance Manager	One Estimate
	£1,001 to £5,000	Exec Head / Principal	Director of Finance	One Estimate
	£5,001 to £7,500	Exec Head / Principal	Director of Finance	At least 2 written quotes
	£7,501 to £15,000	Exec Head / Principal	Director of Finance	At least 3 written quotes
	£15,001 to £50,000	Chief Executive Officer	Director of Finance	At least 3 written quotes
	£50,001 to £75,000	Resources Committee	Chief Executive Officer	At least 3 written quotes
	£75,001 to £177,500	Trust Board	Chief Executive Officer	Tender
	£177,501 +	Trust Board	Chief Executive Officer	PCR Tender

Delegated Duty	Order Value	Delegated Authority	Finance Check	Decision Support
Ordering Goods, Services, SLAs, and Capital - Central Team Use Trust (Elementary) Electronic Order system to raise order - use Project Approval Form for key capital projects.	<£1,001	Chief Executive Officer	Finance Manager	One Estimate
	£1,001 to £5,000	Chief Executive Officer	Director of Finance	One Estimate
	£5,001 to £7,500	Chief Executive Officer	Director of Finance	At least 2 written quotes
	£7,501 to £50,000	Chief Executive Officer	Director of Finance	At least 3 written quotes
	£50,001 to £75,000	Resources Committee	Chief Executive Officer	At least 3 written quotes
	£75,001 to £177,500	Trust Board	Chief Executive Officer	Tender
	£177,501 +	Trust Board	Chief Executive Officer	PCR Tender

Additional Approval:

Trust approval required ahead of order placement for following;

Use Project Approval Form for Capital Projects,

Chief Executive Officer	Contractors and Consultants
Chief Operating Officer	Estates including Catering
Chief Operating Officer	HR / Payroll
Director of Finance	Energy
Director of Finance	Audit Services
Director of Finance	Leases - Operational /Financial
Director of Finance	Contracts more than one year
IT Business Partner	IT Hardware, Software and Services

Delegation - Absence / Emergency - Executive:

Chief Executive Officer's financial authority including order authorisation limits, delegate to Chief Operating Officer.

Director of Finance's financial authority including order authorisation limits, delegate to the COO when the CEO is primary approver & to the CEO otherwise.

Delegation - Absence / Emergency - Trust

Resource Committee (2+ weeks from next meeting) delegate order authorisation limit to Committee Chair or Vice-chair + 1 Trustee

Trust Board (2+ weeks from next meeting) delegate order authorisation limit to Board Chair or Vice-chair + 1 Trustee

Decision support rules are suspended only if at least one of the following conditions are met:

The order is sourced from Trust Approved Supplier

The order is sourced from a DfE approved framework

The item/service is only available from one source i.e. a Specialist

Order is time critical

Order Notes:

Approved Supplier List for Goods and Services (Service Frameworks)

Cambridgeshire County Council	Various services, including: Insurance – 01223 699113 ICT Service – 0300 300 0000 Health and Safety Support – 01223 699122 Governor Support – 01733 863642
Crescent Purchasing Ltd (CPC)	Web: www.academies.thecpc.ac.uk Tel: 0800 066 2188
Crown Commercial Service	Web: https://purchasingplatform.crowncommercial.gov.uk/purchasing-platform
ESPO	Web: https://www.espo.org Tel: 0116 265 7878
Yorkshire Purchasing Organisation	Web: https://www.ypo.co.uk/ Tel: 01924 834 834
Dell	Web: https://www.sbs.nhs.uk/services/framework-agreements/digital-workplace-solutions/ https://www.dell.com/ Tel: 0800 085 4878
Everything ICT	Web: https://www.everythingict.org/ Tel: 020 4551 8995

Agreement for use of Aspire Learning Trust Credit Card

Undertaking by the cardholder

School Name:

Cardholder's Name:

I confirm that I have received credit card number (enter 16 digit card number)

I confirm that I have read and understood the guidance for cardholders in the Trust Financial Regulations Manual and I undertake to comply with these conditions.

I confirm that each time I use the card, prior permission using the order requisition procedures set out in the Trust Financial Regulations Manual.

All use must be agreed by the card holder on an authorised request form.

A PIN number will be issued in order to facilitate "chip and pin" transactions. It is my responsibility to ensure that the card is secure and that the number is not released to anyone.

The Trust has the right to withdraw this facility at any time.

I hereby authorise the Board of Trustees to deduct from my salary or any other amounts owed to me the value of any unauthorised transactions incurred.

I recognise that the Board of Trustees reserves the right to withdraw the card at any time.

Cardholder:

Signed _____

Date _____

Finance Director, Aspire Learning Trust:

Signed _____

Date _____