Avishayes Primary & Early Years Centre
Financial Regulations Manual

Contents

1 Introduction
2 Organisation
3 Accounting System
4 Financial Planning
5 Payroll
6 Purchasing
7 Income
8 Cash Management
9 Fixed Assets

1. Introduction

1.1 The purpose of this manual is to ensure that Avishayes Primary & Early Years Centre 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 (ESFA).

1.2 The academy must comply with the principles of financial control outlined in the academies guidance published by the ESFA. 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.

2. Organisation

2.1 The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

The Governing Body

2.2 The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the ESFA and in the academy's scheme of government. The main responsibilities include:

- ensuring that grant from the ESFA is used only for the purposes intended;
- ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended;
- approval of the annual budget;
- appointment of the Headteacher and
- appointment of the Business Manager, in conjunction with the Headteacher.

The Finance/Pay Committee
2.3 The Finance/Pay Committee is a committee of the governing body. The Finance/Pay Committee meets at least once a term but more frequent meetings can be arranged if necessary.

2.4 The main responsibilities of the Finance/Pay Committee are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:
• the initial 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 1985 and the ESFA guidance issued to academies;
• authorising the award of contracts over £5,000 or group of projects where spends exceed £5000
• authorising changes to the academy personnel establishment and
• reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

The Headteacher (Accounting Officer)
2.5 Within the framework of the academy development plan as approved by the governing body the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Business Manager but the Headteacher still retains responsibility for:
• approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
• authorising contracts below £5,000 in conjunction with the Business Manager (over £1000 must be reported to the Finance/Pay Committee at next meeting)
• signing cheques in conjunction with another authorised signatory.

The Business Manager (Chief Financial Officer)
2.6 The Business Manager works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The Business Manager also has direct access to the governors via the Finance/Pay Committee. The main responsibilities of the Business Manager are:
• the day to day management of financial issues including the establishment and operation of a suitable accounting system;
• the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body;
• the maintenance of effective systems of internal control;
• ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
• the preparation of the monthly bank reconcillation;
• ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA and ESFA guidance.

The Responsible Officer
2.7 The Responsible Officer (RO) is appointed by the governing body and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:
• the financial responsibilities of the governing body are being properly discharged;
• resources are being managed in an efficient, economical and effective manner;
• sound systems of internal financial control are being maintained and
• financial considerations are fully taken into account in reaching decisions.

2.8 The Responsible Officer will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the Finance/Pay Committee.

Other Staff
2.9 Other members of staff will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Register of Interests
2.10 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.

2.11 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

2.12 The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3. Accounting system

3.1 All the financial transactions of the academy must be recorded on the FMS accounting system. The FMS system is operated by the Finance Department and consists of:
Journals
Nominal Ledger
Bank Transactions
Purchases Ledger
Sales Ledger

The Payroll System is externally operated through Somerset County Payroll.

System Access
3.2 Entry to FMS is password restricted to use by the Business Manager alone.

Back-up Procedures
3.3 The Business Manager is responsible for ensuring that there are effective back up procedures for the system. Data is backed up automatically off-site, every night by an external provider.

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

Transaction Processing
3.5 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal entries must be printed after posting, authorised by the Headteacher or Assistant Headteacher and then filed appropriately. Somerset Council provide finance support to the school and will prepare year end journals. The School Business Manager will check and authorise the journals.

3.6 Detailed information on the operation of FMS can be found in the user manuals held in the finance office.

Reconciliations
3.7 The School Business Manager 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;
• all suspense accounts and
• bank balance per the nominal ledger to the bank statement.

3.8 The Headteacher will review and sign all reconciliations as evidence of this review.

4. Financial planning

4.1 The academy prepares both medium term and short-term financial plans.
4.2 The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

4.3 The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year.

4.4 The development planning process and the budgetary process are described in more detail below.

School Development Plan

4.5 The development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

4.6 The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the ESFA.

4.7 Each year the Headteacher will propose a planning cycle and timetable to the governing body which allows for:
• a review of past activities, aims and objectives - "did we get it right?"
• definition or redefinition of aims and objectives – "are the aims still relevant?"
• development of the plan and associated budgets – "how do we go forward?"
• implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
• feedback into the next planning cycle – "what worked successfully and how can we improve?"

4.8 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Headteacher.

4.9 The completed development plan will include detailed objectives for the coming academic year. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

4.10 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a defined individual. This individual should monitor performance against the defined success criteria throughout the year and report to the Strategic

Leadership Team (SLT) on a quarterly basis. The SLT will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

4.11 The Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance/Pay Committee and the governing body.

4.12 The approved budget must be submitted to the ESFA in a form specified by the ESFA by a date to be notified. The Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

4.13 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.

4.14 The budgetary planning process will incorporate the following elements:

- indicative ESFA funding;
- 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 base;
- identification of potential efficiency savings and
- 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;
- IAR funding from the Local Authority;

Finalising the Budget

4.15 Once the different options and scenarios have been considered, a draft budget should be prepared by the School Business Manager for approval by the Headteacher, the Finance/Pay Committee and the governing body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.16 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

4.17 Monthly reports will be prepared by the School Business Manager. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance/Pay Committee. The report will also detail Key Performance Indicators which will include information on debtor accruals (money owed to the school, in the main this is pupil premium), prepayments (services paid for in advance), funds held in the bank, VAT owed to the school, creditor control (unpaid invoices), creditor accruals (services received not yet invoiced e.g. utilities etc) and payroll (deductions payable in the next month).

4.18 Any potential overspend against the budget must in the first instance be discussed with the Headteacher. The accounting system will not allow payments to be made against an overspent budget without the approval of the Headteacher.

4.19 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. Budget virements over £5000 must be authorised by the Finance/Pay

Committee. An audit trial of all virements made after the approval of the original budget must be made.

Capitalisation
The governors have agreed on a de minims level of capital expenditure of under £2500 that should not be capitalised in the accounts and therefore shown as a fixed asset on the balance sheet. Any capital expenditure under this amount should be recognised within repairs and maintenance expenditure.

5. Payroll

5.1 The main elements of the payroll system are:
• staff appointments;
• payroll administration and
• payments.

Staff Appointments
5.2 The governing body has approved a personnel structure for the academy. Changes can only be made to this structure with the express approval in the first instance of the Finance/Pay Committee who must ensure that adequate budgetary provision exists for any structure changes.

5.3 The Headteacher has authority to appoint staff within the authorised structure except for the Assistant Headteacher and the Business Manager whose appointments must follow consultation with the governors. The Business Manager maintains personnel files for all members of staff which include contracts of employment. Changes must be approved by the Headteacher and processed by the Business Manager.

Payroll Administration
5.4 The school payroll is administered externally. Personnel and salary details are stored on SIMS and FMS. Access to the system is password controlled. Password control procedures and backup arrangements are described in section two of this manual.

5.5 All staff are paid monthly through the external provider (Somerset County) who maintains the payroll system.

5.6 Each month the Business Manager must prepare a schedule of joiners, leavers and contract changes and a schedule of additional hours, sickness, other absences and other payroll adjustments. These reports are sent to the external payroll provider who process the payroll for the month and send the Business Manager a report for approval. This payroll report must be authorised by the Headteacher and one other approved signatory before confirmation is emailed to the external payroll provider by the Business Manager to release payment.

Payments
5.7 All salary payments including deductions for third parties are made by BACS by the payroll provider.

5.8 The external payroll system 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 print.

5.9 After the payroll has been processed the nominal ledger will be manually updated. Postings will be made both to the payroll control account and to individual cost centres. The Business Manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system and individual cost centres have been correctly updated.

5.10 On an annual basis the Business Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the Business Manager's office, including leavers.

5.11 Periodic spot checks should also be carried out throughout the year by the Business Manager to ensure the integrity of the payroll system.

6. Purchasing

6.1 The school wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they 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.

Routine Purchasing

6.2 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.

6.3 Request for purchases should be made to the Headteacher on an official order form. Routine purchases up to £5,000 can be requested by budget holders. Quotes/prices must always be obtained before any order is placed to ensure best value. Where practicable 3 quotes should be obtained (or a series of quotes from the same supplier that total over £5,000). Order form to be appropriately annotated if it is not possible to secure 3 quotes Invoices over £1,000 and below £5,000 must be reported to governors at the next Finance/Pay Committee meeting. Purchases from a single source supplier may be approved if it is the long term interest of the school for Health & Safety reasons, simplification of future maintenance, business continuity or other similar reason. Where larger projects are undertaken broken down into a series of smaller packages such as specialist trades or suppliers and the total cost exceeds the £5,000 cost limit formal Finance/Pay Committee approval must be obtained first.

6.4 All orders must be made, or confirmed, in writing using official order forms which are kept in the School Business Manager's office. Orders must be passed to the Business Manager who will check to ensure adequate budgetary provision exists. The Business Manager will then pass the order to the Headteacher who will assess the order in terms of its impact upon the quality of the provision and standards before countersigning the order.

6.5 Countersigned orders are then passed to the Business Manager who will process, allocate a reference number and dispatch to the supplier.

6.6 The person placing the order must make appropriate arrangements for the delivery of goods to the academy. On receipt, a member of the School Admin team will undertake a detailed check of the goods received against the goods received note (GRN) A record must be made of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

6.7 If any goods are rejected the Business Manager will arrange for the return and monitor to ensure either a replacement or credit note is received.

6.8 All invoices should be passed to the Business Manager. The Business Manager will attach the delivery note and check the invoice against the original purchase order. The invoice will then be passed to the originator of the order to authorise the invoice for payment.

6.9 The Business Manager will then input details of payments to be made to the purchase ledger and generate the cheques required or created a batch for BACS payment. The cheques and associated paperwork must be authorised by two of the nominated cheque signatories.

6.10 Cheques will be dispatched to suppliers by the Business Manager.

6.11 Staff should avoid paying for business expenditure personally but if doing so should obtain a VAT receipt. No reimbursement will be made without this unless with prior agreement.

Orders over £5,000 but below £40,000

6.12 At least three written quotations should be obtained for all orders between £5,000 and £40,000 (or a series of quotes from the same supplier that total over £5,000) to identify the best source of the supplies/services. Written details of quotations obtained should be prepared and retained by the Business Manager/Budget holder for audit purposes. E-mail quotes are acceptable if these are evidenced and have been received before a purchase decision is made. Finance committee approval is required.

Orders over £40,000 but below £214,904 (Under Government regulations through the Public Contracts Regulations (PCR) compliant buying process the threshold for goods and services is £214,904)

6.13 All supplies/services ordered with a value over £40,000 but below £214,904, or for a series of contracts which in total exceed £40,000 must be subject to formal tendering procedures.

Orders over £214,904 (PCR Threshold)

6.14 Purchases over £214,904 fall under Government Public Contract Regulations (PCR) rules which require following the Find a Tender Service (FTS) this is the UK process where notices for new procurement must now be published it replaced OJEU / TED.

Forms of Tenders

6.15 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 Headteacher and Business Manager 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
6.16 Full consideration should be given to:
• objective of project
• overall requirements
• technical skills required
• after sales service requirements
• form of contract.

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

Invitation to Tender
6.18 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.

6.19 An invitation to tender should include the following:
• introduction/background to the project;
• scope and objectives of the project;
• technical requirements;
• implementation of the project;
• terms and conditions of tender and
• form of response.

Aspects to Consider

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

Technical/Suitability
• Qualifications of the contractor
• Relevant experience of the contractor
• Descriptions of technical and service facilities
• Certificates of quality/conformity with standards
• Quality control procedures
• Details of previous sales and references from past customers.

Other Considerations
• Pre sales demonstrations
• After sales service
• Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

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

Tender Opening Procedures
6.21 For contracts above the Public Contract Regulations (PCR) threshold help from legal advisers will be sought with a Find a Tender Service (FTS) procurement exercise.

For contracts over £40,000 up to the PCR threshold (£214,904) 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:
- the Business Manager/ the Headteacher plus a member of the Finance/Pay Committee

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

Tendering Procedures
6.23 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.

6.24 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.

6.25 Full records should be kept of all criteria used for evaluation and for contracts over £40,000 a report should be prepared for the Finance/Pay Committee highlighting the relevant issues and recommending a decision.

6.26 Where required by the conditions attached to a specific grant from the ESFA, the department's approval must be obtained before the acceptance of a tender.

6.27 The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

7 Income
7.1 The main sources of income for the academy are the grants from the ESFA and LA. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the academy are collected.

7.2 The academy also obtains income from:
• students, mainly for trips and
• the public, mainly for lettings.

Receipt of cash
7.3 We request where possible for payments to be made via Parentmail (online system). However, where this is not possible cash is received by the school from parents for items such as trips, donations and sports events. Parents are asked to send the money into school either with their child to be given to the class teacher or to be paid into the School Office. If the money is paid to the classteacher then the class list and money should be passed to the school office where it is checked for completeness. The cash is then stored in the safe before banking. Once banked the income data is posted onto FMS. Considering the sums of money involved, it is not considered cost effective to carry out any further formal checks.

Trips/Activities
7.4 A lead teacher/TA must be appointed for each trip/activity. The Business Manager is responsible for budgeting for the trip/activity with the Lead teacher/TA. The Business Manager keeps a record for each student intending to go on the trip/activity showing the amount due and liaising with the lead teacher/TA over outstanding amounts. Either the Lead teacher/Headteacher/Business Manager will then speak to the parents/carers. There must be evidence that there is no intention to make a profit from any trip or activity.

Lettings
7.7 The Site Manager is responsible for maintaining records of bookings of the hall. The Site Manager must ensure that the person responsible for the booking completes a lettings form.

The Business Manager will raise invoices termly in arrears after confirming with the Site Manager that all bookings are still being fulfilled.
7.8 Details of payments made and outstanding accounts will be held by the Business Manager and the Business Manager is responsible for chasing outstanding debts and ensuring no further use is made of the facilities unless payment has been made.

7.9 No debts should be written off without the express approval of the governing body (the ESFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

7.10 Organisations using the facilities should be instructed to send all payments to the School Office.

Nursery

The Business Manager will pursue outstanding nursery debts using the following procedure:

1. Issue statement highlighting outstanding balance and requesting payment and warning the parent/carer that non funded hours will be removed if payment not received
2. Telephone parent/carer to inform them that non funded hours will be removed
3. Remove non funded hours
4. Letter confirming hours removed and requesting payment and to inform parent/carer that matter will be referred to solicitors
5. Solicitors letter

   (Debts under £50.00 will be written off if no payment received after point 4 above, should the accumulated written off debt owed by all individuals exceed £250 in any one term the matter has to be reported to the Finance/Pay Committee governors).

Debts that are in excess of £50.00 and are still unpaid to be referred back to the Finance/Pay Committee governors to discuss pursuing through the small claims court.

Custody
7.11Receipts should be issued for all cash and cheques received in respect of residential school trips where no other formal documentation exists. All cash and cheques must be kept in the School Office safe prior to banking. Banking should take place frequently, £10,000 is the amount covered for money contained in the safe as per Risk Protection Arrangement (RPA) insurance.

7.12 Monies collected must be banked in their entirety in the appropriate bank account. The Business Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

8 Cash Management

Bank Accounts
8.1 The opening of all accounts must be authorised by the governing body who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits
8.2 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
• the amount of the deposit and
• a reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals
8.3 All cheques and other instruments authorising withdrawal from the school bank accounts must bear the signatures of two of the following authorised signatories:
• Headteacher;
• Assistant Headteacher;
• Member of Senior Leadership Team;

8.4 This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy.

8.5 The school has one charge card held in the name of the School Business Manager, the Headteacher is the registered person to authorise any changes to the operation of the account. It is used when paying for items purchased online or when the supplier requires it, for school supplies only. *N.B. under no circumstances are the cards to be used for personal purchases.* The card has a limit of £5,000 per month and the total balance is cleared monthly by direct debit. A VAT receipt must be obtained for each purchase. A control sheet is maintained for the card itemising the payments for the month which are agreed to the invoices and reconciled to the card statement. The control sheet is signed off monthly by the Headteacher to confirm that all payments are legitimate.

Administration
8.6 The Business Manager must ensure 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 FMS
• reconciliations are prepared by the Business Manager
• reconciliations are subject to an independent termly review carried out by the RO and
• adjustments arising are dealt with promptly.

Petty Cash Accounts
8.7 The academy does not maintain a petty cash account.

Cash Flow Forecasts
8.8 The Business Manager is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account to cover potential cash shortages.

Investments
8.9 Investments must be made only in accordance with written procedures approved by the governing body.

8.10 All investments must be 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.

Month End Procedures
Once all of the transactions for a month have been posted, the Business Manager will complete the Academy Month End Procedures Checklist and print hard copies of all reports detailed therein.

9 Fixed assets

Asset register
9.1 All items purchased with a value over the academy's capitalisation limit of under £2500.00 must be entered in an asset register. The asset register should include the following information:
• asset description

• asset number
• serial number
• date of acquisition
• asset cost
• location

9.2 The Asset Register helps:
• ensure that staff take responsibility for the safe custody of assets;
• enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
• to manage the effective utilisation of assets and to plan for their replacement;
• help the external auditors to draw conclusions on the annual accounts and the academy's financial system and
• support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets
9.3 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

9.4 All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant (5 units or individual item worth £100), reported to the governing body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Disposals
9.5 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance/Pay Commitee and, where significant, should be sold following competitive tender. The academy must obtain the approval of the ESFA for the following transactions beyond the delegated limits of the two categories set out below:

-writing off debts and losses and any uncollected fines; and
-entering into guarantees, letters of comfort or indemnities.

For delegated limits see Academy Financial Handbook 2023

9.6 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

9.7 The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the ESFA a proportion of the sale proceeds.

9.8 All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets
9.9 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.

9.10 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.

9.11 A letter must be sent from the Headteacher to the teaching staff giving permission to take laptops/i-pads (for work use) off-site.

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