THE QUILL C OF E TRUST

Financial Scheme of Delegation

Company Reg: 07628909
Company Reg Address: Ground Floor Suite, Unit B, Lynstock Way, Lostock, Bolton, BL6 4SG

Version Control

Version	Date	Author	Changes made
1.0	01/04/2017	Sarah Bagshaw	Original Scheme of Delegation
2.0	01/01/2024	Carol Mee & Sarah Bagshaw	Amendment to Original Scheme of Delegation
3.0	15/05/2024	Carol Mee & Sarah Bagshaw	Amendment to Original Scheme of Delegation
4.0	21/11/2024	Carol Mee	Amendment to Original Scheme of Delegation for removing some references to LGB
5.0	01/09/2025	Claire Woods	Amended Company Reg Address
6.0	24/11/2025	Sarah Bagshaw & Carol Mee	FSoD reviewed for cosmetic and sense check amendments including: • Removal of The Role of the Trust Management Accountant; The Role of the Trust Finance Team Leader; The Role of the Trust Operations Director. • Back up Procedures: removed bullet about Headteacher preparing a disaster recovery plan • Internal Audit: removed the general areas for review bullets • Deleted reference to EFA and changed to DfE • Deleted reference to Handbook or Manual and replaced with FSoD. • Other services: deleted Teaching School; Tutors; extensive NLE support. Added Early Years specialist; Education specialist; SEND specialist.
7.0	13/10/2026	Carol Mee	• Changed in Section 2 Governors to Trustees • Changed financial handbook to Academy Trust handbook

			• Removed list of authorities for Bank Payments as this referred to Purchasing Limits and is not relevant • VAT returns section – wording amended • Administration section – wording amended

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Section 1 - Status

- This Financial Scheme of Delegation (hereafter known as FSoD) is aimed at Members, Trustees (hereafter known as Directors), Accounting Officers, the Finance Director (hereafter known as the FD), Governance Professional/Clerk to the Board of Directors, Local Governing Bodies (hereafter known as LGBs) and the Finance, Audit & Risk Committee (hereafter known as the FAR Committee) and any other budget holders.

- The purpose of this FSoD is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate correctly to meet the requirements of the funding agreement with the Department of Education (DfE).

- This FsoD is effective from 1st April 2017 and will remain in force until such time as they are updated.

Section 2 – General Roles and Responsibilities

The Role of the Trust

The Trust is a registered charity and company limited by guarantee. This means that it must comply with the following:

- **Company Law** as set out in the Companies Act 2006 (and subsequent Acts).
- **Charity Law** and the requirements of the Charity Commission and its Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities, as revised in October 2025.

Company and Charity Law brings a key requirement, in the context of financial management, that the Trust must prepare and publish a trustees report and audited accounts in a prescribed format on an annual basis.

The Role of the Members

The Members of the Trust are the subscribers to memorandum of association.

They have an overview of the governance arrangements of the Trust and have the power to appoint Directors and remove these Directors. Members cannot be employees. Members have a limited financial liability to the Trust, if it is wound up.

The Role of the Directors

They are responsible under the Trust's Articles of Association for controlling its management and administration. They have responsibility for directing its affairs and for ensuring it is solvent and well run, and delivering the Trust's charitable outcomes for the benefit of the public. They are responsible for ensuring **economy**, **efficiency** and **effectiveness** in their use of funds – the three key elements of **value for money.**

The main responsibilities include adherence to the DfE funding agreement and DfE ~~Financial~~ Academy Trust handbook. The main conditions and requirements of receiving the grant include:

Schedule of freedoms and delegations per DfE Finance Manual

Novel and contentious	Novel and contentious transactions	EFA agreement required
Borrowing	Bank or sponsor loan, overdraft	DfE agreement required
	Credit cards (for business, not personal use)	Trust has full discretion provided charges are not incurred
Leasing	Taking up a finance lease	DfE agreement required
	Taking up a leasehold on land and buildings	DfE agreement if lease term seven years or more
	Taking up any other lease	Trust has full discretion
	Granting a lease on land and buildings	DfE agreement required
	Writing-off debts and losses	

Write-offs and liabilities (subject to £250,000 ceiling)	Entering into guarantees, indemnities or letters of comfort	DfE consent required if transactions: • exceed 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively
Special payments	Staff severance	DfE agreement required if payment £50,000 or more
	Compensation	
	Ex gratia payments	DfE agreement required
Acquisition and disposal of fixed assets	Acquiring a freehold on land and buildings	DfE agreement required
	Disposing of a freehold on land and buildings	DfE agreement required
	Disposing of heritage assets	DfE agreement required
	Disposal - not land, buildings or heritage	Trust has full discretion
GAG	Pooling by multi-Academy trusts	No limits (except PFI) if trust eligible
	GAG carry forward	No limits if trust eligible

The Role of the Local Governing Body (LGB)

The LGB are responsible for monitoring the spending for the Pupil Premium grant, Sports Premium and should understand Academy specific SEND funding (and the story behind this) and investment in staff CPD.

The LGB also have an awareness of changes to staffing and curriculum investments.

Section 3 – Statutory/Financial Roles and Responsibilities

The main responsibilities of the Directors include:

- Ensuring government grants are used only for the purposes intended.
- Approval of the annual budget of the Trust, which includes each Academy's budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act, the Charities Act and the Charities Statement of Recommended Practice (SORP) and the guidance issued to Academies by the DfE and the EFA.
- Authorising expenditure against capital grants.
- Authorising all borrowing requests to the DfE.
- Authorising all requests to sell or to purchase freehold land to the DfE.
- Authorising all applications for planning permissions.
- Authorising all leasehold or tenancy agreements.
- Authorising large leases and contracts more than £200,000.
- Authorising leases with a duration of more than seven years.
- Authorising submissions of applications for grant funding over £200,000.
- Authorising changes to each Academy's personnel establishment.
- Authorising all severance or compensatory payments more than £50,000.
- Appointment of the Chief Executive Officer of the Trust.
- Appointment of the Headteacher of each Academy.
- Appointment of the Finance Director (unless they are also a Trustee upon which they are appointed by the Members).
- Appointment of the Governance Professional/Clerk to the Trust Board.
- Reviewing the reports of the internal and external audit services on the effectiveness of the financial procedures and controls of the Trust.
- Agreeing amendments to this FSoD.

The Role of the Chief Executive Officer (CEO)

The CEO of the Trust is the Accounting Officer for the Trust. Directors have delegated some of their powers to this officer as follows:

- Management of the central budget of the Trust.
- Authorising all central orders of the Trust over £5,000.
- Approving all leases.
- Conducting salary reviews for Academy Headteachers.
- Approving all applications for grant funding over a value of £5,000.
- Approving all severance payments, including redundancy payments and settlement agreements.
- Approving the statutory accounts.

The Role of the Finance Director (FD)

The FD works in close collaboration with each Academy Headteacher and with the Trust's CEO. The main responsibilities of the FD are:

- Day to day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Directors.
- 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 Trust.
- Drafting the central budgets and compiling the overall Trust budget and medium term plans.

- The preparation of regular financial reports.
- In conjunction with the accounting officer production of the statutory accounts.
- Identifying and implementing Trust-wide procurement opportunities.
- Procuring and coordinating Trust-wide services.
- Ensuring forms and returns are sent to the DfE and other agencies in line with their timetables.
- Coordinating grant applications across the Trust and monitoring their receipt.
- Submitting all tax returns.
- When managing the Central Services Team budget the FD has the same powers and responsibilities as a Headteacher.

The Role of the Finance, Audit and Risk Committee (FAR)

The FAR is a subcommittee of the Trust Board. The FAR meets at least once a term but more frequent meetings can be arranged if necessary. The overall role of the FAR is to act as a critical friend to the Trust, to monitor controls over the Trust budget and to provide challenges where appropriate.

The main responsibilies of the FAR Committee include:

- The initial review and submission of the annual Trust budget at Trust and Academy level.
- Reviewing salaries for the CEO, COO, and all Central Services Directors.
- The regular monitoring of actual expenditure and income against budget.
- Providing challenge to the Headteacher on value for money of expenditure and staffing levels.
- Reviewing policies for hiring out premises and other local income generation.
- Scrutinising loan, grant and capital spending applications.
- Reviewing internal and external audit reports on the effectiveness of the financial procedures and internal controls.
- Reviewing and agreeing the Trust development plan and monitoring throughout the year.
- Ensuring the Trust follows the FSoD.
- Ensuring the Trust adheres to the financial decisions made.
- Ensuring the Trust reports the current financial position monthly.

At the beginning of each academic year, all Directors and Members sign a declaration of pecuniary interest. This facilitates the efficient running of future meetings.

The Role of the Headteacher

Headteachers hold delegated responsibility for discharging the sound application of all Trust policies. Throughout this FSoD the word "Headteacher" covers Executive Headteacher, Headteacher, associate Headteacher.

The COO has delegated responsibility for direct line management of Headteachers and day to day oversight of the Trust.

In addition, Headteachers must inform the COO of all matters relating to serious breaches of this FSoD including any major incident to be addressed under this FSoD promptly and preferably prior to action being taken insofar as is reasonably practicable.

The Headteacher has responsibility for:

- Recommending to the COO, new teaching staff and support staff appointments within the authorised establishment.
- Assisting the FD in drafting the Academy's annual budget.
- Providing regular reports to the LGB.
- Drafting loan and grant applications for approval by the Trust.
- Authorising all orders within their authority level placed by the Academy.

The Role of Internal Audit

Trusts should manage a programme of risk review and checking of financial controls. The FAR Committee will appoint a non-employed person with an appropriate level of qualifications and/or experience to check the operation and effectiveness of the Trust's internal controls, who neither charges, nor is paid by the Trust for their work. The main duties are to provide the Directors with an independent assurance that:

- The financial responsibilities of the Trust are being properly discharged.
- Resources are being managed in an efficient, economical, and effective manner.
- Sound systems of internal financial control are being maintained and financial considerations are fully considered when making decisions affecting the Trust and the Academies.
- Risks are being effectively reported and mitigated.

Section 4 - Financial Planning and Monitoring

Back-up Procedures

- All data systems (including accounting and payroll systems) is now located in Cloud storage.

Transaction Processing

- All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document. The detailed procedures for the operation of the payroll, expenditure and income are included in the following sections of the FSoD.
- All journal entries must be documented on the appropriate journal entry form and authorised by the FD prior to being input to the accounting system.

Nominal Ledger Reconciliations

- The Trust's Finance Officers are responsible in ensuring that the following reconciliations are performed monthly, and that any reconciling or balancing amounts are subsequently cleared:
    - Sales and purchase ledger control accounts.
    - All payroll control accounts.
    - Credit card control account.
    - Intra-Trust account.
    - Petty cash.
    - Bank balances.
    - Any other balance sheet items.
- All reconciliations must be signed and dated by the FD.
- Any unusual or long outstanding reconciling items must be brought to the attention of the FD.

FINANCIAL PLANNING

The Trust and each Academy prepare both short-term and medium term (three year) financial plans. The medium-term plan is based on the Trust's Strategic and Development Plan.

Annual Budget

The Annual Budget encompasses the financial implications of the Trust's Development Plan as follows:

- The FD will notify each Academy on an annual basis to advise them of the amount of DfE funding due to them for the forthcoming year (ending 31 August). Academies will also be advised of any budgetary requirements which have been agreed upon by the Directors. Headteachers should ensure any such directives are adequately reflected in the three-year budget and are in line with the School Development Plan when discussing budgetary requirements with the FD. The future staffing needs of each Academy and any educational investment initiatives will be discussed by the Headteacher, their Senior Leadership Team, the CEO, COO and FD and will be agreed and then built into the budget.
- The FD will present a consolidated budget for the Trust to the Directors for their approval.
- The approved budget for the Trust and its Academies must be submitted to the DfE in accordance with their timetable and the FD is responsible for establishing a timetable which allows sufficient time for the preparation and approval process and ensures that the submission date is met.
- The budget will reflect the best estimate of the resources available to the Academy for the forthcoming three years 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.
- The budgetary planning process will incorporate the following elements:
    - Forecasts of the likely number of pupils to estimate the amount of grant receivable from the EFA.

- 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.
- Review of the main expenditure headings considering the development plan objectives and the expected variations in cost e.g., pay increases, inflation, and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget and supporting paperwork should be prepared for agreement by the Directors and its FAR Committee. Once approved by the Directors, the budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

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

Monthly reports will be prepared by the Management Accountant and reviewed by the FD and CEO. The reports will detail actual income and expenditure against budget for the Directors and at a summary level for the Headteachers.

Any potential overspend against an Academy budget must in the first instance be discussed with the budget holder and the FD, and subsequently the Headteacher.

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.

HR

The main elements of the HR system are:

- Staff appointments and leavers.
- Changes in roles, terms etc. to employees.
- Contracts of Employment.
- Absence recording and monitoring.
- Disciplinary and Grievance Procedures.
- Safer Recruitment.

Staff Appointments

- The Headteacher of each Academy is appointed by the Directors and the CEO. The appointment of Deputy or Assistant Head can only take place after prior consultation with the Directors and the CEO.
- Subject to the three appointments above, the Headteacher has authority to appoint staff within the authorised establishment in line with approved budgets. The HR department maintains electronic personnel files for all members of staff which include contracts of employment. All personnel changes must be notified via the electronic HR system.
- Applications from current Trust staff should be considered alongside external applications for all vacancies, including teaching posts.
- Where any Academy wishes to make use of long-term supply staff (i.e. for a period of more than one month) the Headteacher should discuss this in the first instance with the Trust's Management Accountant who will progress a business case to the FD and CEO.

Payroll

- The Academy payroll is administered centrally. All staff are paid monthly through the Edupay System.
- A master file exists for each employee which records:
    - Salary.
    - Bank account details.
    - Taxation status.
    - Personal details.
    - Deductions or allowances payable.
- Data input to the payroll system is undertaken by the Payroll Officer following the receipt of specific information from the Academy's electronic systems for new starters, changes, and leavers plus, any related paperwork from HR.
- All payroll variation payments such as overtime, mileage, and expenses, must be entered onto the relevant electronic systems and authorised by their line manager before they are processed by payroll. All claims are to be completed at the end of each month and once authorised will be paid with the following month's salary.
- After the payroll has been finalised but before payments are processed to the bank, a suite of reports is authorised by the FD and CEO, to include Controls, Gross to Net report, Financial Summary, Pensions and BACS report.
- All pay increases are agreed by the FAR Committee.
- All salary payments are made by BACS transfer.
- After the payroll has been processed a journal is automatically imported into the finance system. Reconciliation of wages and deduction control accounts reconciliations are performed monthly.

Purchasing

The Trust intends to achieve best value for money from all its purchases. This means procuring what is needed in the correct quality, quantity, and time at the best price possible. A large proportion of the Trust's purchases will be paid for with public funds and the integrity of these funds needs to be maintained by following the general rules below:

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

Routine Purchasing

- Budget holders in each Academy should 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 and finance to manage the budget and to ensure that the funds available are not overspent. Actual expenditure compared with budget should be monitored monthly by finance.
- The Trust has several purchasing arrangements that may operate across the entire Trust. These arrangements have been set up to secure best value in purchasing and in the first instance a supplier should be chosen from the list of approved suppliers. Where the budget holder considers that savings can be made by purchasing elsewhere, a quote from the approved supplier should be obtained for comparison purposes.
- All purchases, regardless of how paid for (BACS, cheque, direct debit, standing order, credit card) must have an authorised electronic purchase request, which is electronically approved by the Line Manager and the FD. Once the two authorisations are received the Purchasing Officer will order the goods as specified, looking for the cheapest available cost, an order will be processed on the finance system and the FD will again approve on that system. The electronic purchase system will be updated with the finance system order number. Any items classed as classroom expenditure is entered onto the classroom budgets spreadsheets to ensure there is no overspend.
- The level of authorisation required is dictated by the order value. A schedule of authorisation levels is attached **(Appendix 1).**
- Once the goods are received, the accompanying delivery note should be checked against the goods delivered for both quantity and quality. The delivery note should be signed as evidence of this check being performed. Where a delivery note is not received from the supplier an email is suffice confirming items received. All delivery notes/emails should be forwarded to the relevant finance team via email. Where the order is fulfilled by "services rendered" rather than the physical receipt of goods, an email should be sent to the relevant finance team confirming the satisfactory fulfilment of the order. Any discrepancies between the supplier delivery note and the goods should be immediately notified to the Purchasing Officer for follow up with the supplier. The Purchasing Officer should use the delivery note/GRN/email to record on the finance system the fulfilment of the order. All delivery notes/GRNs/emails should be retained by the finance department by attaching to the relevant invoice.
- Details of any goods which are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, should be identified on the finance system. The Purchasing Officer must also inform the relevant finance team, who will keep a central record of all goods returned to suppliers.
- All invoices received must be sent directly to the finance team. The finance team will check that the invoice is in the name of the Academy, the VAT number is shown (if VAT has been charged), the additions are correct, the prices and quantities agree to the original order and the goods/services rendered have been marked as received on the system. The finance team will enter the invoices onto the finance system.
- If a budget holder is pursuing a query with a supplier, the finance teams must be informed of the query and periodically kept up to date with progress.
- Supplier statements, where received, must be sent to the finance teams for agreement with the supplier ledger balance on the finance system. Evidence of this check must be retained.

Cheque payments

On the rare occasions that a cheque is required, all cheque payments from public and non-public funds must be signed by two of the authorised signatories.

The following procedures are followed when a cheque is signed:

- All supporting documentation (i.e., purchase order, delivery note and invoice) are presented to the signatories.
- The cheque signatory should not sign a cheque if he/she has raised the order.
- All cheques drawn are crossed as account payee only to avoid the possibility of improper negotiation of cheques.
- A signature, together with the cheque signatories, confirm that the invoice has been authorised.
- A complete audit trail is filed by the finance officer in alphabetical sequence.
- In no circumstances will any cheque signatory sign a blank cheque subject to a second signature.
- No payment will be made on a photocopied invoice unless exhaustive checks have been made to confirm that payment has not previously been made. Confirmation that such checks have been made is to be recorded by the finance officer writing on the invoice - copy not previously passed for payment and signing; and in no circumstances will payment be made against supplier statements.

Supplier and BACS Payments

All supplier and BACS payments from public and non-public funds must be authorised by two of the authorised signatories on the banking system.

Monthly supplier payments are prepared by the Finance Team Leader, checked and processed by the Management Accountant. These are then processed in the finance system and uploaded to the bank for authorisation by two of the authorised signatories. Any suppliers bank details or amended supplier bank details are verified with the supplier by searching for a telephone number (not the one on the invoice) and ringing them to verify the bank details quoted prior to processing any payments

The Trust's Procurement Policy **(Appendix 2**) must be always adhered to. All staff involved in purchasing decisions must make themselves aware of the contents of this policy.

Further guidance/explanation on financial matters is given in **Appendix 4 – Other Finance Matters.**

Section 5 – Trust Central Services Charge, GAG and Reserves Policy

The Trust operates a central support service to include Payroll, HR, Finance, Purchasing, IT, Facilities Management, and Catering. This provides Academies within the Trust with:

- A bespoke service catered to their individual requirements.
- An onsite, readily available service with team members who know and share the Trusts Visions, Aims and Objectives.
- A financially competitive service, which, unlike traditional external SLA's only recharge the physical salary costs of the central service team without any profit element added to it.

All Academies of the Trust will contribute to the relevant senior Trust costs and agreements.

All Academies will use the Trust central services for Payroll, HR, Finance, Purchasing, IT, Catering and Facilities (unless tied to any existing SLA's on joining the Trust; after this agreement ends, they will be required to use the more favourable central services option).

See Appendix 3 for more detail.

GAG Pooling

The Trust does not pool the GAG funding each Academy receives.

Academy Reserves

Each Academy pool their surplus/deficit reserves.

For more detailed information regarding the GAG and Academy Reserves please refer to the Trust Reserve and GAG Policy - **Appendix 5.**

DECLARATION OF UNDERSTANDING

I, the undersigned, have read and understood the Financial Scheme of Delegation (FSoD).

Name	Date of appointment	Date FSoD given

APPENDIX 1

PURCHASING LIMITS

VALUE RANGE	ORDERED BY	COMMENT	AUTHORISED BY
Up to £500	Finance Team Leader/ Management Accountant/ Deputy Headteacher/ Headteacher/ Directors/ COO	Consideration of value for money and compliance with internal procedures	Management Accountant/ Headteacher/ Directors/ COO/ CEO
From £501 - £1,000	Management Accountant/ Headteacher/ Directors/ COO	Consideration of value for money and compliance with internal procedures	Management Accountant/ Headteacher/ Directors/ COO/ CEO
From £1,001 - £5,000	Headteacher/ Directors/ COO/ CEO	Two quotations must be obtained for orders	FD/ COO/ CEO
From £5,001 - £10,000	Headteacher/ Directors/ COO/ CEO	Three written quotations must be obtained for orders	FD/ COO/ CEO
From £10,001 - £50,000	Headteacher/ Directors/ COO/ CEO	Three written quotations must be obtained for orders	FD/ COO/ CEO
From £50,001 +	Headteacher/ Directors/ COO/ CEO	Also includes a series of contracts which in total exceed £50,000. Must be subject to formal tendering procedures. Tender documents to be approved by FD & CEO before being sent to potential suppliers	The Board of Directors have legal responsibility for all land and buildings in the Trust. All capital works must be agreed by the Trust Board, FD, COO and CEO prior to their commencement.

APPENDIX 2

Procurement Policy - Purchasing and Tender Procedures

Refer to individual orders and a group of smaller orders relating to one project

Orders up to and including £500 Routine purchases of up to and including £500 (excluding VAT) can be ordered by budget holders via the purchasing department and authorised by the Management Accountant, Deputy Headteacher, Headteacher, Directors, COO and CEO. The budget holder should consider which supplier offers best value and comply with internal procedures for purchasing.

Orders over £500 but not exceeding £1,000

- Ordered by the budget holders via the purchasing department and authorised by the by the Management Accountant, Headteacher, Directors, COO and CEO, complying with internal procedures for purchasing.

Orders over £1,001 but not exceeding £5,000

- Ordered by the budget holders via the purchasing department and authorised by the Headteacher, Directors, COO and CEO, complying with internal procedures for purchasing.
- At least two quotations should be obtained for all orders which are over £1,000 but not exceeding £5,000 to identify the best source of the goods/services. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made. Where an Academy has been unable to obtain two quotations the reasons should be included in the comments box on the electronic purchase request; such instances should be drawn to the attention of the FD before the order is placed.
- Orders that are for marketing or recruitment, premises, or IT related which exceed £500 must be approved by the FD, HR Director and the Operations Director.

Orders from £5,001 but not exceeding £10,000

- Ordered by the budget holders via the purchasing department and authorised by the FD, COO or the CEO, complying with internal procedures for purchasing.
- At least three written quotations should be obtained for all orders which are over £5,000 but not exceeding £10,000 to identify the best source of the goods/services. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made. Where an Academy has been unable to obtain three quotations the reasons should be included in the comments box on the electronic purchase request; such instances should be drawn to the attention of the FD before the order is placed.
- Orders that are for marketing or recruitment, premises, or IT related which exceed £5,000 must be approved by the FD, HR Director and the Operations Director.

Orders from £10,001 but not exceeding £50,000

- At least three written quotations should be obtained for all orders which are over £10,000 but not exceeding £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and stored centrally.
- Orders more than £10,000 must be approved by the FD, COO and the CEO.

Orders from £50,001

- All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures. Purchases over the Official Journal of the European Union (OJEU) threshold may fall under EU procurement rules which require advertising in the OJEU. All tender documents should be approved by the FD, COO and CEO before being sent to potential suppliers.
- Headteachers, and budget holders should be aware that the OJEU limits apply to contracts with the same supplier across the Trust and is not limited to individual Academy contracts. Where someone considers that a potential contract may result in the Trust being required to comply with OJEU legislation, they must contact the FD.
- The Directors have the legal responsibility for all land and buildings in the Trust. All capital works must be agreed by the Trust Board prior to their commencement. All proposed capital works in Academies, however funded, will be scrutinised on a case-by-case basis by the FD, COO and the CEO.

Forms of Tenders

There are three forms of tender procedure: Open, Restricted and Negotiated. 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 FD 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.
    - Many suppliers would come forward or because the nature of the goods is 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.

Whichever form of tender is used, the FD must approve any documentation before it is sent to potential suppliers. Furthermore, OJEU legislation must be adhered to on all occasions.

Preparation for Tender

Full consideration should be given to:

- Objective of project.
- Overall requirements.
- Technical skills required.
- After sales service requirements.
- Form of contract.

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

Invitation to Tender
If a Restricted Tender is to be used, then an invitation to tender must be issued. If an Open Tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- Introduction/background to the project.
- Scope and objectives of the project.
- Technical requirements.
- Implementation of the project.
- Terms and conditions of tender and form of response.

Aspects to Consider

- **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**
  - Presales 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**
  - 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**
  - All tenders submitted should be opened at the same time and the tender details should be recorded. A minimum of three persons should be present for the opening of tenders being the FD (or representative), the Headteacher and a Director.
  - A separate record should be established to record the names of the firm's submitting tenders and the amount tendered. This record must be signed by all those present at the tender opening.

- **Tendering Procedures**
    - 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.
    - Those involved in deciding must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
    - Full records should be kept of all criteria used for evaluation and a report should be prepared for the Directors highlighting the relevant issues and recommending a decision.
    - Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.
    - The accepted tender should be the one that is economically most advantageous to the Academy. All parties should then be informed of the decision.
    - The Trust's Procurement Policy must be always adhered to.

APPENDIX 3

Trust Central Services Charge

Trust Team Recharge

Each Academy will contribute as a minimum to the costs (gross salary plus employer's pension and NI) of the central Trust team (note: part of their salary is already recharged to a separate childcare charity based on average hours spent on this venue and has been subject to audit for several years).

No profit element will be applied to this charge and will be at cost only.

Central Services Recharges

As Academies join the Trust, they may have existing SLAs (shown in their overheads) for functions such as Finance, HR, Catering, IT and Payroll. These Academies would be exempt from this charge until their SLAs are no longer in place. As they take up each function, they would be charged on a prior year headcount basis. Whilst the central service charge would then increase there would be a saving within the overheads and access to a specialised onsite service provided within the Trust.

Academies wishing to join the Trust

Interested Academies can ask for an illustration of the amount they would incur, to compare against their current SLA costs within their overheads (based on the current team, which may have to grow depending on the size and nature of the Academy joining).

Other Services

Academies within the Trust will also have access to many services not easily accessible to other standalone primary schools/academies. These are to be paid for on an hourly/daily basis. These services include:

- IT specialist.
- Music specialist.
- MFL specialist.
- Maths specialist.
- Early Years specialist
- Education specialist.
- SEND specialist.
- Extensive SLE support.

APPENDIX 4

Other Financial Matters

Academies causing concern

The Directors may identify Academies which require additional involvement from the central services team. This will generally, but not necessarily, be due to the Academy being in cumulative deficit. It is essential that such Academies are tightly controlled and managed, and that spending plans are kept under constant review to manage the deficit away. In such instances the Academy will be required to comply with additional authorisation levels, which will include, but will not be limited to:

- All staffing vacancies should be notified to the HR Director immediately they occur.
- All proposed re-grades of existing posts must be notified to the HR Director prior to their consultation and implementation. Re-grades can only be actioned after express permission has been provided by the FD.
- All proposed leases and contracts must be agreed with the FD before they are entered. This includes renewal of existing leases.
- Any orders exceeding £100 must be approved by the FD (or their nominated substitute).
- All capital works must be approved by the CEO.
- In addition, the FD (or their nominated substitute) may wish to meet with the Headteacher monthly to discuss monitoring information produced by the Academy, to discuss progress against the budget and to identify opportunities to recover the deficit early. Furthermore, it is possible that the Trust's FAR Committee may invite the Headteacher to attend this committee so that they may obtain a full understanding of the efforts being made to recover the deficit.

Bank payments

The Finance Team Leader produces a Supplier Payment Run once a month for each school within the Trust. The finance system will generate the payments required to settle purchase invoices and are uploaded to the Academy's bank account. The payments must be authorised by the Finance Team Leader or one other of the authorised bank signatories, and the FD.

A copy of the payment report from the finance system and the invoices should be reviewed by the signatories before approval is given. The payment report should be signed by the authorisers as evidence of review.

Where possible payments should be made by BACS payment. All direct debits should be paid from the central bank account. Any new direct debit requests should be signed by the FD and one other person named on the bank account mandate. Changes to bank mandates should be authorised by the FD and one other person named on the bank mandate.

Petty Cash

- Transactions up to and including £20 can be reimbursed in cash. Transactions up to £20 may be made in cash with reimbursement sought from the Academy's petty cash float. All requests for reimbursement must be supported by VAT receipts. Where receipts are not supplied the claim should be rejected.
- For transactions between £20 and £100, an expenses request form must be produced approved electronically by the budget holder, for consideration and authorisation by the Headteacher, prior to the goods being purchased. Any subsequent claim must be supported by a VAT receipt. Reimbursement will then be made in the employee's monthly salary.
- Transactions over £100 should be processed via the Academy's purchasing process, with payment made to the supplier against a VAT invoice.
- Requests for cash to be advanced to make purchases will only be considered in **exceptional** circumstances. A formal request for a cash advance must be produced, signed by the budget holder, for consideration and authorisation by the Headteacher. Any cash advanced may only be used for the purpose stated on the request. The CST will only release cash after this process has been completed; it is up to the individual requesting the cash to ensure that they allow sufficient time. The full amount advanced will then be charged to the relevant budget pending production of a VAT receipt when appropriate adjustments will be made. The employee will be expected to repay in full any amount for which a receipt cannot be provided.
- Where the request for petty cash originates from the Headteacher, the FD should authorise the transaction.
- From time to time, it may be necessary to reimburse a member of staff for travel and subsistence costs incurred whilst on Trust business. These expenses will be reimbursed in accordance with the Trust's Travel and Subsistence Policy through the employee's pay.
- Each Academy maintains a maximum cash balance of £400, subject to individual insurance limits in each Academy for holding cash onsite. The cash is administered by the Admin and Finance teams.
- The finance systems treat petty cash as a separate bank account for recording purposes. All payments and deposits from and to this account are recorded within the system with a full audit trail.
- The Admin and Finance teams are responsible for ensuring all transactions are entered into the petty cash records on a regular basis. Regular, as well as unannounced cash counts should be undertaken by the Finance Team Leader to ensure that the cash balance reconciles to supporting documentation.
- Petty cash should be held in a locking cash box which is put in the safe overnight.

Credit Card purchases

- Best value in making a purchase can sometimes be achieved by making a purchase with the Academy's credit card. Purchases must be pre-authorised by the purchasing process, and evidence produced to demonstrate that this form of purchase is the most cost effective. Under no circumstances should the credit card be used for personal expenditure, even if the expense is proposed to be reimbursed.
- Credit cards should only be used where a supplier will not accept payment by BACS or cheque. Academies should always look to procure goods and services via a purchase invoice and should document clearly why the card had to be used.
- The credit card will be in the Academy's name and must be stored in a secure location, such as a safe. The credit card should only be taken outside of the Academy's premises when it is intended to be used. Credit card transactions can only be undertaken by FD and Finance Team Leader.
- The Finance Team Leader is responsible for carrying out a monthly reconciliation of the credit card statement. The monthly credit card statement must be countersigned by the FD.

Stock
Where the Academy holds stock of any type, be it catering, uniforms, stationery, etc. it must be stored securely to minimise any misappropriation. Stock records should be maintained for large value items.

Storage
All accounting records including invoices, delivery notes, bank statements etc. are retained in hard copy for six years, plus the current year, in a secure area offsite.

VAT returns
The Trust is not VAT registered but must submit a monthly VAT return to HMRC. In almost all cases the Trust will be a net reclaimer of tax from HMRC, and it is essential that returns are submitted promptly. The finance system will record all VAT transactions at each Academy.

Income
The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the FD who is responsible for ensuring that all grants due to the Trust are collected.

In addition to this each Academy may also obtain income from:

- Their Local Authority.
- Students, Catering.
- The public, mainly for room hire.
    - **Grant income**
      Where grant income is received from their Local Authority, or any other non-DfE funder, there should be suitable systems in place to ensure income is received in a timely manner and checks to ensure the correct amount has been received. Remittance advices should be kept confirming amounts agree to both expectations and the amount banked.
    - **Catering**
      The Finance Team Leader/Management Accountant is responsible for ensuring there are suitable records for recording catering income, including the allocation between students and non-students. Catering income should be banked regularly by someone not included in the collection of monies from the users of the service. There should be a clear audit trail from the original records identifying takings and amounts banked, and an appropriate segregation of duties within the system. Cash payments are rarely received due to the introduction of a Parent App which enables payments to be completed electronically. The Finance Team Leader/Management Accountant should ensure that adequate controls are in place to check amounts paid by users of the service are reconciled to the amounts banked. Any catering income is recorded on the schools MIS System.
    - **Other income**
      All fees and charges for room hire etc. must be annually reviewed by the Headteacher and Operations Director, and any increases in fees agreed by them. All hirers need to sign the Hire Agreement Forms. The FD is responsible for ensuring there are suitable records for recording other income. Such income should be banked regularly by someone not included in the collection of monies from the users of the service. There should be a clear audit trail from the original records identifying takings and amounts banked, and an appropriate segregation of duties within the system. The Finance Team Leader/Management Accountant should ensure that adequate controls are in place to check amounts paid by users of the service are reconciled to the amounts banked.

Cash Management

Bank Accounts

The opening of all accounts must be authorised by the Directors. The operation of systems such as Bankers' Automatic Clearing System (BACS) and other means of electronic transfer of funds (including direct debits) must also be subject to the same level of control.

Deposits

- All cash and cheques must be kept in the safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit on the safe.
- Monies collected must be banked in their entirety in the appropriate bank account. The Finance Team Leader is responsible for ensuring reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system are prepared. The reconciliations must be prepared every month and must be reviewed and certified by the FD.
- The Finance Team Leader must ensure there is a clear audit trail from the originating records through to the entries on the finance system. Adequate segregation of duties and authorisations must be built into the system.
- Any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book, including the amount and the source.

Payments and withdrawals

- All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two of the authorised signatories.
- This provision applies to all accounts, public or private, operated by or on behalf of the Directors of the Academy.

Administration

The Trust Finance Team Leader must ensure bank reconciliations are performed ~~at least~~ monthly. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the trial balance.
- Reconciliations are subject to an independent monthly review carried out by the Management Accountant or FD, which includes reviewing the bank statements and authorising the closing month end balance.
- Adjustments arising are dealt with promptly.

Cash Flow Forecasts

- The Management Accountant is responsible for preparing cash flow forecasts to ensure that the Trust has sufficient funds available to pay for day-to-day operations, which are reviewed by the FD. If significant balances can be foreseen, steps should be taken to invest the extra funds. Where a shortfall is projected, the FD should contact the CEO at the earliest opportunity.

FIXED ASSETS

Asset Register

All items purchased with a value over £1,000 must be entered in an Asset Register, which is held at Academy level. The Asset Register should include the following information:

- Asset description.
- Asset number.
- Serial number.
- Date of acquisition.
- Asset cost.
- Source of funding (% of original cost funded from DfE grant and % funded from other sources).
- Expected useful economic life.
- Depreciation.
- Current book value.
- Location.
- Name of member of staff responsible for the asset.
- IT equipment should also be recorded centrally with the Operations Director.

Security of assets

- Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 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, reported to the CEO. Inventories of Academy property should be kept up to date and reviewed regularly. Items used by an Academy which do not belong to them should be noted.
- Mobile equipment (such as laptops and mobile phones) must be encrypted, and password protected. Laptops and any other appropriate items must be security marked as Academy property.

Disposals

- Items which are to be disposed of by sale or destruction must be authorised for disposal by the FD and, where significant, should be sold following competitive tender. The Academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant more than £20,000 was paid.
- 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.
- The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was received, hence any income from the sale of assets should be maximised. If the sale proceeds are not reinvested the Academy must repay to the Secretary of State, the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. However, the proceeds from the sale of assets acquired with grant from the Secretary of State cannot be used as the Academy's contribution to further name grant aided projects or purchases.

Depreciation
Will be on a straight-line basis over the following number of years:

- Building 20 years
- Fixtures/Fittings 12 years
- Computer Equipment 3 years

Loan of Assets

- 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.
- 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 external auditors.
- Staff having access to the Academy's assets should be asked to sign a document confirming they are aware of the Academy's policies regarding personal use of such assets.

Insurance

- The adequacy of insurance is reviewed annually by the FD and agreement given by the FAR Committee to proceed with the proposed insurer.
- Details of all insurance policies held by the Academy are stored electronically by Finance.
- The insurers and the Trust are notified of all new risks, property and equipment which require insurance or any other alteration affecting existing insurance on a timely basis.
- The Academy will not give any indemnity to a third party without the written consent of their insurers and the Trust.
- The Academy immediately informs the CEO and subsequently the insurers of all accidents, losses and other incidents which may give rise to an insurance claim. Claims under an insurance policy are authorised by the CEO prior to submission to the insurance company.
- Insurance arrangements cover the use of Academy property when off the premises.

Internal Audit
The audit programme should be reviewed annually by Trust FAR Committee in adherence with the Academies Trust Handbook.

APPENDIX 5

Pooled General Annual Grant (GAG) Reserves Policy