

Financial Regulations Policy



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Finance Scheme of Delegation – Summary

1. Ordering Goods and Services

Process	Value	Delegated Authority
Order approval	£1 to £2,000	Headteacher / Central Trust Employee
Order approval	£2,001 to £10,000	Central Trust Employee
Order approval	£10,001 to £25,000	Trust Finance Committee (2 members)
Order approval	£25,001 to OJEU limit	Trust Board of Directors
Order approval	OJEU limit	Full Trust Board of Directors
Any contractual agreement with a term of longer than 12 months, including lease agreements, will require the approval of the Board.		
Formal tender process required	Over £50,000	Trust Board of Directors will oversee process usually in conjunction with a specialist

2. Virement Approval

Value	Delegated Authority
£1 to £10,000	CEO or COO
£10,001 to £25,000	CEO and COO
Over £25,000	Trust Finance Committee

3. Disposal of assets and write off all bad debts

Value	Delegated Authority
£1 to £1,000	Headteacher
£1,001 to £5,000	CEO or COO
£5,001 and up to AFH limit	Trust Finance Committee
Over AFH limit	ESFA

4. Preparation/Approval of returns

Return	Delegated Authority	Additional Guidance
VAT Return	COO	
Bank Reconciliation	COO	To be prepared at least monthly
Budget Forecast Return	Accounting Officer	To be updated locally (Every) approved by Trust Accounting Officer
Risk Register	COO	To be reviewed by Finance Ctte
Register of Business Interests	Clerk to Board/ LAB/ Office Managers	Updated as required. Annual review must take place
Business Continuity Plan	Headteacher	To be maintained in accordance with the Trust Business Continuity Plan

1.0 INTRODUCTION

- 1.1 The Stour Academy Trust Board of Directors (The Directors) is the legal entity which is responsible for all the Trust's academies. It is their duty to ensure that each academy operates efficiently, legally, judiciously and safely.
- 1.2 The purpose of these regulations is to ensure that the Trust maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE)/ESFA.
- 1.3 The Trust must comply with the principles of financial control outlined in the academies financial handbook published by the DfE. These regulations expand on that and provide detailed information on the Trust's accounting procedures and systems and should be read by all staff involved with financial systems.

2.0 ORGANISATION

- 2.1 The Trust 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 Directors and staff. The financial reporting structure is illustrated below:

The Trust Board

- 2.2 The Trust Board has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trust Board are prescribed in the Master Funding Agreement between the Trust and the DfE and in the Trust's Scheme of Delegation, Articles of Association and Supplementary Funding Agreements.

The Finance Committee

- 2.3 The Finance Committee is a committee of the Trust Board. The committee meets at least once per term but more frequent meetings can be arranged, if necessary. The main responsibilities of the Finance and Audit Committee are detailed in the written terms of reference which have been authorised by the Board.

Accounting Officer

- 2.4 The Trust has designated the Chief Executive Officer (CEO) as its Accounting Officer. Whilst the CEO has responsibility, under the Board's guidance, for the Trust's overall management and staffing, their appointment as Accounting Officer confers specific responsibilities for financial matters. In particular the Accounting Officer is personally responsible to Parliament, and to the Accounting Officer of the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.
- 2.5 The essence of the role is a personal responsibility for:
 - **regularity** – dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and these regulations, and compliance with internal Trust procedures. This includes spending public money for the purposes intended by Parliament;

- **propriety** – the requirement that expenditure and receipts should be dealt with in accordance with Parliament’s intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;
- **value for money** – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust’s charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the Trust but for taxpayers more generally.

The Accounting Officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

- 2.6 Whilst the Accounting Officer is accountable for the Academy Trust’s financial affairs, the delivery of the Trust’s detailed accounting processes will be delegated to the Director of Finance.
- 2.7 The Accounting Officer must advise the Board in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the Financial Handbook or Master Funding Agreement (MFA). Similarly, the accounting officer must advise the Board in writing if the Board appears to be failing to act where required to do so by the terms and conditions of the Handbook or FA. Where the Board is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer must consider the reasons the Board gives for its decision. If, after considering the reasons given by the Board, the Accounting Officer still considers that the action proposed by the Board is in breach of the Handbook or MFA, the accounting officer must advise the ESFA’s accounting officer of the position in writing.

COO

- 2.8 The COO has direct access to the Directors via the Finance Committee.

The COO is responsible for monitoring the budget setting and spending of the Trust academies and for managing the work of the Finance Assistants. The Finance Assistants work closely with and report to the Director of Finance.

General Requirement

- 2.9 All employees of the Trust are expected to act professionally and with integrity and follow the internal control framework and financial policies of the Trust. All staff with financial management responsibilities should have access to the information and training required to perform their financial duties.

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 Trust directors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships or shareholdings. 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.

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

All members of the LAB and Trust staff must be given the opportunity to verbally declare previously undeclared interests, and any previously declared interests that may be relevant to the agenda, at every committee and Local Advisory Body meeting.

3.0 DAY-TO-DAY DELEGATION OF AUTHORITY

Expenditure Limits

3.1 The Headteacher can authorise expenditure up to £2,000 on goods and services as identified on the development plan. Avoidance of obtaining higher authority by raising a sequence of smaller orders in place of one large order is not permitted.

The Headteacher may also authorise higher levels of expenditure for utility charges and annual contracts, provided the value authorised has been clearly documented and approved by the Board in the academy budget.

If the value to be authorised exceeds the Headteacher's limit for goods and services, or the value set aside in the academy budget, then a higher level of approval is required, as specified below.

Authorisation for expenditure that exceeds the academy's budget or is between the values of £2,001 and £10,000 must be referred to the CEO / COO. The CEO/ COO has authority to approve all such expenditure on behalf of the academy.

Authorisation for expenditure above £10,001 must be referred to the relevant parties as detailed on page 1.

Funding Reconciliation

- 3.2 Each Academy Finance Assistant is responsible for reconciling each academy's funding budget entered on the academy's financial accounting system, with the monthly funding information provided by the Trust. This reconciliation should be completed promptly following receipt of the appropriate information from the Trust.

Bad Debts, Disposal of Assets or Adjustments to Trust Inventory

- 3.3 The write-off of debts owed to the academy and disposal of assets, can be approved by Headteacher up to a value of £1,000. A sequence of smaller write offs, all within the above limits, to cover a larger write off is not permitted.
- 3.5 Authority to write off debts and dispose of assets above this value (up to £5,000) must be referred to the CEO/ COO and be formally recorded in the minutes of the relevant meeting.

Authority to write off debts and dispose of assets over £5,000 up to the AFH limit, must be referred to the Trust Board and be formally recorded in the minutes of the relevant meeting.

Beyond these limits the Trust must seek and obtain explicit and prior approval of the Secretary of State, through the ESFA, for the transaction.

All Write offs must be reported to the COO.

Mileage Allowances and Subsistence Claims – See Staff Expenses Policy

Receiving of Goods / Acknowledgement of Service

- 3.6 The administrative staff receiving goods will be responsible for signing the delivery note to confirm the correct goods have been received. This will then be processed on the system by the finance assistant.

Staff Appointments

- 3.8 The approval required for the appointment of staff is as follows:

CEO Deputy CEO	Trust Board
Executive Headteacher Headteacher Assistant Headteacher COO Director of Premises / HR	CEO Deputy CEO
Teacher Lead Teaching Practitioners	CEO/ Deputy CEO / COO / Headteacher
Finance Assistant	COO/ Director of HR
All others	Headteacher/ Central Team

Payment of Additional Hours

- 3.9 With regard to staff overtime etc, the Headteacher is authorised to incur expenditure up to the level agreed within the annual budget. Beyond this limit, authorisation can only be made by the CEO/ COO. No overtime should be undertaken without the prior approval of the Headteacher.

Monitoring Salary Payments

- 3.10 It is the responsibility of the COO to ensure that systems are in place to record all staff contract details and that they are regularly updated to take account of new appointments, amendments and terminations of employment. This will ensure that all information on the academy's financial accounting system is correct and will avoid distortion of financial information.

Any payroll transactions relating to the Headteacher will be authorised by the CEO/ COO.

Any payroll transactions relating to a member of the central team will be authorised by the CEO.

Supply Staff

- 3.11 All supply staff will be appointed by the Headteacher or as otherwise directed by the Headteacher. At the same time the appropriate commitment for the estimated costs incurred will be entered on to the academy finance system.

Contract Approval

- 3.12 Any contractual commitment over the value thresholds including lease agreements, will require the approval of the Board.

By law an operating lease is the only type of lease available to academies. These leases involve the academy paying a rental for the hire of an asset for a period of time and have the character of a rental agreement. No other lease, such as finance leases or hire purchase, may be entered into by the academy as this is a form of borrowing.

Insurance

- 3.14 Insurance cover will include:

- Public Liability
- Buildings and Contents
- Terrorism
- Business Interruption
- Employer Liability
- Hirers Liability
- Governors Liability
- Academy Journey
- Personal Accident
- Motor
- Engineering

If maternity or sick pay insurance is required this will be arranged centrally.

4.0 FINANCIAL PLANNING AND REVIEW

Budget Planning / Setting

- 4.1 The Trust's overall budget plans will be prepared by the SLT, COO, assisted by the FA in consultation with the CEO. The budget will be prepared having regard to all known needs of each academy including the Trust Development Plan and the Asset Management Plan. It is the responsibility of the COO to ensure that all the required budgeting paperwork is submitted to The Trust Board.
- 4.2 Detailed records will be kept of all information used in preparing the budget, including estimations of staffing requirements and calculations of all costs, cross referenced to the assumptions made.
- 4.3 The budgets will be submitted by the Finance Committee to the Board for approval.
- 4.4 The approved budget should be promptly loaded onto the academy's financial accounting system. Any subsequent changes to the budget (virements) should be in accordance with Section 3.2 on Virements.
- 4.5 A copy of the signed budget plan is to be placed in the online minute file by the Clerk to the Board.

Budget Monitoring

- 4.6 The COO will be responsible for monitoring actual income and expenditure against budget for each line item and producing and circulating appropriate reports. Urgent budget issues will be reported to the Accounting Officer immediately.

5.0 INTERNAL CONTROL

The objectives of Internal Control are to give the Trust confidence that as far as is reasonably possible:

- a) the Trust's accounting records are accurate and complete;
- b) the financial procedures in operation minimise the risks of misappropriation of funds and assets;
- c) the Trust achieves best value.

Variances between budget and actual income/expenditure must be understood and addressed.

Directors, CEO and the COO must have a clear understanding as to why variances exist and how they will be addressed.

- 5.1 The Finance Assistant is responsible for carrying out monthly bank statement reconciliations for all bank accounts within one week of receipt. All discrepancies are to be investigated immediately and reported to the COO and signed by the COO.

- 5.2 The COO is responsible for ensuring that VAT transactions are recorded accurately and the VAT control accounts reconciled on a monthly basis.
- 5.3 The CEO is responsible for ensuring that an external audit takes place annually, to include a minimum of 3 monitoring visits, to provide assurance that financial controls are robust. The COO will ensure that an action plan is drawn up to address any weaknesses identified and that this is reviewed on a regular basis. Any weaknesses in controls that are deemed to be significant should be reported to the Board.
- 5.4 It is a legal requirement for the Trust to prepare audited, consolidated accounts. The Board will appoint the statutory auditors to audit the accounts and confirm that they are “true and fair”. The COO will be required to ensure that up to date and accurate accounts are available and that year end processes are followed. The Finance Assistant and Headteacher will need to be available to support the statutory auditors in conducting their work.

Separation of duties

- 5.5 It is the responsibility of the CEO to ensure that key financial duties are properly separated between individuals. Functions to be separated between staff will include:
 - a) Execution – the placing of an order and receipt of goods and services, and the charging and receipt of a fee.
 - b) Authorisation – the authorisation of a transaction such as a purchase order and the payment.
 - c) Payment – the raising of cheques / BACS and cheque / BACS signatories.
 - d) Custody – the holding of goods and services.
 - e) Recording – the completion of the accounting records.
 - f) Post transaction management checking – reviewing previous transactions to identify errors or intentional manipulation.

Accounting Arrangements

- 5.6 The financial transactions of the academy must be recorded in accordance with the Trust’s approved accounting policies and recorded on the FMS accounting system. All transactions input into the accounting system must be authorised in accordance with the procedures specified in this manual.
- 5.7 Entry to the FMS system is password restricted.
- 5.8 Access to the component parts of FMS can be restricted and the Director of Finance is responsible for determining access levels for all members of staff using the system.
- 5.9 The Trust will have a standard chart of accounts which will be used by the academy. Requests to set up new nominal accounts need to be made to the COO. The Office Manager/Finance Assistant can maintain the cost centre, trips, capital and fixed asset ledger to suit their own individual internal budget monitoring requirements.
- 5.10 The Network Managers in each hub are responsible for ensuring there is effective back up procedures for the accounting system.
- 5.11 The COO is responsible for ensuring the following reconciliations are carried out and account balances reviewed.

- Sales Ledger control accounts
- Purchase ledger control accounts
- VAT control accounts
- Payroll control accounts
- Bank
- Sundry creditors/accruals
- Sundry debtors/prepayment
- Suspense accounts
- Funding reconciliation
- Intra-company accounts
- Fixed asset accounts
- Any other balance sheet accounts as appropriate

Any unusual or long standing reconciling items should be brought to the attention of the COO.

The Board is to ensure that a whistleblowing policy is in place.

The Board must have oversight of information submitted to the DfE and ESFA, such as pupil number returns and funding claims. The audit committee must consider risk and controls and all schools/academies within the Trust.

6.0 ASSETS AND INVENTORY

6.1 The Headteacher supported by the FA should ensure that all items which have a useful life and value lasting more than one year and which is above the de minimis level set in the Trusts accounting policies (currently £5,000) are recorded on a fixed asset register and capitalised in the accounting system. The asset register should include the following information.

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding
- expected useful economic life
- depreciation
- current book value
- location
- supplier
- warranty information

Condition of the items should be reviewed annually and adjustments made to the register if required.

Inventory

6.2 The Trust will keep an inventory to,

- Ensure proper physical control of academy equipment.
- Provide a basis for insurance cover and claims if equipment is damaged or destroyed.
- Provide an up-to-date record of the equipment available for teaching purposes.
- Help the academy plan its equipment replacement programme.

All portable items of equipment will be security marked with the name and postcode of the academy. If the academy chooses to use an invisible form of marking then the item of equipment must carry a visible reference to the fact that the equipment has been security marked. Items not security marked are potentially not covered by insurance.

The following categories of inventory will be entered in the inventory register at the time of acquisition by the academy:-

- All items valued at £500 or more at the time of acquisition or purchase, either individually or as a set.
- Items below the value noted in (i) above but which are considered attractive and portable.
- Items considered by the Headteacher as being worthy of inclusion.
- Items hired to or leased by the academy, that match any of the above criteria will be included, but identified accordingly.

The inventory register will record the following information;

- Item description.
- Serial number or asset reference number.
- Date acquired.
- Acquisition cost.
- Asset location.
- If item has been security marked.
- Date of last physical check.

The Office Manager/Finance Assistant is responsible for maintaining the inventory register.

Any adjustments arising from the physical check must be authorised as laid down in 3.5 above. Evidence of the annual check taking place will be by date and signature of the person responsible for the check on the inventory sheets used for the check. These sheets will be retained on file for at least 24 months to provide an audit trail for changes made to the register as a result of the check.

All authorised disposal of academy inventory must be recorded, showing the method of disposal and the authority for such action (see Section 3.5).

A separate 'Off Site Register' shall be kept for all items loaned to members of staff and pupils. In the event of any items not being on site when the inventory is checked, reference shall be made to this on the documentation used for the inventory check.

7.0 BANKING ARRANGEMENTS – See handling of Cash policy

- 7.1 All decisions with regard to choice of banking service provider and subsequent banking arrangements will be made by the COO and approved by the Board.
- 7.2 The Board must ensure that the academy accounts never become overdrawn. Any concerns regarding cash flow should be reported to the COO and Accounting Officer (CEO).
- 7.3 The FA is responsible for carrying out monthly bank statement reconciliations for all bank accounts within one week of receipt. Any un-reconciled payments older than six months, and unreconciled receipts older than one month, must be investigated and appropriate action taken.
- 7.4 Directors will wish to maximise income as far as possible and, where appropriate.
- 7.5 Direct Debit or Standing Order payment arrangements must be authorised in accordance with the bank mandate. A current bank mandate must be retained on file.
- 7.6 Academies will use BACS facilities to replace cheques where possible. The principles and authorisation remain the same as for cheque payments.
- 7.7 When banking money received (either cash or cheques) the bank paying in slips will be completed in full, clearly showing the split between cash and cheques, and each cheque will be listed separately.
- 7.8 No more than £1,500 shall be in the safe at any point

8.0 PURCHASING AND PAYMENT PROCEDURES

- 8.1 Budget holders will be responsible for requesting the purchase of items or services from their own budgets and in accordance with the delegated limits.
- 8.2 This will be done by completion of an Internal Order Form which will be sent to each academy's FA.
- 8.3 On receipt of a purchase requisition a check will be carried out to determine that the appropriate budget has sufficient funds to meet the order. Where sufficient budgeted funds are identified the finance department will raise an official sequentially numbered Purchase Order to send to the supplier/contractor. Reference will be made as appropriate to the procurement standards laid down by the Trust.
- 8.4 Orders are to be authorised in accordance with the 'Authorisation Limits' set out in the front of these Regulations and section 3.1 of these Regulations.
- 8.5 If an order is placed verbally due to urgency a purchase requisition should be used to ensure that a commitment is promptly raised on the financial accounting system. It is not acceptable to wait until the invoice/delivery note is received before entering a commitment onto the financial accounting system.
- 8.6 All invoices received will be checked against the original order for accuracy (and delivery notes where appropriate) and entered promptly on the academy's financial system.

- 8.7 The cheque signatories are in accordance with the bank mandate.
- 8.8 The COO/Finance Assistant is designated to control cheques / BACS and must ensure that:
- a) A current bank mandate is kept on file and that the mandated signatories are consistent with those noted in these financial regulations
 - b) Cheque / BACS run / remittance reports are kept on file and are signed by at least one cheque signatory confirming an unbroken sequence of cheque numbers.
 - c) Spoiled cheques are cancelled on the financial system, defaced and retained on file to confirm that all cheques have been accounted for.
 - d) All blank cheques are securely stored and properly accounted for.
 - e) Blank cheques are not pre-signed.
 - f) Where continuous cheque stationery is used, the approved format is complied with, in accordance with Trust guidance.
 - g) All raised cheques / BACS are entered correctly on the financial accounting system.
 - h) Minimum remaining cheque levels are established with the bank.
- 8.9 The CEO must ensure that all prime financial records are retained for six financial years plus the current year and are stored in a secure and logical manner.
- 8.10 Cheques / BACS payments will be issued in accordance with the trading terms of the individual contractor or supplier since due regard must be taken of the 'Late Payment of Commercial Debts Regulations 2002'.
- 8.11 If discounts are available for prompt payment, then payments can be made immediately, having taken into account any loss of interest that might arise.
- 8.12 A copy of the computer-generated remittance advice relating to the cheque / BACS payment will be affixed to the original invoice.
- 8.13 Original invoices must be marked as paid to ensure duplicate payments are not made, together with details of the cheque number.
- 8.14 Copy invoices are not to be paid unless verified that payment has not previously been made. References back to the original order are to be made in every case. Once the checks have been made, the invoice should be signed to confirm this and endorsed "copy invoice not previously passed for payment".
- 8.15 Under no circumstances are payments to be paid against statements.
- 8.16 Where appropriate, adequate checks are to be made that the contractors employed for buildings work have Public Liability Insurance Cover, minimum value £5,000,000. It is the responsibility of the Headteacher to ensure that this is complied with.
- 8.17 For any order or purchase which is estimated to be less than £2,000 in value, for the supply of goods, materials or services, the budget holder must consider best value.

Internet Purchases

- 8.18 At all times, the same rigour of internal control must be placed on internet purchases as is normally applied to standard procurement with regard to separation of duties, authorisation controls and independent management checking.
- 8.19 The finance department will be authorised to place online purchases. The internet order must be raised in the name of the academy with the academy's address, not to an individual.
- 8.20 Requests should be made to the finance department from the budget holder in the normal manner (section 8.4), an official order should be raised on the financial accounting system and authorised as specified (section 8.4). Where possible the official order number should be quoted on the internet order as a cross reference.
- 8.21 It is the responsibility of the FA to ensure the internet is the most appropriate means for procurement.
- 8.22 The preferred method of payment for internet purchases will be the request of an invoice from the supplier, which can be paid via the academy's normal payment route.
- 8.23 Payment by an individual's personal credit card should not take place.
- 8.24 Supplier invoices, delivery notes and all relevant documentation should be obtained for all internet purchases and retained within the normal filing system (section 8.4). This is especially important if the academy is to recover any VAT element.
- 8.26 All purchases should only be made from secure websites that the FA has gained reassurance are safe and free from fraudulent activity. The use of online auction websites is not recommended.
- 8.27 Spending on staff social events, gifts or similar personal benefits are not justifiable as part of staff wellbeing and must not be made from the main school budget.

An appropriate expenditure for wellbeing would be the purchase of a card and small gift (up to a maximum value of £25) for a long-term sick or bereaved member of staff.

Common examples of items listed as not appropriate expenditure include:

- Leaving gifts for staff or governors
- Christmas gifts for staff

9.0 PAYROLL AND PERSONNEL PROCEDURES

- 9.1 All staff appointments, amendments to an employee's terms of employment and terminations of employment are to be made in accordance with the arrangements laid down in 3.8.
- 9.2 Neither Central Team nor the Headteacher can authorise amendments concerning their own pay and contract conditions. Changes to the CEO's pay and contract conditions must be authorised by the Board.

- 9.3 The Director of HR has responsibility for checking and reconciling actual monthly payroll payments and deductions to those expected and committed. These are then authorised by the COO
- 9.4 Payments made each month to the Payroll Service Provider and payments made to outside staff agencies are to be debited against the relevant budgets and credited to the payroll control accounts. After the appropriate BACS transfers and the corresponding entries in the payroll control accounts and the academy bank accounts have been made, any balance remaining in the payroll control accounts must be reconciled, and appropriate explanations documented. It is the responsibility of the COO to ensure that this is done.
- 9.5 Each month the COO will reconcile back to the bank statement all payments for salaries, BACS, and other salary related payments.
- 9.6 Each month the Director of HR will check a sample of the personnel records maintained by each academy to the payments actually made by the Payroll Service Provider. It is expected that over the course of a year, every member of staff would have had his/her salary payment checked against personnel records at least once. It is the responsibility of the CEO to ensure this is done.
- 9.7 Copies of all individual notifications to the Payroll Service Provider will be filed by the Office Manager in the personnel file of the staff member concerned and kept secure.

10.0 INCOME

Delegated Fund Income

- 10.1 It is the responsibility of the COO to ensure that all income due to the academy has been received and banked, including monthly budget allocations from the Trust.
- 10.2 All income received should be recorded immediately and entered onto the academy's financial accounting system. The collection record should contain the amount received, the name of the person / organisation making the payment, the date the payment is received by the academy, and the method by which payment is made i.e. cash, card or cheque.
- 10.3 All income received by the academy should be banked at least weekly or when insured cash limit has been reached if earlier, and in full.
- 10.4 When income is banked the collection record must be totalled in value in order to provide a clear cross reference to the value entered on the bank paying in slip. The bank paying in slip number should then be entered onto the income collection record to assist in providing a clear and simple audit trail.
- 10.5 Income received by the academy will be acknowledged to the payer by issue of a receipt when the value of the payment in cash exceeds £20 or lower if requested. No category of academy income should be excluded from the issue of a receipt e.g. academy meals. Copies of receipts issued should be retained for future reference, e.g. to resolve a dispute over payment. The card machines are now the main source of income and automatically provide these records.
- 10.6 Academy staff personal cheques will not be cashed from money received by the academy.

10.7 Insurance policy cover for cash and cheques held on site must not be exceeded. However, if a high level of income is expected the insurer must be informed to obtain additional short term cover, and the income must then be banked as soon as is practicable.

Invoiced Income

10.8 Invoices raised by the academy must be sequentially numbered with a copy retained on file. As the academy trust is not VAT registered, VAT on income does not need to be accounted for. When invoiced income is received it must be dealt with in the manner outlined 9.1 to 9.7 above.

11.0 RISK MANAGEMENT

11.1 The Board should ensure that a risk register is compiled and updated regularly (Every). It should identify significant risks and the member of staff responsible for managing it. A copy of the register should be presented to the Finance committee.

11.2 Where risks arise that threaten the reputation of the Trust or the financial viability of the academy, they should be notified to The Board immediately

12.0 LETTINGS POLICY

General

12.1 The Board recognises the position of each academy in the local community and that encouragement should be given to the use of the academy premises by outside organisations.

The letting of the academy is the responsibility of the Headteacher and the administration of the letting is the responsibility of the Office Manager.

Application Form

12.2 All hirers will complete the appropriate lettings application form. Long term hirers must complete a letting application form at least annually. Day to day approval of requests for hire will be the responsibility of the Headteacher who will sign the letting application form after all grounds of the lettings policy has been followed.

Bookings

12.3 All requests for hire will be logged in the Trust calendar by the Office Manager/Finance Assistant. Payment will be required upon receipt of an invoice generated by the finance department. In other instances it may be appropriate to require a deposit.

Payments

12.4 The FA is responsible for raising and issuing invoices.

13.0 GOVERNORS' ALLOWANCES

13.1 Section 36(5) of the Education Reform Act 1988 enables Governing Bodies to decide whether they wish to pay travelling and subsistence allowances from the academy budget to individual members of the Governing Body. The policy of the governors in respect of payment of allowances must be openly available to parents and governors. The Governing Body must consider the payment of allowances annually, and the outcome must be recorded appropriately in the minutes.

The Board of Directors, through its Finance Committee, reviews and approves this policy every two years. It may, however, review this policy earlier than this if the government produces new regulations, or if it receives recommendations on how this policy might be improved.

Next review September 2020.