



Finance Policy

St Michael's Academy

Committee:	Full Governing Body
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Associated documentation	
Academy trust funding agreement	2012
Academies Financial Handbook	2018
Academies Accounts Direction	2018

This document sets out the regulations for the Academy

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Introduction

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

Financial Planning

4. The Academy prepares a rolling 3-year budget.

Budget

5. The School Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Head Teacher, Finance Committee and the Governing Body.
6. The annual budget will reflect the best estimate of the resources available to the Academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
7. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely number of pupils to estimate the amount of General Annual Grant
 - latest estimate of other EFSA funding e.g. pupil premium, or other specific funds
 - review of other income sources available to the academy to assess likely level of receipts
 - review of past performance against budgets to promote an understanding of the academy cost
 - identification of potential efficiency savings
 - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - all carry forward balances
 - any unspent grants from the previous financial year
8. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this

may be held back as a contingency or alternatively allocated to areas of need in accordance with the Development Plan.

9. The approved budget is then entered onto the finance system at the start of the new financial year.

Other Government Funding

10. In addition to GAG funding from EFSA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
11. The School Business Manager is responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

Other Grants and specific funding

12. In addition to the GAG funding from the EFSA and other government funding, the academy may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, and Charitable Grants etc. All applications for additional external funding must be approved and supported by the Governing Body. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
13. The School Business Manager is responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

Funds held in Trust

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

Virements

15. All virements shall be approved and minuted by the Finance Committee and Governing Body and should be within the agreed criteria and financial limits.
16. All virements of the budget shall require prior approval from the Finance Committee and the Governing Body.

Revised Budget

17. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Accounting Officer (Head Teacher) and School Business Manager and reports forwarded to the Governing Body. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by the Finance Committee and the Governing Body and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Governing Body. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

Budget Forecast Return

18. The approved budget will be submitted to ESFA by 31 July each year by the School Business Manager. The School Business Manager is responsible for establishing a timetable, with the assistance of the school's accountants, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

19. Monthly reports are prepared by the School Business Manager. The reports include:
 - actual income and expenditure against budget (shown as month to date and cumulatively)
 - balance sheet
 - cash flow forecast
 - one-page summary highlighting and explaining variances
20. Any potential overspend against the budget must in the first instance be discussed with the Accounting Officer (Head Teacher)
21. The monthly reports are sent to the Accounting Officer (Head Teacher), Finance Committee and the Chair of Governors.
22. The monthly management accounts will be reported to the Full Governing Body every two months.

Independent checking procedures

23. The Academy buys in services from SSE annually to independently check all Finance processes and procedures and make any recommendations necessary.
24. The Audit Committee will review the recommendations made by SSE following each independent check and follow this up with the Finance Team to ensure that the recommendations have been undertaken.

Review of regularity

25. The Head Teacher (in their role as Accounting Officer) reviews the following termly to ensure the Academy is working within the boundaries of regularity and propriety:
 - compliance against the scheme of delegation
 - value for money practice
26. The Accounting Officer has delegated the following responsibilities to the School Business Manager:
 - adherence to relevant policies and procedures
 - review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook

Annual accounts

27. The Academy prepares annual audited financial statements for the accounting period to 31 August.
28. The annual accounts are outsourced to our accountants for preparation.
29. The accounts are then submitted as follows:
 - by 31 December – to ESFA
 - by 31 January – published on our own website
 - by 31 May – to Companies House

Value for money statement

30. As part of the annual accounts the trust must include 3 focussed examples of value for money.
31. The School Business Manager is responsible for collating the examples which are then confirmed by the Finance Committee.

Audit arrangements

32. External auditors are appointed in accordance with the Academies Financial Handbook.
33. The School Business Manager is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

34. The School Business Manager is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process, supported by the school's accountants:
 - reviewing the structure of the trial balance
 - responsible for ensuring the accountants maintain the fixed asset register
 - monthly depreciation charges
 - maintaining income and expenditure records (including filing of invoices)
 - reviewing aged debtors for any provisions required
 - maintaining a record of Governors interests, related and connected party transactions
 - control account reconciliations (bank, wages, debtors, creditors)
 - monitoring & reporting to the Accounting Officer and Board of Governors

Work undertaken for the year end

35. The School Business Manager is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- prepayments for IT licenses
- prepayments or accruals for grant income, with the support of the school's accountants
- control account reconciliations (bank, wages, debtors, creditors)
- close down of the financial year on account system
- pension Audit (undertaken by school's accountants)

Accounts Return

36. The Academy prepares an annual account return for the accounting period to 31 August, which is submitted to the ESFA by 31 December.

Document retention

37. Documents are retained for the following amount of time:
- Finance records – current year plus preceding 6 years
 - Supply cover insurance – current year plus preceding 6 years
 - Payroll and travel records – current year plus preceding 6 years
 - Personnel records – 5 years after an employee has left
 - All student files until the student reaches the age of 21

Accounting system

38. All the financial transactions of the Academy must be recorded into the school's accounting system.

System Access

39. Access to the system is password restricted to the School Business Manager and to others who have been authorised by the Accounting Officer e.g. external accounting providers.
40. The School Business Manager is responsible for implementing a system which ensures that passwords are changed regularly.

Back-up Procedures

41. The Accounting Officer and School Business Manager are responsible for ensuring that there are effective back up procedures for the system. Data is backed up on a suitable server and the copies stored in a secure place (in a fireproof container). Back-up copies are taken on at least on a daily basis.
42. Cloud-based backups are the responsibility of the school's external IT Consultant and in line with GDPR guidelines (please see GDPR Policy).
43. The disaster recovery plan explains what to do in the event of loss of accounting facilities or financial data. Copies are held in the fireproof container.

Transaction processing

44. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
45. All journal entries are authorised by the School Business Manager, prior to being input to the accounting system.
46. Bank transactions are input by the Finance Assistant and reviewed by School Business Manager.

Transaction reports

47. The School Business Manager reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
 - management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

48. The School Business Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
 - post payroll checks
 - monthly VAT claims
 - bank balance per the nominal ledger to the bank statement – Finance Assistants
49. The Head Teacher signs all payroll off as evidence of review via email and the School Business Manager signs off the bank reconciliations undertaken by the Finance Assistants.
50. Any unusual or long outstanding reconciling items are brought to the attention of School Business Manager and Head Teacher and dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

51. The following procedures will be followed when opening a bank account and operating it:
 - the Academy is responsible for selecting the banking institution and negotiating the terms and conditions
 - the Governing Body will authorise the opening of all bank accounts
 - the Academy will ensure that in the event of changes to key personnel or Governors, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed
 - terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts will be formally recorded and agreement minuted
 - the Academy will ensure there are sufficient funds to cover large payments

Deposits

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

- the amount of the deposit
 - a reference (for example the number of the receipt or the name of the debtor)
53. The Finance Assistant is responsible for updating the accounting system (within 3 working days) for deposits placed.

Payments and withdrawals

54. The following staff are authorised to transact, for the Academy, via online banking purposes. All cheques and other withdrawal functions from Academy bank accounts will bear the signatures of two of the following authorised signatories:
- Head Teacher
 - Chair of Governors
 - School Business Manager
 - Deputy Head Teacher
55. This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the academy including funds held in trust.

Administration

56. The School Business Manager ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis, by the Finance Assistants. Reconciliation procedures will ensure that:
- all bank accounts are reconciled to the Academy's cash book
 - reconciliations are prepared by the Finance Team
 - reconciliations are subject to an independent monthly review carried out by the School Business Manager or in their absence the Head Teacher
 - adjustments arising are dealt with promptly

Petty Cash

57. The Academy maintains a maximum cash balance of £250 for the purchase of minor items, which is held in the Finance office, lockable filing cabinet and is the responsibility of the School Business Manager and Finance Assistants.
58. The petty cash float will not be used for:
- cashing personal cheques
 - paying staff loans

Payments

59. In the interests of security, petty cash payments are limited to £50. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

Administration

60. The petty cash float is maintained on the accounting system and the float is only reimbursed from

the main bank account.

61. The petty cash float is reconciled monthly by the Finance Assistants, the reconciliation is then reviewed by School Business Manager and initialled as evidence of review.
62. The School Business Manager carries out a spot check of the petty cash float once a term.

Charge Cards

63. The school business charge cards are used only when it is not practical to use the purchase order/online BACs payments. It is used mostly for internet purchases and securing school trip places etc.
64. The cards must be held by the cardholders who are:
 - **Head Teacher**
 - **Chair of Governors**
 - **Deputy Head Teacher**
 - **School Business Manager**
65. Any department wishing to make a purchase on a credit card must complete a Purchase Order Request form and pass this to the Finance Team to make the purchase. All order forms detailing the purchase must be signed by the Head Teacher.
66. When the credit card bill arrives, there will be a receipt relating to each entry on the statement, a VAT invoice is required for all purchases, if applicable, and it is sometimes necessary to chase suppliers for this. A cash book journal is keyed for each entry on the statement.
67. The credit card bill, along with all the relevant order forms and receipted invoices, is then reconciled by the Finance Assistant who will check the statement against the forms. The School Business Manager will then check a sample of the transactions (minimum of 3 or 20% whichever is the maximum) and sign the authorisation sheet. In the event that the transactions were carried out by the Business Manager the order form will be counter signed by the Head Teacher. These are then filed away together in the credit card folder, until the end of the financial year, when they will then be transferred to the finance archive box.

Reserves

68. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
69. The Head Teacher as Accounting Officer will inform the ESFA immediately if a deficit is anticipated.
70. If the Academy is anticipating a deficit at the end of any financial year, the Governing Body and Head Teacher have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Governing Body will ensure that a recovery plan is submitted and approved by the ESFA.
71. If the academy trust has a surplus larger than 12% of its GAG allocation, the Governing Body through the Accounting Officer will need to submit a detailed plan stating why the Academy requires reserves to be held at this level together with a plan for the date of expenditure.

72. The academy trust undertakes to ensure that a contingency reserve of 2% of the previous year's total GAG is kept.

Capital Reserves

73. Any overall surpluses at the end of the year are carried over to the following year.
74. It is the responsibility of the School Business Manager to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

75. The Governing Body has approved a personnel establishment for the Academy. Changes can only be made to this establishment with the express approval of the Governing Body who will ensure that adequate budgetary provision exists for any establishment changes.
76. The Head Teacher and School Business Manager have authority to appoint staff within the authorised establishment except for the Head Teacher, Deputy Head Teacher and School Business Manager whose appointments must follow consultation with the Governing Body. The School Business Manager maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Head Teacher and School Business Manager immediately.
77. The Finance team is responsible for obtaining the relevant DBS checks and ensuring these are retained on file.

Payroll Administration

78. Payroll is administered through the Academy's external payroll provider.
79. All staff are paid monthly through the payroll provider.
80. All staff are required to complete sickness and absence forms for any authorised, paid or unpaid leave. The completed forms must be authorised by the employee's Line Manager and School Business Manager before they are sent to the Finance team for payroll processing.
81. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the employee's Line Manager, prepared and signed off by the School Business Manager.
82. The School Business Manager enters all payroll forms received into the external provider templates and emails back to payroll, cc'ing in the Head Teacher.
83. Payroll forms from staff need to be with the School Business Manager by the 8th of each month. A deadline is also provided each month by our external payroll provider.

Payments

84. Before payments are dispatched a printout of all data is provided to the Academy from the external provider, including an exceptions report, and this should be checked against source documentation

by the School Business Manager and then reviewed and signed off by the Head Teacher. Authority to release payment will be by the School Business Manager and the Head Teacher.

85. All salary payments are made by BACS on the last working day of each month.
86. Once payments have been processed the School Business Manager will receive the Payroll reconciliation and post payroll checks that will show any variations. All third-party payments are posted on the Accounting System by the School Business Manager.
87. The school's payroll provider automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.

Salary advances

88. The Academy does not award salary advances.

Overtime

89. Overtime is recorded by the individual, approved by the Head Teacher and submitted by the 8th of each month to the School Business Manager for processing.
90. Claim forms must not be submitted prior to work having been undertaken.
91. No payments for work undertaken will be made other than via the payroll system.

Severance payments

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

Ex-gratia payments

95. Any ex-gratia payments must be submitted to EFA for prior approval.

Income

EFSA grants

96. The main sources of income for the Academy are the grants from the EFSA. The receipt of these sums is monitored directly by the School Business Manager who is responsible for ensuring that all grants due to the academy are collected.

Other grants

97. The receipt of these sums is monitored directly by School Business Manager who is responsible for

ensuring that all grants due to the Academy are collected.

Cash and cheque payments

98. On a daily basis the Finance Assistants will empty the cash deposit boxes and enter each and every amount onto a banking spreadsheet.
99. The money is then counted to ensure it reconciles with the banking spreadsheet and double checked by either another Finance Assistant or School Business Manager. This information is then entered onto the accounting and the relevant spreadsheets, such as school lunches, breakfast club, swimming and trips.
100. All monies collected are prepared with a paying in slip and deposit bag. The Finance team deposit cash at the bank on a weekly basis.

Trips

101. A pre-trip form must be completed by a lead member of staff before obtaining approval from the Head Teacher and School Business Manager. Once approved the Finance Assistant will prepare a spreadsheet to record pupils attending, payments received and payments outstanding. The lead member of staff must take responsibility for the collection of sums due with support of the Finance Assistants and Office Manager.
102. Payments for all trips should be posted in the cash deposit boxes around the school, in a clearly marked envelope, with the child's name, trip name and amount. A receipt will be issued for all monies collected over the value of £30.
103. The Finance team will update the spreadsheet each time a payment is received. The lead member of staff can contact the Finance team at any point for an update on payments received and outstanding.
104. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Head Teacher and School Business Manager in advance of the booking being made.

Catering

105. Breakfast Club and School Lunches – please see Charging Booklet

Lettings

106. The Finance team is responsible for maintaining records of bookings of the school hall and gym, and for identifying the sums due from each organisation. Payments are invoiced a month in arrears.
107. Details of organisations using the school's facilities will be held by the Finance team who will produce a sales invoice from the accounting system.
108. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed annually.

Bad debts

109. The Academy chases all monies due, and those that have not paid within 30 days of an invoice being issued, by email, telephone or letter (please see Credit Control Policy).
110. Any write-off's must be approved by the full Governing Body.

Purchasing

111. The Academy must achieve value for money on all purchases. A large proportion of our purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:
 - Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy.
 - Accountability; the Academy is publicly accountable for its expenditure and the conduct of its affairs.
 - Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

Routine Purchasing

112. The budget is managed by the Head Teacher and School Business Manager. The School Business Manager and Finance team will review the spend available and seek approval from the Head Teacher and advise on available funds from the budget.
113. A quote or price must always be obtained before any order is placed. If the Finance team considers that better value for money can be obtained by ordering from a different supplier, reasons for this decision must be discussed and agreed with the requestor. Copies of all quotes must be attached to the order form. (Please see Purchase Order procedures).

Orders

114. All orders must be requested, using a purchase order request form. Order requests must bear the signature of the Head Teacher or Deputy Head Teacher and be forwarded to the Finance team where the School Business Manager will check to ensure adequate budgetary provision exists before placing the order.
115. Approved orders will be recorded in the accounting system, which allocates a reference number and commits expenditure. Orders will be placed by the Finance team.
116. The Front Office team are notified of a pending delivery by the Finance team. On receipt of the goods the Office Manager or Office Administrator must carry out a detailed check of the goods received against the delivery note and make a record of any discrepancies between the goods delivered and the delivery note. The Finance team will be notified of any discrepancies and they will be discussed with the supplier of the goods without delay.
117. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance team will be notified. The Finance team will keep a record of all goods returned to suppliers.
118. All invoices should be sent to the Finance team and given a label as detailed below. Invoices will be recorded by the Finance team (and the invoice scanned into the relevant drive) and attached to

purchase orders and delivery notes.

- Cost Centre
- Ledger Code
- Transaction ID (from SIMS FMS)
- Date Entered onto SIMS FMS
- Approved for payment
- BACS run date
- BACS run number

119. If a member of staff is pursuing a query with a supplier the Finance team must be informed of the query and periodically kept up to date with progress.

BACS Payments

120. Once given approval by the Head Teacher, the BACS payment is then prepared and loaded on to the online banking system by the Finance Assistant. The School Business Manager will first approve the payment and either the Head Teacher, Deputy Head Teacher or Chair of Governors will final approve. In the absence of the School Business Manager, 2 signatories will be required for first and second approval.

121. Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.

Direct Debit validation

122. When a Direct Debit mandate is set up for a new supplier, a copy is taken for the Direct Debit folder. Following the Direct Debit set up, an invoice for the regular amount is received, confirming the date that the funds will be taken from the bank account. This is then added to the Finance System and reconciled with the bank statement at the end of each month. When a Direct Debit appears on the bank statement and there is no paperwork, a request is put into the supplier so that the information can be checked and confirmation of what the Direct Debit is referring to. A copy of the paperwork is obtained.

Orders over £1,000 but less than £10,000

123. At least three written quotations should be obtained for all orders between £1,000 and £10,000 to identify the best source of the goods/services. Written quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and email confirmation received before a purchase decision is made in accordance with value for money principles.

Orders over £10,000

124. All goods/services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000 must be subject to formal tendering procedures.

Official Journal of the European Union

125. Purchases over the current thresholds are to be dealt with in accordance with OJEU.

Goods and services for private use

126. No goods are ordered or services provided to include any elements of private use by Governors and Staff.

Forms of Tenders

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

- **Open Tender:** This is where all potential suppliers are invited to tender. The Head Teacher and School Business Manager must discuss and agree with **the** Governing Body how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

128. Full consideration should be given to:

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

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

130. A tender brief must always be prepared and is reviewed by the Head Teacher and School Business Manager.

Invitation to Tender

131. 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.
132. An invitation to tender should include the following:
- introduction/background to the project
 - scope and objectives of the project
 - technical requirements
 - implementation of the project
 - terms and conditions of tender
 - form of response
 - dates for decision and work to be delivered

Tender Acceptance Procedures

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

Tender Opening Procedures

134. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:
- For contracts up to £25,000 - two of the budget holders, The Head Teacher and School Business Manager – cross reference to Scheme of Delegation
 - For contracts over £25,000 - the Head Teacher and School Business Manager plus a member of the Finance Committee – cross reference to the Scheme of Delegation
135. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

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

Insurance

140. The School Business Manager reviews insurance arrangements annually and keeps the Finance Committee informed of any changes. They ensure that the sums insured are commensurate with the risks and include cover for Academy property when off the premises.
141. The school reviews and purchases risk protection arrangement membership annually.
142. Staff must ensure all valuables are kept under lock and key when not being used in a supervised manner.

Governors Expenses

143. All Governors of this Academy are entitled to claim the actual costs, which they incur as follows:
 - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
 - travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source
 - telephone charges, photocopying, stationery, postage etc.
 - any other justifiable allowances
144. The Governing Body acknowledges that:
 - Governors are not paid an attendance allowance
 - Governors are not reimbursed for loss of earnings
145. Governors wishing to make claims under these arrangements, must complete a claims form from the Clerk to the Governors together with the relevant receipts. The form must be submitted to the Finance team within two weeks of the date when the cost was incurred, when they will be submitted for approval by the Chair of Governors and to the Finance Committee for final approval.
146. Claims will be subject to independent audit and may be investigated by the Chair of Governors (or Chair of Finance in respect of the Chair of Governors) if they appear excessive or inconsistent.

Gifts

147. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Head Teacher and School Business Manager in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses (see Donations Policy for further details).
148. Gifts that have been reported are entered onto the gifts and hospitality register.

Energy Management

149. The Caretaker with the support of the School Business Manager are responsible for recording,

monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual readings should be raised with the School Business Manager immediately.

150. The Caretaker ensures that the school's heating system is operated and run as efficiently as possible.
151. The School Business Manager ensures that the school is purchasing energy at the most competitive prices available.
152. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud

153. The trust does not tolerate fraud. Where instances of fraud are found the Head Teacher and School Business Manager will notify the EFA immediately.

Whistleblowing

Refer to the Whistleblowing Policy

Leasing

Finance leases represent borrowing and are not allowed under the Academies Financial Handbook.

VAT

VAT 126 form (VAT unregistered)

154. The School Business Manager is responsible for submitting the VAT 126 form per month.

Fixed assets

Asset register

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

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location

- name of member of staff responsible for the asset

156. The asset register helps:

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

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

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

Security of assets

158. All the items in the register are permanently and visibly marked as the Academy's property.

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

160. An annual count is undertaken by the School Business Manager who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Governing Body.

Disposals

161. Disposals, where applicable, are in line with the Academies Financial Handbook.

162. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Head Teacher and/or the School Business Manager and, where significant, should be sold following competitive tender. The Academy must seek the approval of the EFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Loan of Assets

163. Items of Academy property must not be removed from Academy premises without the authority of the Head Teacher. A record of the loan must be recorded in a loan book and booked back in Academy when it is returned.

164. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept

under review and any potential benefits discussed with the Academy's auditors.