

FINANCE POLICY

V1

October 2023

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1.0 Policy Statement

As a Multi Academy Trust, responsible for the education of thousands of young people across multiple schools, sound financial management is essential at Beckfoot Trust. The finance policy outlined in this document provides a comprehensive framework for managing the Trust's financial affairs, ensuring that all financial transactions are conducted efficiently, effectively, and in accordance with the highest standards of accountability and transparency.

2.0 Scope and Purpose

The scope and purpose of this finance policy is to promote sound financial management, ensure compliance with legal and regulatory requirements, and enable Beckfoot Trust to fulfil its mission of providing the highest quality education to its students.

This policy covers all aspects of financial management, including budgeting, procurement, accounting, financial reporting, risk management, and compliance and serves as a framework for achieving our strategic objectives and fulfilling our obligations to all stakeholders, including students, staff, parents/carers, and the wider community.

By implementing this policy, the Trust aims to ensure that all financial transactions are conducted with the highest standards of accountability and transparency, and that financial risks are identified, assessed, and managed effectively.

This policy has due regard to the following regulatory frameworks:

- The Academies Trust Handbook
- The Charities SORP
- The Companies Act 2006
- Relevant ESFA and DfE guidelines
- Relevant Charities Commission guidelines

This policy also links to our Trust policies on:

- Charging & Remissions
- Expenses
- Gifts and Hospitality
- Multipay card
- Scheme of Delegation (authorisation matrix)

3.0 Overarching Principles

We have a duty to comply with the 1995 'Nolan Principles'. The seven principles of public life apply to anyone who works as a public officeholder:

Selflessness – Holders of public office should act solely in the terms of public interest. They should not do so in order to gain financial or other benefits for themselves, family or friends;

Integrity – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties;

Objectivity – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability – Holders of public office are accountable for their decisions and actions to the public, and must submit themselves to whatever scrutiny is appropriate to their office;

Openness – Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it;

Honestly – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest;

Leadership – Holders of public office should promote and support these principles by leadership and example.

All members of staff are responsible for upholding these principles and should feel able to contribute towards the Trust achieving these aims.

4.0 Responsibilities and Arrangements

4.1 Roles

Role(s)	Key Responsibilities
'Members' of the Beckfoot Trust Company	<ul style="list-style-type: none"> • Oversee the governance arrangements of the Trust • Act as if they were the shareholders of a company • Power to appoint and remove Trustees • Attend the Annual General Meeting • Approve the Annual Financial Statements (Report & Accounts)
Trustees / Directors of Beckfoot Trust	<ul style="list-style-type: none"> • Directors of the Trust are also the Trustees of the Trust • Responsible for the success of the Company by organising the Trust's assets and operations • Responsible for establishing and approving the Scheme of Delegation • Ensure sustained success through regular meetings of the Board, Education Committee meetings and Business Committee meetings and Audit Committee meetings • Set the financial and operational strategy of the Trust
Chief Executive Officer (CEO) & Accounting Officer (AO)	<ul style="list-style-type: none"> • Personal responsibility to Parliament for financial resources under the Trust's control. • Must be able to demonstrate high standards of probity (doing the right thing and being seen to do the right thing). • Oversees the Trust's overall performance

Headteacher	<ul style="list-style-type: none"> • Responsible for financial oversight within their own school including budget setting and monitoring of forecasts • Responsible for the educational and business performance of the school
Chief Operating Officer (COO)	<ul style="list-style-type: none"> • Oversees and implements operational strategy of the Trust • Provides a key link between financial and operational practice within the Trust and ensures a co-ordinated approach • Manages operational risk and leads the operational team • Oversees the operational functions of the Trust
Chief Finance Officer (CFO)	<ul style="list-style-type: none"> • Oversees and completes implements the financial strategy of the Trust • Develops a coordinated approach to the Trust's day to day financial practice • Responsible for the Trust financial reporting cycle and financial compliance • Provides the board with accurate and relevant financial information • Manages financial risk • Leads the finance function including transactional team, management accounts team and procurement team
Cluster Business Managers (CBMs)	<ul style="list-style-type: none"> • Oversee the day-to-day HR, operations of the school • Contributing to development of Trust systems and procedures and ensuring implementation • Budget development and variance analysis • Liaising with the finance team

Appendix 1 outlines our linked internal procedures and toolkit resources for our schools.

4.2 The Three Strands of the Beckfoot Trust Finance Team

See Page 6.

Operational Finance

- Finance Helpdesk for queries including budget holder queries
- Trust finance purchase order email for purchase orders
- Trust finance email for other queries
- Process all transactions related to purchasing, income, cash etc
- Dealing with the financial aspects of the running of the school e.g. trips, lettings, student payments, staff payments
- Form strong working relationships with school stakeholders
- Working on a daily basis to provide consistent, reliable service to schools
- Develops and improves operation systems and procedures

Strategic Finance

- Provides finance partner service to schools - providing financial analysis and modeling
- Works closely with Headteachers and CBMS on ensuring financial sustainability
- Management accounts including assumptions, tracking, challenging and monitoring
- Budgets including assumptions, linking to CLFP, forecasting, scenario planning
- Financial benchmarking both internal and external
- Capital forecasting and tracking
- Managing internal and external financial scrutiny
- Develops and improves strategic systems and procedures

Procurement and Contract Management

- Manages Trust Wide Procurement Strategy including 5 year procurement plan
- Contract management including holding suppliers to account through KPIs
- Secures economies and benefits of scale through procurement and ensuring strategy in place delivering value for money
- Procurement advice and guidance
- Manages Trust resources on procurement (via SharePoint)
- Maintaining Trust supplier ledger
- Carries out tenders or advises on compliant routes to market
- Develops and improves procurement systems and procedures

4.3 Accounting System and Trust Chart of Accounts

Importance

- Consistency of approach
- Supports financial planning and analysis

4.3.1 Key Control - IRIS Financials

All financial transactions of the Trust must be recorded in IRIS financials. This system is operated by the finance team and consists of:

- General Ledger
- Purchase Ledger
- Sales Ledger
- Purchase order system

Access to IRIS financials is controlled by the IRIS financials administrators who have access to amend the system, set up controls and determine the appropriate level of user access by user. Access is via a unique username and secure password.

Backups are the responsibility of the software provider and are run daily in line with the service level agreement.

The levels of access are listed below. There must be appropriate segregation of duties in all processes.

Access Level	Access To
Requisition only	<i>PO system only</i> <ul style="list-style-type: none"> • Input order requisitions but not approve
PO approver access	<i>PO system only</i> <ul style="list-style-type: none"> • Input order requisitions and approve them Complete goods receipts Authorise invoices for payment
Read Only Accounting Access	<i>PO system</i> <ul style="list-style-type: none"> • Input order requisitions and approve them • Complete goods receipts • Authorise invoices for payment <i>Accounting</i> <ul style="list-style-type: none"> • Read only access to ledgers
Finance Access	<i>PO system</i> <ul style="list-style-type: none"> • Progress requisitions to orders <i>Accounting</i> <ul style="list-style-type: none"> • May input transactions and amend ledgers <i>Bank Details</i> <ul style="list-style-type: none"> • May not amend bank details of suppliers
Procurement Access	<i>PO system</i> <ul style="list-style-type: none"> • Progress requisitions to orders <i>Accounting</i>

	<ul style="list-style-type: none"> • May input transactions and amend ledgers <i>Bank Details</i> <ul style="list-style-type: none"> • May amend bank details of suppliers
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4.3.2 Key Control – IMP Budget Software

IMP is used for producing management accounts and budgets. Access to the software is managed by the CFO and is restricted to the following levels. Backups are the responsibility of the software provider and are run daily in line with the service level agreement.

Access Level	Roles
Read only - All areas	<ul style="list-style-type: none"> • Headteachers • CBMs • COO • CEO
Read only - Income and Expenditure	<ul style="list-style-type: none"> • Finance Operations and Procurement Team
Write access	<ul style="list-style-type: none"> • Management accounts team • CFO

4.3.3 Key Control - Every Contract Management and Fixed Assets

The Trust's contracts and fixed assets are managed through our EVERY system. Access is managed via the Central Team

4.3.4 Consistent Chart of Accounts

Using consistent nominals and cost centres across the Trust is critical for consistency, supporting data analysis, spotting errors, supporting procurement, and producing accurate and reliable management accounts.

The Trust uses the DfE Chart of Accounts for its nominal structure with some slight amendments to enable the appropriate recording of capital.

The Trust also operates a consistent set of cost centre codes with some cost centres being universal across all schools and some being specific by phase.

New cost centres must not be added without consultation with the Finance Manager.

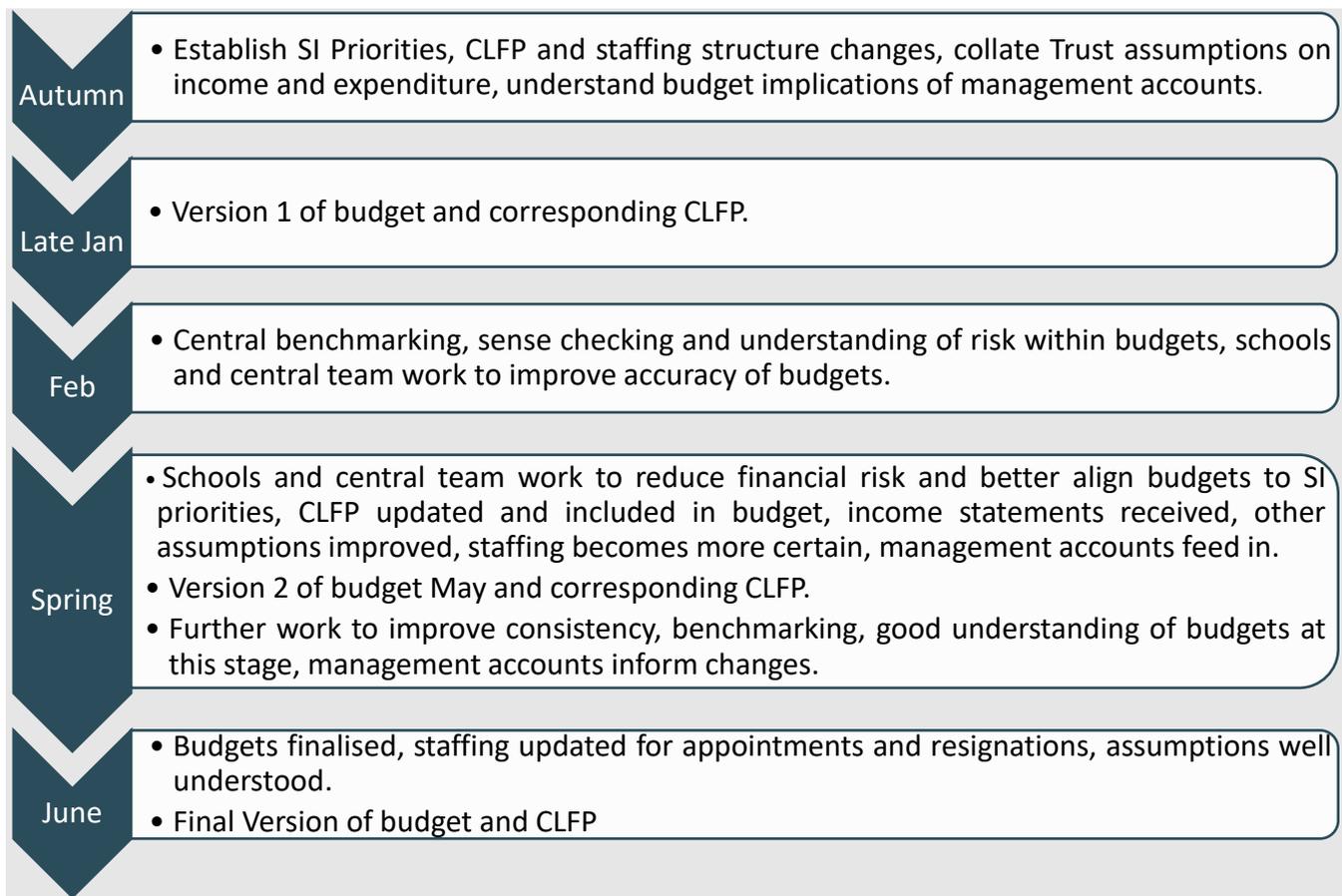
4.4 Budget Cycle

Importance

- Financial stability of the Trust

4.4.1 Key Controls

- Budgets are prepared on an annual basis forecasting 5 years ahead but with a particular focus on years 1-3.
- Budgets are prepared using the budget software IMP.
- Consistency of assumptions across the Trust is achieved through standard budget. assumptions, approved by the board, and updated throughout the budget cycle.
- The deadlines for the budget cycle are published each year in the Monitoring and Arrangements Calendar (MAC) on Outlook however the outline is summarised in the diagram below.



4.5 Management Accounts and Month End Procedures

Importance

- Understanding financial position at any given time.
- Form the basis of decision making in school.
- Crucial that they are accurate, reliable, and timely.
- We are required to produce management accounts 12 times a year.

4.5.1 Key Controls

- Management accounts are prepared 12 times a year using the Trust budgeting software IMP
- Management accounts are produced by the 3rd working day of the month.

- Management accounts are shared monthly with Headteachers and Cluster Business Managers.
- Management accounts are shared monthly with the Chair of the Trust and the Chair of the Business Committee.
- There is a monthly management accounts meeting to discuss current and forecast financial position with the Headteacher and CBM.
- Changes to forecast position are tracked through the budget software IMP which is kept up to date regularly.
- The CFO tracks the performance of the management accounts and considers the financial risk in relation to each individual school and the reserves policy.
- The stages of management accounts preparation include:
 - Payroll reconciliation
 - Performance of all month end procedures
 - Analysis of the current financial position of each school
 - Reporting on the financial position
 - Discussions of the financial position

4.5.2 Month End Procedures

The month end procedures are critical to ensure that the accounts are up to date and accurate and allow any issues or errors to be picked up and corrected promptly.

The month end procedures must be performed monthly.

Month End Task	Explanation
Fixed Asset Reconciliation	Ensuring the asset management system matches the finance system.
Budget holder reports	Reviewed and shared with budget holders - issues highlighted.
VAT Return	Performed and submitted to HMRC.
Multipay card account reconciliation	Checking that expenditure on Multipay cards is balanced.
Control account reconciliations: <ul style="list-style-type: none"> • Debtors • Creditors • Petty Cash • Paying in slip • Recharges • Student Ledger • Staffing Ledger • Accruals • Prepayments 	Pick up any anomalies and correct them to prevent detrimental impact on the management accounts.
Review of journals	Pick up issues and corrections being made.
Review of outstanding purchase orders	Ensure that accounts are as up to date as possible and that goods are not outstanding.

4.6 Purchase Ordering

Importance

- Understanding committed funds and accurately managing budgets
- Regularity of spend – are we following the rules
- Propriety of spend – are we spending on the right things
- Value for money through appropriate oversight and systems
- Ensuring we spend money only on things we have received and approved

4.6.1 Key Controls

- All spend **must** be approved in advance
- A purchase order **must** be placed wherever possible
- All spend **must** be approved in accordance with the Scheme of Delegation
- All spend **must** be appropriate and in line with our mission of creating remarkable schools where no child is left behind
- Value for money should be considered for all purchases and **must** be considered and documented for purchase over £10k
- Budget holders **must** confirm that goods have been received before payment will be made
- Budget holders **must** seek prior approval to overspend their budget as per the Scheme of Delegation (overspend approval form)
- Alcohol **must not** be purchased

If financial controls are not adhered to, explanation will be sought, and disciplinary action may follow.

4.7 Credit Card Use

Importance

- Understanding committed funds and accurately managing budgets
- Regularity of spend – are we following the rules
- Propriety of spend – are we spending on the right things
- Value for money through appropriate oversight and systems
- Ensuring we spend money only on things we have received and need

4.7.1 Key Controls

- Credit cards are considered high risk and spend on credit cards should be by exception and where other routes of spend have been exhausted.
- The full controls can be found in the separate Multi Pay Card Policy.
- Standard Multi-pay card limits are set by the CFO and one-off alteration to the limits require authorisation by the Finance Manager
- Multi-pay cards must be reconciled monthly by someone other than the card holder
- Before any spend is made on a muti-pay card in school authority to use the card must be sought from either the budget holder or the cluster business manager. Where the cardholder is also the budget holder the CBM must approve spend.
- All authorities to spend must be documented on an email trail or by physical signature on a purchase order form
- Multi-pay card spend must be approved in advance and in line with the scheme of delegation

- Cards must always be kept in a locked safe or drawer
- Receipts and invoices must be submitted to the finance team immediately following purchase
- Before a card will be issued the card holder must complete a card holder agreement form
- Finance team must enter the transaction onto the finance system before or immediately after payment is made

4.8 Procurement System

Importance

- Integral to the Trust's success
- Ensures the right resources are acquired at the right time, quality, and cost
- Impact extends across operational, financial, and strategic dimensions, making it a critical function

4.8.1 Key Controls

The aim of the Trust is to have an effective and efficient procurement function which supports schools through facilitating economies and benefits of scale.

Trust wide contracts are managed through the 5-year procurement plan and will be facilitated by the procurement manager and led by the contract holder.

Contracts are recorded on the EVERY contract management service.

Where an item is likely to cost over £40k per year the Procurement Manager should be contacted for advice surrounding procurement. In all instances the below table should be referred to with regards to value for money.

When undertaking any type of procurement there are several options open to staff to ensure value for money is achieved. These are listed in the value for money section below and the appropriate option depends upon the value of the procurement, the type of good/service. As a Trust achieving value for money is critical, the following strategies may be employed to achieve value for money:

- Negotiation
- Collective purchasing
- Use of frameworks
- Quotes
- Waste reduction
- Competitive tendering and further competitions
- Quality assessment alongside price analysis
- Supplier and contract management to ensure strong services
- Volume discounts
- Approved supplier lists

If required, the Procurement Manager should be contacted for advice when considering running a procurement.

As a Trust we take our responsibilities under modern day slavery legislation very seriously. When entering contracts with new suppliers they should be made aware of the Trust's Modern Day Slavery Code of Conduct for suppliers.

4.8.2 Related Party Transactions

Everyone associated with the Trust must strive to avoid any conflict of interest between the interests of the organisation and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

A related party transaction can be with anyone who works / volunteers for the Trust. The premise behind the control is to ensure that no supplier has an unfair advantage of receiving work based on their former / current relationships. This is not to say it cannot take place, but that it is declared and transparent and that they have been through a fair process to get the work. We act in accordance with the current Academy Trust Handbook.

Trustees, LSC members, senior Leadership teams, executive leaders, central team members, ICT teams, finance teams, HR teams and premises teams are required to submit an annual declaration of interest.

4.9 Value for Money Limits

	Spend Level	Rationale	Value for Money achieved through	Authorised by
BUDGETED SPEND (line item in school budget)	£0-£9,999	Local school complying with Trust Purchasing system, using Trust deals where appropriate and getting best value quotations.	Local Schools must be able to demonstrate purchasing decisions represent best value and this is best done by briefly documenting the rationale for each decision at the time it's made.	Approved as part of budget cycle. Spend sign off in line with the Scheme of Delegation.
	£10,000+	Budget holder must be able to demonstrate value for money.	Minimum of three quotes or alternative tender process as advised by the Trust Procurement Team.	Approved as part of budget cycle. Spend sign off in line with the Scheme of Delegation.
	Contracts	Recurrent contracts approved as part of budget process. Contracts monitored by the finance team via EVERY contract management to ensure appropriate action is taken to prevent unintentional rollover of contracts.	Co-ordinated renewal and negotiation should be undertaken where appropriate, led by Procurement Manager and CBM group. Economies of scale should be negotiated and achieved where possible.	Approved as part of budget cycle. Spend sign off in line with the Scheme of Delegation.
	Budgeted spend is deemed approved as part of the budget cycle. The budget holder has responsibility for ensuring value for money via quotes or a tender process and all parties are responsible for ensuring economies of scale and collective purchasing are used as far			

	as possible. Where it is not simple or straight forward to obtain 3 quotes an alternative approach should be agreed with the procurement manager and/or CFO.			
NON-BUDGETED SPEND (Not noted in school budget)	Can be met from within existing budget	Where unforeseen spend is required but can be met by virement of funds within the current budget, meaning the budget will not become overspent, the local headteacher retains delegated authority in line with the Scheme of Delegation.	The limits noted above for budgeted spend apply for obtaining quotes and procurement.	Spend sign off in line with the Scheme of Delegation and a note must be recorded in the management accounts.
	Means budget can't be met	Spend is not authorised via the budget cycle and cannot be met from existing budget. The school is effectively requiring the use of reserves to meet the expenditure.	Business Case sent to the CFO and CEO. Quotes or other appropriate procurement process.	Spend sign off in line with the Scheme of Delegation and a note must be recorded in the management accounts.

4.10 New Suppliers

Importance

Control over Trust suppliers ensures:

- Strong relationships with suppliers
- That we secure value for money
- Better access to benefits and economies of scale
- We reduce the risk of modern slavery in our supply chains
- Reduce waste
- Reduce workload

4.10.1 Key Controls

Where a new supplier is required a new supplier form must be completed

Alternative suppliers may be suggested where appropriate.

The procurement team will approve new suppliers where the below checks are satisfied

1. Legitimacy of supplier
2. Financial stability of the supplier
3. Terms of business with supplier are acceptable
4. Compliance checks complete (modern slavery screening, reference checks where appropriate)
5. Bank details independently verified before entry into the finance system

The ability to add/amend suppliers including the bank details is limited to the Procurement Team and must be authorised by the Procurement Manager, Finance Manager or CFO.

All amendments to the supplier's details must be checked by another member of the Finance Team.

Independently verified means confirmed verbally with the supplier by telephoning a number obtained from an independent source (not an email or invoice or incoming correspondence from the supplier).

All staff must be vigilant when it comes to requests to change standing data.

4.11 Contracts, Licenses and Subscriptions

Importance

- Understanding committed funds and accurately managing budgets
- Regularity of spend – are we following the rules?
- Propriety of spend – are we spending on the right things?
- Value for money through appropriate oversight and systems
- Ensuring we spend money only on things we have received and need

4.11.1 Key Controls

- Contracts, licences, and subscriptions must be approved in advance and in line with the Scheme of Delegation
- Contracts, licences, and subscriptions must be recorded within contract management system
- Auto-renewing contracts, licences and subscriptions must not be entered into without prior approval
- The Trust must not enter finance leases or hire purchase agreements

4.12 Payment System – Invoices

Importance

- Ensuring the proper use of public money
- Ensuring only goods/services received are paid for

4.12.1 Key Controls

- Non-order invoices should only be processed by exception
- Invoices must be processed and added to the finance system on receipt
- Invoices must be authorised before payment
- The authoriser must confirm that the goods/service has been received and that the price is correct
- A signed delivery note can be accepted as authorisation to pay
- Where a purchase order has been authorised according to the Scheme of Delegation and the invoice matches, authorisation to pay can be taken from the budget holder
- Invoices must be added to the finance system using document attach

4.13 Payment System – Payments

Importance

- Protection from fraud
- Ensuring that payments are to the appropriate supplier and that they are appropriately authorised
- Limiting exposure to financial loss

4.13.1 Key Controls

All payments must be approved in line with the Scheme of Delegation before payment. Paylists are run weekly and must be authorised by three people as below:

First Approval – preparer of the payroll

- Can be carried out by finance assistant or finance officer
- Checks all invoices are appropriately authorised
- Checks amount and totals of invoices
- Samples bank details by checking details on the invoice match the details in the finance system
- Checks 10% of payments per payroll and selects randomly.

Second Approval

- Can be carried out by finance officer or assistant finance manager
- Must be a separate person to the first approval
- Checks all invoices are present and appropriately authorised
- Checks first set of checks are complete
- Checks all bank details for payments over £10k
- Uploads to bank
- Is first approver for the bank

Final Bank Approval

- Can be carried out by assistant finance manager or finance manager
- Confirms all checks have been completed by first and second approvers
- Checks that the totals imported to the bank match the authorised paylists
- Is second bank approval

Authorisation Limits

Banking limits are listed below.

There may be occasion when the individual transaction limits are too low for a single payment. When this occurs only the CFO may alter the transaction limits after ensuring that the payment is genuine and appropriate. The change will be documented and changed back immediately following the transaction payment.

Limit Type	Payment Limit and Authorisation Limits
Chaps – Individual Transaction	£15,000
Faster Payment – Individual Transaction	£25,000

BACS – Individual Transaction	£60,000
BACS – Batch Limit	£350,000

Remittances

Sent to suppliers immediately following the payment

4.14 Income System

The Trust derives the majority of its income through grants received through the ESFA but does also have various other income streams. Recording income accurately is critical to ensuring the completeness of income, that income has been spent for the purposes intended and the accuracy of income and management account reporting and budgeting.

4.14.1 Key Controls

All schools within the Trust must act in accordance with the Trust's Charging and Remissions Policy at all times.

Invoiced Income

- Invoices must be raised regularly and no later than 30 days after the service is provided
- Payment is due on receipt of invoice
- Debtors must be monitored weekly and chased as per the bad debt section below
- Debtors must be reported on via the month end procedures
- Sales receipts must be recorded in the finance system as soon as they are received
- Payment must be direct into the Trust bank account either via BACs transfer or card payment
- Non invoiced income
- The finance team monitor the receipts of grants ensuring that all grants due to the schools within the Trust are appropriately received
- Non-invoiced income must be recorded to the finance system as soon as the remittance advice is received
- No cash payments will be accepted

4.15 Bad Debts

Importance

- Completeness of Income
- Control of bad debt risk

4.15.1 Key Controls

Bad debts are reviewed on a regular basis.

Overdue debts are escalated as set out below.

Overdue by	Payment Limit and Authorisation Limits
1 week	Statement sent
2 weeks	Statement sent and follow up call advising that payment is overdue, payment date requested from customer, bad debt letter 1 sent

3 weeks	Statement sent, bad debt letter 2 sent, further follow up call, payment date requested, advise that services will be put on stop
4 weeks	Services on stop, statement sent, bad debt letter 3 sent
6 weeks	Bad debt referred to small claims court

Where all means of recouping the debt have been exhausted, permission must be sought from the Board to write off a bad debt.

Discretion over the timeline may be exercised by the Finance Manager, in agreement with the school, given contact with the customer.

4.16 Payroll System

Importance

Payroll costs are the largest element of Trust expenditure, and it is therefore essential that the financial procedures and internal controls in relation to payroll ensure staff are paid correctly and ensure that staffing costs are appropriately budgeted.

4.16.1 Key Controls

HR perform the following checks on payroll:

- Pre payroll run check on salaries
- Adjustments sent to payroll ahead of approval
- Pension payments are correct
- Authorised as checked by the HR officer
- Second approval by CBM following independent checking

Headteachers perform the following checks and approval payroll for release:

- Ensure the data on the pre payroll run report is accurate
- Check all employees are genuine and have received expected pay
- Ensure leavers are removed from payroll

Finance performs the following checks:

- Ensure pre-tab checks match the billing tabs
- Perform a full payroll reconciliation to the budget software
- Compare gross pay, overtime, NIC and pension costs by category to prior month and investigate differences of more than 5%
- Ensure the invoice matches the billing tabs and the pre-tab checks

Processing payroll

- Payroll entered into the finance system monthly by journal
- Recharges between schools for staffing are done monthly and must be authorised by the Headteacher for each school or COO for central budget
- Relevant staffing recharges will be circulated monthly to the CBMs and Headteachers
- Invoice for payroll booked against the accruals nominal upon receipt

4.17 Banking and Cash Management System

Importance

- Safekeeping of funds
- Ensuring liquidity and appropriate cash management

4.17.1 Key Controls

Cash

Beckfoot Trust is a cashless environment for routine transactions wherever feasible. All payments for fees, purchases and other common transactions must be conducted through electronic payment means.

By prior agreement cash may be used for specific items related to the curriculum, for example, life skills curriculum field trips, equipment shop as part of a behaviour scheme.

In cases where cash payments are accepted this must be managed within the school by a designated staff member who must manage the cash, record, and collect receipts and ensure the cash is kept in a safe. A reconciliation of the cash must be performed monthly.

Cash floats must not exceed £200 and total cash onsite must not exceed £750 for insurance purposes

Where cash needs to be deposited in the bank the finance team should be notified and will arrange to bank the cash.

Charity Collections

Where a school is collecting money for a third-party charity this must be handled within school, the collection does not form part of the Trust finances and therefore cannot be treated as such. Cash should be collected in sealed buckets, provided, and collected by that charity and agreed with the charity in advance.

Bank Accounts

The Trust has one bank account held at Lloyds Bank which is used to manage all the funds of the Trust.

Banking Deposits

The Trust utilises deposit accounts with its banker Lloyds to gain a return on its cash. The CFO implements the Board defined deposit strategy with the aim of minimising risk to Trust cash and maximising return. Interest is paid into the Trust bank account and held in the central budget, reducing the central charge for all schools.

When considering a deposit, the following things are considered:

- The amount of cash available to invest based on upcoming cashflow and working capital requirements and maintaining a cash buffer for unexpected expenditure of at least £1.5m
- The interest rate available now
- Potential changes to future interest rates
- The length of time of the deposit vs the return

Banking Reconciliation

The bank reconciliation must be performed on a regular basis, during busy periods this should be weekly but at a minimum must be done monthly.

All bank transactions must be entered into the finance system promptly

Standing Orders and Direct Debits

Standing orders and direct debits are not the preferred method of payment however they may be the only way a supplier will accept payment or there may be commercial reasons for paying in this way. Where this is the case, standing orders and direct debits may be approved in line with the Scheme of Delegation based on the likely cost for the year. There must also be approval from two bank signatories.

Bank Signatories

The bank mandate requires two signatures for all banking transactions and alterations to the banking set up. The bank signatories are listed below as are the roles who have access to online banking and the permission levels. Key controls around making payments from the bank are listed in the payments section of this policy.

Sharing of online passwords and access is not allowed between staff.

Bank and Online Access

Staff Role	Bank Signatory	Online Banking Access
CEO	Yes	No
COO	Yes	No
CFO	Yes	Yes - Admin Access. Authorised to alter payment limits - see 4.12-13 Payments section
Lead Management Accountant	Yes	Yes - Admin Access. Authorised to alter payment limits – see 4.12-13 Payments section
Finance Manager	Yes	Yes - standard access. Import and authorise payments
Assistant Finance Manager	Yes	Yes - standard access. Import and authorise payments
Finance Officer	Yes	Yes - standard access. Import and authorise payments
Management Accountant - Banking	No	Yes - standard access. Import and authorise payments

4.18 VAT

Importance

- Compliance with VAT rules and regulations

4.18.1 Key Controls

- VAT return must be performed at the start of each month
- To reclaim VAT, we must have a valid VAT invoice or receipt

- Invoices sent out by school including VAT must include an individual reference number, the Trust's VAT number (168-835953), a tax point date and a clear explanation of the VAT due.

VAT Rate	Finance System Code	Type of Income
Non-Business /Outside Scope	X	GAG Other DFE/EFA Grants Other government grants School Trip Income Bank Interest Inter Trust transfers Student Meals Donations Salary recovery – Teaching staff Charity collections
Standard Rated (20%)	S	Prom Income School Productions Catering Facilities Sports Kit (Size Dependent) Stationery (unless at cost) Staff meals Salary recovery – Non-Teaching Staff Sales to students for profit
Zero Rated (0%)	Z	Uniforms Stationery (at cost and portable)
Exempt (0%)	E	Lettings of sports facilities Lettings of space

4.19 Capital Income and Expenditure

4.19.1 Key Controls

General Principles

Capital cannot be overdrawn in year and where this looks likely additional revenue transfer to capital should be undertaken. This decision must be taken with reference to the Scheme of Delegation.

Capital spend must be on capital items, which may or may not be capitalised as fixed assets. See 4.20 Fixed Asset Management System.

SCA

The Trust receives School Condition Allocation funding annually from the DfE. This is capital funding for improving the estate of the Trust and is managed centrally by the Head of Estates. When considering the allocation of the funding consideration is given in the following order:

1. Safeguarding and compliance requirements
2. Condition requirements
3. Discretionary projects linked to curriculum improvement

Discretionary projects require a bid to be placed by the school. The bids will be assessed based on available funding and priority will be given to projects which can demonstrate a strong impact on school improvement.

The timescale for the bids and decision process will be published annually in the Meeting and Arrangements Calendar (MAC).

The panel for considering the bids consists of the Head of Estates, CEO, COO and CFO.

ICT

Spend is managed over a 5-year period through the 5-year ICT plan for each school. The 5-year plan considers the IT needs of the school and calculates what the financial cost of this will be. As part of the regular budget cycle the school will work out what the contribution to the IT pot needs to be considering:

- The current years expected cost of IT
- The future 5 years expected cost of IT

Each school has an IT pot which is used for the purchase of ICT items, both consumable items and items that will be capitalised. The IT pot may have a carry forward at the end of any financial year because of required future year spend.

The balance in the IT pot is reconciled monthly and reviewed annually with CBMs and Headteachers.

The ICT pot is funded in two ways:

1. The devolved formula capital funding is added 100% to the IT pot for all schools
2. Revenue transfer to capital is done where the expected cost is higher than the devolved formula capital funding DFC does not cover the appropriate cost

Other Capital Spend

This may be on fixtures fittings and equipment or motor vehicles.

Other capital spend must be funded via revenue transfer to capital as all DFC is allocated to IT spend.

4.20 Fixed Assets Management System

4.20.1 Key Controls

All assets must be recorded in EVERY if they are valued at £500 or over and will last longer than one year. In addition to this all laptops should also be tagged regardless of value.

The value recorded in EVERY should be inclusive of delivery and installation costs.

Asset categories are listed below alongside their depreciation policies. Depreciation is applied annually.

Fixed assets may be written off with the authority of the appropriate person as per the Scheme of Delegation depending upon the net book value of the item at the time.

Depreciation Policies

Category	Depreciation Policy
IT equipment	3 years straight Line
IT Infrastructure	5 years straight line
Fixtures, fittings, and equipment	5 years straight line
Motor Vehicles	10 years straight line

4.21 Other Key Financial Controls

4.21.1 Credit Notes

Credit notes must be checked against purchase order, invoice and delivery note and entered into the finance system promptly.

A refund is requested as first choice or credit can be used against future invoices as appropriate.

4.21.2 Journals

Journals may be posted to correct errors.

The operational finance team may post journals, but every journal must have approval from the relevant Management Accountant, to ensure segregation of duties.

4.21.3 Staff / Trustee Expenses

See Expenses Policy.

Payments to staff must follow the same procedures as invoices from external suppliers.

4.21.4 Student Payments

Payments to students must follow the same procedures as invoices from external suppliers.

4.21.5 Insurance

Cover	Key Information
RPA	https://www.gov.uk/guidance/the-risk-protection-arrangement-rpa-for-schools rpa@topmarkcms.com 03300 585566 020 3472 5031 (overseas travel emergencies and claims)
Motor Insurance	01489 882110 (0800 302 9055) out of hours emergencies zmnewmotorclaims@uk.zurich.com
Engineering Inspection	0800 917 7207 farnboroughnewliabilityclaims@uk.zurich.com

4.21.6 Special Transactions

The CEO must be made aware of the following transactions before they occur in order to ensure compliance with regulations:

- Gifts made by the Trust
- Writing off debts and losses
- Guarantees, letters of comfort and indemnities
- Special payments – staff severance, compensation, or ex-gratia
- Acquisition or disposal of a freehold of land and buildings
- Granting or taking up any leasehold/Tenancy Agreement
- Disposal of heritage assets
- Any other novel or contentious transaction

4.21.7 Alcohol

Under no circumstances should Trust funds be used to purchase alcohol, this includes the direct purchase of alcohol and the reimbursement of expenses for the purchase of alcohol. Alcohol should not be served on school premises including at events organised by third parties and during lettings. This should be made clear to any organisation wishing to use or hire the school premises.

Appendix 1: Linked Resources

Section	How To	Toolkit
Accounting System and Trust Chart of Accounts		<ul style="list-style-type: none"> • Beckfoot Trust Chart of Accounts • Coded budgets • Annual budget holder list
Management Account and Month End Procedures	<ul style="list-style-type: none"> • How to Monthly Workflow • How to Preparing Management Accounts • How to Using the IMP link 	<ul style="list-style-type: none"> • Example management accounts • One Note management account template • Month end template and instructions • Management Accounts month end template • Month End checklist
Purchasing Ordering	<ul style="list-style-type: none"> • How to for budget holders • How to purchase ordering for finance teams • How to confirm goods have been received, • How to obtain value for money 	<ul style="list-style-type: none"> • Purchase order requisition form • Quote summary template • Tender specification template • Tender specification examples • Value for money checklist • Unauthorised spend form • Annual budget holder list
Credit Card	<ul style="list-style-type: none"> • How to use a Multipay card 	<ul style="list-style-type: none"> • Card holder agreement form, • Multi-pay card limit alteration request
Procurement	<ul style="list-style-type: none"> • How to Pop up Procurement 	<ul style="list-style-type: none"> • Value for Money checklist • Procurement specification template • Declaration of Interest form
Value for Money Limits		<ul style="list-style-type: none"> • Reserve use business case
New Suppliers	<ul style="list-style-type: none"> • How to Request a New Supplier 	<ul style="list-style-type: none"> • New supplier checklist • New supplier form • Modern Slavery Code of Conduct for Suppliers
Contracts, Licenses and Subscriptions	<ul style="list-style-type: none"> • How to Recording Contracts, Licences and Subscriptions 	
Payments	<ul style="list-style-type: none"> • How to Paylist 	<ul style="list-style-type: none"> • Transaction limit alteration form
Income System	<ul style="list-style-type: none"> • How to Raise Sales Invoices 	<ul style="list-style-type: none"> • Beckfoot Lettings Pricing, Letting agreement
Bad Debts	<ul style="list-style-type: none"> • How to Manage Bad Debts 	<ul style="list-style-type: none"> • Bad debt letter 1 – initial warning, • Bad debt letter 2 - services on stop,

		<ul style="list-style-type: none"> • Bad debt letter 3– further action, • Letting agreement
Payroll	<ul style="list-style-type: none"> • How to Perform Headteacher Checks on Payroll, • How to Perform Finance Checks on Payroll 	<ul style="list-style-type: none"> • Staffing recharge authority form
Banking and Cash Management	<ul style="list-style-type: none"> • Reconciling a Petty Cash Tin • Deposit Strategy 	<ul style="list-style-type: none"> • Charity Collection Record, • Petty cash reconciliation, • Deposit investment decision record
VAT	<ul style="list-style-type: none"> • How to Run a VAT Return 	<ul style="list-style-type: none"> •
Capital Income and Expenditure	<ul style="list-style-type: none"> • Manage Capital in the Finance System • How to Request Capital Funding 	<ul style="list-style-type: none"> • SCA Bid Form • SCA Capital Request Form
Fixed Assets Management	<ul style="list-style-type: none"> • How to Manage Fixed Assets 	<ul style="list-style-type: none"> •
Staff / Trustee Expenses		<ul style="list-style-type: none"> • Expenses form