



St Thomas Aquinas
Catholic Multi-Academy Trust



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Financial Procedures

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Contents

Introduction	5
Financial Planning	5
The Budget Cycle	5
CMAT Central Budget	5
School Budget	6
Other Government Funding	7
Other Grants and specific funding	7
Virements	7
Revised Budget.....	7
Budget Forecast Return	8
Monitoring and review (including management accounts)	8
Reserves	8
Capital Reserves.....	8
Internal Audit	8
Review of Regularity	9
Annual Accounts	9
Value for money statement	9
External Audit.....	9
Work undertaken during accounting period.....	10
Work undertaken for the year end	10
Accounts Return	10
Document Retention.....	10
Accounting System.....	10
System Access	11
Back- up Procedures	11
Transaction processing	11
Transaction reports	11
Reconciliations.....	11
Cash Management	12
Bank Accounts	12
Deposits.....	12
Payments.....	12
Reconciliations.....	12
Petty Cash.....	13

Multi- Pay Cards	13
BACS Payments.....	14
Staff re-imbursements	14
Investments.....	14
Payroll.....	14
Staff Appointments	15
Payroll Administration.....	15
Payroll payments.....	15
Salary advances	16
Overtime.....	16
Severance payments.....	16
Ex- gratia payments	17
ESFA grants.....	17
Other grants	17
Trips	17
Catering.....	17
If cash payments.....	17
If electronic cash collection	18
Lettings	18
Sundry income.....	18
Other Cash/Cheque Income	18
Gift aid	18
Bad debts	19
Routine Purchasing	19
Orders	20
Orders over £2,000 but less than £10,000.....	20
Orders over £10,000 but less than £40,000	20
Orders over £40,000	20
Official Journal of the European Union	21
Trading with related parties.....	21
Goods and services for private use	21
Leasing.....	21
Contracts.....	22
Directors/Governors Expenses	23
Gifts	23

Energy Management	23
Anti-Fraud (also see separate Anti-Fraud, Bribery and Corruption Policy)	24
Asset register	24
Security of assets.....	25
Disposals	25
Loan of Assets	26

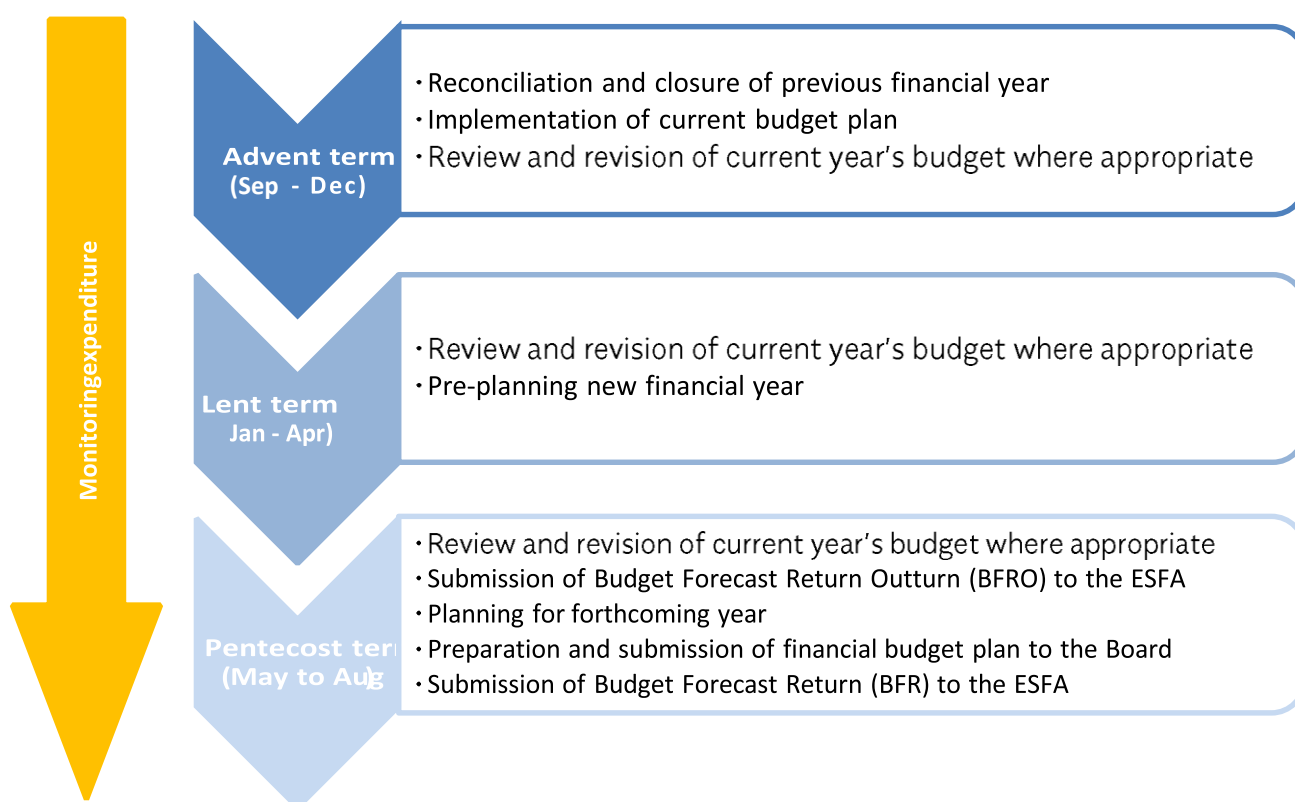
Introduction

1. The purpose of this manual is to ensure that the St Thomas Aquinas Catholic Multi- Academy Trust (CMAT) 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 Secretary of State for Education.
2. All CMAT staff must comply with the principles of financial control outlined in the Academies Financial Handbook. This manual expands on the Handbook and provides detailed information on the CMAT's accounting procedures. All staff with financial responsibilities, including staff involved in ordering and/or procuring goods and services are required to read this manual. Significant breaches will be reported to the Audit Committee.
3. This manual serves as an aid to the scheme of delegation, providing information on the day- today operations and practicalities of the CMAT.

Financial Planning

4. The CMAT prepares a rolling 3-year budget for each of its schools.

The Budget Cycle



CMAT Central Budget

8. The CMAT will deduct 5% of the school's mainstream grant income (General Annual Grant (GAG), 16-19 Funding Allocation, Early Years Foundation Stage Funding) to fund the CMAT central operations.

9. The Finance Director is responsible for preparing and obtaining approval for the central operations budget. The Chief Executive Officer (CEO), Finance and Estates Committee and the Board must approve the budget.
10. The annual budget will reflect the best estimate of the resources available to the CMAT for the forthcoming year and will detail how those resources are to be utilised.
11. The budgetary planning process will incorporate the following elements:
 - Forecast of the likely top slice, calculated using estimated pupil numbers and the national funding formula methodology for schools and early years.
 - Review of other income streams available to the CMAT
 - Review of past performance against budget to promote an understanding of the CMATs expenditure
 - Identification of potential efficiency savings
 - Review of the CMATs central staffing
 - Review of the CMATs main expenditure headings, taking into account any expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - Any funds held in reserve by the CMAT

School Budget

12. The Central Finance Team is responsible for preparing and obtaining approval for each school's annual budget. The CEO, Finance & Estates Committee and the Board must approve the budget.
13. The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the school's curriculum and the budgeted utilisation of resources.
14. The budgetary planning process will incorporate the following elements:
 - Forecast of the likely number of pupils to estimate the amount of General Annual Grant (updated to reflect the actual allocation when funding statements are issued in March).
 - Latest estimate of other Education and Skills Funding Agency (ESFA) funding e.g. Pupil Premium, Sports Premium, Yr 7 Catch- Up or other specific funds
 - Latest estimate of Local Authority funding e.g. Early Years Foundation Stage Funding, Universal Free School Meals or other specific funds
 - Review of other income sources available to the school to assess likely level of receipts
 - Review of past performance against budgets to promote an understanding of the school's expenditure
 - Identification of potential efficiency savings
 - Review of the school's staff, using a curriculum led financial planning approach
 - 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
 - Any funds held in reserve

15. Comparison of estimated income and expenditure will identify any potential surplus or deficit in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where savings 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 School's Development Plan.
16. If there is a significant departure from the anticipated budget this will be escalated to the Finance and Estates Committee as part of the monthly management accounts procedure.
17. The approved budget is then entered onto the finance system at the start of the new financial year.

Other Government Funding

18. In addition to GAG funding from ESFA, the trust may be awarded specific funding for other projects. This funding may be from the Department for Education (DfE) or a 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.
19. The Central Finance Team is responsible for ensuring that income and expenditure for each grant is recorded accurately, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

20. In addition to the GAG funding from the ESFA and other government funding, the school/CMAT may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be reported to the Board via the Finance and Estates Committee. 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.
21. The Central Finance Team is responsible for ensuring that income and expenditure for each grant is recorded accurately, providing a reconciliation within the monthly management accounts.

Virements

22. Substantial virements shall be approved and minuted by the Finance and Estates Committee and should be within the agreed criteria and financial limits.
23. The Finance Director has delegated power to vire from one budget to another and shall seek approval from the Finance and Estates Committee retrospectively where the amount exceeds £25,000.
24. All virements exceeding £50,000 shall require prior approval from the Finance and Estates Committee.

Revised Budget

25. The CEO (as the Accounting Officer) and the Finance Director should carry out monitoring and analysis of the agreed budget on a monthly basis and reports forwarded to the Board.
26. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by the Finance and Estates Committee and or where significant

staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Directors.

Budget Forecast Return

28. The approved budget must be submitted to the ESFA by the deadline set each year. The Finance Director is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

29. The Central Finance Team prepare monthly management reports. The reports include:
- Summary dashboard, providing a one-page review of each school's performance against the agreed budget.
 - Actual income and expenditure against budget (shown as month to date and cumulatively)
 - Balance sheet
 - Cash flow forecast
 - Summary document highlighting and explaining variances greater than 5%
30. Any potential overspend against the budget will be discussed with the relevant Head Teacher and reported to the Finance and Estates Committee.
31. The monthly reports are sent to the Accounting Officer, Finance and Estates Committee and the Chair of Board.

Reserves

72. Any surplus or deficit funds at the end of the year are held in reserve and ring-fenced for each school.
73. If a school is anticipating a deficit at the end of any financial year, the Board and the Finance Director have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board must ensure that a recovery plan is in place.
74. The CMAT undertakes to ensure that it maintains a contingency reserve equivalent to at least 30 days operating expenditure is held at each school.

Capital Reserves

75. Any surplus funds at the end of the year are held in reserve and carried over to the following year.
76. It is the responsibility of the Finance Director to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Internal Audit

32. Internal auditors are appointed in accordance with the Academies Financial Handbook.

- 33.** The Audit and Risk Committee will work with the Internal auditors to prepare an annual audit schedule that will provide assurance to the CEO (Accounting Officer) and Directors that the CMATs financial management systems and controls are robust.

Review of Regularity

- 34.** The CEO (Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:
- reviews management accounts
 - reviews compliance against the scheme of delegation
 - reviews transactions for evidence of connected party transactions
 - value for money practice
- 35.** The CEO (Accounting Officer) has delegated the following responsibilities to the Finance Director:
- adherence to tendering policies
 - review of transactions, confirming they are all in line with the delegated authorities as set out by the Academies Financial Handbook
- 36.** A checklist is completed for each review undertaken.

Annual Accounts

- 37.** The CMAT must prepare annual audited financial statements for the accounting period to 31 August.
- 38.** The accounts are submitted as follows:
- by 31 December – to the ESFA
 - by 31 January – published on the CMAT website
 - by 31 May – to Companies House

Value for money statement

- 39.** As part of the annual accounts the CEO, as Accounting Officer has responsibility for ensuring that the CMAT delivers good value in the use of public resources.
- 40.** Value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.
- 41.** Examples will be collated of how the CMAT has provided value for money during each academic year and where value for money can be improved.

External Audit

- 42.** External auditors are appointed by the CMAT Members in accordance with the Academies Financial Handbook.

43. The Finance Director 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.
44. The External Auditor management letter and any other recommendations will be discussed by the Audit and Risk Committee and an action plan put in place to deal with any issues raised.

Work undertaken during accounting period

44. The Central Finance Team is responsible for the following tasks, to be undertaken during the year to facilitate a smooth audit process:
- reviewing the structure of the trial balance
 - maintaining a 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/trustees' interests, related and connected party transactions
 - control account reconciliations (bank, wages, debtors, creditors)
 - maintaining a record of meeting attendance
 - monitoring & reporting to the Accounting Officer and Board of Directors

Work undertaken for the year end

45. The Finance Director is responsible for the following tasks, some of which may be delegated to the Senior Finance Manager and Finance Manager, to be undertaken at the end of the year to facilitate a smooth audit process:
- schedule of prepayments and accruals
 - control account reconciliations (bank, wages, debtors, creditors, VAT)
 - stock take and calculating the year end stock value
 - close down of the purchase ledgers
 - close down of the Sales ledgers and aged debtors
 - pension valuations
 - Pension Audit

Accounts Return

46. The CMAT must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by the set deadline.

Document Retention

47. Documents are retained for the following amount of time:
- Finance records – current year plus preceding 6 years
 - Payroll and travel records – current year plus preceding 6 years

Accounting System

48. All the financial transactions of the academy trust must be recorded into PS Financials the CMATs computerised financial information accounting system. This system is maintained daily by the Central Finance Team.

49. PS Financials comprises the following modules:

- Accounting
- PS Purchasing
- PS Budgeting
- PS People (HR and Payroll)

System Access

50. Access to the accounting system is password restricted to members of the Central Finance Team. School staff and budget holders are granted access to PS Purchasing. The Central Finance Team have write access to PS Budgeting. Access to PS People is password restricted to members of the HR and Payroll team.

Back- up Procedures

51. PS Financials data is stored off site on a cloud server and backed up daily to multiple cloud servers.

Transaction processing

- 53.** All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
- 54.** All journal entries are authorised by the Central Finance Team.
- 55.** Bank transactions are imported from the Lloyds Commercial Banking platform by the Central Finance Team and reconciled to the cashbook.

Transaction reports

56. The Central Finance Team reviews the following system reports to ensure that only regular transactions are posted to the accounting system:

- the nominal ledger
- management accounts summarising expenditure and income against budget
- reports for the payroll, purchase ledger and sales ledger

Reconciliations

57. The Central Finance Team is responsible for ensuring the following reconciliations are performed by the each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- payroll control account
- VAT control account
- all suspense accounts
- bank balance per the nominal ledger to the bank statement

58. All reconciliations are signed by the Finance Director or Finance Manager as evidence of review.

59. Any unusual or long outstanding reconciling items are brought to the attention of Finance Director and dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

60. The CMAT will operate a single central bank account for all its schools, unless it is agreed to have additional accounts. Any other bank accounts will be closed when all direct debits and standing orders have been transferred.
61. The following procedures must be followed when opening a bank account and operating it:
- the Finance Director is responsible for selecting the banking institution and negotiating the terms and conditions
 - the opening of any new bank accounts must be approved by the CEO and retrospectively reported to the Finance and Estates Committee by the Finance Director
 - the CMAT will ensure that in the event of changes to key personnel, 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 must be formally recorded
 - the CMAT will not have any overdraft facility
 - the CMAT must ensure there are sufficient funds to cover the day to day operations of the CMAT and its schools
 - blank cheques must not be signed
 - no cheques may be drawn for cash other than for petty cash re-imbursement unless expressly authorised by the Finance Director.

Deposits

62. The Central Finance Team is responsible for updating the accounting system for all deposits placed.

Payments

63. All payments from the CMAT bank account must be approved by two of the following authorised signatories:
- CEO
 - Finance Director
 - Finance Manager
 - Business Services Director
 - HR Manager

Reconciliations

64. The Central Finance Team ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- All bank accounts are reconciled to the CMAT's cash book

- reconciliations are subject to an independent monthly review carried out by a Finance Manager or the Finance Director
- adjustments arising are dealt with promptly

Petty Cash

65. The CMAT will only permit Petty Cash on an exceptional basis. The value will not exceed £250 unless agreed by the Finance Director. Where it has been agreed Petty Cash can be used, the following must be adhered to:
- Cash must be signed for and held securely
 - It must only be used in exceptional circumstances where none of the following options are possible:
 - Purchase order placed
 - Multi-pay card used
 - Re-imbursement via BACS
 - Use of Petty Cash must be approved in advance and a record maintained of what it was used for, who the cash was given to, who approved its use, and the account (cost centre) and nominal code to be used. VAT receipts must be retained and submitted to the Central Finance Team with the record each month.
 - Petty Cash must not be used to pay for any service or employment (e.g. 'cash in hand').
66. Petty Cash will be topped up to £250 (or the agreed limit) on receipt of the record and VAT receipts.

Multi- Pay Cards

67. The school Multi-Pay Cards are used only when it is not practical to use the purchase order system, or if it is not possible to order from another source. The standard card limit will be agreed with each card holder. Cards must only be used for official academy business. No personal purchases are permitted.
68. The cards are to be kept securely and are only used by the named card holder. Card holders must comply with the card issuers terms and conditions.
69. Card users must obtain advance permission from the Headteacher, Office Manager, Operations Manager or Central Finance Team to use the card.
70. A record must be maintained that shows what the card has been used for, who provided approval in advance, the amount spent, account (cost centre) and nominal codes to be charged. The VAT receipts for all Multi-pay card purchases must be submitted to the Central Finance Team with the record by the end of each month.
71. On a monthly basis the purchase receipts will be reconciled to each entry on the Multi-Pay Card statement.
72. Multi-pay cards must not be used for withdrawing cash unless explicit permission is sought in advance from the Central Finance Team.
73. Lost cards must be reported as soon as possible to the Central Finance Team.

74. The card balance will be automatically paid in full each month.

BACS Payments

77. On receipt of an invoice, the finance team check to ensure:
- an official purchase order has been raised and approved for the purchase
 - the school have receipted delivery of the correct quantity, quality and price
 - it has not been previously paid
 - funds are available in the relevant budget
 - VAT chargeability on qualifying expenditure is shown
78. If there is a variance to the purchase order of greater than 5%, the invoice will require re-approval. The Central Finance Team can obtain approval verbally or via email from the Headteacher (or if delegated the Office Manager/Operations Manager).
79. Once authorisation has been received, the finance team will process the invoice for payment and attach evidence of the authorisation to the invoice on PS Financials.
80. The payment run is then prepared using PS Financials and uploaded to the bank's online payment portal. The bank account details are then checked and verified and the payment run is submitted for approval by two account signatories.
81. The CMAT is committed to paying suppliers within agreed terms.

Staff re-imbursements

82. All purchases should be made via purchase order or multi-pay card where possible and re-imbursement of staff should not be the norm. Where it is not practical to make a purchase via purchase order or multi-pay card, staff can be re-imbursed for purchases up to £20. Re-imbursements above £20 will need to be agreed in advance by the Central Finance Team.
83. All purchases made direct by staff must be approved in advance and a claim form completed and submitted to the Central Finance Team (with VAT receipts) within 1 month of the expenditure being incurred. Unapproved or late claims may not be paid.

Investments

84. The CMAT will ensure that investment opportunities are maximised within a low risk environment as set out within the approved Investment Policy.
85. The Central Finance Team is responsible for ensuring that the requirements set out in the Investment Policy are followed prior to the placing of any investment and for maintaining records of any investments made.

Payroll

Note – payroll will be centralised from 1 April 2019. Until then, alternative payroll arrangements will be in place.

Staff Appointments

85. All new temporary or permanent appointments must have Executive Team prior approval.
86. The HR Team will process new appointments and ensure the relevant payroll bureau is notified. In due course, this will change to ensure that new appointments are added to PS People and an immediate notification will be sent to the Payroll and Pensions team to ensure they are added to the payroll.

Payroll Administration

87. From 1 April 2019, payroll will be administered through the CMATs Payroll and Pensions Team. The Payroll and Pensions Team provide payroll services to the four CMATs across the Roman Catholic Diocese of Nottingham. This is on the basis of shared cost rather than a bought-in service. Until 31 March 2019, existing payroll bureau arrangements will remain in place.
88. From 1 April 2019, all staff will be paid monthly through PS People. A personnel record is maintained for each employee on PS People which records:
 - personal details
 - contractual information
 - employment history
 - bank account details
 - salary
 - taxation status
 - pension details
 - any deductions or allowances payable
 - other legal and relevant details
89. Any amendments made by the Payroll and Pensions Team must be checked and authorised prior to the payroll run by [TO BE CONFIRMED]. Any amendments made by the [TO BE CONFIRMED] must be authorised by the [TO BE CONFIRMED].
90. Each school is required to notify the Payroll and Pensions Team of all staff sickness and other absences during the month.
91. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee via the PS People portal. In turn this is authorised by the appropriate budget holder, prepared by the Payroll and Pensions Team and signed off by [TO BE CONFIRMED].
92. The Payroll and Pensions Team will issue a timetable for payroll processing at the beginning of the financial year, specifying key dates and deadlines.

Payroll payments

91. Before payments are processed, system generated reports should be reviewed and checked against source documentation by the Payroll and Pensions Team and then reviewed and initialled by the Payroll and Pensions Manager. Authority to release payment will be by Senior Finance Manager.
92. All salary payments are made by BACS.

93. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay reconciliation and payments processed for these amounts by BACS.
94. The Central Finance Team prepare a reconciliation between the current month's gross salary payments and the monthly payment schedule. This reconciliation is reviewed and signed by the [TO BE CONFIRMED].
95. The Payroll and Pensions Officers will select at least three employees per CMAT at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by the Payroll and Pensions Manager and review by the [TO BE CONFIRMED].
96. After the payroll has been processed the nominal ledger will be automatically updated. Postings will be made both to the payroll control accounts and to individual cost centres. The Central Finance Team should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.
97. Monthly, the Payroll and Pensions Team reconcile the gross pay for each member of staff to ensure it agrees to the contractual information held on the personnel file in PS People.

Salary advances

98. Advances to salary will only be agreed in exceptional circumstances. Requests must be approved by the HR Manager and Finance Director.

Overtime

99. Overtime is recorded by the individual employee and submitted via the PS People portal in line with the published payroll timetable.
100. Claims for overtime should not be submitted prior to work having been undertaken.
101. No payments for work undertaken will be made other than via the payroll system.

Severance payments

102. Severance payments may be paid to employees, contractors and others outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. Severance payments must not be made to staff with poor performance. The CMAT is able to self-approve the non-contractual element of severance payments up to £50,000.
103. Where the non-contractual element is £50,000 or more, prior approval from ESFA must be sought.
104. A business case form must be completed and the CEO (Accounting Officer) must review and sign off severance payments of any value.

Ex- gratia payments

105. Any ex- gratia payments must be submitted to ESFA for prior approval and made in line with the Academies Financial Handbook.

Income

ESFA grants

106. The main sources of income for the CMAT are the grants from the ES FA. The receipt of these sums is monitored by the Central Finance Team and any variance from the published payment schedule are investigated to ensure that all grants due to the CMAT are collected.

Other grants

107. The receipt of these sums is monitored by the Central Finance Team and any variance from the published payment schedule are investigated to ensure that all grants due to the CMAT are collected.

Trips

- 108. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school wants to subsidise the school trip, the amount of subsidy must be approved by the Central Finance Team in advance of the booking being made.
- 109. The Central Finance Team will set up a Trip record on PS Financials to capture all income and expenditure associated with the Trip. If Pupil Premium is to be used to part-fund a trip, the Central Finance Team must be informed.
- 110. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead member of staff must maintain a record for each student intending to go on the trip showing the amount due. A copy of the record must be provided to the Central Finance Team.
- 111. Students should make payments to the school. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
- 112. The school should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record will be available to the lead member of staff and Central Finance Team on request and the lead member of staff is responsible for chasing the outstanding amounts.

Catering

If cash payments

- 112. Cash payments must be reconciled on a daily basis to the lunch records by the School Office/Catering Manager and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the fortnightly banking sheet.
- 113. The cash is kept in the school safe prior to collection for banking.

114. The Central Finance Team will reconcile the banking sheet to actual receipts banked.

If electronic cash collection

115. The bank credits are reconciled to the reports generated from the cashless catering system.

Lettings

116. The school is responsible for maintaining records of bookings of school facilities and for identifying the sums due from each organisation. Payments for one off bookings should be made in advance for the use of facilities. Regular bookings will be invoiced.

117. Details of organisations using the sports facilities will be held by the Central Finance Team who will establish a sales ledger account and produce a sales invoice from PS Financials.

118. 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 that are held locally at the relevant school.

Sundry income

119. Income from other sources is priced in consultation with the Central Finance Team. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay.

Other Cash/Cheque Income

120. Cash must be counted and banked intact. Records must be maintained and signed off by the person counting the cash and an independent verifier.

121. All cheques and cash shall be banked regularly to ensure the maximum cash held at any point in time is less than £5,000.

122. Disbursements shall not be made from cash received. Paying-in slips must state the deposit amount and a reference to the receipt/debtor etc.

123. Change must never be given when payment is made by cheque.

Gift aid

124. The CMAT is able to claim gift aid on qualifying donations from individuals.

125. To ensure the CMAT receives all the monies it is entitled to, the Central Finance Team:

- reconciles income against records to confirm expected amounts have been received by the donor
- ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

Bad debts

- 122.** Bad debts are managed in accordance with the CMAT's write-off and Bad Debts Policy, which is approved by the Finance and Estates Committee.
- 123.** The CMAT chases all monies that have not been paid within 28 days of an invoice being issued, by telephone and or letter.
- Parental debts are chased by the school
 - Non-parental debts are chased by the CMAT's Central Finance Team
- 124.** For non- parental debts that remain outstanding for more than 6 months, the CMAT will consider commencing legal proceedings through the small claims court to recover the debt.
- 125.** If it becomes clear that the debt will not be repaid, the Finance Director submits a report for approval of write-off.
- 126.** The following write- off limits apply:
- Up to £500 – CEO (Accounting Officer)
 - £501 to £1,000 – Finance and Estates Committee
 - Over £1,000 – Board of Directors
 - Where stipulated in the Academies Financial Handbook, approval to write off bad debts will be obtained from the ESFA.

Purchasing

- 127.** The CMAT 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 CMAT
 - Accountability, the CMAT is publicly accountable for its expenditure and the conduct of its affairs
 - Fairness, that all those dealt with by the CMAT are dealt with on a fair and equitable basis

Routine Purchasing

- 128.** Budget Holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the Budget Holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget are available to each Budget Holder via PS Purchasing.
- 129.** Routine purchases up to £2,000 can be ordered by Budget Holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Central Finance Team. A quote or price must always be obtained before any order is placed. If the Budget Holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Central Finance Team.

130. Churchmarketplace and the DfE Deals for Schools should always be considered when making purchases.

Orders

130. All orders must be submitted using the CMATs online purchase ordering software, PS Purchasing. Orders are electronically checked to ensure there is adequate budget available and are approved in line with the delegated approval limits.

- Up to £1,000 – Budget Holder (or Office Manager/Operations Manager)
- £1,001 to £2,000 – Headteacher (unless delegated to Office Manager/Operations Manager)
- £2,001 to £10,000 – Central Finance Manager
- £10,001 plus – Finance Director

131. Approval is recorded in PS Purchasing, which allocates a Purchase Order number and commits expenditure. The Central Finance Team electronically dispatches orders to the supplier using the email functionality in PS Financials, unless the school has already placed the order via a different method.

132. On receipt the school must undertake a detailed check of the goods received and complete the Goods Received Note (GRN) on PS Purchasing. Discrepancies should be discussed with the supplier of the goods without delay.

133. All invoices should be sent directly to the Central Finance Team. Invoices received by a school, should be scanned and submitted to the Central Finance Team.

134. Invoices will be matched to the purchase order and invoice details recorded by the Finance Team into PS Purchasing.

135. All invoices are paid by BACS (see section above on BACS payments).

Orders over £2,000 but less than £10,000

136. At least two written quotations should be obtained for all orders between £2,000 and £10,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and uploaded to the Purchase Order for audit purposes.

Orders over £10,000 but less than £40,000

137. At least three written quotations should be obtained for all orders between £10,000 and £40,000, and framework agreements will be used where appropriate. Written details of quotations obtained should be prepared and uploaded to the Purchase Order for audit purposes.

138. The Finance Director must approve all expenditure over £10,000. The Business Services Director will need to be provided with details of spending at the planning stage to avoid delays in approval.

Orders over £40,000

- 139.** The Trust will be responsible for the procurement of all construction works and non-construction service contracts of over £40,000 (unless alternative arrangements have been agreed). Formal tendering procedures as outlined in the Competitive Procurement and Tendering policy should be followed.

Official Journal of the European Union

138. Service contracts over £181,302 and capital works contracts over £4,551,413 are to be dealt with in accordance with OJEU. OJEU (<http://www.ojeu.eu/>) updates the procurement thresholds per annum and the most up to date ones can be found on their website: <http://www.ojeu.eu/thresholds.aspx>

Trading with related parties

- 139.** All Directors, Governors and Staff must complete an annual declaration of their business and non-pecuniary interest. All related parties are added to a Trust-wide register and published on the CMAT website.
- 140.** The Trust must pay no more than 'cost' for goods or services provided to it by related or connected parties ('services' do not include services provided under a contract of employment).
- 141.** The Trust must ensure that any transaction with a connected individual/organisation is:
- a. properly procured through an open and fair process,
 - b. Supported by a statement of assurance from that individual or organisation that their charges do not exceed the cost of the goods or services,
 - c. On the basis of an open book agreement including a requirement for the supplier to clearly demonstrate, if request, that their charges do not exceed the cost of supply.
- 142.** The CMAT's register of interests must capture relevant business and non-pecuniary interests including:
- directorships, partnerships and employments with businesses
 - trusteeships and governorships at other educational institutions and charities
 - for each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began
- 143.** No Director, Governor, Staff member or related individual or organisation uses their connection to the CMAT for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the CMAT.
- 144.** The CMAT must report all transactions with related parties to the ESFA in advance of the transaction taking place, using the ESFA's on-line form (from April 2019).

Goods and services for private use

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

Leasing

- 153.** All leases must be assessed by the Central Finance Team prior to signing. The Finance Director or Business Services Director must sign lease agreements. Finance leases are not permitted, and professional advice will be sought for complex lease arrangements.

Contracts

- 154.** The CMAT may secure the provision of some services or arrangements under formal contracting arrangements. These contracts may be for a period of more than one year, but apply for a maximum of five years and may relate to potential expenditure commitments and income streams arising. Maintenance agreements, leasing or rental agreements shall also be covered by such contract definition. Signature of such agreements/arrangements must include the Finance Director or Business Services Director.
- 155.** The Business Services Director is required to ensure that formal tender arrangements are applied at least every five years, unless it can be clearly demonstrated that:
- a** the supply and/or service is still appropriate to the Trust's needs and
 - b** that relevant market testing has revealed no material financial penalty for not pursuing formal tender arrangements and
 - c** that a change in supplier would necessitate a material capital or other investment (e.g. purchases of specific ICT equipment or implementation/consultancy services.)

OR

- d** that the supply is demonstrably only available from one specialist supplier
 - e** where it is impractical to award a variation to works that an existing supplier is contracted for.
- 156.** The Central Finance Team will ensure that all contracts over £10,000 are centrally monitored against individually defined tolerance thresholds. In instances of significant change, a formal contract review will be undertaken, which may include a re-tender in some situations.
- 157.** The Central Finance Team will hold a copy of all contracts.
- 158.** Those negotiating contract arrangements must declare any potential or actual conflict of interest (including operational arrangements) to the Finance Director and must not be involved in the contract decision.
- 159.** No commitments must be made on behalf of the Trust to external suppliers of goods or services until such time that an approved contract and approved purchase order is in place.

Insurance

- 160.** The Finance Director reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises. The suitability of the DfE's Risk Protection Arrangement should always be included in annual reviews.

Directors/Governors Expenses

- 161.** St Thomas Aquinas Catholic Multi-Academy Trust acknowledges the role of Directors and Governors in maintaining the strong Catholic ethos, setting the strategic direction and monitoring the performance of the Trust. Although the role is voluntary, the Trust wishes to provide a facility for Directors and Governors to be reimbursed for expenditure which they may incur in the course of their duties.
- 162.** The separate expenses policy for Directors and Local Governors must be adhered to where it details which expenses are payable for attendance at 'Approved Duties'.
- 163.** The expenses which may be claimed are summarised below:
- ✓ Travel expenses
 - ✓ Subsistence expenses
 - ✓ Childcare and baby-sitting expenses
 - ✓ Governor assistance
 - ✓ Miscellaneous expenses
- 164.** All claims submitted for payment must be supported by a valid receipt.
- 165.** The following is a list of activities that the Catholic Multi-Academy Trust has deemed an 'Approved Duty' for the purpose of claiming expenses under this policy:
- ✓ Properly convened meetings of the Catholic Multi-Academy Trust and Local Governing Bodies
 - ✓ Other duties designated by the Academy Trust or Local Governing Body, e.g. acting as a member of a panel convened for recruitment, disciplinary, pay or other approved reason
 - ✓ Attendance at a meeting or conference approved by the Local Governing Body
 - ✓ Governors' formal visits to the school will qualify.
- 166.** It should be noted that casual visits to the Trust academies by any Director or Governor will not qualify for payment under this policy.

Gifts

- 164.** Ordinarily gifts should be rejected, unless they are of negligible value. However, any gifts or hospitality in excess of £25 are reported to the Central Finance Team for approval, in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift has the ability to influence purchasing decisions.
- 165.** Gifts that have been reported are entered onto the gifts and hospitality register.

Energy Management

- 166.** The Site Manager (or other designated individual) at each school is 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 reading should be raised with the Finance Manager immediately.
- 167.** The Site Manager (or equivalent) ensures the heating system is operated and run as efficiently as possible.

- 168.** The Business Services Director ensures that the school is purchasing energy at the most competitive prices available.
- 169.** 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).

Anti-Fraud (also see separate Anti-Fraud, Bribery and Corruption Policy)

- 170.** The Board is absolutely committed to maintaining an honest, open and well-intentioned atmosphere within the CMAT, so as best to fulfil the objectives of the CMAT and of the Department of Education. It is therefore also committed to the elimination of fraud within the CMAT, to the rigorous investigation of any such cases, and where fraud or other criminal act is proven to ensure that wrong doers are appropriately dealt with. The Trust will also take appropriate steps to recover any assets lost as a result of fraud.
- 171.** The Board wishes to encourage anyone having reasonable suspicions of fraud to report them. The Trust's policy, which will be rigorously enforced, is that no employee should suffer as a result of reporting reasonably held suspicions.
- 172.** The CEO will ensure that issues raised under the CMAT's Whistleblowing procedure which have a bearing on the Trust's Financial Regulations are investigated in accordance with that procedure.
- 173.** External and Internal Auditors will plan and conduct their work so that they will have a reasonable expectation of detecting material financial irregularities including fraud and breach of the Financial Regulations. However, neither external nor internal audit are required to search specifically for irregularities and fraud and their audit should not therefore be relied upon to disclose them.
- 174.** Any significant (determined by Academies Financial Handbook) or systematic/unusual instances of fraud or theft must be notified to the ESFA, therefore the CEO must be notified immediately.

VAT

- 175.** The CMAT is not VAT registered. VAT is recovered on academy business expenditure via VAT 126 each month. VAT is not added to sales invoices.
- 176.** The CMAT maintains VAT records on PS Financials. All members of the Central Finance Team are responsible for accurately recording the VAT on each financial transaction.

Fixed Assets

Asset register

- 174.** All items purchased with a value over the CMAT's capitalisation threshold of £2,000 must be entered on the fixed asset register with the following details:
- asset description
 - asset number
 - serial number (where applicable)
 - date of acquisition
 - purchase 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

175. 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

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

- ICT hardware and software (including licences)
- Reprographic equipment photocopiers, comb binders, laminators
- Office equipment telephones, switchboard, shredders
- Furniture
- AV equipment – TVs, video/DVD players, projectors, 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
- Buildings

Security of assets

178. All the items in the register are permanently and visibly marked as the CMAT's property.

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

180. An annual asset check is undertaken (or organised) by the Central Finance Team. Where discrepancies between the physical check and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Audit and Risk Committee.

Disposals

180. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Director.

181. The CMAT must seek the approval of the ESFA in writing if it proposes to dispose the freehold of land or buildings or heritage assets.

182. The CMAT must ensure that the disposal achieves the best price than can be reasonably obtained and maintains the principles of regularity, propriety and value for money.

183. All disposals must be retrospectively reported to the Finance and Estates Committee.

Loan of Assets

- 184.** Items belonging to the CMAT are for academy trust business use only and must not be removed from school premises without the authority of the Headteacher. A record of the loan must be logged and booked back into the school when it is returned.
- 185.** 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 CMAT Auditors.