

The Blessed Cyprian Tansi Catholic Academy Trust



TRUST FINANCE POLICY 2015/2016

Revised Policy For Approval by The Blessed Cyprian Tansi Catholic
Academy Trust Finance Committee: November 2015

Objectives

The objectives of this policy are to set guidelines for the financial operation of The Blessed Cyprian Tansi Catholic Academy Trust (as well as the individual establishments) to ensure sound and effective financial procedures by complying with the current financial regulations and adopting good working practices such as:

- establishing proper financial management arrangements and accounting procedures, in line with Education Funding Agency (EFA) recommendations;
- maintaining a reliable system of internal controls;
- ensuring that resources are properly allocated and that the principle of best value is adopted;
- outlining the areas of responsibility within each Academy;
- Ensuring that the requirements of accountability are fulfilled

The Trust aims to operate in transparent, ethical and accountable ways in which to promote effective management. This document has been adopted by the Trust as the basis for the administration and management of finances in each of the schools forming the Trust

Strategies for Implementation

Overall Management Responsibilities	
The Trust Board of Directors (Executive Committee)	<ul style="list-style-type: none"> ▪ ensuring that the Trust's finance is managed effectively ▪ approving and monitoring the budget (GAG). ▪ establishing the financial limits of delegated authority in line with the Academies Finance Handbook ▪ establishing the Terms of Reference for the Trust Finance Committee and confirming that Committee has delegated powers to make decisions and report back to the Trust Board of Directors (Executive Committee).
The Board of Directors, Academy Governors, Staff, Finance Committee	<p>The Trust Finance Committee has delegated responsibilities approved by the BCTCAT for the following aspects of Financial Management:</p> <ul style="list-style-type: none"> ▪ strategic planning ▪ providing appropriate policies ▪ assisting/preparing the annual budget for approval and ensuring that this approval of the budget is minuted in the Board of Governors minutes; ▪ regular monitoring of the financial position of the school; ▪ authorisation of expenditure. Each Head Teacher (Accounting Officer) or his/her deputy can approve expenditure up to £5,000 (Primary Academies) and £10,000 (Secondary Academy). For Primaries, expenditure over £5,000 but less than £50,000 must be approved by the individual finance committees. Expenditure in excess of £50,000 must be approved by the Trust Finance Committee. ▪ tenders for contract services ▪ keeping in-school financial procedures under review via Responsible Officer audits ▪ maintenance and review of the Finance Policy ▪ ensuring links to the School Development Plan ▪ ensuring a full annual audit is conducted using external auditors
The Head Teacher (Accounting Officer)	<p>The Head Teacher (HT) is identified as the accounting officer, in each establishment who is appointed to be personally responsible to the individual governing body and the Trust for:-</p> <ul style="list-style-type: none"> ▪ Ensuring regularity and propriety ▪ Ensuring prudent and economical administration ▪ Avoidance of waste and extravagance ▪ Efficient and effective use of available resources

Overall Management Responsibilities

	<ul style="list-style-type: none"> ▪ The day to day organisation, staffing and management of the individual Academy/School (Governors should have appointed a School Business Manager (SBM)/Bursar/Finance Officer to manage the finances). The HT should ensure that: ▪ The individual Academy Finance Committee is provided with financial advice through the work of the SBM ▪ Proper and adequate financial systems and controls are in place ▪ Accounts are prepared and maintained as required by the individual Finance Committee, the Trust and the EFA. All Academies will use the same financial coding in SIMS to ensure joint Trust accounts can be prepared. ▪ Delegates the day to day financial management to the SBM while retaining ultimate responsibility ▪ Members of staff with responsibilities (Curriculum areas, Heads of Key stage, SEN etc) are responsible for curriculum budgets assigned to them
Cheques and BACS	<p>The HT's signature (and/or other nominated member as stipulated on individual Academy bank mandates) is required for the approval of expenditure by cheque.</p> <p>The individual Governing Bodies should be authorised that any one/two (from the agreed mandate's possible signatories) may authorise payments for invoices under £10,000, invoices over £10,000 requires two signatures including the Chair of Governors signature.</p> <p>De Lisle College – three signatures including delegated governor for invoices over £10,000</p> <ul style="list-style-type: none"> ▪ The Chair of Governors ▪ the Head Teacher ▪ the Deputy/Assistant Head Teachers ▪ SBM (De Lisle College) <p>BACS payments should be considered where possible with 'enabled' suppliers as this is a more cost effective payment method. Online banking (Nat West) is managed by the SBM/Finance Officer</p>

Budget Planning

<p>The budget forms part of the School Development Plan. By identifying and allocating financial resources, the school prioritises its targets and objectives and facilitates the achievement of its educational aims.</p> <p>The SBM will prepare the annual budget, with the HT, ensuring that planned expenditure, staffing costs, additional projects and other known expenditure and income are included in the figures.</p> <p>The SBM will produce a 3 year plan ensuring information is as accurate as possible.</p> <p>The SBM will also produce regular management accounts for each meeting of their Academy's Finance Committee showing up to date information and ensuring that transactions are accurate.</p> <p>The SBM will ensure that appropriate returns are made to the EFA.</p>
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Purchasing

<p>1. Procedures</p>	<ul style="list-style-type: none"> ▪ Purchasing procedures have been put in place to ensure that the school follows the fundamental principles of probity, accountability and value for money ▪ Segregation of duties is used whenever possible: Purchase Orders are placed by
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Purchasing

	<p>members of staff and authorised by the HT and the SBM/Head of Dep't/Budget Holder, once he/she is satisfied that sufficient funds are available, will place the order</p> <ul style="list-style-type: none"> ▪ The order is raised by the SBM/Bursar/Finance Officer using SIMS Academies Financial accounting package. The HT/ approves these orders. ▪ De Lisle College The order is raised by Finance Officer/Finance Assistant using SIMS Academies Financial accounting package. The HT/ SBM approves these orders (Finance Officer approves orders in the absence of the SBM for low value departmental orders up to £1,000 ▪ For transactions where an official purchase order is not the most appropriate approach, the school may use the GPC card to place orders/ purchase goods. These are held in a secure location in each Academy and can be used by the HT, SBM and authorised members of staff. The limits are set/approved by individual Academies. All transactions are checked by the SBM on a monthly basis when the GPC statements are reconciled. The total GPC card statement is paid off in full each month by way of a direct debit payment. ▪ It may not, however, always be possible to have complete segregation of duties due to the limitation of staffing arrangements ▪ Each Academy is careful to apply the principles of best value for money by using known suppliers with proven capacity to provide quality, quantity and timely delivery at a competitive price. ▪ Non-order invoices are discouraged as much as possible. Purchasing items by telephone orders should always be authorised beforehand and supported by the issue of an official order if practical. ▪ All purchases estimated to be under £10,000 should be made with reference to the best value for money in the market place at the time of purchase. All purchases estimated to be over £10,000 should be supported by three official quotations. All purchases estimated to be over £20,000 should be put out to tender. The HT and SBM must ensure that at least three contractors are invited to submit tenders or if for building works, employ C.P. Associates (Agents to the Diocese) to undertake the tendering process on their behalf ▪ It may not always be possible to source three quotes for purchases of specialised services/equipment, if this is the case the RO on inspection should be presented with details clearly stating the reasons why. ▪ The Board of Governors of each Academy must maintain a register of business interest for each member of the Governing Body and the HT as a standing item on the agenda for each meeting. An opportunity to declare business interests will be on the agenda of all meetings of the committees.
<p>2. Payment of Invoice</p>	<ul style="list-style-type: none"> ▪ Invoices are processed by the SBM/Bursar/Finance Officer once approval has been sought to ensure goods have been received. ▪ The person receiving goods should act as the Certifying Officer and must sign the appropriate paperwork to certify that : <ul style="list-style-type: none"> ○ The goods supplied, work done, or services rendered have been satisfactorily carried out and order complied with; ○ The charges are correct and in accordance with quotations or contracts; ○ All appropriate discounts have been claimed (every effort should be made to ensure that discounts are not lost) i.e. discounts for early payment; ▪ The SBM will process the invoice using SIMS Financial accounting software. Payments are made via cheques (or BACS) whenever possible and signed as above. ▪ Items over £100 considered to be portable or desirable must be added to the inventory. Purchases over £5000 (IT, Vehicles, Equipment) will be added to the

Purchasing

	<p>capital asset register.</p> <ul style="list-style-type: none"> ▪ All building works over £5000 will be capitalised. ▪ Any VAT recoverable on the payment has been identified and expenditure coded accordingly ▪ All invoices should be entered onto SIMS as received so Creditors are shown in accounts <p>This authorisation means that:</p> <ul style="list-style-type: none"> ▪ The invoice has been correctly certified and coded; ▪ The invoice has not been previously paid (If copies are received they will be signed off as “goods received invoice not previously paid”) ▪ The expenditure is covered by an approved budget provision. ▪ There is clear segregation of duties
3. Staff Expenses/ Mileage claims	<ul style="list-style-type: none"> ▪ Mileage claims must be claimed using the appropriate claim form in each Academy and approved by the HT/CPD Leader/SBM ▪ Payment is made via the SBM/Bursar/Finance Officer in each Academy. ▪ The amount agreed for reimbursement should be in line with rates advised by the Accountants.

Good practice

1. Petty Cash	<p>Petty cash reimbursements and cheque payment reimbursement claims: Claims presented within a different financial year from the date on the receipt will not be authorised.</p> <p>Petty Cash reimbursements can be claimed for small items purchased locally to a maximum of £100. VAT receipts should be obtained. A maximum of £500 Petty Cash may be kept securely in the safe in each Academy.</p> <p>The following guidelines should be followed when handling cash:</p> <ul style="list-style-type: none"> ▪ Do not count cash in public; ▪ Do not leave cash unsecured in an unattended area or room; ▪ Use the fire-proof safe to store large amounts of cash; <p>Give receipts for cash/cheques received where possible.</p>
2. Staff Gifts & Hospitality	<p>Academies within the Trust can give or receive gifts up to £20 without limit or declaration. Gifts of a value of £20 and over should be recorded in a “Gift Register” and reported to the local finance committee.</p>
3. Overseas Travel	<p>Any planned overseas travel for staff (Educational visits/Training) should be approved by Academies at Governing Body level and cost/benefits reviewed to ensure best value for money.</p>
4. Pecuniary Interests	<p>The Academies Handbook requires senior staff to declare their interests and the Operational Group agreed that this should include the Senior Leadership Team, Staff Governors, The Business Manager, Facilities/Premises Manager and Finance Officer.</p>

Income

	<ul style="list-style-type: none"> ▪ Income must be banked weekly whenever possible or more often (Kings Cash Collection Service where possible or local Nat West) to ensure the insured cash level is not exceeded. ▪ Cash received should be counted promptly, by the SBM or designated staff member in each Academy and stored in the safe
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Income

- Trip money must be entered on collection sheets (against pupil names) to ensure an audit trail for accurate payment management
- De Lisle Trips are recorded on "Schools Cash Office" software. Cash can be recorded on this system and parental payments can also be made online and recorded against each trip and reconciled daily.
- receipts for all bulk income paid are issued
- The SBM will be required to report to the RO that all income has been appropriately accounted for.
- Known incomes or any invoices raised should be entered on SIMS without delay so show in accounts as Debtors
- Debts – any debts will be pursued for one year (or to 31st August in next financial year). If and when any debt becomes unrecoverable it will become a 'bad debt' and will be dealt with in accordance with the AFH section 5.3.6. Under £500 the debt will be written off at school (Academy) level by individual Finance sub-committees. Over £500 but under £45000 will be written off at Trust level and over £45000 by the EFA.

Reconciliation Of Accounts And Management Reporting

- Each Academy needs to monitor its financial progress continually and report on it to various bodies, such as the Board of Governors and EFA
- The SBM/Finance Officer needs to complete various returns/claims in relation to income and expenditure such as VAT, WGA and end of year accounts.
- The lists of reports, claims and returns and their submission deadlines are defined by the EFA.
- Internal reconciliations such as the Bank Reconciliation should be completed on a weekly basis (but only if it is deemed that a significant number of transactions have taken place).
- Bankline (Nat West online banking) or paper bank statements may be used for reconciliation.
- Full reconciliation of all accounts (multiple bank accounts, petty cash, VAT etc) should be done at the end of every month.
- Regular checks on aged Debtors to be carried out termly.
- Reconciliations should be done against GAG schedule from EFA monthly.

Depreciation

- The school will prepare a depreciation policy
- The agreed figures for depreciation are
 - 2% over 50 years for buildings (leased) and additional building works
 - 33.3% over 3 years for IT/Electrical Appliances (over £5000)
 - 25% over 4 years for Vehicles
 - 20% over 5 years for major refurbishments (furniture/equipment/fixtures & fittings)

Lettings

- BCTCAT income generated by lettings represents a small percentage of the total Trust income and contributes to the financial health of the Academies.
- Segregation of duties regarding the management of lettings is managed by the SBM/Finance Officer and Premises Staff where records are kept relating to bookings. The lettings are mainly regular hirers who receive an invoice from the school on a termly basis.
- Letting income is received and banked by the SBM. The SBMs report to individual Finance Committees via the Budget Monitoring process.
- BCTCAT Finance Committee will recommend to the individual Academies the proposed letting fees on an annual basis as part of approving the overall Trust budgets. These are then implemented as soon after 1st September as possible by the SBM.

Asset Register

- The FGB is responsible for the safe custody and physical control of stock and equipment and is required to monitor the inventory of portable, non capital assets.
- The Head Teacher is responsible for ensuring that assets under his/her control are correctly

Asset Register

recorded in the Asset Register/Inventory

- The Asset Register is checked (annually) and overseen by the SBM. The IT Technician will assist in the maintenance of the IT register.
- Write-offs and disposals of assets are only authorised by the HT (up to £1,000) and by the individual Academy's Finance Committee (over £1,000). Over £5000 will go to BCTCAT Finance Committee.

Insurance

- The Academies are insured for 'All Risks' for buildings, content, employer and personal liability, through the CCIA and Zurich Insurance.
- All staff are responsible for safeguarding their assets
- All valuable items are kept secure wherever practicable
- Attempts are made to keep valuable items as secure as possible against theft.
- Loans of equipment must be for school use only
- Each Academy will not maintain more than £3000 cash, in total, on the premises

Payroll

The main elements of the payroll system are:

- Staff appointments
- Payroll administration
- Pension administration
- Salary payments

Staff Appointments

- The individual Academies' Governing bodies have approved a personnel establishment for each academy as part of the overall budget process. Any changes that are required by the school allowing it to function efficiently can be made by the HT who must ensure that adequate budgetary provision exists. Any changes must be reported by the SBM at the next meeting.
- The HT has authority to appoint staff within the authorised establishment except for members of Senior Leadership Team whose appointments must follow consultation with the Governors. The HT / Personnel Officer maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the SBM/ Personnel Officer immediately for payroll changes to be undertaken.
- The SBM/Personnel Officer will notify staff in writing of contract changes.
- The BCTCAT will be involved in any HT appointment within the Trust

Payroll Administration

- The academy payroll is administered by Moorepay Ltd. Each Academy is responsible for setting up new starters, leavers and making changes to contracts. Access to the system is limited to the HT and SBM. All staff are paid on the last working day of each month directly into bank accounts. A master file is received from Moorepay for each employee which records:
 - Salary
 - Pension contributions
 - taxation status;
 - any deductions or allowances payable
- Moorepay will provide the school with a monthly payroll report (PDF format) showing the total cost to the school broken down by individual employees and by category of employee. This is reconciled by the SBM/Personnel Officer and authorised by the HT/SBM. The copy is retained and is open for inspection by the RO.
- Each Academy must inform the payroll provider of all changes to staff contracts that affect salaries without delay. Staff annual increments must be notified to Moorepay at relevant times during year. All changes to hours/grades must be authorised by the Headteacher.

Payroll Administration

- Tax code changes must be notified to payroll provider by each Academy as they are individually registered with HMRC. All statutory returns to HMRC or other official bodies are the responsibility of the individual Academies.
- A payroll BACS authorisation slip signed by the Head Teacher or SBM is sent to Moorepay to allow the release of payments to individuals and third parties.
- Each Academy will ensure employee records are maintained on SIMS, including documented paperwork relating to contracts in personnel files held by the HT.
- The Trust will pay at least Minimum Wage (1/10/14 £6.50 over 21yrs) to all employees unless on a recognised Apprenticeship Scheme.

Pension Administration

- The SBM is responsible for the administration of pensions with Teachers Pension Agency, the Local Government Pension Scheme and any other agency such as Legal and General regarding AVC's.
- Each Academy is responsible for setting up new starters, leavers and making changes to contracts.
- Moorepay make payments to third parties as instructed by the Academy
- Year-end reconciliation and summaries are produced by the SBM and reported to individual Academy Finance Committee through the Budget monitoring process.

Salary Payments

- The Governing Body has approved a personnel establishment for the academy. Changes can only be made to this establishment with the express approval in the first instance of Finance Committee who must ensure that adequate budgetary provision exists for any establishment changes.
- All salary payments are made by BACS (except in exceptional circumstances where the HT will approve a cheque to be produced, again this will be open to inspection by the RO)
- Moorepay have third party authorisation to take the payments from the school's bank account.
- 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 and net pay print which should be authorised by the SBM. After the payroll has been processed the SBM/Finance Officer processes the payments through SIMS financial accounting system. Postings will be made to individual cost centres to reflect budget provision.

Internal Audit and Monitoring

The Responsible Officer (RO) is appointed by the governing body and provides Governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer will undertake reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the individual Academy. A report of the findings from each visit will be presented to the Finance Committee. Detailed guidance (and checklist) on the transactions to be checked are issued by the EFA and can be found in the Academies Financial Handbook or via the website

Cash flow / Investments

The day to day monitoring of the schools cash flow is administered by the SBM. Where appropriate the SBM will recommend to the HT and Finance Committee the opportunity to maximise income by way of

Cash flow / Investments

investments through High Street clearing banks. The Chair of Finance Committee will be consulted before any short term investments (no more than one year) are undertaken. BCTCAT Finance Committee will be presented with a position statement on all investments as part of the Budget monitoring process.

The Trust surplus funds or 'Reserves' should be reported to the Trustees and BCTCAT Finance Committee following the closure of the financial year (and submission of Company Accounts) and the use of these funds will be discussed.

System Access and Backup

Access	The SBM is responsible for ensuring that all systems can only be accessed by approved personnel and adequate password protected exists. The SBM (with the IT Technician) is responsible for setting access levels for all members of staff using the system.
Backup Procedures	<p>The HT is responsible for ensuring that there are effective back up procedures for the system. This process should be completed weekly with an off-site backup being completed where possible.</p> <p>Each Academy's Business Continuity Plan should be consulted in the event of loss of accounting facilities or financial data.</p>