



# **FINANCE MANUAL**

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## 1. Introduction

- 101 The purpose of this manual is to ensure that Wardle Academy Trust maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Education Funding Agency (EFA).
- 102 Wardle Academy Trust must comply with the principles of financial control outlined in the academies guidance published by the EFA. This manual expands on that and provides detailed information on the academy's accounting procedures and systems. The manual should be read by all staff involved with financial systems.

## 2. Organisation

- 201 Wardle Academy Trust has defined the responsibilities of each person involved in the administration of academy finances to avoid a duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

### The Board of Trustees

- 202 The Board of Trustees has overall responsibility for the administration of Wardle Academy Trust's finances. Management and accountability for school finances is delegated to the individual governing bodies of our academies. Their role includes
- ensuring the Annual Report and Accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies;
  - reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to Trustees meetings and the individual governing body meetings.

### The Governing Body

- 203 The individual governing body has overall responsibility for the administration of individual academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the EFA and in Wardle Academy Trust's scheme of government. The main responsibilities include:
- ensuring that grant from the EFA is used only for the purposes intended;
  - approval of the annual budget
  - appointment of the Headteacher and

- appointment of the Finance Manager, in conjunction with the Headteacher.
- authorising the award of contracts over £100,000

### **The Finance Committee**

- 204 The Finance Committee is a committee of the governing body. The Finance Committee meets at least once every half term but more frequent meetings can be arranged if necessary.
- 205 The main responsibilities of the Finance Committee are detailed in written Terms of Reference which have been authorised by the Governing Body. The main responsibilities include:
- the initial review and authorisation of the Annual Budget;
  - the regular monitoring of actual expenditure and income against budget;
  - agreeing financial policies for Full Governing Body approval
  - authorising the awards of contracts over £50,000;
  - authorising changes to Wardle Academy Trust personnel establishment and

### **The Headteacher**

- 206 Within the framework of Wardle Academy Trust development plan, as approved by the governing body, the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the individual academy Finance Managers but the Headteacher still retains responsibility for:
- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
  - authorising contracts between £5,000 and £50,000 in conjunction with the Finance Manager;
  - signing cheques in conjunction with the Finance Manager or other authorised signatory;

### **The Finance Manager**

- 207 The Finance Manager works in close collaboration with the Headteacher through whom they are responsible to the governors. The Finance Manager also has direct access to the governors via the Finance Committee. The main responsibilities of the Finance Manager are:
- the day to day management of financial issues including the establishment and operation of a suitable accounting system;

- the management of the **academy's** financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- authorising orders below £5,000 in conjunction with budget holders;
- signing cheques in conjunction with the Headmaster or other authorised signatory and
- ensuring forms and returns are sent to the EFA in line with the timetable in the EFA guidance.

### **The Responsible Officer**

208 The Responsible Officer (RO) is appointed by the **Trustees** and provides **trustees** with an independent oversight of Wardle Academy Trust's financial affairs. The main duties of the RO are to provide the **trustees** with independent assurance that;

- the financial responsibilities of the **individual governing bodies** 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.

209 The Responsible Officer (RO) will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the **Trustees Meeting**. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the EFA guidance and agreed with the auditors of the academy.

### **Other Staff**

210 Other members of staff, primarily the Finance Officer, Admin Manager and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Wardle Academy Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

### **Register of Interests**

- 211 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Wardle Academy Trust governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.
- 211 The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with Wardle Academy Trust. The disclosures should also include business interests or relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.
- 212 The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

### **3. Accounting System**

- 301 All the financial transactions of Wardle Academy Trust must be recorded on the Sage 200 accounting system. The Sage 200 accounting system is operated by the academy's Finance Department and consists of:

Nominal ledger,  
Purchase ledger,  
Sales ledger, and  
Cash book

#### **System Access**

- 302 Entry to the Sage 200 accounting system is password restricted and the Finance Manager is responsible for implementing the system which ensures that passwords are changed every 90 days.
- 303 Access to the component parts of the Sage 200 accounting system can also be restricted and the Finance Manager is responsible for setting access levels for all members of staff using the system.

- 304 Support for the Sage 200 accounting system is currently provided by Viking Management Systems Ltd who would be able to assist with access rights in the unexpected absence of the Finance Manager.

#### **Back-up Procedures**

- 305 The Finance Manager is responsible for ensuring that there are effective back up procedures for the system. Back-ups are taken each night and tapes are used on a rotation basis and one copy stored off site in a secure fireproof container.
- 307 A copy of the nominal ledger and audit trail should be exported onto a PDF file and filed electronically in a safe and secure location.
- 308 The Finance Manager should also prepare a disaster recovery plan in the event of loss of financial facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which Wardle Academy Trust is exposed and the systems that have been put in place to mitigate those risks.

#### **Transaction Processing**

- 309 All transactions input to the Sage 200 accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the purchase ledger and the sales ledger are included in the following sections of this manual. Bank transactions should be input by the Finance Officer and the input is checked by means of the bank reconciliation by the Finance Manager.
- 310 Detailed information on the operation of the Sage 200 accounting system can be found within the system and on the Sage website.

#### **Transaction Reports**

- 311 The Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
- Supplier and customer detailed reports for the purchase ledger and sales ledger;
  - Management accounts summarising expenditure and income against budget at budget holder level.

#### **Reconciliations**

- 312 The Finance Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account;

- purchase ledger control account;
- payroll control account;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement.

313 Any unusual or long outstanding reconciling items must be brought to the attention of the Headteacher. The Headteacher will review and sign all reconciliations as evidence of his/her review.

## 4. Financial Planning

401 **Each academy within the Trust** prepares both medium term and short term financial plans.

402 The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the **academy's** educational and other objectives are going to be achieved within the expected level of resources over the next 3 years.

403 The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to **the school** and the planned use of those resources for the following year.

404 The development planning process and the budgetary process are described in more detail below.

### Development Plan

405 The development plan is concerned with the future aims and objectives of **the individual academy** and how they are to be achieved; that includes matching the academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

406 The form and content of the development plan are matters for **each academy** to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the EFA.

407 Each year the Headteacher will propose a planning cycle and timetable to the governing body which allows for:

- a review of past activities, aims and objectives – "did we get it right?"
- definition or re-definition of aims and objectives – "are the aims still relevant?"
- development of the plan and associated budgets – "how do we go forward?"



- implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course” and
  - feed back in to the next planning cycle – “what worked successfully and how can we improve?”
- 408 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the key stages will be assigned by the Headteacher.
- 409 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following 2 years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 410 For each objective the lead responsibility for ensuring progress is made toward the objective will be assigned to a member of the school’s leadership group. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the leadership group on a quarterly basis. The leadership group will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

### **Annual Budget**

- 411 The Finance Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance Committee and the Governing Body. The approved annual budget must then be imported onto the Sage 200 Accounting System from the excel based budget build model.
- 412 The approved budget must be submitted to the EFA by 30<sup>th</sup> of June each year and the Finance Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensure that the submission date is met.
- 413 The annual budget will reflect the best estimate of the resources available to Wardle Academy Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
- 414 The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of EFA grant receivable;
  - review of other income sources available to Wardle Academy Trust to assess likely level of receipts;

- review of past performance against budgets to promote an understanding of Wardle Academy Trust’s cost base;
- identification of potential efficiency savings and
- 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.

### **Balancing the Budget**

- 415 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

### **Finalising the Budget**

- 416 Once the different options and scenarios have been considered, a draft budget should be prepared by the Finance Manager for approval by the Headteacher, the Finance Committee and the governing body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 417 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

### **Monitoring and Review**

- 418 Half-termly reports will be prepared by the Finance Manager. The reports will detail actual income and expenditure against budget for both budget holder and at a summary level for the Headmaster and the Finance Committee.
- 419 Any potential overspend against the budget must in the first instance be discussed with the Finance Manager.
- 420 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be agreed by the Finance Committee.

## 5. Payroll

501 The main elements of payroll are:

- staff appointments;
- payroll administration and
- payments.

502 **The trustees have** approved a personnel establishment for Wardle Academy Trust. Changes can only be made to this establishment with the express approval in the first instance of the Finance Committee who must ensure that adequate budgetary provision exists for any establishment changes.

503 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Heads and the Finance Manager whose appointments must follow consultation with the **trustees and** governors. The HR Officer maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the HR Officer immediately.

### **Payroll Administration**

504 The payroll is administered using Sage 50 Payroll software by the Finance Manager, Finance Officer and HR Officer.

505 All staff are paid monthly on the 15<sup>th</sup> or the last working day before the 15<sup>th</sup> if it is a weekend or bank holiday.

506 All changes to contracts and personal details, new starters and leavers are passed to the Finance Manager by the HR Officer along with any timesheets from employees throughout the month. Around the 7<sup>th</sup> of each month, the Finance Manager and **either** the Finance Officer or HR Officer will use Sage 50 Payroll to calculate and process the payroll.

508 A variance report is checked which highlights significant differences between this month and last month and all changes are investigated and documented.

507 Details for all sickness and other absences are recorded by the HR Officer on Sage 50 Payroll.

## Payments

- 509 Before the payments are released, either the Finance Officer or HR Officer (whichever one did not process the payroll) will check the payroll reports for accuracy and the payment list is then authorised for release by 2 of the academy's signatories.
- 509 All salary payments are made by BACS via Yorkshire Bank's Business Online service.
- 510 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for PAYE, National Insurance contributions and pensions.
- 511 After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The Finance Manager should ensure that Payroll Control is fully allocated to individual cost centres each month. The Finance Manager 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.
- 512 All payments to other agencies (HMRC, pensions, unions, childcare vouchers etc) are processed via the Sage 200 financial system.
- 516 On an annual basis the Finance Manager must check for each member of staff that the gross pay per the payroll system agrees to their personnel record held on the staff records database.

## 6. Purchasing

- 601 Wardle Academy Trust wants to achieve the best value for money from all purchases. This means we want to get what we need in the correct quality, quantity and time at the best price possible. A large proportion of the purchases will be paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:
- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy.
  - **Accountability**, Wardle Academy Trust is publicly accountable for its expenditure and the conduct of its affairs;
  - **Fairness**, that all those dealt with by the academy are dealt with on a fair and equitable basis.

### **Routine Purchasing**

- 602 Budget holders will be informed of the budget available to them at least a 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. Budget holders will be provided with a half termly statement showing budget available and actual expenditure incurred and commitments made. Budget holders are responsible in managing their own budgets with Finance advising where necessary on any corrective action required.
- 603 Routine purchases up to £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office on the Sage 200 accounting system. 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 Finance Manager. Orders over £1,000 and up to £5,000 must be placed by an authorised signatory
- 604 Purchase orders will only be raised upon receipt of an internal requisition form which must bear the signature of the budget holder. These will be passed to the Finance Officer who will ensure adequate budgetary provision exists before raising an official order on Sage 200. The orders are signed by a signatory which is usually the Finance Manager but must never be the same person who signed the requisition.
- 605 A copy of all orders and requisitions are kept in the finance office.
- 606 The Finance Officer must make appropriate arrangements for the delivery of goods to Wardle Academy Trust. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
- 607 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified.
- 608 All invoices should be sent to the Finance Office. Invoices will be posted direct onto the accounting system and matched against the purchase order. If the invoice does not match exactly to the purchase order the budget holder is alerted to authorise (or otherwise). The Finance Officer will stamp invoices with a grid on which the following can be evidenced:
- Invoice arithmetically correct;
  - Invoice posted to purchase ledger;

- Goods/services received;
- Goods/services as ordered;
- Prices correct;
- Invoice authorised for payment;
- Payment authorised;
- VAT treated correctly and
- Payment made.

- 609 If a budget holder is pursuing a query with the supplier the Finance Department must be informed of the query and periodically kept up to date with the progress. Outstanding orders are monitored by Finance on a regular basis.
- 610 All invoices are authorised for payment by one of the school signatories (see 803).
- 611 Once authorised, the invoices will be paid on the next payment run which are completed every two weeks. BACS is the preferred payment method for suppliers but where no bank details are held, cheques will be raised, signed by authorised signatories, and dispatched to suppliers by the Finance Assistant. The BACS file is also authorised by the relevant signatories and released via Yorkshire Bank's Business Online service.
- 612 Wardle Academy maintains 3 credit cards to assist in the purchasing of "on-line" items. All procedures covering approval and payments are the same as for normal purchases.

**Orders over £10,000 (excluding VAT) but less than £50,000 (excluding VAT)**

- 613 At least 3 quotations should be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods/services. Verbal quotations should be followed up with written confirmation wherever possible. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and written confirmation of quotes has been received before a purchase decision is made.

If there are exceptional circumstances (see below), the requirement for 3 quotes may be relaxed but only after consultation with the Finance Manager and there should be a written statement explaining the decision. Reasons may include:

- **The lack of specialist suppliers.** For example, the product may be totally unique (for example a software product) or there may only be one or two suppliers in the region (for example swimming pool cover manufacturers)
- **Extreme urgency.** If a product service is needed urgently and there is insufficient time to obtain 3 quotes (for example emergency repairs to a building or piece of equipment which otherwise poses a danger to staff and / or students)

- **The justification to return to a current / previous supplier.** For example, all the furniture currently in school has been manufactured and supplied by a single company so for any new items to match, they will need to be ordered from the same supplier.

#### **Orders over £50,000 (excluding VAT)**

- 614 All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be considered for tendering purposes on a case by case basis. Purchases over £93,738 (threshold from 26/01/06) may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

#### **Forms of Tenders**

- 615 There are 3 forms of tender procedure: open, restricted and the circumstances in which each procedure should be used are described below.

**Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

**Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs.
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply Wardle Academy Trust's requirements
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

**Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- The above methods have resulted in either no or unacceptable tenders,
- Only one or very few suppliers are available,
- Extreme urgency exists,
- Additional deliveries by the existing supplier are justified.

### **Preparation for Tender**

616 Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract.

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

### **Invitation to Tender**

618 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

619 An invitation to tender should include the following:

- Introduction/background to the project
- Scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of tender and
- Form of response

### **Aspects to Consider**

#### ***Financial***

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

#### **Technical Stroke Suitability**

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards



- Quality control procedures
- Details of previous sales and references from past customers.

#### **Other Considerations**

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

#### **Tender Acceptance Procedures**

- 620 The invitation to tender should state the date and time by which the completed tender document should be received by Wardle Academy Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

#### **Tender Opening Procedures**

- 621 All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders – two from the The Headteacher, Finance Manager, and a member of the Finance Committee
- 622 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

#### **Tendering Procedures**

- 623 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 624 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 625 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Finance Committee highlighting the

relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance Committee.

- 626 Where required by the conditions attached to a specific grant from the EFA, the department's approval must be obtained before the acceptance of a tender.
- 627 The accepted tender should be the one that is economically most advantageous to Wardle Academy Trust. All parties should then be informed of the decision.

## 7. Income

- 701 The main sources of income for Wardle Academy Trust are the grants from the EFA. The receipt of these sums is monitored directly by the Finance Manager who is responsible for ensuring that all grants due to the academy are collected.
- 702 Wardle Academy Trust also obtains income from:
- Students, mainly for trips,
  - The public, mainly for lettings and sports lettings.

### **Trips**

- 703 A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Curriculum Office.
- 704 Students should make payments at Pupil Reception.
- 705 The Curriculum Secretaries should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a regular basis and the lead teacher is responsible for chasing the outstanding amounts. Finance review outstanding sums and liaise with lead teacher.

### **Lettings (Sports Hall and Other)**

- 707 The Admin Manager is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. Payments are made in arrears for use of facilities.
- 708 The Admin Manager is responsible for raising a sales account and invoice on Sage 200. Details of payments made and outstanding accounts are managed reviewed on

a monthly basis and the Admin Manager is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

- 709 No debts over £100 should be written off without the express approval of the governing body (the EFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

### **Custody**

- 710 All cash and cheques must be kept in the Reception Office safe until they have been processed on the relevant system and then transferred to Finance Office to be prepared for banking and input onto Sage 200. The cashless catering machines are emptied every day after lunch and those bankings are prepared in the Finance Office by catering staff. Once prepared, all bankings are stored in the Finance Office safe until they are collected by cash courier twice per week, term time. The twice weekly collections ensure that the insurance limits of the safes are not exceeded (£6,000 for the Finance Office and £5,000 for the Reception Office).
- 711 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officer is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Finance Manager.

## **8. Cash Management**

### **Bank Accounts**

- 801 The opening of all accounts must be authorised by the governing body who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

### **Deposits**

- 802 Particulars of any deposit must be entered on a copy paying in slip, counterfoil or listed in a supporting book. The details should include:
- The amount of the deposit and
  - A reference, such as the number of the receipt or the name of the debtor.

### **Payments and Withdrawals**

803 All cheques and other instruments authorising withdrawal from Wardle Academy Trust bank accounts must bear the signatures of two of the following authorised signatories:

- Headteacher;
- Finance Manager;
- Deputy Head (x2);
- Assistant Head (x3);

804 This provision applies to all accounts, public or private, operated by or on behalf of the governing body of Wardle Academy Trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

### **Administration**

805 The Business Manager must ensure 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 Wardle Academy Trust's cash book on Sage 200;
- Reconciliations are prepared by the Finance Manager;
- Reconciliations are subject to an independent monthly review carried out by the Headteacher
- Adjustments arising are dealt with promptly.

### **Petty Cash**

806 Wardle Academy maintains a petty cash balance of £400. The cash is administered by the finance staff and is kept in the finance office safe. Regular spot checks are carried out by the Finance Officer.

### **Deposits**

807 The petty cash is reimbursed from the income collected and banked in the finance department.

### **Payments and Withdrawals**

808 Records are kept of all expenditure on pre-numbered slips. Payments are either made directly to reimburse the petty cash or directly to staff if they have purchased goods on behalf of the academy. Cash payments will normally be limited to £150

unless exceptional circumstances apply. Higher value payments should be made by cheque directly from the main bank account as a cash book payment.

### **Administration**

- 809 The Finance Officer is responsible for entering all transactions in to the petty cash / cash book records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Manager to ensure that the cash balance reconciles to supporting documentation.

### **Physical Security**

- 810 Petty cash should be held in a locked cash box which is kept in the safe at all times.

### **Cash Flow Forecasts**

- 811 The Finance Manager is responsible for preparing cash flow forecasts to ensure that Wardle Academy Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account to cover potential cash shortages.

### **Investments**

- 812 Investments must be made only in accordance with written procedures approved by the governing body.
- 813 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## **9. Fixed Assets**

### **Asset Register**

- 901 All items purchased with a value over Wardle Academy Trust's capitalisation limit must be entered in the asset register. The asset register should include the following information:
- Asset description
  - Asset number
  - Serial number
  - Date of acquisition
  - Asset cost

- Source of funding (% of original cost funded from EFA grant and % funded from other sources)
- Expected useful economic life
- Depreciation
- Current book value
- Location
- Name of member of staff responsible for the Asset

902 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 and Wardle Academy Trust's financial system and
- Support insurance claims in the events of fire, theft, vandalism or other disasters.

#### **Security of Assets**

903 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

904 All the items in the register should be permanently and visibly marked as Wardle Academy Trust's Property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the governing body. Inventories of Wardle Academy Trust property should be kept up to date and reviewed regularly. Where items are used by Wardle Academy Trust but do not belong to it these should be noted.

#### **Disposals**

905 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following competitive tender. Wardle Academy Trust must seek the approval of the EFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

906 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence Wardle Academy Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer

equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

- 907 Wardle Academy Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the EFA a proportion of the sale proceeds.
- 908 All disposals of land must be agreed in advance with the Secretary of State.

### **Loan of Assets**

- 909 Items of Wardle Academy Trust property must not be removed from academy premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.
- 910 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 Wardle Academy Trust’s auditors.