



STEP Academy Trust Finance Policy

Date of Policy: SEPTEMBER 2015

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1 Introduction

- 1.1 The purpose of this document is to ensure that the STEP Academy Trust (The Trust) and the academies within the Trust maintain and develop 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 Department for Education (DfE).
- 1.2 The Trust together with their academy members must comply with the principles of financial control outlined in the academies guidance published by the DfE. This document expands on that and provides detailed information on the academy's accounting procedures and, in conjunction with the DfE Academies Financial Handbook and the STEP Academy Trust Scheme of Delegation, should be read by all staff involved with financial systems.

2 Organisation of Responsibility and Accountability

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

Directors

- 2.2 The Executive Principle together with the directors of the Trust are primarily responsible for the strategic direction of the Trust, promoting the Trust and developing the Trust's infrastructure.
- 2.3 To this end the directors will have financial responsibilities which will include:
 - On an annual basis agreeing the range of goods and services that the Trust will purchase on behalf of all the academies within the Trust;
 - Set the financial limit for the Trust's 'general budget fund', required to meet the costs of the above;
 - Agree a formula for calculating the amount each academy contributes from their budget towards the Trust's 'general budget fund'. This decision should be made in a timely fashion to enable each academy to allocate the appropriate funds when setting their budgets;
 - Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
 - Appoint the academy Headteachers;

- Agree the appointment of staff employed specifically to work across all the academies within the Trust.

The Local Governing Body

2.4 The Local Governing Body of each academy has overall responsibility for the administration of the academy's finances. The main responsibilities of the Local Governing Body are prescribed in the Funding Agreement between the academy and the DfE and in the Trust's scheme of delegation. The main responsibilities include:

- Ensuring that grant from the DfE is used only for the purposes intended;
- Ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended;
- Approval of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- Authorising the award of contracts over £10,000;
- Authorising changes to the academy's personnel establishment;
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported the Trust Directors.
- Other than the Headteacher, appoint senior staff.

The Headteacher

2.5 Within the framework of the academy improvement plan (AIP) as approved by the Local 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 Business Manager but the Head Teacher still retains responsibility for:

- Appointing new staff within the authorised establishment, except for any senior staff posts which the Local Governing Body have agreed should be approved by them;
- Authorising contracts up to £10,000;
- Signing cheques in conjunction with the Business Manager or other authorised signatory.

The Business Manager

2.6 The Business Manager works in close collaboration with the Headteacher through whom he or she is responsible to the governors. The main responsibilities of the Business 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 financial position at a strategic and operational level within the framework for financial control determined by the Local 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;
- Signing cheques in conjunction with the Headteacher or other authorised signatory;
- Ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

The Responsible Officer

2.7 The Responsible Officer (RO) is appointed by the STEP Academy Trust Board of Directors and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the Local Governing Body with independent assurance that:

- The financial responsibilities of the Local 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;
- Financial considerations are fully taken into account in reaching decisions.

2.8 The Responsible Officer will undertake a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the STEP Academy Board of Directors. A report of the findings from each visit will be presented to the Local Governing Body. Detailed guidance on the transactions to be checked will be set by the Local Governing Body.

Other Staff

2.9 Other members of staff, primarily the Finance Officer, the Finance Assistant and budget holders, will have some financial responsibilities. All staff are responsible for the security of academy 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

2.10 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 academy 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.

2.11 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of 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.

- 2.12 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 Local Governing Body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3 Financial planning and Budget Monitoring

- 3.1 Each academy prepares both medium term and short-term financial plans.
- 3.2 The medium term financial plan is prepared as part of the improvement planning process. The AIP indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 3.3 The AIP is concerned with the future aims and objectives of the 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.
- 3.4 The AIP provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year.
- 3.5 The form and content of the AIP are matters for the 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 DFE.
- 3.6 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 redefinition 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
 - Feedback into the next planning cycle – "what worked successfully and how can we improve?"

- 3.7 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 stages will be assigned by the Headteacher.
- 3.8 The completed AIP will include detailed objectives for the coming academic year and outline objectives for the following two 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.
- 3.9 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report regularly to the senior leadership team. The senior leadership team will report to the Local Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 3.10 The Headteacher in conjunction with the Business Manager is responsible for preparing and obtaining approval for the annual budget from the Local Governing Body.
- 3.11 The approved budget must be submitted to the DFE by 31 July each year and the Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 3.12 The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the AIP objectives and the budgeted utilisation of resources.
- 3.13 The budgetary planning process will incorporate the following elements:
- Assessment of political and funding changes which might effect the budget;
 - Forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
 - Review of other income sources available, including funds generated by the academy;
 - Review of past performance against budgets to promote an understanding of the academy cost base;
 - Identification of potential efficiency savings;
 - Review of the main expenditure headings in light of the AIP objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.
- 3.14 Once the different options and scenarios have been considered, a draft budget should be prepared by the Headteacher in conjunction with the Business Manager for approval by the

Local 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.

- 3.15 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

- 3.16 Monthly reports will be prepared by the Business Manager. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher.

- 3.17 Budget holders are responsible for managing their account and to this end should:

- Reconcile their regular budget information with their own records of income and expenditure. This will assist in formulating their budgetary plans;
- Account for the use of the resources purchased from the budget directly under their control;
- Inform the Headteacher of any irregularities on the monthly budget reports.

- 3.18 Any potential overspend against the budget must in the first instance be discussed with the Headteacher. The accounting system will not allow payments to be made against an overspent budget without the approval of the Headteacher.

- 3.19 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.

- 3.20 Budget virement of £10,000 or less may be authorised by the Headteacher and reported to the Local Governing Body. Budget virement over £10,000 must be agreed by the Local Governing Body.

4 Personnel and Payroll

- 4.1 The payroll is the largest single budgetary consideration and although a service provider conducts much of its administration, each academy must ensure that vigorous processes are in place to make certain that payments are made correctly and any errors spotted are rectified.

- 4.2 Each academy will have a personnel structure for the establishment approved by the Local Governing Body. Changes can only be made to this structure with the express approval of the Local Governing Body who must ensure that adequate budgetary provision exists for any establishment changes.
- 4.3 The Headteacher has authority to appoint staff within the authorised establishment except for the Assistant Headteacher or Deputy Headteacher whose appointments must follow consultation with the governors.
- 4.4 The Headteacher will ensure that personnel records for all members of staff, which include contracts of employment, are kept securely and only authorised personnel have access to them.
- 4.5 New staff can only be added to the payroll with the express approval of the Headteacher. The Headteacher recommends salary amendments for approval by the Local Governing Body.
- 4.6 Staff can only be removed from the payroll with the express approval of the Headteacher. Contract terminations, e.g. redundancies, would be dealt with under agreed procedures.
- 4.7 Where leave of absence is discretionary, payment can only be made with the express approval of the Headteacher
- 4.8 Staff who are to be paid on submission of a time-sheet must complete and return their time-sheet to their Line Manager who is responsible for checking the details and signing the time sheet as authority to make payment.
- 4.9 After the payroll has been processed, but before payments are made, a print of salary payments for each individual should be obtained. The print out must be scrutinised to make certain that any variation between the current month's and the previous month's gross salary payments are backed up with the appropriate authorised paperwork. The salary report should be signed as evidence that the check has been carried out by the Business Manager.

5 Purchasing

- 5.1 The Trust wants to achieve the best value for money from all purchases. This means obtaining what is required in the correct quality, quantity and fitness for purpose at the best price possible. A large proportion of purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:
 - Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
 - Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs;

- Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.
- 5.2 The Executive Principal and Trust directors are responsible for approving all purchases charged to the Trust 'general budget fund'. Approval of such purchases should be duly recorded in the minutes of the directors' meetings.
 - 5.3 The Executive Principal will have the delegated authority to sign orders pertaining to purchases sanctioned by the Board of Directors.
 - 5.4 The financial limits of delegated authority for entering into commitments and ordering goods and services, as approved by the Local Governing Body, are detailed in each Academies Scheme of Delegation and should be adhered to when placing orders.
 - 5.5 Expenditure above a budget holder's delegated authority must be approved by the Headteacher with the relevant official order form being signed by the Headteacher.
 - 5.6 Expenditure above the Headteacher's delegated authority must be approved by the Local Governing Body and formally recorded in the minutes of the meeting.
 - 5.7 The procedure to follow when placing orders is attached at the end of this policy as appendix A: 'The Procedure for Ordering Goods and Services – A guide for Budget Holders'.
 - 5.8 In addition, the following points need to be observed when the value of a purchase is £2,000 or over.

Purchases between £2,000 and £20,000

- 5.9 At least three written quotations should be obtained for all purchases valued between £2,000 and £20,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced by a faxed confirmation, received before a purchase decision is made.
- 5.10 In circumstances where obtaining at least three quotations is impractical the reasons for not following these procedures should be reported to the Local Governing Body and recorded in the minutes of the meeting.
- 5.11 If the amount of the purchase is over the Headteacher's delegated authority then the decision of which quote to accept has to be agreed by the Local Governing Body as per point 5.6 above.

Purchases over £20,000

5.12 All goods/services ordered with a value over £20,000 must be subject to formal tendering procedures. Purchases over £156,442 (threshold from 01/01/2010) excluding VAT 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 the Academies Financial Handbook. Ordering goods which may potentially be over £20,000 must be discussed with the Business Manager prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

Forms of Tenders

5.13 There are three forms of tender procedure: open, restricted and negotiated and the guidance for circumstances in which each procedure should be used are described below. The Local Governing Body will decide the most appropriate form of tender in each case.

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Business 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 may be appropriate where:

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

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This may be 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

5.14 Full consideration may be given to:

- Objective of project;
- Overall requirements;
- Technical skills required;

- After sales service requirements;
- Form of contract.

5.15 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

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

5.17 An invitation to tender may include the following:

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

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/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

5.18 The invitation to tender should state the date and time by which the completed tender document should be received by the academy. 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 and any reason for accepting them should be recorded.

Tender Opening Procedures

5.19 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.

5.20 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

5.21 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.

5.22 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.

5.23 Full records should be kept of all criteria used for evaluation of contracts over £20,000 and a report should be prepared for the Local Governing Body highlighting the relevant issues and recommending a decision.

5.24 Where required by the conditions attached to a specific grant from the DFE, the department's approval must be obtained before the acceptance of a tender.

5.25 The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

Paying Invoices

The following procedure should be followed before paying invoices:

- 5.26 The Business Manager should check the invoice to ensure that it bears the academy's details, official order number and that there is a valid supplier VAT registration number (if appropriate).
- 5.27 Retrieve the original order form together with the signed delivery note and check against these documents for any discrepancy in price and quantities invoiced. Any discrepancies should be investigated and the invoice notated.
- 5.28 If there is no signed delivery note the invoice will need to be endorsed by the budget holder. The Business Manager will keep a record of the invoices passed over to members of staff. The Business Manager will follow up invoices that have not been endorsed and returned within 48 hours. This should avoid charges for late payment and extra work.
- 5.29 If everything is in order the Business Manager will arrange for payment of the invoice by cheque or via BACS, etc.
- 5.30 The Business Manager will record the respective cheque and invoices numbers. The marked invoice will then be stored securely and cross-referenced to the official order number. These documents will be filed away for audit purposes
- 5.31 Academies should not make any payment on a photocopied invoice or a supplier's statement

6 Income

- 6.1 The main sources of income for the academies are the grants from the DfE and from the Local Authority. The receipt of these sums should be monitored directly by the Business Manager who is responsible for ensuring that all grants due are received.
- 6.2 The academies within the trust may also obtain income from the hire of their premises and from parents for payment of trips, after school activities and uniform sales etc.
- 6.3 Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking. The amount of money held in the safe at any one time should not exceed the amount covered by the academies' insurance policy.
- 6.4 Monies collected must be banked in their entirety in the appropriate bank account. The Business Manager, together with other appropriate office staff, are responsible for preparing

reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the academy's financial system.

- 6.5 The encashment of personal cheques from income collections or the use of income collections to make payments is not permitted.
- 6.6 Each academy should have a Charging policy and Lettings Policy agreed by their Local Governing Body. Income from these sources should be treated as described above.

7 Cash Management

- 7.1 The opening of all bank accounts must be authorised by the Local 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.
- 7.2 All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two authorised signatories. Only manuscript signatures are to be used (i.e. not stamps or facsimile) and cheques should not be pre-signed.
- 7.3 This provision applies to all accounts, public or private, operated by or on behalf of the Local Governing Body of the academy. If at all possible authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.
- 7.4 The Business Manager will ensure that bank statements are obtained on at least a monthly basis and reconciled against the academy's financial system and relevant accounting records. Bank reconciliations will be signed as evidence of completion.
- 7.5 The Headteacher or nominated person will certify the monthly bank reconciliation and countersign the relevant reports as evidence that the checks have taken place.
- 7.6 Where possible, the person responsible for undertaking the bank reconciliation will not be responsible for the processing of receipts or payments.
- 7.7 Chequebooks will be held securely when not in use.

Petty Cash

- 7.8 Academies should refrain from operating a petty cash system wherever possible. Instead, consideration should be given to operating a procurement card (debit card) facility if appropriate.

Procurement Card (Debit Card)

- 7.9 If the Local Governing Body of an academy has sanctioned the use of a procurement card then the card should only be used when cheque or BAC's payments are not possible.
- 7.10 The card will not be used for the withdrawal of cash through any ATM or cash back facilities.
- 7.11 The card must not be used for personal purchases.
- 7.12 The use of the procurement card for ordering goods and services shall operate in conjunction with the principles of best value.
- 7.13 The card should not be used until confirmation has been made with the relevant budget holder that there is budget available under the budget heading to cover the cost of the proposed expenditure.
- 7.14 A record of expenditure incurred with the procurement card should be detailed on a procurement transaction form and together with supporting vouchers or receipts, including a valid VAT receipt where relevant, should be handed to the Business Manager within 24 hours. These documents should be retained for audit purposes.
- 7.15 The Business Manager will be responsible for logging the transactions onto the academy's financial system. These entries will need to be reconciled to the debits that appear on the bank statements.
- 7.16 The attached Appendix B: 'Guidance regarding the use of the academy's procurement card' should be read by anyone that has the use of a procurement card.

8 Fixed Assets

- 8.1 A fixed asset item or group of items costing a minimum of £2,000 will be capitalised and depreciated over a term as detailed in the table below. Depreciation will be calculated on a straight line basis over the expected useful life of the asset. Depreciation will be charged in the year the fixed assets is purchase but not in the year of disposal.

Fixed Asset Category	Amount of Years Depreciated
Air conditioning units	5 years
Boilers	10 years
Fixture and Fittings e.g. tables, chairs, book cases etc.	5 years
ICT equipment	3 years

Motor Vehicle	10 years (from year of manufacture)
School Kitchen Equipment	10 years
Staff Room Kitchen Equipment	3 years

Buildings will be depreciated annually by 2%.

- 8.2 The Headteacher is responsible for ensuring that assets, stock, cash and other property belonging to the academy is kept in safe custody.
- 8.3 The Headteacher will ensure that stock levels are maintained in such a way to ensure continuity and availability of materials; maximum efficiency of annual budgets; good condition of stock and efficient use of storage capacity. Independent physical checks should be made of significant stocks no less than annually against stock records.
- 8.4 The Headteacher will ensure that an inventory is maintained of all portable, desirable, valuable and uniquely identifiable items over the value of £100. This will include details of serial numbers, make and model where applicable. All such items will be security marked as being the academy's property.
- 8.5 An annual check of the inventories against items physically held will be undertaken by an independent person and documented. All discrepancies identified on this check will be investigated and reported to the Local Governing Body.
- 8.6 Where the academy's property is loaned to staff or pupils and taken off site it will be recorded in a loan of equipment register. This will include the date of the loan, and due date of return and signature of the person borrowing the equipment. Any such loans should be authorised by the Headteacher.
- 8.7 If stocks or equipment are surplus, obsolete, damaged, not traceable or stolen, the Headteacher can authorise the write-off and sale or disposal of items up to the value of £2,000 and will report these to the Local Governing Body. Items in excess of this value should be agreed by the Local Governing Body in accordance with the Trust's Scheme of Delegation.
- 8.8 Academies must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- 8.9 Academies are 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 DfE a proportion of the sale proceeds.

Appendix A

The Procedure for Ordering Goods and Services – A Guide for Budget Holders

The effective implementation of these procedures will:

- Contribute towards the internal controls by which the academy ensures that its finances are properly managed;
- Assist in meeting the need for segregation of duties when dealing with financial management and;
- Ensure that the academy's financial system reflects an accurate position regarding the amount of available funds.

To provide an accurate account of expenditure and assist with budget monitoring every order must be entered on the academy's financial system. Official orders are used to purchase most of the school's services and goods except utilities - notable exceptions are water, electricity, gas, rents, rates and petty cash payments. Individuals are not permitted to use official orders to obtain goods or services for their private use.

Placing Orders

Members of staff responsible for budgets are asked to observe the following steps when placing an order.

- Ensure they have enough available funds in their budget and that the amount of the order does not exceed the financial limit of their delegated authority – if they are not sure, they should check with the Business Manager.
- All orders must be made, or confirmed, in writing using an official order form. Blank forms can be downloaded from Fronter or collected from the Business Manager.
- Telephone/internet orders can only be made if an order form has been completed and given to the Business Manager as soon as the order has been made.
- Orders must clearly indicate the budget to be charged, whether the order needs to be submitted to the supplier or is a confirmation of a telephone order that has already been placed. The order form should bear the signature of the budget holder and must be forwarded to the Business Manager

- The Business Manager is responsible for scrutinising the order to ensure that the items ordered appear appropriate before placing the order on the academy's financial system.
- When purchasing from an exhibition/fair, details of products bought must be recorded on an order form and given to the Business Manager as soon as possible to enable the expenditure to be committed against the appropriate budget. Purchases made at exhibition/fair should be settled by way of an invoice sent to the academy.
- Receiving goods for inspection should be discouraged if at all possible. However, in situations where a budget holder agrees to receive goods for inspection an order form must be completed to enable the expenditure to be committed against the appropriate budget.
- Items purchased for the classroom / curriculum purposes by members of staff should only occur when absolutely necessary. Once the amount of expenditure has been agreed an order form should be completed with the details of the intended purchase and signed by the budget holder. The form should be handed to the Business Manager to commit the expenditure on the finance system before the purchase is made. This will enable the Business Manager to check that there are available funds for the purchase to take place, before the purchase is made.

Delivery of Goods

- On delivery of goods to the academy the budget holder must undertake a detailed check of the goods received against the delivery note and make a record of any discrepancies between the goods delivered and the delivery note. . This check should be carried out within 3 days of the goods being received in order that any discrepancies can be discussed with the suppliers without delay.
- The Business Manager should be notified if any goods are rejected or need returning to the supplier because they are not as ordered or are of sub-standard quality. The Business Manager will keep a record of all goods returned to suppliers.
- Once the goods have been checked the delivery note should be signed by the budget holder as confirmation and handed to the Business Manager. Arrangements will then be made to pay the invoice. If a delivery note is not enclosed with the goods, then the person who made the order should sign the invoice as confirmation that the goods have been received.

Authorising/Making Payment

Budget holders should be aware of the following points

- The signed delivery note will be used by the Business Manager as confirmation that the goods have arrived in satisfactory condition and the relevant invoice can therefore be paid.
- Invoices received for items purchased via the telephone, internet or at an exhibition will not be paid unless the order has been previously placed onto the academy's financial system and therefore authorised. In cases where they have not, the member of staff who made the purchase may well be required to return the goods.
- If a member of staff receives goods for inspection and decides to keep the product, the Business Manager should be notified before the inspection period expires in order that the

invoice can be paid. If the goods are to be returned this should be carried out well before the inspection period ends and the Business Manager advised accordingly. The financial commitment relating to the goods will then be cancelled from the system.

- Staff who have been authorised to purchase small items for the classroom / curriculum purposes will be reimbursed on submission of a signed staff claim form together with their receipt. However, reimbursement will not be made if the purchase was not previously authorised by a completed order form placed on the financial system.

Appendix B

Guidance Regarding The Use Of The Academy's Procurement Card (Pcard)

In situations when an item is purchased for the academy's use, and payment cannot be settled by way of an invoice /cheque (usually online transactions), the academy's procurement card should be used.

The following procedure should be followed when a purchase is made with the use of the procurement card:-

- In EVERY instance the person making the purchase must ensure that there are sufficient funds available in the budget to be debited, BEFORE making the purchase.
- A procurement transaction form must be completed on each occasion a purchase is made using the Pcard.
- Attached to the procurement transaction form should be a receipt / printout of the transaction, detailing the items purchased and the total amount of the expenditure. The form must be signed by the relevant budget holder.
- The completed procurement transaction form should be handed to the Business Manager as soon as possible in order that the necessary entries can be logged onto the academy's finance system.

- The Business Manager should check that the procurement transaction form is correctly completed before debiting the relevant budget a/c with the total expenditure.
- On a monthly basis (on receipt of the bank statements) the Business Manager must check that the procurement card debits shown on the academy's bank a/c correspond to amounts detailed on the procurement transaction forms.