



**Robert Carre Trust**

## **Financial Regulations Policy and Manual**

### **Contents**

	Page
1 Introduction	3
1.1 Overview	3
1.2 Proper and regular use of public funds	3
2 Organisation	3
2.1 Overview	3
2.2 The RCT Trust Board	3
2.3 The Finance, Resources and Audit Committee (FR&A)	4
2.4 The Executive Headteacher (Accounting Officer)	4
2.5 The Director of Finance and Resources	4
2.6 Other Staff	5
3 Register of Interests	5
3.1 Overview	5
3.2 Related Party Reporting	5
3.3 Receipt of gifts, hospitality, entertainment and other services	6
3.4 Expenditure on gifts, hospitality, entertainment and favours	6
4 Whistle Blowing	6
5 Audit	6
6 Insurance	7
7 VAT	7
8 Financial Planning and Forecasting	7
8.1 Financial Planning	7
8.2 Development Plan	8
9 Budget Preparation and Monitoring	8
9.1 Budget Preparation Process	8
9.2 Balancing the Budget	9
9.3 Approval of the Budget	9
9.4 Submission of the Budget	9
9.5 Monitoring and Review	9
10 Accounting System	10
10.1 Overview	10
10.2 System Access	10
10.3 Back-Up Procedures	10
10.4 Transaction Processing	11
10.5 Transaction Reports	11
10.6 Reconciliations	11
11 Payroll	11
11.1 Overview	11
11.2 Staff Appointments	11
11.3 Payroll Administration	12
11.4 Payments	12
11.5 Expenses	13

12	Purchasing	13
12.1	Overview	13
12.2	Routine Purchasing - Ordering	13
12.3	Receiving Goods	14
12.4	Payment of Invoices	14
12.5	New Suppliers and Amendments	15
12.6	Invoices without an invoice	15
12.7	Catering	15
12.8	Card Payments	16
12.9	Quotations and Approval	16
12.10	Tendering	17
13	Income	19
13.1	Overview	19
13.2	Receipting	20
13.3	Cash Security	20
13.4	Transfer of Cash	20
13.5	Catering	20
13.6	Trips	20
13.7	Fitness Suite Membership	21
13.8	3G Pitch	21
13.9	Northgate Sports Hall	21
13.10	Fundraising	22
14	Bank Accounts and Cash Management	22
14.1	Bank Accounts	22
14.2	Deposits	22
14.3	Payments and Withdrawals	22
14.4	BACS Payments	22
14.5	Lloyds Charge Cards	23
14.6	Bank Reconciliations	23
14.7	Direct Debits and Standing Orders	23
14.8	Petty Cash Accounts	24
15	Fixed Assets	24
15.1	Asset Register	24
15.2	Security of Assets	25
15.3	Disposals	25
15.4	Loan of Assets	25
15.5	Depreciation Policy	25
15.6	Depreciation Rates	26
15.7	Procurement - Best Practice Checklist	26

## **1. Introduction**

### **1.1. Overview**

The purpose of this manual is to ensure that the Robert Carre Trust maintains and develops systems of financial control that are consistent across all schools with the Robert Carre Trust (RCT) and which conform with the requirements both of the latest version of the Academies' Financial Handbook, 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).

All schools within the RCT must comply with the principles of financial control outlined in the academy guidance published by the DfE. This manual expands on that and provides detailed information on the Trust's accounting procedures and systems. It should be read by all staff involved with financial systems.

### **1.2. Proper and regular use of public funds**

In accordance with the Academy Trust Handbook, the Trust must ensure that:

- Spending has been for the purpose intended and there is probity in the use of public funds.
- Spending decisions represent value for money in accordance with the 'Seven principles of public life' – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- No Trustee, employee or related party has benefitted from the use of funds.
- All governors and employees have completed the Declaration of Pecuniary & Personal interest form and there are measures in place to manage any conflicts of interest.
- There are no payments to any Trustee or Governor unless such payment is permitted by the articles and, where applicable, comply with the terms of any relevant agreement entered into with the Education Secretary.
- Their Leadership Team payroll arrangements fully meet their tax obligations and comply with the Treasury's directions regarding the employment and contract arrangements of individuals on the avoidance of tax.
- A competitive tendering policy is in place and applied.
- There is no disposal of publicly funded assets without the Education Secretary's consent, where such consent is required.

## **2. Organisation**

### **2.1. Overview**

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

### **2.2. The RCT Trustee Board**

The RCT Trustee Board has overall responsibility for the administration of the Trust's finances. The main responsibilities of the RCT Trustee Board are prescribed in the Funding Agreement between the Trust and the DfE. 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 Trust's Funding

- Agreement, and are used only for the purposes intended;
- approval of the annual budget;
- appointment of the Executive Headteacher and
- appointment of the Director of Finance and Resources, in conjunction with the Executive Headteacher.

### **2.3. The Finance, Resources and Audit Committee (FR&A)**

The FR&A is a committee of the RCT Trustee Board. The FR&A meets at least three times a year but more frequent meetings can be arranged if necessary.

The main responsibilities of the FR&A are detailed in written terms of reference which have been authorised by the RCT Trustee Board. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- authorising the award of contracts over £25,000;
- authorising changes to the Trust personnel establishment; and
- reviewing the reports of the Auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the RCT Trustee Board

### **2.4. The Executive Headteacher (Accounting Officer)**

Within the framework of the Trust development plan as approved by the RCT Trustee Board the Executive Headteacher has overall executive responsibility for the Trust's activities including financial activities. Much of the financial responsibility has been delegated to the Director of Finance and Resources but the Executive Headteacher still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior
- staff posts which the RCT Trustee Board have agreed should be approved by them;
- authorising contracts between £5,000 and £25,000 in addition to the Director of Finance and Resources and Chair of Finance as and when required by the approved scheme of delegation;
- signing cheques/authorising BACS payments in conjunction with the F&R Accountant, Finance Manager or other authorised signatory.

### **2.5. The Director of Finance and Resources**

The Director of Finance and Resources works in close collaboration with the Executive Headteacher through whom he or she is responsible to the RCT Trustee Board the Director of Finance and Resources also has direct access to the governors via the FR&A. The main responsibilities of the Director of Finance and Resources are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Trust'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 Trust;

- the supervision of the preparation of monthly management accounts;
- authorising orders in conjunction with budget holders.
- signing cheques, authorising BACS payments in conjunction with the Executive Headteacher or other authorised signatory and
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

Where appropriate the day to day control of the finance function will be delegated to the F&R Accountant and Finance Manager including the operation of the financial system and the preparation of monthly payroll and management accounts.

## **2.6. Other Staff**

Other members of staff, primarily the Finance Manager, F&R Accountant, Finance Administrators 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 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 Trust's financial procedures.

## **3. Register of Interests**

### **3.1. Overview**

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 Trustees, 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 Trust may purchase goods or services. The register is open to public inspection and the updated register will be published on the Trust website on an annual basis.

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 Trust. 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.

The register of pecuniary and personal interests should be presented to the Board on an annual basis.

The existence of a register of business interests does not, of course, detract from the duties of trustees and staff to declare interests whenever they are relevant to matters being discussed by the RCT Trustee Board or a committee. Where an interest has been declared, trustees, governors and staff should not attend that part of any committee or other meeting.

### **3.2. Related Party Reporting**

Any decision and approval with regards to related party payments should be provided by the FR&A to demonstrate separation and transparency.

Any new suppliers or customers are to be compared to the register of interests to ensure there are no conflicts of interest.

If there is a conflict or declared interest the Director of Finance and Resources is to ensure that; any transactions are to be promptly reported to the ESFA and a record kept of that submission, the 'at cost' principle is not breached and the limit of £20,000 for ESFA approval is not exceeded

without the knowledge of the Trustees

### **3.3. Receipt of gifts, hospitality, entertainment and other services**

Governors and members of staff involved in making buying decisions do not accept excessive, frequent or regular gifts, hospitality, entertainment or other services from existing or prospective suppliers. When considering whether to accept such offers, they consider whether they could affect their independence or cause concern that they might affect their independence. The Trust maintains a register of gifts and favours offered and whether these were accepted or rejected. Governors and members of staff are required to inform the Trust of such offers as they arise. Further guidance can be obtained from the Gifts and Hospitality Policy.

### **3.4. Expenditure on gifts, hospitality, entertainment and favours**

The Trust maintains a register of any expenditure on gifts, hospitality, ex-gratia payments which is reviewed annually by the FA&R. Such expenditure is only authorised if the trustees can demonstrate that they have taken into account the principles of probity, accountability and value for money.

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/coffee, biscuits, soft drinks or sandwiches. Modest hospitality is occasionally provided outside the workplace. The Finance Team maintains a register of the occasions when hospitality is provided, the number of people involved and the costs incurred.

## **4. Whistleblowing Policy**

The staff and trustees of The Robert Carre Trust seek to run all aspects of Trust business and activity with full regard for high standards of conduct and integrity. If members of staff, parents, governors or the Trust community at large become aware of activities which give cause for concern, we have a Whistle Blowing Policy. This acts as a framework to allow concerns to be raised confidentially and provides for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion, under the Trust's disciplinary procedure.

We are committed to tackling fraud and other forms of malpractice and treat these issues seriously. We recognise that some concerns may be extremely sensitive and have therefore developed a system which allows for the confidential raising of concerns within the Trust but also has recourse to an external party outside the management structure of the organisation.

The Executive Headteacher will be responsible for monitoring the implementation and effectiveness of this policy. It will be reviewed by the trustees as necessary.

## **5. Audit**

In Accordance with the Companies Act 2006, the Trust's financial statements will be audited annually by external auditors. The Academy Trust Handbook states external auditors can not also be the Trust's internal auditors.

The FR&A Committee are responsible for appointing the external and internal auditors.

External and Internal Auditors may visit the Trust's sites as part of their audit.

The Trust will be notified at the audit planning stage of the timing of the visit, and the auditors may present a list of required documents at this time. All books and records at the Trust must be available to the auditors and any inspectors as directed by ESFA and the National Audit Office.

The contracts for internal and external audit will be reviewed every year.

## **6. Insurance**

The Trust is currently a member of the DfE issue Risk Protection Arrangement (RPA). Insurance cover complies with statutory requirements as set out by the ESFA.

The RPA reviews insurance arrangements annually. They ensure that the sums insured are commensurate with risks and include cover for Trust property when off the premises.

The main types of insurance cover which are in place are:

- Material damage or loss
- Business interruption
- Employers' liability
- Third party liability
- Governors' liability
- Professional indemnity
- Employee and third party dishonesty
- Personal accident
- Travel
- Legal expenses

Details of all insurance policies held by the Trust are kept in the Finance Office.

## **7. VAT**

The Trust abides by the procedures issued by the HMRC (Her Majesty's Revenue & Customs) in connection with VAT. Input Tax is the VAT incurred on purchases made by the Trust. The F&R Accountant or Finance Manager will reclaim VAT payments, via the VAT126 form, on a monthly basis via HM Revenue and Customs. Staff cannot avoid paying VAT by purchasing personal items through the Trust (nor should they benefit from suppliers' discounts).

VAT can only be reclaimed provided:

- The goods or services are for the use of the Trust
- A valid VAT invoice is obtained
- Invoices obtained by staff on behalf of the Trust must show the Trust as the customer
- If the invoice was paid by a credit card in the name of a member of staff and the valid VAT invoice only shows the customer as the Trust, VAT can be re-claimed
- If the invoice was paid by a credit card in the name of a member of staff and the valid VAT invoice only shows the customer as the member of staff, VAT cannot be re-claimed
- Petty cash expenditure must provide a valid VAT invoice
- VAT is properly accounted for and not claimed on pro-forma invoices.

## **8. Financial Planning and Forecasting**

### **8.1. Financial planning**

The Trust prepares both medium-term and short-term financial plans.

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

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

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

## **8.2. Development Plan**

The development plan is concerned with the future aims and objectives of the Trust and how they are to be achieved; that includes matching the Trust'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.

The form and content of the development plan are matters for the Trust 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.

Each year the Executive Headteacher will propose a planning cycle and timetable to the trustees 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?"

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 Executive Headteacher.

The completed development plan 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.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a Trust manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

## **9. Budget Preparation and Monitoring**

### **9.1. Budget Preparation Process**

The Director of Finance and Resources is responsible for preparing and obtaining approval for the annual budget. The approved budget must be submitted to the DfE by 31 July each year and the Director of Finance and Resources is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the 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.

The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
- Review of other income sources available to the Trust to assess likely level of receipts;
- Forecast staffing costs, based on a staff salary calculator and taking into account known appointments, retirements and rates of pay.
- Review of past performance against budgets to promote an understanding of the Trust cost base (management accounts);
- 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.
- Managing planned levels of unspent balances – ensuring that the resulting annual surplus or deficit is in line with plans to recover from an overall deficit position or build up unspent balances to fund future development plans.

## **9.2. Balancing the Budget**

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.

## **9.3. Approval of the Budget**

Once the different options and scenarios have been considered, a draft budget should be prepared by the Director of Finance and Resources for approval by the Executive Headteacher and the FR&A, with final ratification of the budget provided by the Board. A budget approval paper detailing figures and assumptions will be prepared for this purpose.

The approved budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

## **9.4. Submission of the Budget**

The Director of Finance and Resources should ensure that the approved budget is submitted to the ESFA by the 31<sup>st</sup> July. A copy of the submission should be held on file for future reference.

## **9.5. Monitoring and Review**

The budget should be seen as a working document which may need revising throughout the year as circumstances change. If an unplanned deficit occurs during the financial year, the Trust must notify the ESFA as soon as it is aware of this. The budget can only be amended for virements in line with the scheme of delegation (summarised at the end of this document). Monthly reports will be prepared in PS Financials by the Finance Manager and reviewed by the Director of Finance and Resources. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Executive Headteacher and the FR&A.

These will form part of the monthly management accounts in addition to a cash flow forecast and balance sheet. Monthly management accounts will be shared with the Trustees via the online governance portal.

Any potential overspend against the budget must in the first instance be discussed with the Director of Finance and Resources. See also purchasing guidelines later in the policy.

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 transfer (vire) money from another budget or from the contingency. All budget virements must be authorised in line with the scheme of delegation.

## **10. Accounting system**

### **10.1. Overview**

All the financial transactions of the Trust must be recorded on the relevant accounting system. The system operated by the Finance Department is PS Financials (PSF).

### **10.2. System Access**

Entry to the accounting system at administrator level is password restricted and the system itself prompts users to change their passwords regularly. When passwords are changed the new password should be placed in a sealed envelope and secured in a safe and controlled environment. Passwords are only known by the relevant member of staff. Passwords are changed immediately if an employee is aware that an unauthorised person has learnt their password. If an outside provider uses the computerised accounting system, they are given their own user ID and password.

Software is installed on the Trust's computer systems to detect viruses, spyware, and other malicious threats. Regular updates are used to ensure that the latest threats are detected. There is also a facility for cleaning up corrupt files.

Reviews are carried out to ensure that access rights and levels of access are still relevant to the responsibilities of individual users. Access for staff who are no longer employed by the Trust is removed as soon as the staff member leaves.

Access to the component parts of the Accounting system can also be restricted and the F&R Accountant is responsible for setting access levels for all members of staff using the system. Users include finance staff and budget holders who request access to the purchase ordering portal.

### **10.3. Back-up Procedures**

The Director of Finance and Resources is responsible for ensuring that there are effective back up procedures for the system.

The Director of Finance and Resources should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by RCT Trustee Board of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

The Trust complies with the requirements of the Data Protection Act.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink and initialled. The use of correcting fluid or the erasure of information is not acceptable.

All accounting records including invoices, delivery notes, bank statements, etc., are retained in hard copy for six years, plus the current year, in a secure area.

## **10.4. Transaction Processing**

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal entries must be documented and authorised by the Director of Finance and Resources, F&R Accountant or the Finance Manager prior to being input to the accounting system. Bank transactions should be input by the Finance Administrator and the input should be checked, and signed to evidence this check, by the F&R Accountant or Finance Manager.

Detailed information on the operation of the PS Financials Accounting system can be found in the user manuals held in the Director of Finance and Resources' Office.

## **10.5. Transaction Reports**

The Director of Finance and Resources will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. This review system will include the preparation of monthly management accounts by the Finance Manager.

## **10.6. Reconciliations**

The Director of Finance and Resources 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;
- petty cash account;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement.
- School Fund Account.

The Director of Finance and Resources, F&R Accountant or Finance Manager will review and sign all reconciliations as evidence of this review.

## **11. Payroll**

### **11.1. Overview**

The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

### **11.2. Staff Appointments**

The RCT Board has approved a personnel establishment for the Trust. Changes can only be made to this establishment with the express approval in the first instance of the FR&A who must ensure that adequate budgetary provision exists for any establishment changes.

The Executive Headteacher has authority to appoint staff within the authorised establishment except for the Heads of School, other SLT staff and the Director of Finance and Resources whose appointments are by the RCT Trustee Board. The PA to the Executive Headteacher maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Director of Finance and Resources immediately.

### **11.3. Payroll Administration**

The payroll is outsourced, currently contracted to EduPay, although administration in support of this is completed by the finance team.

All staff are paid monthly. A master file is created for each employee which records:

- salary;
- bank account details;
- personal details and
- any deductions or allowances payable.

The finance team will adhere to the timetable for payroll processing specified by the payroll provider. This includes submission of claims, reviewing the preliminary reports, checking data, advising on amendments and then confirming the final payroll reports.

New staff can only be added to the payroll with the approval of the Executive Headteacher and notified to the contractor through the F&R Accountant or Finance Manager.

Salary amendments can only be made with the approval of the Executive Headteacher and notified through the F&R Accountant or Finance Manager. The payroll provider does not process salary changes authorised by the person whose salary is changing. The Chair of Trustees notifies any changes to the Headteacher's salary to the Director of Finance and Resources.

Staff can only be terminated from the payroll with the approval of the Headteacher and notified through the F&R Accountant or Finance Manager.

Payment for sickness or maternity must be authorised by the Director of Finance and Resources in line with the employment contract for the individual. Payment for paternity will follow the guidelines set by the Trust.

Where leave of absence is discretionary, payment will only be made with the approval of the Executive Headteacher and notified to the F&R Accountant or Finance Manager by the appropriate form.

Staff who are paid by time-sheet/claim for extra duties/claim for mileage allowance must submit their claim forms within the EduPay system. These will automatically direct to the Line Manager for approval within the system. All additional payments will be reviewed as part of the payroll checking process by the F&R Accountant / Finance Manager and Director of Finance and Resources.

### **11.4. Payments**

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained from the system. The print must be reviewed and authorised together with authority to release payment by the Director of Finance and Resources. The Director of Finance and Resources will confirm by email to the external provider that payment can be made. A copy of the monthly payroll information will be sent to the Heads of School for review.

All salary payments are made by BACS.

The F&R Accountant or Finance Manager will prepare a monthly summary reconciling salaries to budget, highlighting any variances. This reconciliation should be reviewed and signed by the Director of Finance and Resources.

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.

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.

On an annual basis the Director of Finance and Resources must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

Annual salary statements will be issued to all staff members and will be placed on personnel files.

## **11.5. Expenses**

Out of pocket expenses incurred as part of an employee's working commitments will be reimbursed. These are usually in the form of mileage claims and associated travel and subsistence expenses. All claims are to be authorised by the Head of School. The Executive Headteacher's claims are to be authorised by the Chairman of the RCT Trustee Board or, in his absence, the Vice-Chairman. Payments, once authorised will be made via BACS. Please refer to the Trust Travel and Expenses Policy for details.

## **12. Purchasing**

### **12.1. Overview**

The RCT wants to achieve the best value for money from all our purchases. This means that it wants to get what it needs 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 it needs 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 Trust;
- **Accountability**, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

### **12.2. Routine Purchasing – Ordering**

The following is meant as a general guide for routine purchasing.

Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder on a monthly basis and budget holders are encouraged to keep their own records of orders placed but not paid for. Budget holders with access to PSF will be able to check their total expenditure by logging on to the site. Other budget holders can ask finance for an update at any time.

Purchase Orders are not required for catering purchases.

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. This

approved suppliers list will be agreed by the Finance, Resources and Audit Committee (FR&A) at the start of each academic year and signed by the Chairman of the FR&A to that effect. 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 Director of Finance and Resources.

All orders must be made, or confirmed, in writing using an official order form, (a copy of which can be found on the teacher drive) or be generated by the budget holder raising a requisition note in PSF. Manual Orders must bear the signature of the budget holder and must be forwarded to the Finance Office where the Finance Team will check to ensure adequate budgetary provision exists and if necessary (according to the limits set out within the scheme of delegation) countersign the order. The order will then be raised by the Finance Administrator within PSF.

Requisition notes raised by budget holders in PSF will be forwarded to the Finance Administrator and they will be checked to ensure adequate budgetary provision exists before being changed to purchase orders. Budget holders must supply a cost centre and nominal code on the order form. Advice on codes can be sought from the finance department and codes will be notified to budget holders when they are given their budgets. Purchase orders must not be raised retrospectively.

### **12.3. Receiving Goods**

The budget holder must make appropriate arrangements for the delivery of goods to the Trust. On receipt the budget holder or a member of staff approved by 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. The Finance Administrator will contact suppliers on behalf of the budget holders with any queries if requested to do so by the budget holder. If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.

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. The Finance Administrators will keep a central record of all goods returned to suppliers.

### **12.4. Payment of Invoices**

All invoices should be sent to the Finance Office. The Finance Administrator will stamp invoices with a grid against which the following can be evidenced:

- Invoice matched to purchase order;
- invoice posted to purchase ledger,
- payment authorised;
- payment made.

Invoices are paid within 30 days unless they are disputed.

Payment is made when the finance office has made the following checks:

- The purchase is recorded on the purchase ledger.
- The purchase represents valid Academy expenditure.
- Goods or services were ordered using the Trust's ordering policy.
- Goods or services have been received and checked to the order and delivery note.
- Payment has not already been made.
- Prices agree with quotations, tenders, contracts or catalogue prices.
- The arithmetic on the invoice is correct.

- The invoice has been correctly coded and authorised.
- Discounts have been taken where applicable.
- VAT is properly accounted for and not claimed on pro-forma invoices.

At the end of every week the Finance Administrator will produce a list of invoices for payment from the purchase ledger and this list together with supporting documentation will be reviewed by the F&R Accountant, Finance Manager or the Director of Finance and Resources. The F&R Accountant, Finance Manager or the Director of Finance and Resources will indicate on the list the invoices that should be paid and will sign the report as evidence of approval.

The Finance Administrator will then input details of payments to be made to the purchase ledger and generate the BACS payment run or cheques required. See BACS payments, para 14.4. The cheques and associated paperwork must be authorised by two of the nominated cheque signatories.

### **12.5. New Suppliers and Amendments**

Suppliers should be selected from the list of approved suppliers in the first instance. The list of approved suppliers will be circulated to all staff at the beginning of each academic year. Where it is deemed necessary to use a new supplier (e.g., due to best value) a new supplier form should be completed and passed to the Finance Team for processing.

Appropriate checks will be completed by the Finance Team to verify bank details etc and the supplier will be set up on PSF by the Finance Administrator. Supporting documentation should be attached to the form and passed to the Finance Manager or F&R Accountant for checking and approval. These should then be filed for future reference.

Amendments to supplier bank details will be verified by the Finance Administrator. The supplier will be contacted by telephone or email to confirm any changes prior to update on PSF.

### **12.6. Invoices without a purchase order**

A purchase order should be raised for all goods and services purchased by the Trust. If in exceptional circumstances, a purchase order has not been used the budget holder must provide a reason in writing to the finance team. They should be kept to a minimum and should only take place when it will affect the smooth running of the budget department. The Catering Manager is authorised to make non-order purchases for standard daily/weekly food supply orders. When the invoice arrives, it will be sent to the budget holder for signature and coding. The invoice will be stamped with a grid stating:

- Date Approved by budget holder;
- Budget holder Signature;
- Cost Centre;
- Nominal Ledger code.

### **12.7. Catering**

The catering manager is authorised to place orders on the phone. Equipment should be ordered as in line with the scheme of delegation policy. Orders should only be made through authorised suppliers.

When the goods arrive at the kitchen, a member of staff should check that the delivery is correct. The invoices should be passed to the finance office on a weekly basis.

Requests for catering for events should be made to the Catering Manager.

No kitchen equipment may be removed from the site without the permission of the Catering Manager and the Director of Finance and Resources.

## **12.8. Card Payments**

Some purchases are ordered by telephone or on the internet and are paid for by business charge card. These purchases include expenditure on train fares and course fees. A request for a payment by card must be on a card payment transaction form or a Purchase Order (if ordering through the finance team. The Catering, Science and Technology departments hold their own cards and therefore do not need to complete a request form). A copy of the request form can be found on the teacher drive. As the cards are in the name of the school and the specific holder, only the person who is named on the card can use them. The confirmation of the order and/or any associated invoices or receipts must be kept with the original order. Monthly charge card statements should be signed by the card holder and the F&R Accountant or Finance Manager.

Transaction limits have been set up in line with the scheme of delegation and further details on the use of charge cards has been documented within a separate RCT Charge Card Policy. Also see further details within section 14 of this policy.

Card payments above £500 need to be authorised in advance by the F&R Accountant, Finance Manager or the Director of Finance and Resources.

## **12.9. Quotations and Approval**

### **Purchase Orders over £1,000 but less than £5000**

Orders up to £1000 must be authorised by the budget holder and at least one verbal quotation or price should be obtained prior to completion of the order requisition.

Orders over £1,000 but less than £5,000 must be authorised by the F&R Accountant, Finance Manager or the Director of Finance and Resources. At least 2 quotations or prices should be obtained by the budget holder to ensure best value. Written details of quotations obtained should be prepared by budget holders and passed to the finance team with the order requisition.

### **Orders over £5,000 but less than £15,000**

At least three written quotations should be obtained for all orders between £5,000 and £15,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared by budget holders and passed to the finance team with the order requisition. Telephone quotes are acceptable if these are evidenced and fax or email confirmation of quotes has been received before a purchase decision is made. All orders between £5,000 and £15,000 require approval by the Director of Finance and Resources and the Head of School.

### **Orders over £15,000 but less than £25,000**

At least three written quotations should be obtained for all orders between £15,000 and £25,000 to identify the best source of the goods/services (as above). All orders between £15,000 and £25,000 require approval by the Director of Finance and Resources, Executive Headteacher and Chair of the Finance Committee.

### **Orders over £25,000 but less than £40,000**

At least three written quotations should be obtained for all orders between £25,000 and £40,000 to identify the best source of the goods/services (as above). All orders between £25,000 and £40,000 require approval by the FR&A Committee.



## Orders over £40,000

All goods/services ordered with a value over £40,000, or for a series of contracts which in total exceed £40,000 must be subject to formal tendering procedures. Orders or contracts in excess of £40,000 require approval by the Trust Board.

### 12.10. Tendering

#### 12.10.1. Forms of Tenders

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

**12.10.2. Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Director of Finance and Resources 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.

**12.10.3. 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 the Trust's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

**12.10.4. 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.

#### 12.10.5. Preparation for Tender

Full consideration should be given to:

- objective of project;
- overall requirements;
- technical skills required;
- after sales service requirements;
- form of contract.

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.

#### 12.10.6. Invitation to Tender

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.

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.

#### **12.10.7. 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.

#### **12.10.8. Tender Acceptance Procedures**

The invitation to tender should state the date and time by which the completed tender document should be received by the 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.

#### **12.10.9. Tender Opening Procedures**

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 the tenders, either the Executive Headteacher or the Director of Finance and Resources, plus a member of the FR&A Committee.

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.

No tender received after the date and time specified for its opening shall be accepted or considered by the Trust unless the Trust is satisfied that there is sufficient evidence of the tender having been dispatched in time for it to have arrived before the closing date and time, or other exceptional circumstances apply and the tenders have not been opened.

Late tenders can only be accepted by the Trustees who will minute the reason for their decision.

#### **12.10.10. Tender Evaluation**

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.

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.

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.

Full records should be kept of all criteria used for evaluation and for contracts over £40,000 a report should be prepared for the FR&A highlighting the relevant issues and recommending a decision. The final decision should be taken to the Trust Board for approval.

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.

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

#### **12.10.11. Exceptions**

Where there are exceptional circumstances and the tendering process cannot be adhered to (emergency works only), these should be fully documented and authorised. The Trust keeps an 'Exception Record' to formally record the decision along with the reason(s) which is signed and dated by the Executive Headteacher and where applicable, the Chair of FR&A Committee, in accordance with the approved delegated limits. Where interests have been declared the relevant person (Trustee or member of staff) should be precluded from the procurement process to ensure that high standards of accountability and transparency can be evidenced. On no account should invoices be authorised by the 'interested' party.

### **13. Income**

#### **13.1. Overview**

The Trust Board has overall responsibility for ensuring that all income due to the Trust is properly accounted for. Day-to-day responsibility for this is delegated to the Director of Finance and Resources. The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the Director of Finance and Resources who is responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- students, mainly for catering and trips
- other schools, for outreach work
- the public, mainly for Fitness Suite membership, All Weather Pitch (AWP) hirings and

- premises
- lettings
- donations
- fundraising events

### **13.2. Receipting**

The Trust operates cashless income systems where possible, however, in the small number of circumstances where physical cash/cheques is received, official pre-numbered receipts should be issued. All cash and cheques should be kept in one of the safes in the Finance Office or in other safes across the site prior to banking, in line with safe limit recommendations.

Monies collected must be banked in-tact in the appropriate bank account. The finance office 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 F&R Accountant or Finance Manager.

### **13.3. Cash Security**

Physical cash and cheques should be held securely at all times. Access to safes should be restricted to a small number of officers and only to those who require access as part of their job role. Levels of cash held across the school sites will be monitored by the finance team and regular bankings will be undertaken. The Finance Manager will ensure that Trust insurance levels for cash holdings are not exceeded. The current level for cash held in the finance office safe is £5,000.

### **13.4. Transfer of Cash**

The transfer of cash between officers within the Trust will be documented by printing out a hard copy reconciliation of cash received. The officer receiving the cash should count the monies transferred to them and reconcile to the print out provided, following up any discrepancies. Both officers should sign the handover sheet/reconciliation as evidence of the amounts transferred.

### **13.5. Catering**

A cashless catering system is in place across the sites within the Trust. The income received is via Parent Pay, which is tracked and allocated to Catering by the Finance team.

Only in exceptional circumstances should pupils or staff pay by cash. It is the responsibility of catering staff for holding any cash securely and reconciling all cash received prior to handover to the finance office.

### **13.6. Trips**

A lead teacher must be appointed for each trip to take responsibility for the collection of sums due.

All trips are set up as an item on Parent Pay and this is the preferred method of payment. In exceptional circumstances students can make payments at the Finance Office for which a receipt will be issued.

Trip leaders are to receive regular financial reports from the Finance Office detailing a record of payments received. The Trip leader is responsible for ensuring each visit is financially viable and for pursuing any outstanding payments.

### **13.7. Fitness Suite Membership**

The Fitness Suite manager is responsible for maintaining records of membership and identifying the sums due from each individual. Payments must be made in advance for the use of facilities.

### **13.8. The 3G Pitch**

The PE & Sport Advisor and School Games Organiser is responsible for the bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities, where practicable.

Details of organisations using the sports facilities should be sent by the PE & Sport Advisor and School Games Organiser to the Finance Administrator who will establish a sales ledger account and produce a sales invoice from the accounting system. Details of payments made and outstanding accounts will be forwarded to the PE & Sport Advisor and School Games Organiser at the beginning of each week and the PE & Sport Advisor and School Games Organiser, along with the Finance Administrator, is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

All write off of debts require appropriate authorisation (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter) in accordance with the Trust's Debt Recovery Policy and Scheme of Delegation

Organisations using the sports facilities should be instructed to send all payments to the Finance Office.

### **13.9. Northgate Sports Hall (NGSH)**

The Operations Manager is responsible for the bookings of sports facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.

Details of organisations using the sports facilities should be sent by the Operations Manager to the Finance Administrator who will establish a sales ledger account and produce a sales invoice from the accounting system. Details of payments made and outstanding accounts will be forwarded to the Operations Manager at the beginning of each week and the PE & Sport Advisor and School Games Organiser is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made. The Community Sports' Administrator will have access to PS Financials Web Portal (when available) for ordering of goods and services and will act as the NGSH cashier (responsible for receipt and banking of fees). The Community Sports' Administrator will also be responsible for requesting invoices for fees to be raised by the Finance Administrator.

The Community Sports' Administrator will be responsible for controlling the NGSH debtors. No debts should be written off without the express approval of the Director of Finance and Resources.

Organisations using the sports facilities should be instructed to send all payments to the Finance Office.

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 NGSH safe prior to banking. Banking should take place every week or more frequently if the sums collected are excessive.

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Administrator is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The bank reconciliations must be prepared at least fortnightly and must be reviewed and certified by the F&R Accountant or

Finance Manager.

### **13.10. Fundraising**

Records are maintained for each fund-raising event, in sufficient detail to identify gross receipts and how they have arisen, and all costs incurred.

For all events for which there is ticket income or gate money, reasonableness checks are carried out to ensure the takings equate to the number of tickets issued multiplied by the price per ticket. Similar records are maintained for sponsored events.

## **14. Bank Accounts and Cash Management**

### **14.1. Bank Accounts**

The Robert Carre Trust has seven current accounts, the 2 main school accounts, the 2 school fund accounts, Fitness Suite Account, Trading account and the Sports Hall account.

The list of signatories as per the bank mandate can be found in the finance office.

The opening of all accounts must be authorised by the Board 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.

### **14.2. Deposits**

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.

### **14.3. Payments and withdrawals**

All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the authorised signatories.

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

Cash should be banked at regular intervals but in the interests of security a regular pattern for either the deposit or withdrawal of funds should not be established.

### **14.4. BACS Payments**

BACS payments are subject to a 2-stage authorisation process. The process is as follows:

- The Finance Administrator prepares the schedule of payments and attaches all relevant invoices/paperwork;
- The schedule of payments is checked and approved by the Director of Finance and Resources, F&R Accountant or Finance Manager with any amendments (additions or deletions) made as required;

- The Finance Administrator completes the BACS file preparation and the authorising officers receive emails to check and verify the payments and subsequently authorise either as the first signature or the second signature. See below.

First stage signatories include the Finance Manager, F&R Accountant or Director of Finance and Resources

Second stage signatories include the Head of School (or a nominated deputy / SLT member)

#### **14.5. Lloyds Charge Cards**

The following restrictions are placed on the use of the Lloyds Bank charge cards:

- Cards are the responsibility of the individual card holders and must be held securely at all times. Cards held by the finance team are to be secured in the safe until required and then returned promptly following purchase;
- Budget Holders may authorise charge card expenditure for routine purchasing up to a maximum of £500 and in any one day the total of charge card transactions cannot exceed £10,000;
- A purchase order or card transaction request form is needed for each request for the charge card authority;
- The Director of Finance and Resources F&R Accountant or Finance Manager authorises all charge card payments;
- The Finance Administrator or other card holder completes the purchase ensuring that appropriate receipts are obtained
- The Finance Administrator will subsequently reconcile the charge card purchase to the bank account;
- Budget holders or department technicians, with a charge card, must present all receipts and transaction records to the Finance office by the 25<sup>th</sup> of each month. These transactions should be presented on the form provided by the Finance Office. charge card holders must adhere to the transaction limits as set by the Director of Finance and Resources.

#### **14.6. Bank Reconciliation**

The Director of Finance and Resources 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 PS Financials.
- reconciliations are prepared by the Finance Administrator;
- reconciliations are subject to an independent monthly review carried out by the F&R Accountant or Finance Manager;
- the Director of Finance and Resources is to sign at least one of the bank reconciliations monthly;
- adjustments arising are dealt with promptly
- the bank reconciliation involves a detailed review of the component statement for irregular items.

#### **14.7. Direct Debits and Standing Orders**

Authorisation for the set up of new direct debit or standing order payments is required from the Director of Finance and Resources and 1 other additional bank signatory.

## **14.8. Petty Cash Accounts**

### **14.8.1. Overview**

The cash balance in each school in the MAT must not exceed £200.

The Finance Manager is to ensure that the petty cash account is reconciled monthly and sign the petty cash sheet to that effect.

### **14.8.2. Deposits**

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

### **14.8.3. Payments and Withdrawals**

In the interests of security, petty cash payments will be limited to £50. Higher value payments should be made by cheque or BACS directly from the main bank account as a cash book payment. In the very rare circumstances that petty cash will exceed the £50 limit and it would be impractical to wait for payment to be made by cheque, the petty cash voucher is to be signed personally by the Finance Manager or F&R Accountant.

### **14.8.4. Administration**

The Finance Manager and F&R Accountant are responsible for ensuring the entering of all transactions into the petty cash records on a regular basis as well as unannounced cash counts to ensure that the cash balance reconciles to supporting documentation.

### **14.8.5. Physical Security**

Petty cash should be held in a locking cash box which is put in the safe overnight.

## **Investments and Reserves – see separate RCT Investments and Reserves Policy**

## **15. Fixed assets**

### **15.1. Asset register**

All items purchased with a value over the Trust's capitalisation limit must be entered in an 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 DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset



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 the Trust's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

Updating of the register as assets are procured should ensure that it is always current and should ease the task of end of year asset verification. It should also simplify the setting of insurance levels and the handling of any claims.

A similar register should also be maintained of "attractive items" (ie items with a cost below the Trust's capitalisation threshold) such as minor office equipment.

### **15.2. Security of assets**

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

All the items in the register should be permanently and visibly marked as the 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 Board. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted.

### **15.3. Disposals**

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Director of Finance and Resources and, where significant, should be sold following competitive tender. The Trust 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.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the 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 Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the DfE a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State.

### **15.4. Loan of Assets**

Items of Trust property must not be removed from Trust 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 Trust when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept

under review and any potential benefits discussed with the Trust's auditors.

### 15.5. Depreciation Policy

The Trust's treatment of expenditure on fixed assets varies according to the category of the assets and their expected useful economic lives. Assets inherited on establishment of the Trust are assumed to be fully depreciated and are not included in the accounts.

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic lives. The related grants are credited to the restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet) and the depreciation on the appropriate assets is charged to this fund such that the remaining carrying value of the grants at each year-end is represented by the net book value of the funded assets.

Assets under construction are accounted for at cost based on architects' certificates and other direct costs. They are not depreciated until they are brought into use.

The asset register will include the source of funds for all assets.

All fixed assets given to the Trust are recorded in the accounts as income in the period in which the fixed asset was given to the Trust. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the Trust or the amount actually realized. The key test is what the Trust would have been prepared to pay to purchase the asset

A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Individual items costing less than £1,000 are not capitalised.

### 15.6. Depreciation Rates

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used are:

- |                                   |                               |
|-----------------------------------|-------------------------------|
| • Land and Buildings              | No Depreciation               |
| • Long Leasehold Property         | Over the remaining lease term |
| • Buildings refurbishments        | 10 Years                      |
| • Furniture and equipment         | 4 Years                       |
| • Motor Vehicles                  | 4 Years                       |
| • Computer Equipment and software | 4 Years                       |

### 15.7. Procurement - Best Practice Checklist

**Policies and procedures for procurement should be documented and adhered to**, to ensure that the process is being carried out on a fair, open and best value basis. The documentation should describe:

- **roles and responsibilities** of those involved in procurement (e.g., MAT Board, Executive Headteacher, Director of Finance and Resources, other senior managers and the central finance office);
- **delegated authority levels**, in particular setting out the procedures to be followed for purchases above specified values, to ensure sufficient levels of oversight by the governing body;

- **arrangements to ensure segregation of duties;**
- **how purchases are recorded** (papers records and computer records (e.g., accounting system arrangements))

In all cases it is important to ensure that the procedures that are set out are followed, both for routine day to day procurement, and for periodic high value items.

Where appropriate, **individuals with relevant experience including the end-users (e.g., ICT managers, teachers) should be involved** when putting together invitations to tender, or making key decisions. This will not only aid selection of the best solutions for the Trust, but may also help achieve buy-in by the end-users.

An officer should be nominated for coordinating the initial procurement of assets, and stocks of teaching and learning materials, during the Trust's start up period. This person should provide an assessment of the completeness and reasonableness of items procured, to ensure that all essential purchases are made prior to opening, and that they non-essential purchases are challenged.

**Procurement decisions should be clearly recorded** to ensure that the decision has been reached fairly and to provide a clear audit trail:

- minutes should be taken of all relevant meetings;
- the options available should be recorded;
- the basis for scoring/ranking should be set out;
- the individuals responsible for scoring/ranking should be identified;
- the outcome of the scoring and the final decision should be recorded;
- the reasons on which the decision was reached should be clearly documented.

**All key documents should be retained together by the Trust.**

This includes:

- invitations to tender;
- tenders received from bidders;
- quotes obtained for smaller purchases;
- papers/minutes documenting the procurement decision;
- signed copies of the contracts awarded;
- invoices.

Where procurement is carried out with the assistance of an external project management company (for example the initial procurement of ICT, furniture and equipment prior to moving into a new building) key documents should be transferred to, and retained by, the Trust prior to cessation of the contract with the project management company.

All items purchased with a value over the Trust's capitalisation limit must be entered in an asset register – see paragraph 15.1.

Updating of the register as assets are procured should ensure that it is always current and should ease the task of end of year asset verification. It should also simplify the setting of insurance levels and the handling of any claims.

A similar register should also be maintained of "attractive items" (i.e., items with a cost below the Trust's capitalisation threshold) such as minor office equipment.

**Fitness for purpose should be a key consideration in any procurement decision** (e.g., ICT should be of the correct specification; fixtures and fittings should be of adequate durability).

Opportunities should be taken for **bulk purchase discounts**, for example by combining similar orders.

When ordering goods an assessment of likely **delivery timeframes** should be made, to ensure that appropriate staff are available on site to receive them (particularly during school holidays), and that adequate space is available to locate or store the delivery.

### Summary of delegated authorisations

Decision / Approval	Delegation
Approval of Purchase Orders:	
Up to £1,000	Budget Holders
Between £1,000 - £5,000	Director of Finance and Resources <b>or</b> F&R Accountant <b>or</b> Finance Manager
Between £5,000 - £15,000	Director of Finance and Resources <b>and</b> Head of School
Between £15,000 - £25,000	Director of Finance and Resources, Executive Headteacher <b>and</b> Chair of FR&A Committee
Between £25,000 - £40,000	FR&A Committee
Over £40,000	Trust Board
Charge Card:	
Prior approval for purchases over £500	Director of Finance and Resources
Checking and approval of transactions/ monthly statements	Finance Manager or F&R Accountant
Payments:	
Checking/approval for BACS payment schedules	Finance Manager or F&R Accountant
Authorisation of BACS payments through the Lloyds banking portal	2 authorised bank signatories (signatory list available in the Finance office)
Authorisation for cheque payments	2 authorised bank signatories
Authorisation for set up of direct debits	Director of Finance and Resources <b>and</b> 1 additional bank signatory

Payroll:	
Changes to the agreed staffing establishment	FR&A Committee
Approval for new staff (within agreed staffing establishment)	Executive Headteacher
Approval for contract changes	Executive Headteacher
Approval of monthly payroll	Director of Finance and Resources (shared with the Heads of School)
Budget Virements:	
Out of budget expenditure over £10K	Trust Board
Out of budget expenditure under £10K	FR&A
Budget virements under £5K	Head of School
Budget virements between £5K - £25K	Director of Finance and Resources, reported to the FR&A
Budget virements over £25K	FR&A

**Associated Policy:**

1. RCT Investments and Reserves Policy
2. RCT Charging and Remissions Policy
3. RCT Charge Card Policy

**Adopted by the RCT Board on 20 September 2022**

**Next review: July 2023 (annually)**