

SHARE MULTI ACADEMY TRUST

FINANCIAL REGULATIONS

ACADEMIC YEAR 2016-17

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Author:	CP
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Signed:	CP

Record of Alterations

Version 1.0	Original (Sept 2011 on conversion to Shelley Academy)
Version 1.1	Minor amendments following Trustees' meeting (Sept 2012)
Version 1.2	Minor amendments following Trustees' meeting (Dec 2013) Reviewed Dec 2014 – no amendments (updated into new format)
Version 1.3	Reviewed Jun 2015 – amended as a SHARE Multi Academy Trust document, with minor amendments to the format and language used
Version 1.4	Reviewed May 2016 by Audit Committee – to be approved by Directors Autumn Term 2016

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1 INTRODUCTION

The purpose of this manual is to ensure SHARE Multi Academy Trust (the Trust) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management and meets the requirements of our funding agreement with the Education Funding Agency (EFA).

2 ORGANISATION

201 The Trust has defined the responsibilities of all individuals involved in the administration of academy 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:

The Directors

202 The Directors are responsible for overseeing the financial performance of the Trust and making sure its money is well spent. The main responsibilities of the Directors are prescribed in the Funding Agreement between the Trust and the EFA and in the Trust's Scheme of Delegation, ie:

- ensuring that the grant from the EFA is used only for the purposes intended;
- ensuring that grant from the EFA 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 Chief Executive (and approve the appointment of the Finance Director)

The Audit Committee

203 The Audit Committee consists of trustees and independent members who are not involved in any decisions relating to the finances anywhere in the Trust. They report to the Directors on the following matters:

- resources are being allocated in line with our strategic priorities
- full and efficient use of assets and financial resources
- how the Trust's spending compares with other schools or trusts
- how the Trust can get better value for money
- are financial management procedures secure and minimise the risk of abuse or fraud

The Chief Executive Officer

204 The Chief Executive Officer provides the professional leadership of the Trust, working closely with the Board of Directors and Members, to ensure the proper and effective management of the Trust's resources and to provide the necessary accountability for their use.

The Finance Director

205 The Finance Director leads on financial policy and practices across the Trust, namely:

- providing strategic advice to the CEO, Directors, Principals, Headteachers and Academy Councils on all financial matters;
- preparing the Trust's annual financial forecasts, forecasts for corporate strategies;

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- is accountable to the CEO for the proper financial operations of the Trust;
- overseeing the Trust's capital development strategy and financial aspects of major capital projects
- managing the finance teams and overseeing the development and maintenance of financial systems and procedures, including appropriate IT systems
- aligning financial policies and working practices across the Trust

Other Staff

206 Other members of staff, primarily the academy Business Manager, Bursar, Finance staff and budget holders, will also have financial responsibilities and these are detailed in the following sections of this manual. 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 Trust's financial procedures.

Register of Interests

- 207 It is important that anyone involved in spending public money demonstrates that they do not benefit personally from decisions they make. All governors and staff are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. The register is open to public inspection.
- 208 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.
- 209 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 academy council or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

Register of Related Parties

- 210 A related party is a person or organisation which either controls or significantly influences the decisions and operations of the business. To ensure the Trust operates within FRS 8 (Related Party Disclosures), Trustees are required to complete a Related Party declaration each year (in addition to the Register of Interests).

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3 ACCOUNTING SYSTEM

- 301 All financial transactions of the Trust must be recorded on the Civica Resource 32000 accounting system.
- 302 It is acceptable to operate separate accounting systems for school trips and activities, but the data must be transferred into the Civica Resource 32000 accounting system at least once per year by primary schools (as part of the year-end closure of accounts), or on a monthly basis by secondary schools.

System Access

- 303 Access to the Civica Resource 32000 system is password restricted and the Finance Director is responsible for ensuring that passwords are changed at least every 3 months. (The system is set up to automatically generate a password change every 3 months).
- 304 Access to the component parts of the system is also restricted and the academy Business Manager or Bursar is responsible for setting access levels at academy level for all members of staff using the system. The Finance Director is responsible for setting access levels at Trust level (ie access to each academy accounting system, and the Trust consolidated system).

Back-up Procedures – Accounting System Databases

- 305 All databases are hosted by Civica (cloud based) and not on the academies servers. As such, Civica are responsible for the back-up and recovery of our accounting systems.

Transaction Processing

- 306 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. All journal entries must be documented on the appropriate journal form, recorded in the journal book and authorised by the academy Business Manager/Bursar prior to being input to the accounting system. Bank transactions should be checked, and signed to evidence this check, by the academy Business Manager/Bursar.
- 307 Operation of the Civica Resource 32000 accounting system must conform to the user instructions, details of which are published in the on-line manuals.

Transaction Reports

- 308 The academy Business Manager or Bursar will obtain and review system reports to ensure that only expected transactions are posted to the accounting system. The report obtained and reviewed will include:
- the weekly audit trail reports;
 - journal reports for the payroll, purchase ledger and sales ledger;
 - management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

- 309 The academy Business Manager or Bursar is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account;
 - purchase ledger control account;
 - payroll control account;
 - fixed asset control account;
 - all suspense accounts and
 - bank statement to accounting system

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- 310 Any unusual or long outstanding reconciling items must be brought to the attention of the Finance Director, who will review and document reconciliations as evidence.
- 311 The academy Business Manager or Bursar sends month-end reports across all ledger areas (as prescribed by the Finance Director) to the Finance Director for review.
- 312 The Finance Director performs reconciliations of all control accounts across the Trust on a monthly basis.

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4 FINANCIAL PLANNING

- 401 The Trust prepares both short-term (1 year) and medium term (5 year) financial plans.
- 402 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.
- 403 School Development Plans (SDP's) indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources.
- 404 The development planning process and the budgetary process are described in more detail below.

School Development Plan (SDP)

- 405 The SDP is concerned with the future aims and objectives of the Trust and how they are to be achieved (including resources required). The SDP is relatively simple and flexible. The "big picture" within which more detailed plans may be integrated.
- 406 The form and content of the SDP give due regard to the matters included within the guidance issued by the EFA.
- 407 Each year the Principal/Headteacher of each academy, in conjunction with their Academy Council will submit their Academy Improvement Plan (SDP), Summary School Evaluation Form (SEF) and Curriculum Led Financial Plan to the Chief Executive by the beginning of November each year.
- 408 The completed SDP includes detailed objectives for the coming academic year and outline objectives for the following two years. The plan also includes the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 409 For each objective the lead responsibility for ensuring progress is made towards the objective is assigned to an academy manager. The responsible manager monitors performance against the defined success criteria throughout the year and reports to the senior management team on a regular basis. The senior management team will in turn provide regular reports to the Academy Council with any recommendations for action(s) as relevant.

Annual Budget

- 410 All final Academy and Group budgets must be submitted to the Board for ratification by 30th June each year. Indicative budgets must be in place by April each year. Budgets require authorisation by the Principal, Chief Executive and Finance Director prior to being presented to the Board.
- 411 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.
- 412 The budgetary planning process will be planned in accordance with the Trust Scheme of Delegation, and incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of EFA grant receivable;
 - review of other income sources available to the Trust to assess likely level of receipts;
 - review of past performance against budgets to promote an understanding of the Trust cost base;
 - identification of potential efficiency savings and
 - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

- 413 Comparison of estimated income and expenditure over the medium term (eg 5 years) will identify any potential surplus or shortfall in funding and enable actions to be put in place in a measured and timely manner.
- 414 If a potential surplus is identified, this may be held as a general contingency until plans for its allocation are established, or alternatively, bids can be invited from budget holders and/or allocated to areas of need.
- 415 In the event that a shortfall is identified, opportunities to increase income and/or ways in which savings can be made, should be explored. This may entail deferring projects until funding is more stable. Plans and budgets will need to be

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revised on a regular basis until income and expenditure are in balance.

Finalising the Budget

- 416 Once the different options and scenarios have been considered, a draft budget should be prepared by the academy Business Manager/Bursar for approval (as outlined in 410). The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 417 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

- 418 Monthly management accounts will be prepared by the academy Business Manager or Bursar. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Principal/Headteacher and Academy Council.
- 419 Any potential overspend against the budget must in the first instance be discussed with the Business Manager. (Parameters are set up in the accounting system which will prevent orders being processed against an overspent budget without the approval of the academy Business Manager/Bursar.
- 420 The monitoring process should be effective and timely in highlighting variances in the budget so that they can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire (transfer) money from another budget or from the academy general contingency. All budget virements must be authorised in accordance with the Trust Scheme of Delegation.

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5 PAYROLL

501 The main elements of the payroll system are staff appointments; payroll administration and payments.

Staff Appointments

- 502 The Academy Council of each academy has an approved personnel establishment for its own academy. Changes can only be made to this establishment in accordance with the Trust's Scheme of Delegation with the express approval in the first instance of the Academy Council who must ensure that adequate budgetary provision exists for any establishment changes.
- 503 The Principal/Headteacher has authority to appoint staff within the authorised establishment except for Vice Principals or Deputy Headteachers whose appointments must be made in accordance with the Trust's Scheme of Delegation.
- 504 The Director of Human Resources is responsible for the administration of employment contracts, pay and conditions of services. All personnel changes must be notified, in writing, to the Director of Human Resources immediately.

Payroll Administration

- 505 The Trust payroll is administered by a 3rd party provider (Selima) with effect from 1 December 2016 (previously administered in-house).
- 506 All staff are paid monthly. A master file is held for each employee recording salary; bank account details; taxation status; personal details and any deductions or allowances payable.
- 507 Master files can only be created (or amended) by the Human Resources Officer with the express approval of the Director of Human Resources.
- 508 Absence Management forms are completed by the Human Resources Officer responsible for the process, which provides details of sickness and other absences during the period. New appointments or terminations are notified by the Director of Human Resources.

Payments

- 509 After the payroll has been processed summary/variance reports are issued to the academies by the Human Resources Officer. The reports are reviewed and authorised by the Principal/Headteacher at each academy. Whilst detailed checking can be undertaken by the Business Manager or Bursar, the responsibility for authorising the report is vested with the Principal/Headteacher at each academy.
- 510 Payroll transactions are administered through the Trust central fund bank account, and then recharged to academies – with funds transferred from the academies back into the Trust central fund bank account.
- 511 All salary payments are made by BACS from the Trust central fund bank account.
- 512 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.
- 513 There are other deductions made which are voluntary, and include child care vouchers, salary sacrifice schemes (eg computer and cycle schemes), and union subscriptions.
- 514 The Finance Director reconciles the payroll for the Trust, making payments to the relevant bodies (HM Customs & Revenue, pension providers, etc), by the due dates.
- 515 The academy Business Manager or Bursar monitors salary payments on an individual employee basis – preparing the analysis in order to post the transactions into the nominal ledger to correspond with the recharge made by the Finance Director. This reconciliation is reviewed, and signed by the Finance Director on a monthly basis.
- 516 The Finance Director reviews the Trusts payroll control accounts on a monthly basis to ensure the correct amount has been processed, individual cost centres have been correctly charged and to identify any amounts posted to the suspense account.
- 517 On an annual basis the Human Resources Officer checks each member of staff to ensure that the gross pay per the payroll system agrees to the contract of employment held on the personnel files.
- 518 On an annual basis the Finance Director reconciles the payroll costs charged to each academy with the total 'Trust' payroll cost.

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6 PURCHASING

- 601 The Trust wants to achieve the best value for money from all purchases. This means that purchases should be secured in the correct quality, quantity and time at the best price possible. Most purchases will be paid for using public funds and the Trust 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.

Ordering Goods and Services – up to £2,999

- 602 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. Where Civica Resource 32000 web requisitioning is in operation, budget holders are encouraged to regularly review their own records and reports. Where web requisitioning is not in operation, a print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own commitment records.
- 603 Purchases up to £2,999 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Business Manager or Bursar. A quote or price must always be obtained (in writing) 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 academy Business Manager or Bursar.
- 604 All orders must be made electronically, or in writing (using an official order requisition form obtained from the academy Finance Office). Orders must bear the signature of the budget holder (or if electronic should be completed in accordance with the mandate signed by the budget holder) and must be forwarded to the Business Manager or Bursar where the academy Business Manager or Bursar will check to ensure adequate budgetary provision exists before countersigning.
- 605 Countersigned orders are recorded in the orders placed file, allocated a reference number and dispatched to the supplier by the academy Finance Office.
- 606 The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
- 607 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy Finance Office should be notified, who will keep a central record of all goods returned to suppliers.
- 608 All invoices should be sent to the academy Finance Office. Invoice receipt will be recorded by the Finance staff by processing the invoice in Civica Resource 32000.
- 609 The Finance staff will stamp invoices with a grid against which the following can be evidenced:
- invoice arithmetically correct;
 - invoice posted to purchase ledger;
 - goods/ services received;
 - goods/services as ordered;
 - prices correct;
 - invoice authorised for payment;
 - payment authorised;
 - VAT treated correctly; and
 - payment made.

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- 610 The invoice will be sent to the budget holder to confirm delivery and payment can be made. The budget holder must make a detailed check against the order and the GRN and these documents must be attached to the invoice before it is sent back to the Finance Office. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
- 611 Where web requisitioning is in operation, the audit trail is embedded within the accounting system. Where it is not in operation, the signature of the budget holder confirming delivery has been made and payment can be released will need to be evidenced in writing. A signature on the original invoice will suffice.
- 612 If a budget holder is pursuing a query with a supplier the Finance Office must be notified of the query and kept up to date with progress towards a resolution.
- 613 At the end of the month (or more regularly as required), a list of outstanding invoices from the purchase ledger is produced, and this list together with supporting documentation will be reviewed by the academy Business Manager or Bursar, who will indicate on the list the invoices that should be paid.
- 614 The academy Business Manager or Bursar will input details of payments to be made to the purchase ledger and generate the BACS payments or cheques required. If the academy Business Manager or Bursar is a signatory to the bank account, then they cannot generate the BACS payments or cheques, and this role must be fulfilled by the most senior member of the finance team.
- 615 The BACS report and/or cheques and associated paperwork must be authorised by two of the nominated bank signatories.
- 616 BACS payments and/or cheques will be dispatched to suppliers by the academy Business Manager, Bursar or Finance Staff, with copies filed with the invoices.

Ordering Goods or Services - between £3,000 and £49,999

- 617 At least three written quotations should be obtained for all orders for the supply of goods or services between £3,000 and £49,999, to identify the best source and make a fair and informed decision. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and written confirmation of quotes has been received before a purchase decision is made.
- 618 In exceptional circumstances (such as an emergency that might pose a risk to the school, or a limited field of available suppliers), it may not be viable to secure three written quotations in advance of the order. In such situations, advice should be sought from the academy Business Manager or Bursar.
- 619 Careful consideration needs to be made to ensure multiple small orders are not placed with one supplier in order to avoid obtaining three written quotations. Annual spend by supplier (including the number of orders raised) should be reviewed by the Business Manager or Bursar at each academy to ensure three written quotations are obtained where the annual spend is greater than £3,000.

Ordering Goods or Services - over £50,000

- 620 All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures. Supplies or services over £164,176 (January 2016 threshold) may fall under EU procurement rules which require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

Forms of Tenders

- 621 There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.
- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the academy Business Manager/Bursar how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
 - **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,

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- 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.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

622 Full consideration should be given to:

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

623 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

624 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.

625 An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and form of response.

Aspects to Consider

625 **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 extra costs
- Any scope for negotiation

626 **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

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627 **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

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

Tender Opening Procedures

- 631 All tenders submitted should be opened at the same time and tender details should be recorded.
- 632 Those required to be present should be in accordance with the Trust's Scheme of Delegation.
- 633 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

- 634 The evaluation process should be in accordance with the Trust's Scheme of Delegation. 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.
- 635 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.
- 636 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared in accordance with the Trust's Scheme of Delegation highlighting the relevant issues and recommending a decision.
- 637 Where required by the conditions attached to a specific grant from the EFA, the department's approval must be obtained before the acceptance of a tender.
- 638 The accepted tender should be the one that is economically most advantageous to the Trust. All parties should then be informed of the decision.

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7 INCOME

- 701 The main sources of income for the Trust are the grants from the EFA and from our sponsors. The receipt of these sums is monitored directly by the Business Manager or Bursar who is responsible for ensuring that all grants due to the academy are collected.
- 702 Each academy also obtains income from students, mainly for trips, visits and activities and the public, mainly for sports and community lettings.
- 703 Debtor invoices are raised within two weeks following the provision of goods/services. A monthly aged debtor report is produced and outstanding debts reviewed. Customers are chased for outstanding debts at the month end following the debt due date.

Trips, Visits and Activities

- 704 A lead person (usually a teacher) must be appointed for each trip to take responsibility for the collection of sums due. The lead person must follow procedures outlined in the academy policy and guidelines, which includes informing the Finance Office of the names of the students participating, and the amount due.
- 705 Students should make payments at the Finance Office (local arrangements to be made for primary schools), or electronically using the on-line facility. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
- 706 The Finance Office should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead person on a weekly basis, who is responsible for chasing the outstanding amounts.

Sports and Community Lettings

- 707 The Environment & Events Leader (Shelley College) or Business Manager (primary schools) is responsible for maintaining records of bookings of sports and community facilities and for identifying the sums due from each organisation.
- 708 Payments must be made immediately after the use of facilities.
- 709 Details of organisations using the sports facilities should be sent by the Environment & Events Leader (Shelley College) or Business Manager (in primary schools) to the Finance Office who will establish a sales ledger account and produce a sales invoice.
- 710 Details of payments made and outstanding accounts will reviewed by the academy Business Manager or Bursar on a regular basis and who is responsible for chasing outstanding debts and ensuring no further use is made of the facilities without payment.
- 711 Debts can only be written off in accordance with the Trust's Scheme of Delegation.
- 712 Organisations using the facilities should be instructed to send all payments to the Finance Office.

Custody

- 713 Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists.
- 714 All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit.
- 715 Monies collected must be banked in their entirety 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 academy Business Manager or Bursar.

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8 CASH MANAGEMENT

Bank Accounts

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

Deposits

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

Payments and withdrawals

- 803 All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories: CEO, Principal/Headteacher, Finance Director, and other approved signatories as outlined in the mandate to the bank account.
- 804 This provision applies to all accounts, public or private, operated by or on behalf of the academy council of the Trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

- 805 The academy Business Manager or Bursar must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis.
- 806 Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the Trust's cash book;
 - reconciliations are prepared by the academy Business Manager/Bursar (school budget) or the Finance Officer or Business Manager (School Trips/Activities Funds);
 - reconciliations are subject to an independent monthly review carried out by the academy Business Manager or Bursar or in his/her absence the Finance Director and
 - adjustments arising are dealt with promptly.

Petty Cash Accounts

- 807 The Trust maintains a maximum cash balance of £600. The cash is administered by the academy Business Manager or Bursar and is kept in the Finance office safe. The large sum is available in the event in order to provide urgent and immediate hardship funds to vulnerable students and families (eg Pupil Premium and 16-19 Bursary funds).

Credit Cards

- 808 The Trust has 4 business credit cards issued by Lloyds Bank Plc, in the name of:
- Cleo Potterton, Finance Director (SHARE Multi Academy Trust)
 - Carrie Lally, Bursar (Shelley College)
 - Michelle Lee, Principal (Heaton Avenue Primary School)
 - Sue Love, Business Manager (Millbridge JI&N School (Millbridge))

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Transactions are subject to the same procedure as outlined in the Purchases Section (602-616), substituting *credit card payment*, where reference is made to BACS or cheque payments.

Deposits

- 809 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, cheque number relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

- 810 In the interests of security, petty cash payments will be limited to £30. Higher value payments follow the purchasing procedure (Section 6).

Administration

- 811 The Business Manager or Bursar is responsible for ensuring all petty cash transactions are entered on a regular basis and frequent as well as unannounced cash counts should be undertaken by the academy Business Manager, Bursar or Finance Director to ensure that the cash balance reconciles to supporting documentation.

Physical Security

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

Cash Flow Forecasts

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

Investments

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

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9 FIXED ASSETS

Asset Register

- 901 All items purchased with a value over the Trust's capitalisation limit must be entered in an asset register maintained by each academy.
- 902 Each asset register should include the following information:
- asset description and number
 - serial number
 - date of acquisition
 - asset cost
 - source of funding eg GAG, DFCA, Capital Maintenance, Donation, etc)
 - expected useful economic life
 - depreciation
 - current book value
 - location and name of member of staff responsible for the asset
- 903 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;
 - 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.

Security of assets

- 904 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 905 All the items in the register should be permanently and visibly marked as the Trust's property. The Trust uses tamper-proof bar code stickers.
- 906 Records of asset movements must be maintained, and the Civica Resource 32000 updated with the same information.
- 907 Inventories of academy property should be kept up to date and reviewed regularly.
- 908 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, reported to the Academy Council, and Finance Director.
- 909 Evidence that asset checks have been performed (ie signature of person undertaking the check) is part of the external audit verification work, thus a hard copy must be maintained in the annual audit file.

Disposals

- 910 Disposals are in accordance with the Trust Scheme of Delegation.
- 911 Assets up to £20,000 (original cost) to be disposed of by sale or destruction must be authorised for disposal by the Principal/Headteacher and Finance Director and, where significant, should be sold following competitive tender. Assets over £20,000 (original cost) must be authorised for disposal by the CEO, Trust Board and Finance Director.
- 912 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.
- 913 All disposals of land must be agreed in advance with the EFA.
- 914 All disposals of heritage assets must be agreed in advance with the EFA.

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Loan of Assets

- 915 Items of academy property must not be removed from academy premises without the authority of the Principal/Headteacher.
- 916 A record of the loan (which may be made to either students or staff) must be recorded by the budget holder responsible for the purchase of the asset, including when it is returned. A copy of the list should be passed to the academy Business Manager or Bursar.
- 917 The list of asset loans should be reviewed regularly and outstanding items chased.
- 918 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.