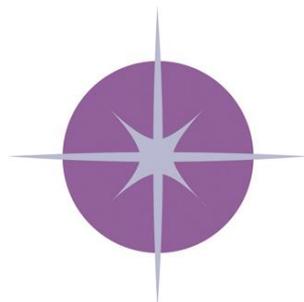


FINANCE POLICY



BATH & WELLS
Multi Academy Trust

'That they may have life, life in all its fullness' John 10:10

Bath & Wells Multi Academy Trust

Finance Policy

FINANCE POLICY

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FINANCE POLICY

1. Introduction

This Finance Policy applies to all Schools within the Bath & Wells Multi Academy Trust.

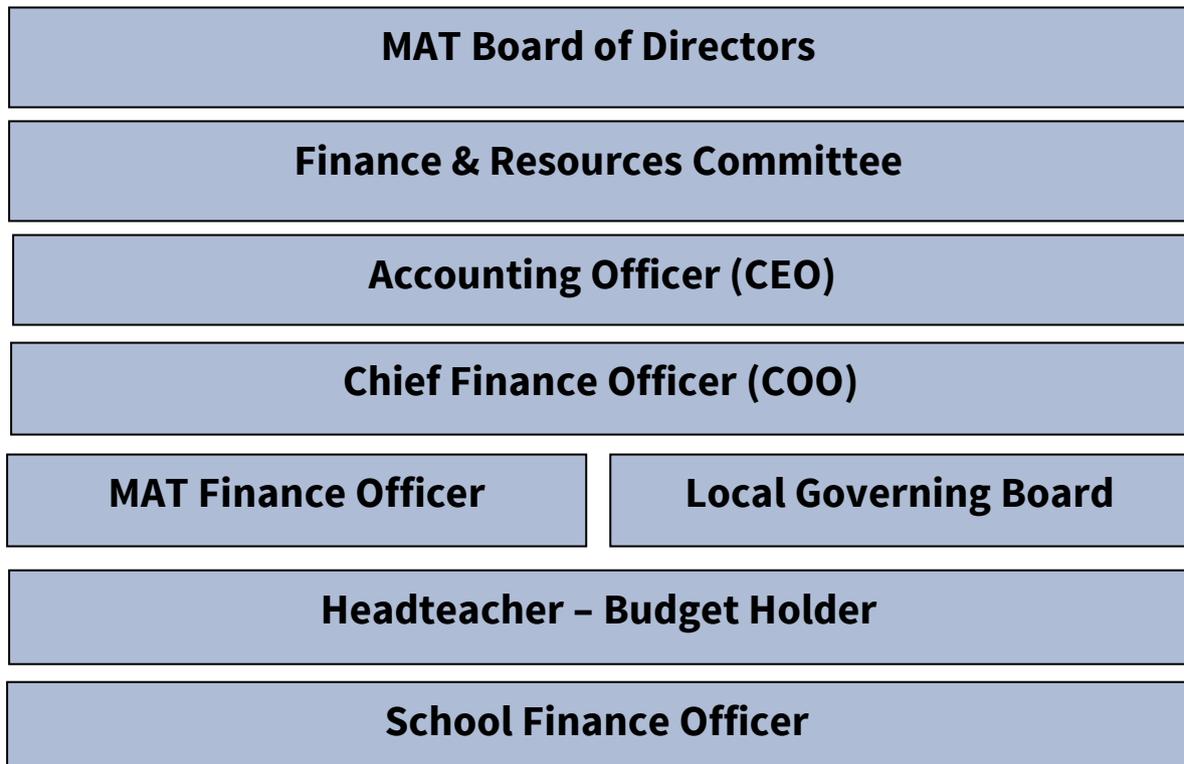
The policy has been approved by the Board of Directors and will be reviewed annually by the Finance & Audit committee to report back to the Board that it is still relevant and up to date. The future review will be recorded in the Minutes of the Finance & Audit Committee and the Board of Directors meetings.

These policies are supported by the following documents:

- a) DfE Financial Handbook
- b) Bath and Wells MAT - Authority to act
- c) Bath and Wells MAT - Scheme of delegation
- d) PS Financials user guides

The Trusts Financial control is primarily driven by the DfE financial Handbook as well as accounting in line with UK GAAP and charities SORP.

2. Organisational Control Structure



3. Risk Management

This will be reported and managed using risk registers, there will be a two tiered approach to the maintaining of risk registers within the MAT both at school and at a central wider organisational level.

Level 1

Each school LGB will hold their own school specific risk register. This should be maintained by the school finance officer.

A quarterly review should take place at the LGB level to review this register and ensure it is up to date and that relevant measures are in place to mitigate the risks.

These should be submitted to the MAT central support team following each quarterly review by the LGB.

Level 2

A MAT wide risk register will be held, this will not include the school specific risks unless they will have a direct impact on the ongoing operations of the MAT.

An example would be risks around school role which may impact the financial viability of the continuing operations of the school; this would appear both on the school and the MAT risk registers.

4. Business Continuity

A business continuity plan needs to be in place both at school level and for the MAT Central Team based at the Old Deanery.

5. Review and Feedback of Financial Control

The MAT has two mechanisms of reviewing and feeding back findings on financial control to the Directors.

Firstly, this will be via the External Audit process which takes place during the Autumn Term. This process is to validate that the statutory accounts present a true and fair view of the Trusts financial position for the previous academic year.

Secondly, through an internal control review by the Finance & Audit committee. This takes the form of a number of internal control checks to ensure that the financial activity is happening in line with agreed policies and procedures.

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An annual programme will be agreed and implemented over the Academic year; there will also be the opportunity to flex this if key areas of concern are raised, with the possible use of an external party to carry out more detailed activity for the committee.

Reports giving the findings from both of these parties will be reported back through to the MAT Directors via the MAT Finance & Audit Committee

6. Segregation of Duties

Key to the control within the MAT is to ensure that the systems and processes are set up in such a way to ensure that any single transaction that ultimately leads to payment requires at least two people to enable it to be actioned.

This is primarily controlled through system profiles and segregation of duties. With a basic principal of an administrator role inputting the transaction and a budget holder role authorising the transaction for payment.

The segregation is primarily controlled through system defined roles (see appendix A), with an Administrator and Budget Holder role at each location. The central support team have additional access to the school based roles, primarily around master data, payments and bank reconciliations; this introduces an additional layer of control within the process.

Due to the size of the central team, 3 members require universal access to the system, to ensure the ability to continue to operate and cover key staff absences; this universal access only applies to PSF and does not extend to the ability to make any payments via the bank software in isolation.

7. Budgetary Controls

Three year income & expenditure budgets are compiled for each school on an annual basis (see appendix B); this includes individual school budgets as well as the MAT central budget to cover central support costs, set up budgets and a consolidated MAT budget.

School Budgets are to be prepared in the first instance by Headteacher in each school, supported by their Finance Officer.

These will be subject to review and approval by the schools LGB.

Central Support and start up budgets will be prepared by the MAT Finance Officer

All budgets will be reviewed in the first instance by the MAT Finance Officer and the Chief Operating Officer

These budgets will then be submitted to the MAT Audit & Finance Committee in the first instance followed by review and approval by the MAT Board of Directors.

8. Expenditure Outside of Approved Budget

Budget Holders are only approved to authorise expenditure within agreed budgets in line with the Academy Expenditure matrix (see Appendix C1). For any expenditure outside of this LGB approval should be sought along with MAT Directors approval, via the permission to spend process.

There are instances where the Budget holder can spend outside of the agreed budget and not require LGB or MAT Director approval (see Appendix C2).

The finance IT system controls that prevent expenditure over budget have been deliberately switched off, hence only a warning is displayed rather than a block on posting.

The reason for this is that the budget and actual expenditure are likely to be on different profiles; hence this control is manual, and relies upon:

- a) The School Finance Officer reviewing expenditure before submitting purchase orders and non order invoices for authorisation
- b) Tight review of the Management Accounts to identify overspends YTD and what the projection is for year end.

Once budget profiling is more accurate we could consider turning this system control back on

9. Purchase to Payment for the Supply of Goods and Services

9.1 Procurement Policy

The MAT has a procurement policy which defines the process required for the purchase of all goods and services dependant on the value being procured (see Appendix D). This ranges from requiring a full tender process through being able to use new or established suppliers without the need for quotations as long as they are considered reputable.

9.2 Tender and Quotation Procedure

In securing best value for money (VFM) it is essential to have robust and transparent policy and procedures around the procurement process.

In line with this the MAT Board have deemed the limits within Appendix D, to ensure that appropriate controls are in place by specifying the use of reputable suppliers at a competitive price.

To ensure transparency for any tenders/quotations received, all documentation including covering emails etc. should be reviewed and signed off by at least two parties within the school. Additionally summary of the reasoning behind each choice should be detailed and attached to the relevant quotations. This pack should be available for audit review purposes.

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When considering VFM it is deemed that it is not just about the price but also about the delivery of the right service to the organisation.

9.3 Authorisation of Expenditure

All controllable expenditure should go through a purchase order (PO) process; via the web based workflow authorisation for approval by the appropriate budget holder.

Once the good or service has been received the Finance Administrator 'goods receipts' this against the relevant PO.

Any invoices relating to purchase orders that have been goods receipted can be paid without further authorisation.

Any invoices relating to purchase orders that have not been goods receipted cannot be processed until the Goods Receipt has been updated on the Web Portal.

9.4 Non Order Invoices

Any Invoices without PO cover needs to go through the appropriate authorisation workflow; which requires the appropriate budget holder to authorise that this non order invoice can be paid; this is completed via their secure web portal access.

For any expenditure that is not controllable a Purchase order is not required, this includes the following types of expenditure:

- Rent
- Rates
- Utilities
- Staff /directors and Interview expenses
- Some consultancy that is difficult to define upfront the hours that will be used

9.5 Payment Authorisation

All payments made will involve a minimum of two people in the transaction, one to instigate the payment and another to authorise.

For all payments the control is deemed to be at the front end of the process, via the raising and proper authorisation of the purchase order along with the subsequent goods receipting or invoice authorisation to confirm that the goods/services have been delivered to a satisfactory standard.

For all non order invoices these will go through an additional review process to understand the nature of the spend is in line with the expectations in this category. These invoices will have to be

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authorised via a web based workflow authorisation process, so will not be available to pay unless properly authorised.

All of the above will be pulled in a weekly supplier payment run by the Finance Administrator in the MAT central support team; and then authorised by either the MAT Finance Officer or the Chief Operating Officer.

The central team will perform a sample check of invoices within the payment run. This will be done by reviewing the attached copy of the invoice.

The payment authorisation and transmission is controlled via user profile access restrictions to the BACs and Bankline software.

9.6 Purchasing Card

Each school has a purchasing card allocated to the Headteacher/Principal and the Finance Administrator. The card is for use by the cardholder only and should not under any circumstances be shared with another of staff.

The standard limits are, though this may vary to suit individual school needs:

Headteacher/Principal	£2000
Finance Administrator	£1000

The card is for school purchases only and should under no circumstances be used for personal expenditure.

The card and associated PIN should be kept in a secure place by the cardholder and any loss reported immediately to the central support team.

This card can be used to make purchases where the standard Purchase Order process is not appropriate, mainly in relation to procuring goods via the internet that offer better VFM than standard credit account suppliers.

A monthly statement is issued to the card holder. A return should be completed detailing the expenditure with receipts attached to support the expenditure (VAT receipts where appropriate). This return should be authorised by the budget holder, and expenditure entered onto the Finance system by the school Finance Officer.

The Budget Holders Credit Card statement and associated receipts should be reviewed and signed off by either a MAT Director of the Schools LGB Chair.

Use of the Procurement cards will be monitored centrally.

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9.7 Petty Cash

Each school location has a petty cash facility this can be up to a maximum of £500.

The school Finance Administrator is responsible for the security distribution and record keeping to track both income and expenditure. Any distribution of petty cash should be authorised by the budget holder, and signed as received by the recipient.

Petty Cash should be used for incidental expenses up to the maximum value of £50, for times such as:

- Refreshments for the staff such as tea, coffee etc.
- Postage
- Miscellaneous items of stationery

A monthly return should be completed on the finance system to detail and cost the activity against the petty cash book.

The system balance at the end of the month should reconcile to the cash balance on the tin. The Finance Administrator should print a copy of the system balance and detail for the month and sign this to confirm the system/tin balance.

This should then be checked and countersigned by the Budget Holder.

Petty cash will be subject to periodic review by the central support team, hence all records should be kept up to date and entered onto the finance system on a weekly basis.

9.8 Expenses

Expenses payable to staff/Governors and Directors will be paid via a separate ledger; these will be paid on a weekly basis.

These expenses should be submitted on the appropriate form and have supporting receipts attached, along with details of the reason for the expenditure; and should be authorised by the appropriate budget holder.

A budget holder cannot authorise their own expenses, hence this need to be countersigned by the appropriate MAT Director or LGB Chair.

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There is not a system authorisation process for Expenses, hence this is manual and paper based. The authorised form should be attached to the transaction on the finance system to enable this to be paid.

Payments is made weekly by the Central Support team at which point a sample of expenses will be checked. This sample will always include checking of any expenses for Budget Holders and Administrative Support staff

10. Write Off Policy

All write offs need to be in line within the restrictions and recommendations as stated in the Academies Financial Handbook.

Any amounts for write off must be authorised by the budget holder and LGB and submitted to the MAT's Central Finance Officer on a Permission to Write off form. The submission needs to include the amount to be written off and the reason for the write off, supported by the actions taken to attempt to recover the amount .

This recommendation will be reviewed by the MAT Finance officer before being authorised by COO and submitted to the MAT directors and EFA for authorisation where applicable; the relevant sign off and referral to the EFA for approval is dependant on the value being recommended for write off (see appendix E)

The School should always pursue recovery of overpayments, irrespective of how they came to be made. In practice there may be practical and/or legal reasons that dictate how a case should be handled.

Write offs should only take place after careful appraisal of the facts, including whether all reasonable action has been taken to effect the recovery from the debtor.

Any overpayments to employees should be clawed back (via a repayment schedule where appropriate to avoid undue hardship to the employee).

11. Cashflow Management

Cashflow monitoring will be maintained and updated on a monthly basis, alongside the monthly bank reconciliation process.

12. Additional Balance Sheet Controls and Reconciliations

The following key accounts will be reconciled on a monthly basis

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- a) Bank Reconciliations
- b) Accruals
- c) Prepayments
- d) Deferred Income
- e) Payroll Control Accounts

The full balance sheet will be prepared and reconciled on a half year basis.

These will be reviewed and countersigned by either the MAT Finance Officer or Chief Operating Officer.

13. Asset Management

All expenditure against a number of key expenditure accounts will be reviewed on a quarterly basis to assess whether the items need to be capitalised.

The appropriate asset will be created and depreciation run against this in line with the Statutory Accounting policies.

A sample of these assets will be audited on a periodic basis, to validate their existence.

See 14.14 for details of the thresholds for capitalisation.

14. Use of Reserves

Each school's reserves will be detailed at the end of the academic year by Fund.

The school in conjunction with their LGB need to complete a reserves "Permission to Spend" form for authorisation by Headteacher, LGB and MAT Directors.

15. Accounting policies for Statutory Accounts Purposes

The following Accounting policies are in line with the Academies Accounts Direction 2014, they have been updated to reflect specific reference and treatment by the Bath & Wells Diocesan Academies trust and they will form part of the body of the statutory Accounts.

15.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by

FINANCE POLICY

Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2014 to 2015 issued by EFA, the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

15.2 Going Concern

The Board of Directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

15.3 Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

15.4 Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income.

Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable or entitlement is known with reasonable certainty; these are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

15.5 Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

15.6 Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

15.7 Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

15.8 Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

15.9 Transfer of Property upon Conversion

The basis for measurement of property transferred as part of any academy conversions will be what is considered to be a fair value, being a reasonable estimate of the property that the Trustees would expect to pay on an open market for an equivalent item.

One of the two following methods can be used:

- I. Property valuation supplied by the DfE
- II. A suitable percentage of the insurance valuation will be used, ranging from 65 to 100% depending on the age and condition of the property being transferred.

15.10 Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of

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resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

15.11 Costs of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

15.12 Charitable Activities

These are costs incurred on the academy trust's educational operations.

15.13 Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

15.14 Tangible Fixed Assets

Tangible assets costing £2000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. This threshold applies to a group of assets as well as assets bought individually.

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 life.

The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

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Fixtures, fittings and equipment	7 years
ICT equipment	3 years
Motor Vehicles	5 years
Buildings	50 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

15.15 Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

15.16 Investments

The academy's shareholding in the wholly owned subsidiary, The Bath & Wells Diocesan Nurseries Ltd, is included in the balance sheet at the cost of the share capital owned.

15.17 Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

15.18 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15.19 Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

15.20 Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education

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15.21 Reserves

The Board of Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Board is that the Academy plans to spend the majority of its revenue income each year on the students in its care; but also to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The level of reserves required will be reviewed each year by the Board. The recommended level of reserves for each school is between 7-12% with any reserves outside of this level having a justification reviewed and approved by the MAT Directors via the Finance & Resources Committee.

These free reserves are held for the investment in buildings, smooth any change in pupil led funding and to provide for any unforeseen liabilities. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance, as well as sums that are set aside from this each year for planned replacement of capital items such as ICT infrastructure etc.

15.22 Investments

The Board of Directors are firmly committed to ensuring that all funds under their control are administered under a risk adverse investment strategy. As such the Board do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Due to the nature of the funding cycle, the Academy may at times hold large cash balances which may not be required for immediate use. The Board have authorised the opening of a cash pooling scheme which encompasses all of the Academy current accounts, this sweeps excess funds daily into a special interest bearing account, taking advantage of higher interest rates. Where cash flow allows, sums in excess of £800k may be invested on short term treasury deposit for extended periods where appropriate.

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Appendix A

System defined roles

Role 1 – Schools Administrator	
Assigned to	School Finance Personnel
Software Accessed	'Accounting' system and the 'Web Portal' - school specific
Role Profile	They are able to do all of the main day to day operational activities including the following: <ul style="list-style-type: none">a) Raise Purchase Ordersb) Goods receiptc) Input invoicesd) Enter Petty Cash Income and Expendituree) Enter employee expensesf) Raise Sales Ledger invoicesg) Enter Incomeh) Run Reports and queries

Role 2 - Schools Budget Holder Access	
Assigned to	Headteacher /Principal and selected member of the School Leadership Team
Software Accessed	Web portal
Role Profile	This access is limited to their specified school activity, it allows the following: <ul style="list-style-type: none">a) Authorisation of Order and Non Order Invoicesb) Running a limited number of reports and queries

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Appendix A
System defined roles (cont)

Role 3 - Central Support Team Administrator Access	
Assigned to	Central Support Team Finance Administrator
Software Accessed	'Accounting' system and the 'Web Portal' for all schools and central locations
Role Profile	<p>They are able to do all of the main day to day operational activities for all schools, including the following:</p> <ul style="list-style-type: none"> a) Create Customer and Supplier Master records* b) Raise Purchase Orders c) Input invoices d) Enter Petty Cash Income and Expenditure e) Enter employee expenses f) Raise Sales Ledger invoices g) Enter Income h) Generate and post payment runs* i) Upload payment runs to the BACs software ready for authorisation* j) Run Reports and queries k) Generate and post journals* l) Change Purchase Orders <p>*These items are additional to the School Administrator access.</p>

Role 4 - Central Support Team Budget Holder (Group 1)	
Assigned to	CEO
Software Accessed	Web Portal only for central cost centres
Role Profile	<p>The access of these individuals is similar to the school Budget Holder in that their access is limited to the web portal and only allows the following:</p> <ul style="list-style-type: none"> a) Authorisation of Order and Non Order Invoices b) Running a limited number of reports and queries

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Appendix A
System defined roles (cont)

Role 5 - Central Support Team Budget Holder (Group 2)	
Assigned to	Chief Operating Officer and MAT Finance Officer
Software Accessed	'Accounting' system for all schools and the 'Web Portal' for authorisation of the central location transactions.
Role Profile	<p>These individuals have access to perform both the Central Support Team Administrator role and the Group 1 Central Support Team Budget Holder access, as well as having the ability to set up and amend the following</p> <ul style="list-style-type: none"> a) Chart of accounts and all associated master records b) All Purchase orders c) All Documents d) Authorise payments on the BACs software e) Complete Bank reconciliations

Role 6 – Assistant Accountant	
Assigned to	Assistant Accountant within the Central Team
Software Accessed	'Accounting' system for all schools and the 'Web Portal'
Role Profile	<p>This is an additional role set up within the central support team and has the following attributes</p> <ul style="list-style-type: none"> a) The same access as the Central Support Team Budget Holder Group 2 with one exception; b) This role cannot authorise payments on the BACs software, they have input access only

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Appendix B
Budgetary Cycle

Activity	Owner	Timeframes
Initial annual Budget prepared by Schools	Headteacher	April
First Review by MAT Finance Officer	Accountant	May
Review and Approval by School LGB	Headteacher	June
Review by MAT Accountant and COO	Accountant	June
Recommended budgets put forward to Finance & Audit Committee	Accountant	July
Review and Approval by Finance & Audit Committee	A&F	July
Review & Approval by Board of Directors	A&F	July
Submission of Budgets to EFA	Accountant	31 st July
Budget Upload to the Finance System	Accountant	Aug
Monthly Management Accounts reviewed	Accountant	Monthly
Quarterly Accounts Report – reviewed by Audit & Finance Committee	A&F	Quarterly +1 month
Quarterly Accounts submitted for review and approval by the board of Directors	A&F	Quarterly + 2 month
Quarterly review of any material movement on year end outturn	A&F	Quarterly + 2 month
Half Year budget reforecast process	Accountant	Feb/Mar

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Appendix C

C1. Academy Expenditure – within Approved Budget

Expenditure Type	Restriction	Authority	Reviewed and agreed by
Establishment - Teaching and Non teaching	Up to Leadership grade	Headteacher	
Establishment – Leadership			MAT CEO / DLA
Supplies and Services	Up to £5,000	Headteacher	
Supplies and Services	£5001 up to £25,000	Headteacher	LGB
Supplies and Services	Over £25,000	Headteacher	LGB / COO

C2. Academy Expenditure

Budget Holder Authorisation outside of Approved Budget

There are instances whereby a Budget holder can spend outside of the approved budget, this will be in the following circumstances and only where the overall surplus /deficit remains unchanged or is favourable to the originally approved budget.

The following tables details the instances where a budget holder can approve expenditure outside of the approved budget without obtaining any further approval.

For all of the following this overspend should be clearly shown in the monthly management accounts and detailed in the narrative provided to the LGB, to clearly show where the relevant over and underspends compensate for each other and are in line with the following table.

Expenditure Type	Allowed overspend	Authority
Overspend on staffing	Only when activities such as Breakfast and afterschool clubs take up has increased and additional staff are required - as long as the activity breaks even (ie income and expenditure net off	Headteacher

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	for the academic year)	
Premises costs	The budgets set for reactive and planned maintenance are interchangeable, as long as any overspend on one is compensated for by the underspend on the other.	Headteacher
Other - Non Staff Expenditure NB this excludes the use of any specific school improvement budget	As long as any overspend in one area is compensated for by another underspend in the the other non staff expenditure codes - up to a maximum of £5000 in total for the academic year, anything above this needs to be approved by the LGB and MAT Directors. This expenditure needs to be in line with the school development plan	Headteacher

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Appendix D

Procurement Matrix

Procurement Value	Process
Below £5000	No written quotation required but use of a *Reputable Supplier is required.
Between £5,000 - £25,000	A minimum of 3 quotations will be obtained. An assessment matrix should be completed to detail the decision making process for selection to demonstrate VFM If it is not feasible to obtain 3 quotations due to non response, specialism of the item being procured or the limitations on the timeframes for procurement a procurement waiver form should be completed and authorised by the Chair of the LGB and countersigned by a MAT director.
Over £25,000 – up to EU Threshold	A minimum of 3 quotations/tenders will be obtained agreed with the COO; to be ratified by the Finance & Resources Committee
Supplies or Services – above EU threshold (Note 1)	EU Procurement Directives (Supplies and Services) apply and open, restricted or negotiated processes are followed
Works – above EU threshold (Note 2)	EU Procurement Directives (Works) apply and open, restricted or negotiated processes are followed

1 – Supplies and Services threshold 1 January 2016 - 31 December 2017 - £164,176 (1 January 2014 - 31 December 2015 - £172,514)

2 – Works (major capital projects) 1 January 2016 - 31 December 2017 - £4,104,394 (1 January 2014 - 31 December 2015 - £4,322,012)

The value is exclusive of VAT and is based on the Whole Life Cost of any contract.

*Definition of a Reputable Supplier - This area is left deliberately open to enable the school to achieve the best VFM that it can whilst operating in an appropriate manner when selecting a supplier for goods & services.

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Most importantly any related or connected parties /relationships must be fully disclosed only selected if in accordance with the Academies Financial Handbook, any associated member of staff/LGB should not be part of the decision of selecting the supplier or provide them with information that may give the supplier an unfair advantage.

A reputable supplier can range from a Sole Trader to a Registered Company; an understanding of the supplier's status and legitimacy should be checked with companies house where possible, and references obtained where possible.

The school should ensure it has sight of the relevant paperwork to confirm that the supplier has the proper qualifications and insurances to perform the task required and trade membership where applicable (i.e. Gas, electrical, windows).

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Appendix E

Write off Policy Thresholds

Write off Value	Authorisation Required
A single transaction up to £1000 Cumulative transactions up to £5,000 in any one financial year per category of transaction	COO
A single transaction over £1,000 Cumulative transactions above £5,000 in any one financial year per category of transaction	Finance & Audit Committee
A single transaction over 1% of total annual income or £45,000 (whichever is smaller) Cumulatively 5% of total annual income in any one financial year per category of transaction	EFA Approval