INSIGHT
MULTI ACADEMY TRUST

FINANCIAL REGULATIONS POLICY

CHANGE CONTROL

Date	*Issue*	*Details of change*
23.10.2017	0.a	Initial Draft
14.12.2018	1.0	Updated following approval through '7-day process'
Nov 2019	1.a	Amendments to policy made
27.11.2019	2.0	Changes agreed and policy approved at Trust Board Meeting on the 27th November 2019
02.12.2020	2.a	Amendments to Policy
09.12.2020	3.0	Approval at Board Meeting on 09.12.2020
08.12.2021	3.a	Updated following review
08.12.2021	4.0	Approval at Board Meeting on 09.12.2021
November 2022	4.0	Reviewed - No changes made
November 2023	4.a	Updated following review
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Autumn 2025	6.a	Updated following review
Autumn 2025	7.0	Approval at Board Meeting

Next Review	Autumn 2026

AUTHORISATION

Approved at Board Meeting on the 2nd December 2025

Signed:

2/12/25

Chair of Board **Date**

Associated documentation
Academies Trust Handbook
Academies Accounts Direction
Reserves Policy
Purchasing and Competitive Tendering Policy
Whistleblowing Policy

Introduction

1. The purpose of this manual is to ensure that Insight Multi Academy (IMAT) maintains and develops systems of financial control, which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Department for Education (DfE).

2. The MAT/Academy must comply with the principles of financial control outlined in the academies guidance published by the DfE. These Financial Regulations expand on that and provide detailed information on the academy's accounting procedures and systems. Annually, all staff involved with financial systems will be required to sign an undertaking that they have read and understood their responsibilities within the Financial Regulations Policy.

3. These regulations serve as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial regulation manual.

Financial Planning

4. The MAT/Academy prepares rolling 3 to 5 year budgets.

The budget cycle

5. The budget cycle is as follows:

- Autumn term (Sept – Dec)
  - Implementation of current budget plan
  - Monitoring expenditure (continuous-monthly)
  - Reconciliation and closure of previous financial year
- Spring term (Jan – Mar)
  - Monitoring and reviewing of year's budget

  - Monitoring expenditure (continuous-monthly)
  - Revised Budget where appropriate
  - Pre-planning new financial year
- Summer term (Apr – Aug)
  - Planning for forthcoming year
  - Preparation and submission of financial budget plan
  - Monitoring expenditure (continuous-monthly)
  - Review of current year's budget

All requirements of the DfE, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

Budget

6. The Headteacher and Business Manager are responsible for preparing and obtaining approval for their academy annual budget. The budget must be presented to the Resource, Health & Safety Sub Committee for discussion and approval, before being presented to the full board of Governors for final approval at LGB level. The budget is then approved and consolidated into the IMAT Budget by the CFO and presented to the Finance, Premises, and Health & Safety Committee and then to the Board of Trustees for final approval.

7. The budget is signed off by the Chair of the Board and the CFO submits the Budget Forecast Outturn by 31st August.

8. The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the School Improvement Plan (SIP) and the budgeted utilisation of resources.

9. The budgetary planning process will incorporate the following elements:

   - forecasts of the likely number of pupils to estimate the amount of General Annual Grant
   - latest estimate of other DfE funding e.g. pupil premium or other specific funds
   - review of other income sources available to the academy to assess likely level of receipts
   - review of past performance against budgets to promote an understanding of the academy cost
   - identification of potential efficiency savings
   - review of the main expenditure headings in light of the SIP objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
   - all carry forward balances
   - any unspent grants from the previous financial year
   - any funds held in Trust
   - review of potential capital expenditure in light of the SIP and determine grant and other sources of funding

10. 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 in accordance with the SIP.

11. Once the budget has been approved, the Headteacher has the authority to spend within the agreed limits.

12. If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the Finance, Premises and Health & Safety Committee as part of the Management Reports procedure.

13. The approved budget is then entered onto the accounting system at the start of the new financial year.

Other Government Funding

14. In addition to GAG funding from DfE the Trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.

15. The Accounting Officer is responsible for ensuring the recording of income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

16. The Trust may also be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for significant additional external funding must be approved and supported by the Board of Governors/Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

17. The Accounting Officer is responsible for ensuring the recording of income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Funds held in Trust

18. Where funds are held in trust, the Accounting Officer is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately.

Virements

Authorisation levels to approve virements between budgets:

• Business Manager	<£1,000
• Headteacher	£1,001 to £5,000
• LGB	>£5,000 to £20,000

19. All virements exceeding £20,000 or 2% of the budget (whichever is smaller) shall require prior approval from the Finance, Premises and Health & Safety Sub Committee.

Revised Budget

20. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Business Manager and reports forwarded to the Board of Governors via the Resources, Health and Safety Sub Committee. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by the Board of Trustees and/or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Governors, for approval by the Board of Trustees. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

Budget Forecast Return

21. The approved budget must be submitted to DfE by 31 July each year by the Accounting Officer. The Accounting Officer is responsible for ensuring a timetable is established, which allows sufficient time for the approval process and ensures that the submission date is met.

Monitoring and review (including management accounts)

22. Monthly reports are prepared by the Academy Business Manager and the CFO. The reports include:

- income and expenditure account
- key performance indicators balance sheet (IMAT)
- cash flow forecast
- summary report highlighting and explaining variances of at least 5% or £10,000 (whichever is smaller)

23. Any potential overspend against the academy budget must in the first instance be discussed with the RHS Sub Committee.

24. The detailed monthly reports are sent to the Headteacher, Resources, Health and Safety Sub

Committee and the Chair of Governors. The consolidated MAT summary monthly reports are sent to all Trustees.

Independent checking procedures

25. The Trustees ensure that access to financial records will be given to Internal and External auditors, Registered Inspectors or their inspection teams and Her Majesty's Taxation Authorities for the purposes of audit.

26. An Internal Audit service has been purchased through Entrust, which provides an annual health check.

Review of regularity

27. The Chief Executive Officer (in their role as Accounting Officer) reviews the following documents termly to ensure the Trust is working within the boundaries of regularity and propriety:

    - reviews management accounts
    - reviews compliance against the scheme of delegation
    - reviews transactions for evidence of related party transactions
    - value for money practice

28. The Accounting Officer has delegated the following responsibilities to the CFO:

    - adherence to tendering policies
    - review of transactions confirming in line with delegated authorities as set out by the Academies Trust Handbook

29. A checklist is completed for each review undertaken.

Annual accounts

30. The Trust must prepare annual audited financial statements for the accounting period to 31 August.

31. The accounts are outsourced to our auditors, djh Ltd, for preparation and are presented to the FPHS Sub Committee, before final approval by the Trust Board

32. The accounts are then submitted as follows:

    - by 31 December – to DfE

- by 31 January – published on Academy website
- by 31 May – to Companies House

Value for money statement

33. As part of the annual accounts the Trust must include examples of value for money.

34. The CFO is responsible for collating the examples which are then confirmed by the Finance, Premises and Health & Staffing Sub Committee.

Audit arrangements

35. External auditors are appointed by Members and the Board of Trustees in accordance with the Academies Trust Handbook.

36. The CFO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

Work undertaken during accounting period

37. The CFO is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

    - reviewing the structure of the trial balance
    - maintaining a fixed asset register
    - monthly depreciation charges
    - maintaining income and expenditure records (including filing of invoices)
    - reviewing aged debtors for any provisions required
    - maintaining a record of Governors/Trustees pecuniary interests, related and connected party transactions
    - control account reconciliations (bank, salaries, debtors, creditors)
    - maintaining a record of meeting attendance
    - monitoring & reporting to the Accounting Officer and Board of Governors/Trustees

Work undertaken for the year end

38. The CFO is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

    - stock take, including year-end stock value
    - prepayments or accruals for expenditure
    - prepayments or accruals for income

- control account reconciliations (bank, salaries, debtors, creditors)
- close down of the Purchase ledgers
- close down of the Sales ledgers and aged debtors
- pension valuations
- Pension Audit

Accounts Return

39. The Trust must prepare the annual accounts return for the accounting period to 31 August, which is submitted by the DfE deadline (before the 31st January).

40. The accounts return is prepared by the CFO, approved by the Chief Executive Officer and audited by our External Auditors.

Document retention

41. Documents are retained for the following amount of time:

- Finance records – current year plus preceding 6 years
- Payroll and travel records – current year plus preceding 6 years
- Personnel records – 7 years after an employee has left
- All student academic records – DOB plus 25 years

Accounting system

42. All the financial transactions of the Trust are recorded on an appropriate accounting system (currently ACCESS).

43. Access to the system is password restricted to those authorised by the CFO e.g. Finance staff, budget holders, external accounting providers, auditors.

44. The CFO is responsible for implementing a system which ensures that passwords are changed regularly (at least every 12 months).

45. Access to the component parts of the accounting system can also be restricted and the CFO is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

46. The Network Manager is responsible for ensuring that there are effective back up procedures for the system. Back up procedures are described in the Acceptable Use Policy.

Transaction processing

47. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.

48. All journal entries are documented on the journal form, recorded in the journal file and authorised by the Business Manager, prior to being input to the accounting system.

49. Bank transactions are input by the Finance Officer and reviewed by the Business Manager.

Transaction reports

50. The Business Manager reviews the following system reports to ensure that only regular transactions are posted to the accounting system:

- management accounts summarising expenditure and income against budget at budget holder level
- detailed transaction reports.

Reconciliations

51. The Business Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- payroll control account
- VAT control account (termly)
- all suspense accounts
- bank balance per the nominal ledger to the bank statement

52. The Business Manager and CFO sign all reconciliations as evidence of review.

53. Any unusual or long outstanding reconciling items are brought to the attention of the Accounting Officer and dealt with according to the bad debt limits in this manual.

Cash Management

Bank Accounts

54. The following procedures must be followed when opening a bank account and operating it:

- the Trust is responsible for selecting the banking institution and negotiating the terms and conditions
- the Board of Trustees must authorise the opening of all bank accounts
- the CFO will ensure that in the event of changes to key personnel or Governors/Trustees, signatories will be changed immediately and the bank notified. Any on-line access to banking

will also be removed
- terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
- the Trust must ensure there are sufficient funds to cover large payments

Deposits

55. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:

- the amount of the deposit
- a reference (for example the number of the receipt or the name of the debtor)

56. The Business Manager is responsible for ensuring the accounting system is updated (within 3 working days) for deposits placed. Deposits are banked at least every half term.

Payments and withdrawals

57. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories:

- Chief Executive Officer
- Chief Financial Officer
- Headteacher
- Deputy Headteacher [2]
- Assistant Headteacher [2]
- Business Manager

58. This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the Academy including funds held in trust. Where possible, authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

59. The Business Manager is responsible for ensuring the accounting system is updated (within 5 working days) for payments and withdrawals.

Administration

60. The CFO ensures bank statements are received regularly and that reconciliations are performed on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's cash book
- reconciliations are prepared by the Finance Department
- reconciliations are subject to an independent monthly review carried out by the Headteacher or in their absence the Deputy Headteacher

- adjustments arising are dealt with promptly

Petty Cash

61. Each academy maintains a maximum cash balance of £1,000 for the purchase of minor items, which is held in the finance safe and is the responsibility of the Business Manager.

62. The petty cash float must not be used for:

    - cashing personal cheques
    - paying staff loans

Receipts:

Receipts are issued for:

- Manual handwritten receipts are issued for ad hoc cash income only, all cash greater than £50 or when specifically requested (e.g. DBS fees and exam Fees).

Receipts are not issued for:

- Cheques received
- Resources sold to students via the School Shop (Transaction Reconciliation Sheet is completed by Admin Team)

Payments

63. In the interests of security, petty cash payments are limited to £50 (unless prior approval from the Business Manager is received). Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

Administration

64. The petty cash float is maintained as a suspense account on the accounting system and the float is only reimbursed from the main bank account.

65. The petty cash float is reconciled monthly by the Finance Officer. The reconciliation is then reviewed by the Business Manager and initialled as evidence of review.

66. The Business Manager carries out a spot check of the petty cash float once a term.

E-procurement & Payments

67. The MAT procurement cards (Lloyds) are used only when it is not practical to use the purchase order system.

68. The cards are used by:

- Finance Officer - £1,000 individual transaction limit
- Business Manager - £3,000 individual transaction limit
- CFO - £5,000 individual transaction limit
- Budget Holder [4] - £250 individual transaction limit

69. In exceptional circumstances, the CFO may arrange a temporary increase in individual transaction limits.

70. Any department wishing to make a purchase on the procurement card must complete an order form and pass this to Finance staff to make the purchase. All order forms detailing the purchase must be signed by the Business Manager.

71. Occasionally the procurement card is used to purchase small items or to fund Petty Cash, where it is not possible to order elsewhere. This must be recorded and countersigned by the Business Manager.

72. When the procurement card statement is received, there will be a signed order form relating to each entry on the statement, a VAT invoice is required for all purchases where available. Each item on the statement is journaled to the accounting system. A cash book journal is keyed for each entry on the statement.

73. The procurement card statement, along with all the relevant order forms, are then given to the Business Manager who will check the statement against the manual record, check a sample of the transactions (minimum of 3) and initial each item as they are posted on the accounting system. These are then filed away together in the procurement card folder.

BACS Payments

74. On receipt of an invoice, Finance ensure the supplier is approved, check whether a good received note has been received and pass to the budget holder for authorisation.

75. the budget holder signs the invoice, to signify:

- an official purchase order has been raised for the purchase
- the delivery note has been checked
- the delivery is of correct quantity, quality and price
- it has not been previously paid
- funds are available in the relevant budget
- VAT chargeability on qualifying expenditure is shown

76. The invoice is input on the accounting System), matched to the order and the supplier details are

checked.

77. The payment is then prepared, imported to the Bank (Lloyds) by the Business Manager and the BACS payment is authorised by the Business Manager and the Headteacher or Deputy Headteacher.

78. Normally, suppliers are paid within 30 days from date of invoice, although every effort is made to ensure the school benefits from early payment discounts.

79. Where a supplier advises of a change of bank details, this is verified by contacting the supplier using a known telephone number or website address taken from previous documentation.

80. Finance ensures that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, Finance will inform the supplier that payment will be made on an IR35 basis through the School Payroll.

Investments

81. Investments are made in accordance with written procedures approved by the Trustees.

82. All investments are 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.

Reserves

83. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.

84. The Chief Executive Officer, as Accounting Officer, must inform DfE immediately if a deficit is anticipated.

85. If the Trust is anticipating a deficit at the end of any financial year, the Trustees and the Chief Executive Officer have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Trustees must ensure that a recovery plan is submitted and approved by the DfE.

Capital Reserves

86. Any overall surpluses at the end of the year are carried over to the following year.

87. It is the responsibility of the CFO and Business Managers to keep accurate records of the capital funds, especially where grants have been received for capital projects.

Payroll

Staff Appointments

88. The IMAT Board is the employer of all staff. It approves each academy establishment and any changes to the contracts of staff. The Board, with advice from the LGB, determine the salary scales of senior staff.

89. The Headteacher has authority to appoint staff within the authorised establishment except for Senior Managers whose appointments must follow consultation with the Governors and Trustees. The CFO and Business Managers maintain personnel files, securely and confidentially, for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Headteacher immediately.

90. The CEO is responsible for ensuring that the relevant DBS and Right to Work checks are carried out and for ensuring these are retained on the personnel files, securely and confidentially.

Payroll Administration

91. Payroll is administered through the IMAT's payroll provider, Stoke City Council.

92. All staff are paid monthly through the payroll provider. A master file is created for each employee which records:

    - salary
    - bank account details
    - taxation status
    - personal details
    - any deductions or allowances payable
    - other legal and relevant details

93. New master files can only be created by the Finance Department with the express approval of the CFO. Any master file amendments made by the Finance Department must be printed out each month prior to the payroll run and must be authorised by the Business Manager and CFO. Any master file amendments made by the Business Manager must be authorised by the Headteacher.

94. Staff report absences to the Data and Cover Manager. The Business Manager produces a termly report detailing staff sickness and other absences and any new appointments or terminations. This is presented to the Governors and Trustees.

95. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the budget holder, prepared by Finance and signed off by the Business Manager. All additional hours, casual and temporary work and overtime must be

approved by the Headteacher or business manager before being undertaken. Invigilator hours are approved by the Assistant Head or Deputy Head or Headteacher.

96. By the 1st working day each month the Finance Department will prepare and distribute a timetable for payroll processing specifying key dates for the month in question.

Payments

97. The MyView payroll system (Stoke HR) is updated with any variations and claims by either the Finance Department or Stoke HR. Stoke HR produce the monthly payroll which is checked against the Salary Modeller by the Business Manager. Once verified, Stoke HR run the final report which is again checked by the Business Manager and signed off by the CFO and either the Headteacher or Deputy Head. The CFO and/or the Headteacher authorise the net pay BACS payment and sign off the payroll.

98. All salary payments are made by BACS.

99. 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. The amounts payable are summarised on the gross to net pay print.

100. The Business Manager selects at least three employees at random each month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded.

101. After the payroll has been processed the CFO updates the nominal ledger by posting journals. Postings will be made both to the payroll control account and to individual cost centres. The Finance Department review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

102. Annually, the Headteacher signs a salary statement for each member of the teaching staff, detailing the composition of their salary grade.

Salary advances

103. The trust does not award salary advances.

Overtime

104. The need for working overtime/extra hours is discussed and agreed by the staff member's line manager in advance and must be authorised by the Headteacher or Business Manager before the hours are undertaken.

105. Overtime is recorded by the individual and submitted by 1st working day of each month (subject to Stoke payroll schedule) to their line manager for authorisation. The Finance Officer submits the claim form details to the Payroll System and retains copies of the time sheets in the main office.

106. Claim forms must not be submitted prior to work having been undertaken.

107. No payments for work undertaken will be made other than via the payroll system.

Severance payments

108. The trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by DfE on Gov.uk.

109. Prior approval from DfE must be sought where any of the following scenarios arise individually or collectively:

- The proposed special staff severance payments is for £50,000 (gross, before income tax or other deductions) or more
- A special staff severance payment for any value is proposed and the trust is under a Financial Notice to Improve or Notice to Improve
- An exit package which includes a special severance payment is at, or above £100,000 (gross)
- The employee earns over £174,0200 (gross) – for this purpose, earnings will not include employer pension contributions

110. The Accounting Officer must review and sign off each business case.

Ex-gratia payments

111. Any ex-gratia payments are made in line with the Academies Trust Handbook.

Income

DfE grants

112. The main sources of income for the academy are the grants from the DfE. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the academy are collected.

Other grants

113. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the academy are collected.

Trips

114. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Department.

115. Students should make payments via the on-line ParentPay system to the Finance Department. A receipt is automatically issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

116. The Finance Department maintain an up to date record for each student showing the amount paid and the amount outstanding. This record is issued to the lead teacher on request and the lead teacher is responsible for chasing the outstanding amounts.

117. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Headteacher in advance of the booking being made.

Catering

118. Catering is outsourced. The contract is monitored and reviewed at least quarterly and a full tender is considered every 3-5 years.

119. The school is invoiced by the contractor for Free School Meals, Staff Duty costs and Hospitality. The school check against ParentPay and FastTrack reports before processing.

Lettings

120. The only school within IMAT is Sir Graham Balfour where all lettings are the responsibility of Pell Frischmann under the PFI agreement. SGB School operates the school between 7am and 6pm on school days in term time only. On rare occasions, the Headteacher may permit a letting during these times.

121. The net surplus from operating lettings is shared between the PFI provider TSS and SGB School and paid to the school annually in April.

Sundry income

122. Income from other sources (for example educational consultancy) is priced in consultation with the Chief Executive Officer. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay.

Gift aid

123. To ensure the Academy Trust, in its position as an exempt charity, receives all the monies it is entitled to, the CFO and Business Managers:

- reconciles income against records to confirm expected amounts have been received by the donor
- ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.

Bad debts

124. The Trust chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone or letter.

125. If the debt remains unrecoverable after following the Debt Policy, or it becomes clear that the debt will not be repaid, the Business Manager submits a report to the appropriate Committee for approval of write off.

126. The following write off limits apply:

- Up to £500 - Headteacher
- £501 to £5,000 – Local Governing Body
- Over £5,000 – Board of Trustees and refer to debt collecting agency
- DfE approval if 1% of total annual income or £45,000 (whichever is smaller) per single transaction,

Purchasing

127. The trust must achieve value for money on all purchases. A large proportion of purchases are paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy
- Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs
- Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis

Routine Purchasing

128. Budget holders will be informed of the budget available to them at 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. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder on a regular basis

(at least every 8 weeks). When operational on the accounting system, budget holders will be able to monitor data relating to their own budget areas via reports from the on line financial information system.

129. Routine purchases up to £3,000 can be ordered by budget holders providing it is within the scope and remaining balance of their delegated balance. In the first instance a supplier should be chosen from the Trust's list of approved suppliers. 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 Business Manager. Copies of all quotes must be attached to the order form.

Orders

130. Orders should be placed for all goods and services except for items such as emergency repairs, recurring charges for public utilities, petty cash purchases and any other general exception approved by the CFO.

131. Orders should not be entered into verbally, except in exceptional circumstances (eg emergency repairs). All orders must be made, or confirmed, in writing using an official requisition form (official templates are found on Office 365). Requisitions must bear the signature (wet or electronic) of the budget holder and before forwarding to Finance to be processed. All orders are recorded on the accounting system and dispatched to the supplier from the system via email.

132. Orders should only be approved in accordance with the authorised limits listed within the Scheme of Financial Delegation (Appendix 1) It is the budget holder's responsibility to ensure that they have sufficient budgetary provision and that best value is achieved.

133. Orders may only be used for goods and services provided to the Trust. Private individuals and other organisations may not use "Official Order Forms" to obtain work, goods, materials and services net of VAT.

134. The following may authorise purchases within the limits of authority as specified:

Authorising Official	Limit of delegated authority to authorise an order	Limit of delegated authority to author an order by oneself
Budget Holder/Dept Head	Within budget limit <£3,000	n/a
Finance Officer in conjunction with BH	£3,000	n/a

or Business Manager		
Business Manager	£10,000	£10,000
Headteacher in conjunction with BH or Business Manager	£40,000	£10,000
LGB RHS Committee in conjunction with Headteacher/Business Manager	£60,000	n/a
Full Local Governing Body	£100,000	n/a
CFO (in conjunction with IMAT FPHS Committee/IMAT Full Board)	£100,001 and above	£10,000

135. BEFORE any purchases are made, Finance check the order is correctly authorised and enter the correct ledger code and cost centre if not supplied by the budget holder.

136. Approved orders are created on the accounting system by the Finance Department. A unique sequential order number is allocated and the expenditure is committed. At this stage, if the accounting system highlights that there is insufficient budget available, the order is returned to the budget holder who can discuss the potential overspend with the CFO/Business Manager or the Chief Executive Officer/Headteacher.

137. If budget is available, the Order is approved on the accounting system by the Business Managers/Finance Officer and then dispatched by e-mail to the supplier.

138. A copy of the order is held on the "outstanding orders" file awaiting delivery and the requisitioner is informed of the order number and date placed via e-mail.

139. Copies of all quotations and relevant documentation are scanned and attached to the order.

140. The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt, the person receiving the goods 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.

141. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified. The Finance Department will keep a central record of all goods returned to suppliers.

142. The GRN should be forwarded to the Finance Department once checked, where it is recorded on the accounting system.

143. Trust funds MUST NOT be used to purchase alcohol for consumption.

144. Procurement of building related works should always be agreed with the Business Manager and CFO before commencement.

145. Procurement of all IT equipment and software should always be agreed with the Business Manager and the IT Manager, so a coherent approach to IT purchasing and ongoing maintenance is achieved,

146. If a contract is for income generation, the CEO should identify the process most likely to secure the right business partner.

E-procurement

147. Purchases over the internet are used where the goods or services cannot be effectively or economically obtained via traditional methods and where best value is being achieved. (The cost of P&P and any returns must be taken into account and goods must be purchased in the establishment name, not a named private individual, which is important for warranty purposes).

148. Purchases from the internet must be through secure sites (those displaying "https" at the start and displaying a padlock symbol).

149. Internet orders will only be placed by Finance or approved purchase card users.

150. Any department wishing to make a purchase on credit card must complete an official order form in the usual manner and pass this to Finance to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.

Purchases

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

- goods/ services received
- goods/services as ordered
- invoice authorised for payment
- invoice posted to purchase ledger
- payment authorised
- payment made (DD or Cheque ref)

152. Alternatively, Finance email the invoices direct to the budget holder's work email address who emails back to confirm that goods/services have been received and that they authorise the invoice

for payment.

153. The budget holder must make a detailed check against the order and the GRN and the GRN documents must be attached to the invoice before it is sent back to the Finance Department. Budget holders must undertake these checks promptly (within 7 days of invoice receipt).

154. 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.

155. The Finance Department will then input details of payments to be made to the purchase ledger, checking that the invoice prices and vat treatment are correct, and generate the payment required via BACS or cheques. The BACS run is imported to the Bank (Lloyds) by the Business Manager and must be authorised by two of the following: Business Manager, Headteacher, Deputy Headteacher, CFO. Cheques must be signed by 2 authorised signatories.

Orders between £1 and £10,000

156. 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 Business Manager. Copies of quotes must be attached to the order form. Evidence that value for money has been achieved by comparing prices across, for example, various catalogues/price lists may also be acceptable.

Orders over £10,000 but less than £75,000

157. At least three written quotations should be obtained for all orders between **£10,000 and £75,000** to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and e-mail confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

Orders over £75,000

158. All purchases over £75,000, or for a series of contracts which in total exceed £75,000 must be subject to a tendering process unless an exception is granted. The CFO may determine when a tendering process would be better performed by an appointed consultant with expertise in the relevant field.

Public Contracts Regulation (PCR) 2015/Procurement Act 2023

159. Purchases over the threshold (currently £214,904 excluding VAT) are to be dealt with in accordance with government procurement legislation.

Trading with related parties

160. The IMAT Board must approve any trading with related parties. All transactions with related parties are disclosed in the accounts. Trusts must obtain DfE's prior approval for contracts and other agreements for the supply of goods or services to the trust by a related party if a contract or other agreement exceeds £40,000, or where the cumulative value of contracts and other agreements would exceed £40,000 in the same financial year.

Trading with connected parties

161. The IMAT Board must approve any trading with connected parties. All transactions with connected parties are disclosed in the accounts.

Goods and services for private use

162. No goods are ordered or services provided to include any elements of private use by Governors and staff.

Forms of Tenders

163. IMATs policy and procedure for tendering must be followed and is set out in the Purchasing and Competitive Tendering Policy. (Appendix 1)

164. Wherever possible competitive processes should be conducted through relevant framework providers. This proves a more secure and shorter process which should result in best value. Frameworks should however be tested periodically through benchmarking prices.

165. Delegated authority to determine the procurement process, undertake tenders, accept tenders and negotiate with suppliers on price/terms is set out below:

Authorising Official	Determine Tender Process and Undertake Tenders	Accept Tenders	Negotiate with Suppliers on price/terms
Business Manager	n/a	£10,000	£10,000
Headteacher in conjunction with Business Manager	<£80,000	<£80,000	<£80,000
RHS Sub Committee in conjunction with Headteacher/Business Manager	<£100,000	<£100,000	<£100,000
Full LGB	<£125,000	<£125,000	<£125,000

Chief Financial Officer in conjunction with IMAT FPHS Sub Committee / IMAT Board	£125,001 and above	£125,001 and above	£125,001 and above

166. All tenders must be opened by at least two of the employees listed above and the outcome recorded immediately on the receipt of tender form below and signed and dated.

167. The following exemptions to the Quotations/Tendering Process have been approved by the IMAT Board:

Expenditure	Reason
PFI Charges	Staffordshire County Council – sole supplier (index linked charges continuing until end of PFI)
Rates	Stafford Borough Council sole supplier
Exam Boards	Decision based on qualification content rather than cost
Reactive Maintenance	Emergency call outs where time is of the essence and costs unknown
Software	Sole supplier of essential systems currently in use
Payroll related payments	HMRC, County Staff Club, etc
Overseas Trips	Supplier is chosen based on itinerary rather than cost

168. The requirement to obtain three quotes/tenders may be waived in the following circumstances:

- Emergency works or other situations where there is no time to obtain a quote
- Where items are being purchased from existing contract novated on conversion
- Where items are being purchased from a framework and it is evident from the information available that this is the most economic value
- Where there is a sole supplier of the goods required eg some software

169. Quote waivers up to £15k must be approved by the Headteacher

170. Tender waivers and the agreement to allow late tenders, postpone tenders or change the tender return date is subject to the following delegated authority:

Authorising Official	Approve Tender Waiver	Agree Acceptance of a Late tender	Agree Postponement or Change of Tender Submission Date/Time
Headteacher	n/a	n/a	n/a

RHS Sub Committee	£80,000	n/a	n/a
Full LGB with advice from Chief Financial Officer	£100,000	£100,000	£100,000
Chief Financial Officer	£125,000	£100,001 and above	£100,001 and above
IMAT FPHS Sub Committee	Over £125,000	n/a	n/a
IMAT Full Board	Notify	Over £100,000	Over £100,000

Insurance

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

172. Budget holders must ensure all valuables are kept under lock and key when not being used in a supervised manner.

173. All staff using their own vehicles on behalf of the schools must maintain appropriate insurance cover for business use.

Governors/Trustees Expenses

174. Members, Trustees and LGB Members acknowledge that:

- Governors/Trustees are not paid attendance allowances
- Governors/Trustees are not reimbursed for loss of earnings

175. In exceptional cases, an individual may be reimbursed for return travel costs from their home to carry out a school related activity within an 8 mile radius of the Trust base or the Academy to which their appointed role relates, provided:

- Prior authorisation has been received by a Trust Board Member, the Chief Executive Officer, or the LGB Chair or Headteacher, as appropriate, and
- The resulting reimbursement does not cause the total such monies received by the individual to exceed £150 in that Academic Year.

176. If an individual is required to travel in excess of an 8 mile radius then, subject to prior approval of the expense by a Trust Board Member, the Chief Executive Officer, or the LGB Chair or Headteacher, they may claim reimbursement for reasonable travel costs, mileage costs or public transport, and subsistence. Payment of any such expenses will be made through the Staff expense reimbursement

process with the claim also being countersigned by the Trust Board or LGB Chair as appropriate.

177. Claims will be subject to independent audit and may be investigated by the Chair of Governors (or Chair of Finance in respect of the Chair of Governors) if they appear excessive or inconsistent.

Gifts

178. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Headteacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.

179. Gifts that have been reported are entered onto the gifts and hospitality register by the Business Manager.

Energy Management

180. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud

181. IMAT have a duty to ensure that adequate financial controls and procedures are in place, so as to reduce the ability of any individual or group of individuals to be able to commit fraud. The controls and procedures are intended to detect malpractice at an early stage.

182. Under the guidance of the CEO, the CFO will ensure that adequate financial controls and procedures are in place and monitored and reviewed annually.

183. If fraud is detected:

- The matter should be reported to the Headteacher and the Chair of LGB
- The matter should be reported to the appropriate authorities and external auditors if significant.
- Records proving the fraud should be secured
- Any losses should be identified.
- A decision should be taken by the Headteacher and Chair of LGB as to whether to involve the police.

184. The IMAT will ensure that the DfE is advised if any irregularity over £5,000 is suspected.

Whistleblowing

185. The IMAT Whistleblowing Policy is attached (Appendix 2) and is published on the Trust and Academy websites.

Leasing

186. Operating lease agreements may be entered into and the level of delegation and approval is the same as for any procurement process.

187. Finance Leases are a form of borrowing. Trusts must obtain DfE's prior approval for the following leasing transactions:

    - taking up a finance lease on any asset not on the DfE approved list for any duration from another party, which are subject to the borrowing restrictions described in the Academy Trust Handbook.
    - taking up a leasehold or tenancy agreement on land or buildings from another party for a term of 7 or more years
    - granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

188. Trusts must ensure any lease maintains the principles of value for money, regularity and propriety. If there is any doubt about the nature or terms of the lease being considered, legal advice should be sought.

Pooling of GAG

189. The IMAT will determine annually the amount of GAG excluding PFI to be pooled.

VAT

VAT 126 form

190. The CFO is responsible for submitting the VAT 126 form at least termly.

191. The CFO is responsible for ensuring compliance with appropriate VAT regulations.

Fixed assets

Asset register

192. All items purchased with a value over the academy's capitalisation limit of £5,000 must be entered on the fixed asset register **(held on Civica)** with the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

193. 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
- support insurance claims in the event of fire, theft, vandalism or other disasters

194. Examples of items to include on the asset register and/or Inventory include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Minibuses

Security of assets

195. All the items in the register are permanently and visibly marked as the trust or Academy's property.

196. Equipment is, where possible, stored securely when not in use. Only authorised staff may access the stores.

197. An annual sample check is undertaken by someone other than the person maintaining the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the governing body.

Disposals

198. Disposals, where applicable, are in line with the Academies Trust Handbook.

199. Items which are to be disposed of by sale or destruction must be authorised for disposal by the Local Governing Body if less than £5,000 and the Trust Board if greater than £5,000 and, where significant, should be sold following competitive tender. The academy 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 that value for money was obtained in any sale of scrapping of equipment. Loan of Assets

200. Items of academy property must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back into the academy when it is returned. Staff must sign to accept responsibility for the safety and security of the asset.

201. 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 academy's auditors.