

FINANCE POLICY

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All financial matters at this school will be carried out in accordance with the principles and provisions set out in the Academy Trust Handbook (June 2021) to which reference should be made as necessary.

It is envisaged that this document will provide the framework for financial procedures and accountability for trustees and staff and will form the basis for more detailed financial systems used on a day to day basis in the school.

1 Responsibilities

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

1.1 The Full Trustee Board

The full trustee board has overall responsibility for the administration of the school's finances. The main responsibilities of the full trustee board are prescribed in the Funding Agreement between the school and the DfE and in the school's scheme of government. The main responsibilities include:

- 1.1.1 ensuring that grant from the DfE is used only for the purposes intended;
- 1.1.2 approval of the annual budget;
- 1.1.3 appointment of the Headteacher who will also be the Academy Trust's Accounting Officer
- 1.1.4 appointment of the Chief Finance Officer, in conjunction with the Headteacher.

1.2 The Finance, Staffing & Premises Sub-Committee

The Finance, Staffing & Premises Sub-Committee (FSP) is a committee of the governing body. The FSP Sub-Committee meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of the FSP Sub-Committee are detailed in written terms of reference which have been authorised by the Full Trustee Board. The main responsibilities include:

- 1.2.1 the initial review and authorisation of the annual budget;
- 1.2.2 the regular monitoring of actual expenditure and income against budget;
- 1.2.3 ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- 1.2.4 authorising the award of contracts over £100,000 (NB paragraph 9.3)
- 1.2.5 authorising changes to the school personnel establishment
- 1.2.6 the regular monitoring of the elements of the schools Risk Register that they are responsible for and
- 1.2.7 reviewing the reports of the Independent Checking Officer (ICO) on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

1.3 The Headteacher (Accounting Officer)

Within the framework of the school development plan as approved by the Full Trustee Board, the Headteacher has overall executive responsibility for the school's activities including financial activities and certain aspects of the day to day financial management of the school. The Headteacher's responsibilities include:

- 1.3.1 ensuring that public money is spent for the purposes intended by Parliament (regularity);
- 1.3.2 that appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under the Headteacher's control (propriety);
- 1.3.3 ensuring good value for money and the efficient and effective use of all the resources in the school;
- 1.3.4 advising the Full Trustee Board and the ESFA of any instances of irregularity, impropriety or non-compliance with the terms of the School's funding agreement;
- 1.3.5 approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed

- 1.3.6 should be approved by them;
- 1.3.6 authorising contracts between £1,000 and £99,999 in conjunction with the relevant staff.
- 1.3.7 the management of the school financial position at a strategic and operational level within the framework for financial control determined by the Full Trustee Board;
- 1.3.8 ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the school;
- 1.3.9 ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

1.4 The Chief Finance Officer

The Chief Finance Officer works in close collaboration with the Headteacher through whom they are responsible to the Trustees. The main responsibilities of the Chief Finance Officer are:

- 1.4.1 the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- 1.4.2 the maintenance of effective systems of internal control;
- 1.4.3 the preparation of monthly management accounts;
- 1.4.4 authorising orders below £1,000 in conjunction with budget holders

1.5 The Independent Checking Officer

The Independent Checking Officer (ICO) is appointed by the Full Trustee Board and provides governors with an independent oversight of the school's financial affairs. The main duties of the ICO are to provide the Full Trustee Board with independent assurance that:

- 1.5.1 the financial responsibilities of the governing body are being properly discharged;
- 1.5.2 resources are being managed in an efficient, economical and effective manner;
- 1.5.3 sound systems of internal financial control are being maintained and
- 1.5.4 financial considerations are fully taken into account in reaching decisions.

The ICO will undertake a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the FSP Sub-Committee.

1.6 Other Staff

Other members of staff, primarily the Finance Assistants and budget holders, will have some financial responsibilities and these are detailed in the following sections of this policy. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures.

2 Financial Management and Governance

The school will monitor its financial management periodically against the framework set out in the ESFA Financial Management and Governance Evaluation (FMGE) document. Where improvements are required, they will be included in the school development plan.

3 Accountability to Stakeholders

In addition to the responsibilities listed above, the school is accountable to all stakeholders, including parents and members of the local community, for its effective and appropriate financial management and for ensuring that the best use is made of financial resources. In order to inform stakeholders about the school's financial performance, the school will hold an annual general meeting at which the school's income and expenditure will be described together with any particular issues which have or are affecting the school's funding or costs.

4 Budgets

4.1 Budget construction

The Headteacher, with the assistance of the Chief Finance Officer, is responsible for the detailed preparation of the annual budget. Consultation with other members of staff will take place as required to ascertain detailed requirements.

The Governors FSP Sub-Committee will determine the overall sum within which the budget must be set, and the amount of any anticipated balance to be carried forward into the following financial year.

In constructing the budget, the Headteacher will take account of priorities identified in the School Development Plan and incorporate the costs of these in the budget.

The budget total must not exceed the amount of the funding identified for the year, plus or minus any balance brought forward from the previous year. If it appears that this cannot be achieved, the Headteacher and Chair of Trustees will inform the Secretary of State immediately this becomes apparent.

The FSP Sub-Committee will consider and agree the detailed budget for recommendation to the Full Trustee Board. The Full Trustee Board must subsequently approve the full budget at their meeting and minute this approval. The ESFA must be informed in writing of the approved budget, in a format determined by the ESFA and according to the time scale required by the ESFA. This statement must be signed by the Chair of Trustees.

In constructing the detailed budget, factors the Headteacher will take account of and include:-

- any anticipated changes in pupil numbers
- specific departmental requirements to fulfil changing curriculum needs
- current and previous year's expenditure levels on individual budget headings
- Development Plan priorities
- staff pay awards, increments, employer's national insurance and pensions contributions
- anticipated price inflation
- changes in the staffing complement
- changes in the supply of services (gas, electricity, oil, water, etc.)
- maintenance of buildings

4.2 Reserves Policy

The reserves policy is based on two operational considerations and one principle:

- 1) The school should retain a sufficient reserve in order to ensure that the school retains a positive balance on its bank accounts at all times, taking into account all likely cashflow issues.
- 2) The school should retain sufficient reserve to allow for an in-year overspend which may be required for operational reasons within a longer term budget plan.
- 3) The funds allocated to the school by the ESFA are intended to be used to support the education of students and therefore an excessive reserve should not be retained.

Taking the above into account, the school will set a budget which provides a reserve of approximately 5% (subject to a minimum of 3% and a maximum of 7%) of the delegated main school (11 -16) budget.

4.3 Budgetary control and monitoring

The Headteacher is responsible for regular, detailed control of the school budget. To achieve this there will be monthly reports from the school's accounting system. Such reports (copies of which will be made available to both the Headteacher and the FSP Sub-Committee) shall show, for each budget heading:-

- total budget for year
- total commitment and expenditure to date

- budget year to date
- % of the budget spent
- variance
- current year end forecast

The Headteacher is empowered to take remedial action to address variances, by effecting virement between individual budget headings. Individual virements may be authorised as follows:-

up to £20k	Headteacher and subsequently reported to the FPS Sub-Committee
£20k - £50k	Headteacher & Chair of Trustees and subsequently reported to the FSP Sub-Committee
£50k - £100k	FPS Sub-Committee and subsequently reported to the Full Trustee Board
£100k & above	Full Trustee Board

Virements, once approved, will be promptly recorded in the school's accounting system to keep the approved budget up to date.

At the end of each month, the Chief Finance Officer is responsible for ensuring that the following reconciliations are carried out:

- sales ledger control account
- purchase ledger control account
- payroll control account
- all suspense accounts
- bank balance on the nominal ledger to the bank account

The Headteacher, will present detailed budget monitoring statements to the FPS Sub-Committee meetings.

The FSP Sub-Committee shall consider such statements; the Headteacher will provide explanations for any significant variances identified. The minutes of the FSP Sub-Committee meetings shall be presented at the meetings of the Full Trustee Board. Significant budgetary issues will be identified for possible discussion together with any remedial action taken or needed and any policy decisions required.

The Headteacher may assign budgetary control of individual budget headings to other members of staff. Such members of staff will receive monthly budget statements as detailed above. The Headteacher remains ultimately accountable to the Full Trustee Board for these budget headings.

The Headteacher can authorise any approved items of expenditure within the agreed budget.

The Headteacher can also authorise items of non-budgeted expenditure subject to the following limits:-

up to £5k	Headteacher and subsequently reported to the FSP Sub-Committee
£5k - £10k	Headteacher & Chair of Trustees and subsequently reported to the FSP Sub-Committee
£10k - £20k	FSP Sub-Committee and subsequently reported to the Full Trustee Board
£20k & above	Full Trustee Board

The data shown on payroll expenditure printouts will be entered promptly each month by the Finance Office on to the school's accounting system.

Other, non-pay, expenditure will be reconciled promptly on a monthly basis to the school's accounting system by the Finance Office.

When the accounts for each financial year are closed, a final statement from the school's accounting system will be presented to the next meeting of the FSP Sub-Committee.

5 Payroll

5.1 Starters/variations/leavers

All forms for:

- setting up new employees on the payroll (starters)
- effecting variations to pay
- taking existing employees off the payroll (leavers)

will be made out by the Headteacher's Secretary and authorised (signed) by the Headteacher, or in his absence, a Deputy Head. Such forms are then passed to the school's Finance Office for processing. Changes that affect the Headteacher will be authorised (signed) by the Chair of Trustees.

5.2 Time Sheets

Time sheets for supply staff or other teaching staff claiming payments for additional hours will be signed by the Headteacher or a Deputy Headteacher. All time sheets submitted by associate members of staff will be checked and signed by the relevant section leaders as specified on the current contracts of employment. Section leaders' time sheets will be checked and signed by the Headteacher or a Deputy Headteacher.

Authorised time sheets must not be handed back to the employee. Authorised sheets are to be kept in the Finance Office to assist with reconciliation of monthly payroll printouts. Time sheets (including overtime claims) must be submitted within two months of the time worked.

5.3 Checking of payroll data

Payroll data printouts will be scrutinised and authorised by the Headteacher to ensure all employees are recognised, and pay has been accurately calculated.

5.4 Pay-related expenses

All expenses relating to travel by staff on the school's payroll will be processed through the payroll system. Other expenses are to be paid via petty cash, or by the creditor payment system. All claims relating to purchases must be supported by receipts. Claims by teaching and associate staff must be signed by the Headteacher and, where appropriate, the relevant budget holder. Claims made by the Headteacher must be signed by the Chief Finance Officer. Claims must be submitted within two months of the expenditure being incurred.

5.5 Supply teachers

All claims submitted by supply teachers will be authorised by the Headteacher or the Deputy Headteacher with responsibility for cover arrangements. The Deputy Headteacher with responsibility for cover arrangements will check on a monthly basis that correct amounts have been charged as per the payroll expenditure printout. Authorised claims will be retained in the Finance Office for audit purposes in line with statutory requirements.

6 Accounting Records

6.1 Accounts

The School operates two bank accounts as follows:

- Main school account. Monthly revenue income from the ESFA is received into this account and most day to day expenditure is charged to this account including payroll, supplies and services and capital items.
- School fund account. This primarily operates for the large numbers of small transactions which arise from schools visits and is also the fund into which private income is deposited.

The accounts are to be maintained on a day-to-day basis by the Chief Finance Officer and the Finance team.

6.2 Transfers between accounts

Funds can be transferred between the accounts from time to time, for example when books are purchased through the main account while money from students who will be paying for the books is collected into the school fund account.

6.3 Final Accounts and Audit

At the end of each financial year, the school accounts are audited and returns in the form prescribed by ESFA are sent to the ESFA.

6.4 Bank Account Signatories

The Full Trustee Board has duly authorised the following to sign cheques, direct debits, standing orders, BACS and transfers on both Bank Accounts.

- Chair of Trustees
- Vice Chair of Trustees
- Headteacher
- Deputy Headteachers
- Assistant Headteachers

(See staff handbook or school website for names)

Any two from the above mentioned will sign cheques or sign off a BACS run. Copies of the relevant bank account mandates are to be held in the Finance Office. The Chair or Vice Chair of Trustees and one other signatory must sign cheques for more than £5,000.

7 Assets

7.1 Fixed Assets

All assets or any group of assets purchased in excess of £1,000 or any assets in relation to a Capital Improvement Project are recorded on the Fixed Asset Register which is externally audited on an annual basis. These assets will be depreciated over their useful life as per the schools accounting policy.

An inventory of all school computer equipment is held and updated by the IT Technician some of these items may also be recorded in the Fixed Asset register for accounting purposes.

All electrical items will be PAT tested as per regulatory requirements a record of these assets and tests is held on an inventory database managed by the school Site team.

Photocopiers are on an operating lease and therefore they do not appear on the Fixed Asset Register. However, a record of their serial numbers and locations is maintained by the reprographics technician.

Disposal

Items may only be sold or written out of the school Fixed Asset register if they are at the end of their useful life and/or where repair is not financially viable. In most cases, where items are deemed to be at the end of their useful life, they will be at least 5 years old. For items with a current value exceeding £200, the disposal should be authorised by the Headteacher and reported to the Full Trustee Board.

Where items are no longer of use to the school and/or where repair is not financially viable for the school but the item is saleable, for example a vehicle, all reasonable efforts should be made to sell the item. Three offers should be sought. The sale of items to members of staff is not encouraged as it may be more difficult to evidence that the school obtained value for money. If the item cannot be sold, it should either be stored, donated to a charity, another state funded school or destroyed.

The disposal of computer and other equipment must be carried out in accordance with the current regulations and directives. Wherever possible, when new equipment is purchased for replacement, the corresponding old equipment must be disposed of under the WEEE regulations.

Disposal of an asset for which a capital grant in excess of £20,000 was paid requires written approval from the DfE.

7.2 Loan of Assets

Items of school property must not be removed from the school premises without the permission of the member of staff responsible for that asset. In most cases, this will be the Head of Department.

8 Income

8.1 Credit income where payment is made after the provision takes place.

An official invoice will be raised by the Finance Office in all cases and sent to the debtor as soon as possible after the provision of the goods/service, and no later than one month after the provision.

Files of copy invoices and grant applications will be maintained by the Finance Office. The copies of unpaid invoices and grant applications will be checked regularly and will act as a control record for the sending of reminders and the chasing of unpaid debts.

If the debt remains outstanding, a first reminder will be sent out after 14 days. If necessary a second reminder will be sent out after 28 days.

If after 56 days the debt remains unpaid and the invoice charge is not disputed, consideration will be given by the Headteacher and/or Trustees to take legal action to recover the debt. No debts will be written off unless they are considered irrecoverable and are at least two years old, when the following limits will apply:-

up to £200	-	Headteacher may authorise write-off and subsequently report to the FSP Sub-Committee
over £200	-	FPS Sub-Committee and subsequently reports to the Full Trustee Board

In each case, the possibility of taking legal action to recover the debt will be considered by the Head, Chair and Trustees as appropriate.

As well as sending formal reminders, efforts will be made by the school to contact the debtor in order to secure recovery of the debt. If payment has not been received after 28 days of raising the invoice, no further goods or services will be provided until the outstanding debt is settled. Finally, debtors will be pursued in the small claims court to recover debt.

When an invoice is paid, details of the payment will be written on the copy invoice.

8.2 Banking

All income received (cash or cheque) will be banked promptly and intact by the Finance Office. No payments may be made out of income collected. A record to evidence the collection by the school's security contractor will be kept.

8.3 Charging policy

The full Governing Body will set a charging policy to cover:-

- lettings
- school trips*
- music tuition
- private photocopying
- private telephone calls
- vandalism
- breakages
- library
- school minibus
- public examination entry fees
- department materials eg food, DT

*School trips will include a 2% charge to cover bank, admin, telephone, general photocopying/printing

The charging policy will be reviewed annually by the Trustees. Charges levied by the school will be in line with this policy.

8.4 Refunds to Parents

All refunds will be paid to SCOpay. All pupil accounts are monitored monthly. Parents with SCOpay balances over £10 will be offered a refund by cheque or credit for future events. At the end of year all Year 11 and Year 13 pupil balances will be transferred to siblings accounts or refunded in full. Finance will endeavour to meet any parental requests into the operation of SCOpay accounts.

8.5 Donations

All donations will be recorded and banked promptly and intact.

8.6 Income to offset departmental expenditure and School Fund income

All income used to offset expenditure incurred on departmental budgets (e.g. lettings, photocopying, telephone calls, music tuition, sales of work) will be paid into the main school account and coded to an appropriate code. Monies received from any sales of school equipment will be similarly treated.

8.7 Cash income from pupils and for goods and services provided

Cash received from pupils for trips or goods will be collected by the Finance Office. Parents will be encouraged to use the direct pay banking system (SCOpay) to reduce the amount of cash being handled.

An official receipt will be issued to the payer for goods and services provided by email from the SCOpay system with a duplicate copy receipt retained at the school.

8.8 Cashless Catering

Each student and each member of staff (as recorded on the school's current payroll) has a cashless catering account for which records are held in the school online payments system (Scopay). Student accounts may be credited by parents/carers online through the school's online payments system (Scopay) or by cash at the revaluation facility in the canteen. Members of staff credit their accounts in the same way. The income credited through Scopay is held under separate ledger code in the main school account. On a regular basis, the total value of the sales is transferred from the cashless catering income to the school canteen income.

Students who receive free school meals have an allowance of £3 per day. If they wish to spend more than this, they can do so if their account has been credited as above.

All purchases from the school canteen are made using the Nationwide cashless system where the cost of purchases is deducted from the member of staff's or student's account balance as recorded by Scopay, with the identity confirmed by a biometric reader or a PIN number.

The system synchronises the student records from the school's administration system (SIMS) with the cashless catering system and Scopay.

8.9 Security of receipt books and tickets

All unused receipts and tickets to be used to acknowledge receipt of income, will be held securely in the Finance Office.

9 Purchasing

9.1 All purchases

The school wants to achieve the best value for money from all its purchases. This means securing the correct quality, quantity and time scale for delivery at the best price possible. Most purchases will be paid for with public funds and the school needs to maintain the integrity of these funds by following the general principles of:

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

- 9.1.1 Budget holders will be informed of the budget available to them by 30 September. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder monthly and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 9.1.2 Purchases up to £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. A quote or price must always be obtained before any order is placed. If the Finance Office considers that better value for money can be obtained by ordering from an alternative supplier the order may be adjusted accordingly.
- 9.1.3 Orders with a value over £1,000 have to be approved by the Headteacher. See also sections 9.2 onwards below.
- 9.1.4 Orders are placed by budget holders who complete and sign a school internal order form. This form must be signed by the budget holder before it is passed to the Finance Office for processing by the Chief Finance Officer. The order is then entered into the accounts computer system which produces the official order which is then forwarded to the supplier. Credit card or internet orders are authorised by the budget holder, the order is entered into the accounts system against the relevant budget and the order is placed by the named card holder.
- 9.1.5 Budget holders must not order goods without raising an official order first. Facilities are available to order online and with the school credit card in the Finance Office.
- 9.1.6 Goods for private purposes must not be purchased through the school's accounts. Staff cannot, under any circumstances, order goods through the school and then claim ownership by paying the school for the goods.
- 9.1.7 Only under exceptional circumstances may staff purchase items using their own credit card or other funds and then submit a claim supported by a receipt (see

section 9.12 below). If this takes place, the same considerations of best value apply and the total of any such claim must not exceed £50.

- 9.1.8 Upon receipt of the order the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
- 9.1.9 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Finance Assistant will keep a central record of all goods returned to suppliers.
- 9.1.10 All invoices will be checked by the budget holder/Finance Office to ensure that:
- they are arithmetically correct;
 - they are posted to the purchase ledger;
 - the goods/ services were received;
 - the goods/services received are as ordered;
 - the prices are correct;
 - it is authorised for payment;
 - payment is authorised;
 - VAT treated correctly; and
 - payment is made.
- 9.1.11 Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
- 9.1.12 If a budget holder is pursuing a query with a supplier the Finance Office must be informed of the query and periodically kept up to date with progress.
- 9.1.13 The Finance Assistant will then input details of payments to be made to the purchase ledger and generate the cheques required or process payment by BACS. The cheques, BACS printout and associated paperwork must be authorised by two of the nominated cheque signatories.
- 9.1.14 Cheques or BACS transfers will be dispatched to suppliers by the Finance Assistant who then places the invoice in the appropriate file.

9.2 Orders over £5,000 but less than £100,000

- 9.2.1 Unless 9.2.2 applies, at least three written quotations should be obtained for all orders between £5,000 and £100,000 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. Written quotations may take the form of prices printed from suppliers web sites. Telephone quotes are acceptable if these are evidenced and written confirmation of quotes has been received before a purchase decision is made (email or fax is acceptable).
- 9.2.2 The following are exceptional circumstances under which three quotations may not be needed:
- Only one or very few suppliers are available for the item(s) required;
 - An order is to be placed for items additional to an order previously placed;
 - There is a need to purchase items from a particular supplier in order to retain compatibility with existing equipment;
 - There is extreme urgency for the supply of particular items

9.3 Orders over £100,000

All goods/services ordered with a value over £100,000, or for a series of contracts which in total exceed £100,000 must be subject to formal tendering procedures. Purchases over EU procurement threshold may fall under EU procurement rules which requires advertising in the Official Journal of the European Union.

9.4 Forms of Tenders

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

9.4.1 Open Tender:

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Headteacher how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

9.4.2 Restricted Tender:

This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

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

9.4.3 Negotiated Tender:

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- There is a need to purchase items from a particular supplier in order to retain compatibility with existing equipment,
- additional deliveries by the existing supplier, at the same pricing, are justified.

9.5 Preparation for Tender

Full consideration should be given to:

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

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

9.6 Invitation to Tender

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

9.6.2 An invitation to tender should include the following:

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

9.7 Aspects to Consider

9.7.1 Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is adequate insurance in place and what guarantees are being offered?
- Is there scope for negotiation?

9.7.2 Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

9.7.3 Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

9.8 Tender Acceptance Procedures

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

9.9 Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For contracts up to £50,000 - the budget holder and the Headteacher;
- For contracts over £100,000 - the Headteacher, a member of the FSP Sub-Committee and, if appropriate, the budget holder.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

9.10 Tendering Procedures

- 9.10.1 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
- 9.10.2 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 9.10.3 Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the FPS Sub-Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the FPS Sub-Committee.

- 9.10.4 Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.
- 9.10.5 The accepted tender should be the one that is economically most advantageous, i.e. best value, to the academy. All parties should then be informed of the decision.

9.11 Single Tender Action

- 9.11.1 Where only one supplier is identified for tender due to compatibility, scope of work, technical sophistication or other reason a Sole Source Justification Statement will be produced to provide background and justification to the sole source procurement. This will be approved by The Head Teacher and for contracts over £5,000 further approval will be required from the Chair of Trustees. The statement will be stored on Mstore for future reference against the sole source purchase.

9.12 Petty Cash

- 9.12.1 Day to day operation of the petty cash is the responsibility of the Chief Finance Officer.
- 9.12.2 All petty cash expenditure, and reimbursement income to petty cash from the school's bank account, will be promptly recorded in the petty cash record.
- 9.12.3 Petty cash expenditure should not exceed £20 other than in the cases described in 9.11.4 below. Such payments should be for emergencies only and should not simply result from a lack of planning.
- 9.12.4 The science department and the canteen will maintain their own petty cash to facilitate the purchase of low cost items at short notice which are not suitable for the school ordering system. The total in each of these petty cash accounts should not exceed £100 and all purchases must be evidenced by a suitable receipt.
- 9.12.5 Each time a reimbursement claim is submitted, the Chief Finance Officer will complete a reconciliation ensuring that cash expended, plus cash in hand, equals the amount of the advance. The Chief Finance Officer will check and certify the petty cash reconciliation.
- 9.12.6 All members of staff who wish to purchase items from the petty cash account must obtain approval from the Chief Finance Officer or budget holder, if items fall within their agreed department budgets. Vouchers (receipts, paid invoices etc.) to evidence the payment for items must be presented to the Chief Finance Officer and returned with the reimbursement claim.
- 9.12.7 Claims for reimbursement from Petty Cash must be supported by receipts and be made within two months of the expenditure being incurred.

9.13 Other purchases made by staff for which costs are subsequently claimed

- 9.13.1 Members of staff should avoid purchasing items and then claiming funds back from the school. In many cases, this form of procurement will not provide best value and will result in the supplier to customer contract being with the member of staff rather than with the school.
- 9.13.2 If an item is to be purchased and the funds reclaimed, permission should be gained in advance from the budget holder.
- 9.13.3 Reimbursement against a claim will only be processed if it supported by a VAT receipt.

- 9.13.4 Under normal circumstances, purchases made in this way must not exceed £50 and the location and use of the items purchased must be recorded with the claim.
- 9.13.5 Under exceptional circumstances, the value of items procured in this way may exceed £50 in which case permission must be given by the Headteacher in advance of the purchase being made.
- 9.13.6 As per the Academies Accounts Direction no alcohol purchases are allowed to be reclaimed by staff.

10 Liabilities and write-offs

Prior approval must be obtained from the ESFA for writing off debts or entering into liabilities beyond the limits set out below. The limits are in two categories:

- writing off debts and losses (including any uncollected fines);
- entering into guarantees, indemnities or letters of comfort (excluding those relating to borrowing by the school).

The limits, subject to a maximum of £250,000 are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction.
- Cumulatively, 5% of total annual income in any one financial year per category of transaction.

The school will always pursue the recovery of amounts of money owed, overpayments or payments made in error. Losses will only be written off after a careful appraisal of the facts, including whether all reasonable efforts have been made to effect recovery from the debtor and whether an insurance claim should be made.

In all cases, if the school is considering writing off debts or losses with a value of more than £250 or entering into guarantees, indemnities or letters of comfort, consultation with the Full Trustee Board will take place.

11 Staff severance payments and compensation payments

If the school is considering making a staff severance payment above the contractual entitlement, it will consult with the Full Trustee Board and must consider the following issues:

- Whether such a payment is justified, based on a legal assessment of the chances of the school successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case is likely to be lost, there is a justifiable rationale for the settlement.
- If the settlement is justified, the school would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances.

12 Register of Pecuniary and Other Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all school governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the school may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the school. The disclosures should also include business interests of relatives such as a parent or

spouse or business partner where influence could be exerted over a trustee or a member of staff by that person.

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

The register of interests is maintained by the Clerk to the Trustees and reviewed annually by the FPS Sub-Committee. The Register will be held in the School Office.

12.1 Persons to be included:-

- All Trustees
- Headteacher
- All senior staff (e.g. Deputy Head, Assistant Head, Budget Holders, senior administrative staff, e.g. Chief Finance Officer).

12.2 Interests to be recorded

The basic principle to be followed is that any interest should be recorded which could be seen to improperly influence any decisions taken, pecuniary or otherwise, regarding the operation of the school.

Examples of such improper influence might be:-

- to purchase goods or materials from a company in which a Trustee/senior member of staff has a financial interest without going through the correct procedures re: obtaining competitive prices;
- promoting a member of staff who has close personal relationship (spouse, partner, son, daughter, etc.) with a Trustee/senior member of staff, without going through correct procedures, re: recruitment and selection.

There can never be a definitive, comprehensive list of the interests which should be recorded but the following is intended to give some guidance.

Having a financial, or other, interest in an organisation which could feasibly be in a position to supply goods/services to the school, e.g.

- building, plumbing or electrical contractors,
- audio/visual goods suppliers (e.g. televisions, video recorders, hi-fi, etc.)
- repair/maintenance of equipment (electrical and other)
- suppliers of computer hardware and software
- suppliers of educational equipment (e.g. PE equipment)
- suppliers of furniture, fittings, carpets, curtains, etc.
- decorating contractors and suppliers of catering equipment
- catering contractors
- suppliers of provisions
- suppliers of clothing
- suppliers of building materials
- suppliers of fuel
- suppliers of vehicles
- grounds maintenance and gardening contractors
- suppliers of grounds/garden maintenance equipment
- suppliers of plants, seeds, trees etc.
- suppliers of heating or lighting equipment
- suppliers of musical instruments
- suppliers of insurance
- consultants (e.g. legal, financial, training, property)
- suppliers of security services and supplies
- suppliers of stationery, books, educational equipment, art materials...
- suppliers of telecommunications or photographic equipment
- transport contractors (e.g. coaches, taxis etc)
- holiday/travel operators
- suppliers of supply or peripatetic teaching cover

- suppliers of banking services

The interest in the above 'supplying organisations' may, for example, be:-

- as a director
- as an employee
- as a major shareholder or investor
- as a major debtor/creditor
- as having a close personal relationship (spouse, partner, son, daughter, parent, etc.) with a person in the above categories
- being in a position to potentially influence decisions made about the school, e.g. as:
 - member of local council (County Council, District Council, Parish Council)
 - officer of Local Authority in a senior capacity
 - Member of Parliament
 - OFSTED Inspector
 - officer of local council (District Council, Parish Council) in a senior capacity
 - having a close personal relationship with a Trustee or member of staff (employed on a full-time, part-time, permanent or temporary basis).

Reviewed and Approved by Finance, Staffing & Premises Sub-Committee: 29th June 2022

Review: July 2023