

Financial Procedure Manual

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Contents:

- 1. Introduction 4
- 2. Financial Planning 4
- 3. The Budget Cycle..... 4
- 4. Budget..... 5
- 5. Other Government Funding..... 6
- 6. Other Grants and Specific Funding 6
- 7. Funds Held in Trust 6
- 8. Virements..... 6
- 9. Revised Budget/Forecasts..... 6
- 10. Budget Forecast Return 7
- 11. Monitoring and Review (including management accounts)..... 7
- 12. Independent Checking Procedures 7
- 13. Review of Regularity 8
- 14. Annual Accounts 8
- 15. Value for Money Statement..... 8
- 16. Audit Arrangements..... 8
- 17. Work Undertaken During Accounting Period 9
- 18. Work undertaken for the year-end..... 9
- 19. Accounts Return..... 9
- 20. Land & Buildings Return..... 9
- 21. Capital Spend Survey 9
- 22. Document Retention..... 10
- 23. Accounting System..... 10
- 24. System Access 10
- 25. Back-up Procedures 10
- 26. Transaction Processing 10
- 27. Transaction Reports 10
- 28. Reconciliations 10
- 29. Bank accounts 11
- 30. Deposits 11
- 31. Payments and withdrawals..... 11
- 32. Administration 11
- 33. Petty cash..... 11
- 34. Payments..... 12
- 35. Administration 12

36.	E-procurement & payments	12
37.	BACS payments	12
38.	Investments.....	13
39.	Reserves	13
40.	Capital reserves.....	13
41.	Endowments	14
42.	Payroll	14
43.	Staff appointments	14
44.	Payroll administration.....	14
45.	Payments.....	15
46.	Salary advances.....	15
47.	Overtime	15
48.	Severance payments.....	15
49.	Ex-gratia payments	16
50.	DfE grants.....	16
51.	Other grants.....	16
52.	Trips.....	16
53.	Catering.....	16
54.	Lettings.....	16
55.	Sundry income	17
56.	Bad debts	17
57.	Purchasing.....	17
58.	Routine Purchasing	17
59.	E-procurement	18
60.	Orders	18
61.	Orders over £1,000 but less or equal to £10,000	19
62.	Orders over £10,000	19
63.	Trading with connected & related parties	19
64.	Goods and services for private use.....	19
65.	Forms of tenders.....	19
66.	Preparation for tender	20
67.	Invitation to tender.....	20
68.	Tender opening procedures.....	21
69.	Tendering acceptance procedures.....	21
70.	Framework Agreements	21
71.	Insurance.....	22

72.	Governors/Trustees expenses	22
73.	Gifts	22
74.	Fraud	22
75.	Whistleblowing	22
76.	Leasing	23
77.	Pooling of GAG	23
78.	VAT	23
79.	Fixed assets	23
80.	Asset register	23
81.	Security of assets	24
82.	Disposals	24
83.	Loan of Assets	24
84.	Schedule of underlying trust policies and DfE regulatory documents	24

1. Introduction

- 1.1 The purpose of this manual is to ensure that the academy trust 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).
- 1.2 The academy trust must comply with the principles of financial control outlined in the [Academy Trust Handbook](#). This manual expands on that and provides detailed information on the academy's accounting procedures and system manual should be read by all staff involved with financial systems. It is the responsibility of each Headteacher to ensure that staff, follow the requirements of the manual whilst delivering their service
- 1.3 This manual serves as an adjunct to the financial scheme of delegation providing information on the day-to-day operations and practicalities forming from this financial procedures manual.
- 1.4 The Mulberry Schools Trust is responsible for the financial management and control environment for the schools within the trust and compliance with the [Academy Trust Handbook](#). However, in order for the trust, local governing bodies and the school to function effectively, it is vital that decisions are taken by the appropriate people or bodies/committees, and those people and bodies/committees are given the appropriate authority. See the trust's [Scheme of Delegation](#).

2. Financial Planning

- 2.1 The academy trust prepares rolling 3 year budgets within the IMP budgeting & forecasting system. It is a requirement of the DfE for the Trustees to set a balanced budget for the academy trust. Individual academies are expected to present a balanced budget but may, with the permission of the Trustees, operate a deficit budget.

3. The Budget Cycle

- 3.1 The IMP system produces live forecasts based on updated assumptions. Within the year there are milestones when information becomes available and is reviewed as follows:

Cycle 1 (Sept – Jan)

- October Census completed to confirm pupil numbers
- Draft Budgets completed based on pupil numbers.
- Headteacher proposed staffing changes to Local Governing Body (LGB)

Cycle 2 (Feb – Mar)

- Staffing structure agreed with Headteacher, LGB & Exec Team
- Funding amounts confirmed by DfE
- Initial Budget completed based on agreed staffing structure
- Finance Committee review initial budget proposals

Cycle 3 (Apr – Aug)

- Start Budget finalised

- Start Budget recommended by Finance Committee & approved by Trustees
- Start Budget submitted to DfE

3.2 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.

4. Budget

4.1 The *Chief Financial Officer* is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Trustees, following approval from the Finance Committee.

4.2 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 development plan objectives and the budgeted utilisation of resources.

4.3 The budgetary planning process will incorporate the following elements:

- a) forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG).
- b) latest estimate of other DfE funding e.g. pupil premium, UIFSM or other specific funds
- c) review of other income sources available to the academy to assess likely level of receipts
- d) review of past performance against budgets to promote an understanding of the academy cost
- e) review of the main expenditure headings in light of the school development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
- f) An agreed staffing structure
- g) Detail of all recharges and costs from the central cost centres or other academies
- h) A longer term 3-year projection

4.4 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 development plans.

4.5 If there is a significant variance from the anticipated budget this will be escalated to the Chairs of the Trust and Finance Committee as part of the monthly management accounts procedure.

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

5. Other Government Funding

- 5.1 In addition to GAG funding from the DfE, the trust may be awarded specific funding for other projects e.g. devolved capital, nursery 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.
- 5.2 The *Chief Financial Officer* is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

6. Other Grants and Specific Funding

- 6.1 In addition to the GAG funding from the DfE and other government funding, the trust may 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 additional external funding must be approved and supported by the 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.
- 6.2 The *Chief Financial Officer* is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

7. Funds Held in Trust

- 7.1 Where funds are held in trust, the *Chief Financial Officer* is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

8. Virements

- 8.1 Substantial virements shall be approved and minuted by the Executive Team and/or the Finance Committee and should be within the agreed criteria and financial limits.
- 8.2 The Chief Executive Officer (*Chief Executive Officer*), *Chief Financial Officer* & Director of Finance are given delegated power to vire from one budget to another as per the limits set out in the Financial Scheme of Delegation.

9. Revised Budget/Forecasts

- 9.1 Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Head teacher, the School Business Professional and the Finance Business Partner. These reports are reviewed by the Accounting Officer (*Chief Executive Officer*), *Chief Financial Officer* and forwarded to the Chair of the Trust and the Chair of the Finance Committee. The latest reports are also scrutinised by the Finance Committee each time they meet.
- 9.2 Where significant variations to the agreed budget are identified or where significant staff changes have occurred in-year, then a revised budget should be prepared and approved

by the Finance Committee. This revised budget should then form the basis of analysis of all income and expenditure until the financial year end.

10. Budget Forecast Return

10.1 The approved budget must be submitted to DfE in July each year by the *Chief Financial Officer*. The *Chief Financial Officer* is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

11. Monitoring and Review (including management accounts)

11.1 Monthly reports are prepared by the Director of Finance in conjunction with the School Business Professional and the Head teacher and reviewed by the *Chief Financial Officer*. The reports include:

- a) actual income and expenditure against budget (shown as month to date and cumulatively)
- b) a revised forecast outturn for the financial year
- c) balance sheet
- d) cash flow forecast
- e) capital report
- f) summary commentary for each academy & cost centre highlighting and explaining variances.

11.2 Any potential overspend against the budget must in the first instance be discussed with the executive team and the Head teacher.

11.3 The monthly reports are sent to the Chief Executive Officer (the trust's *Accounting Officer*), *Chair of the Trust* and the *Chair of the Finance Committee*.

12. Independent Checking Procedures

12.1 The Trustees have appointed an internal audit firm to conduct internal audits into the effectiveness of the trusts systems and controls and risk management procedures. This firm will report their findings to the *Audit & Risk Committee*.

12.2 The *Audit & Risk Committee* is responsible for identifying on a risk basis, with reference to the risk register, the areas to be reviewed each year.

12.3 The internal scrutiny will focus on:

- a) Evaluating the suitability of, and level of compliance with, financial and other controls
- b) Offer advice and insight to the committee on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting the executive team's responsibility for day to day running of the trust.
- c) Ensuring all categories of risk are being adequately identified, reported and managed.

13. Review of Regularity

13.1 The *Chief Executive Officer* (in their role as *Accounting Officer*) is responsible the regularity, propriety and compliance of the academy trust and signs a declaration to this effect in the annual accounts. This includes responsibility to ensure:

- a) Efficient and effective use of resources (value for money)
- b) Public money is spent for the purposes intended by Parliament (regularity)
- c) Appropriate standards of conduct, behaviour and corporate governance are maintained (propriety)
- d) Any instances of irregularity are reported to the Trustees and the DfE.

13.2 The *Accounting Officer* has delegated the following responsibilities to the *Chief Financial Officer*:

- a) Monthly reviews of the management accounts
- b) reviews of compliance against the scheme of delegation
- c) reviews of transactions for evidence of connected party transactions
- d) value for money practice
- e) adherence to tendering policies
- f) review of transactions confirming in line with delegated authorities as set out by the [Academy Trust Handbook](#)
- g) review of trustees/governors' minutes

14. Annual Accounts

14.1 The academy trust must prepare annual audited financial statements for the accounting period to 31 August.

14.2 The accounts are prepared in house by the *Chief Financial Officer* and audited by our auditors Buzzacott Audit LLP. The accounts are then submitted as follows:

- a) by 31 December – to DfE
- b) by 31 January – published on our own website
- c) by 31 May – to Companies House

15. Value for Money Statement

15.1 As part of the annual accounts the trust must include focussed examples of value for money.

16. Audit Arrangements

16.1 External auditors must be appointed in accordance with the [Chief Executive Officer](#). The *Chief Financial Officer* is responsible for managing the external audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

17. Work Undertaken During Accounting Period

17.1 The *Chief Financial Officer* is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

- a) reviewing the structure of the trial balance
- b) maintaining a fixed asset register
- c) monthly depreciation charges
- d) maintaining income and expenditure records (including filing of invoices)
- e) reviewing aged debtors for any provisions required
- f) maintaining a record of governors/trustees interests, related and connected party transactions
- g) control account reconciliations (bank, wages, debtors, creditors)
- h) maintaining a record of meeting attendance
- i) monitoring & reporting to the Accounting Officer, Finance Committee and Trustees.

18. Work undertaken for the year-end

18.1 The *Chief Financial Officer* is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- a) prepayments & accruals of material costs
- b) prepayments or accruals for grant income
- c) control account reconciliations (bank, wages, debtors, creditors)
- d) close down of the purchase ledgers
- e) close down of the sales ledgers and aged debtors
- f) pension valuations
- g) building valuations
- h) teachers' pension audit

19. Accounts Return

19.1 The academy trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the DfE by 31st January.

19.2 The accounts return is prepared in house by the *Chief Financial Officer* and submitted to our auditors for sign off.

20. Land & Buildings Return

20.1 The academy trust must prepare a Land & Buildings return, which is submitted to the DfE in November.

20.2 The land & buildings return is prepared in house by the *Chief Financial Officer* and submitted to the DfE.

21. Capital Spend Survey

21.1 As the Trust receives School Condition Allocation Capital Funding the Trust is required to submit to the DfE a report detailing the projects completed and at which school up to the 31st March each year.

21.2 The report is prepared in house by the *Chief Financial Officer* and submitted to the DfE by the deadline set by the DfE, usually mid-June.

22. Document Retention

Documents are retained in a secure storage area for the following amount of time:

- a) Finance records – current year plus preceding 6 years
- b) Payroll and travel records – current year plus preceding 6 years

23. Accounting System

23.1 All the financial transactions of the academy trust must be recorded into the Sage Intacct system, the computerised financial information accounting system. This system is operated by the finance departments across all trust schools.

24. System Access

24.1 Access to the finance system is password restricted to the finance team members, budget holders and purchase requisitioners and auditors.

25. Back-up Procedures

25.1 The Sage Intacct system is web-based and the back-up is managed by Sage.

26. Transaction Processing

26.1 All transactions input to the accounting system must be authorised in accordance with the limits specified in the financial scheme of delegation, using the Sage Intacct finance system.

26.2 Bank transactions are input by the finance teams across the trust and reviewed by the Director of Finance.

27. Transaction Reports

27.1 The finance leads at each school review the monthly postings and ensure that the correct transactions are posted to the accounting system.

28. Reconciliations

28.1 The *Chief Financial Officer* is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- a) sales ledger control account
- b) purchase ledger control account
- c) payroll control account
- d) VAT control account
- e) all suspense accounts
- f) bank balance per the nominal ledger to the bank statement

28.2 The Director of Finance sign all reconciliations as evidence of review.

29. Bank accounts

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

- a) the trust is responsible for selecting the banking institution and negotiating the terms and conditions
- b) the Finance Committee must authorise the opening of all bank accounts
- c) the *Chief Financial Officer* will ensure that in the event of changes to key personnel or trustees, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed
- d) the trust must ensure there are sufficient funds to cover large payments

30. Deposits

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

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

30.2 The finance lead at each school is responsible for the timely updating the accounting system for deposits placed.

31. Payments and withdrawals

- a. All cheques and other instruments authorising withdrawal from academy bank accounts must be in accordance with the schedule in the [Financial Scheme of Delegation](#):
- b. This provision applies to all accounts, public or private, operated by or on behalf of the academy trust including funds held in trust.

32. Administration

32.1 The *Chief Financial Officer* ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- a) all bank accounts are reconciled to the academy's cash book
- b) reconciliations are prepared by the finance leads at each school
- c) reconciliations are subject to an independent monthly review carried out by the Director of Finance
- d) adjustments arising are dealt with promptly

33. Petty cash

33.1 The academy trust schools can hold petty cash, but this is minimal and should be used infrequently and only on occasions where the corporate payment card held by the school or electronic bank transfer is not possible or practical. Petty cash is reconciled each month.

34. Payments

34.1 Payments are made by electronic bank transfer, corporate payment cards (and by exception, petty cash).

35. Administration

35.1 Payments from and receipts into the trust bank accounts are recorded in the finance system by the school lead and reconciled each month.

36. E-procurement & payments

36.1 The school credit card is used for internet purchases or one off items in a timely fashion.

36.2 The card is kept by the cardholder and is their responsibility to ensure it is kept safe and used appropriately. Additional verification is sent to the cardholders mobile for internet transactions.

36.3 Any department wishing to make a purchase on credit card must complete an order form and pass this to the school finance lead to make the purchase. All order forms detailing the purchase must be signed by the budget holder.

36.4 When the credit card bill arrives there will be a signed order form relating to each entry on the statement, a VAT invoice is required for all purchases and it is sometimes necessary to chase suppliers for this. A cash book journal is keyed for each entry on the statement.

36.5 The credit card bill, along with all the relevant order forms are reconciled each month by the school finance lead.

37. BACS payments

37.1 All purchase invoices are processed at school level and paid from the school bank account. Purchase requisitions are online using the Sage Intacct finance system. Purchase requisitions are authorised online in accordance with the financial scheme of delegation. Once approved, they are converted to purchase orders. Purchase orders are sent to the supplier by the school finance team. Supplier invoices are entered into the finance system, matched against purchase orders and approved for payment after confirmation from the budget holder that the goods or service have been delivered.

- a) an official purchase order has been raised for the purchase
- b) authorisation has been given as per the financial scheme of delegation
- c) a goods receipt has been processed
- d) it has not been previously paid
- e) VAT chargeability on qualifying expenditure is shown

37.2 The BACS payment run is prepared and the Sage Intacct finance system identifies any invoices which are due. The payment run value is authorised by the *Chief Financial Officer* (or Director of Finance) and then processed electronically via the bank.

- 37.3 Normally, BACS payments are processed within a 30 days of the invoice date.
- 37.4 Electronic payments are conducted through the banks secure online systems. Transactions are authorised by two authorised signatories as set out in the Trust's Financial Scheme of Delegation.
- 37.5 All new suppliers must complete a new supplier form. Bank details of the supplier must be verified through a letter or e-mail, a telephone call and via a faster payment account name check with the bank before details are input into the BACS payment system.

38. Investments

- 38.1 Investments are made in accordance with the [Investment Policy](#) approved by the trust's Finance Committee.
- 38.2 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.

39. Reserves

- 39.1 Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
- 39.2 The *Chief Executive Officer* as Accounting Officer must inform the DfE immediately if an overall academy trust deficit is anticipated.
- 39.3 If an individual academy has a deficit position the *Chief Financial Officer* will work with the head teacher and chair of the LGB to create a deficit recovery plan, which will be agreed by the Finance Committee.
- 39.4 The trust's Reserves Policy states that the trust should hold a contingency reserve of **at least** 5% of charitable income. This is at trust and school level. See the trust's [Reserves Policy](#).

40. Capital reserves

- 40.1 Any overall surpluses at the end of the year are carried over to the following year to the fixed asset reserve.
- 40.2 It is the responsibility of the *Chief Financial Officer* to keep accurate records of the capital funds, especially where grants have been received for capital projects.
- 40.3 The prior year's Schools Condition Allocation capital spend is reported to the DfE each year by the *Chief Financial Officer*, see section 21.

41. Endowments

41.1 The *Chief Financial Officer* is responsible for accounting for any transactions within endowment funds.

41.2 Any transactions are in line with the memorandum and articles.

42. Payroll

43. Staff appointments

43.1 The trustees have delegated approval to the Headteacher for each school to make staff appointments. The *Chief Financial Officer* and the Headteacher must ensure that adequate budgetary provision exists for any establishment's changes.

43.2 The Trust Board has responsibility for the appointment of senior staff to its schools and executive team as per the scheme of delegation, specifically:

- The Chief Executive Officer
- The Executive Headteacher/Executive Principal
- The Headteacher/Principal for any school
- Deputy Headteacher/Deputy Principal for any school
- The Executive Team's most senior officers

To make these appointments, a senior staff appointments committee will be convened as necessary.

43.3 Each school maintains personnel files for all members of staff which include contracts of employment and information on a MIS HR system. All personnel changes must be notified, in writing, to the HR team immediately.

43.4 The schools HR team is responsible for obtaining the relevant DBS checks and ensuring the information is retained on file and updated on the school single central record.

44. Payroll administration

44.1 Payroll is administered through the academy an external payroll bureau.

44.2 All staff are paid either on the last working day of each calendar month or the 15th working day of the month dependent on local school agreement.

44.3 All new joiners are updated by the HR department following the appointment of an employee and are authorised by school. For the Executive Team the *Chief Executive Officer* authorises the changes and updates are made by the Senior Trust HR Lead.

44.4 All absence is recorded on the system by the HR department.

44.5 Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee and authorised by the budget holder and the Headteacher/Principal of the school. They are then forward to the HR department for processing and paid in arrears.

45. Payments

- 45.1 Each school payroll is authorised by a member of the HR team following a review of the payroll reports.
- 45.2 All salary payments are made by BACS.
- 45.3 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 and BACS payments for these amounts are made on behalf of the trust by the payroll bureau by the due dates.
- 45.4 After the payroll has been processed, the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres. The finance departments at each school 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.
- 45.5 Each month, the payroll cost is imported into the IMP budget software and the finance lead at each school checks the actual gross cost for each employee agrees to the budget. Significant variances are investigated.

46. Salary advances

- 46.1 The trust does not ordinarily award salary advances. An exception is made in December where salary payment for the month of December is usually paid earlier to all staff in the Trust to accommodate for the Christmas closure. This must be authorised by the *Chief Financial Officer* and the Chief People Officer in advance.

47. Overtime

- 47.1 Overtime is recorded by the individual and submitted monthly to the line manager for authorisation and then sends on to the Headteacher / Principal to sign off. The claim forms are then processed by the HR department.
- 47.2 Claim forms must not be submitted prior to work having been undertaken.
- 47.3 No payments for work undertaken will be made other than via the payroll system.

48. Severance payments

- 48.1 The academy trust is able to self-approve the non-contractual element of severance payments up to the delegations set out in the [Academy Trust Handbook](#). A business case must be presented to the *Chief Executive Officer* before agreeing a payment.
- 48.2 Where the non-contractual element is on or over the set limits prior approval from DfE must be sought after receiving authorisation from the *Chief Executive Officer*.
- 48.3 The business case must be reviewed by the *Chief Financial Officer* and the Chief People Officer. Final sign off is made from the *Chief Executive Officer*.

49. Ex-gratia payments

49.1 Any ex-gratia payments must be submitted to DfE for approval in line with the delegations set out in the [Academy Trust Handbook](#).

50. DfE grants

50.1 The main sources of income for the trust are the grants from the DfE. The receipt of these sums is monitored by the financial lead at schools and centrally by the *Chief Financial Officer* who is responsible for ensuring that all grants due to the trust are collected.

51. Other grants

51.1 The receipt of these sums is monitored by the finance lead at schools and centrally the by *Chief Financial Officer* who is responsible for ensuring that all grants due to the academy are collected.

52. Trips

52.1 The finance lead at each school works with the trip lead to ensure the collection of all sums due. A record is prepared for each student intending to go on the trip showing the amount due within the Parentpay system.

52.2 Parent /carers should make payments either electronically via the Parentpay system. Cash or cheque is permissible, but should be minimal.

52.3 The finance lead at the school at the school should maintain an up to date record for each student showing the amount paid and the amount outstanding.

52.4 Trips should be run at cost price. If the school decides to subsidise the school trip, the amount of subsidy must be approved by the Head teacher in advance of the booking being made. See the trust's [Charging Policy](#)

52.5 Any VAT paid by the school for a trip that is in some way related to the school curriculum can be recovered, and no VAT should be deducted from income received from pupils or their parents. In case HMRC decides to query whether or not a particular school trip is educational, the Headteacher should keep a written record confirming that, in the opinion of the Headteacher, the school trip is of educational value and related to the curriculum.

53. Catering

53.1 The catering provision at each of the trust schools is currently operated by an external provider.

54. Lettings

54.1 Where applicable, the finance lead at each school should work with the lettings manager and is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation.

54.2 The finance lead at the school will ensure the timely and accurate raising of sales invoices in the Sage Intacct finance and sending to the customer.

54.3 For organisations letting a school the lettings manager (or finance lead if no lettings manager) should keep copies of the organisation's up to date relevant public liability, and indemnity insurance details and kept with the letting agreements.

55. Sundry income

55.1 Income from other sources is priced in accordance with the agreement with the customer.

56. Bad debts

56.1 The academy trust chases all monies due, and those that have not been paid within 30 days of an invoice being issues, by telephone or letter.

57.2 If the debt remains unrecoverable after 3 months, or it becomes clear that the debt will not be repaid, the school finance lead must contact the *Chief Financial Officer* for approval to begin legal action to recover the debt.

57.3 The *Chief Financial Officer* may decide to write off the debt if the legal costs outweigh the chances of recovering the debt. These write off are subject to the freedoms and delegations set out in the [Academy Trust Handbook](#) and the trust's Financial Scheme of Delegation.

57. Purchasing

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

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

58. Routine Purchasing

58.1 Budget holders will be informed of the budget available to them at least one month before the start of the academic year as per the budget timetable. 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 each month. Budget holders will be able to monitor data relating to their own budget areas from the online Sage Intacct financial information system.

58.2 Routine purchases can be ordered by budget holders, subject to their limits as per the financial scheme of delegation. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the finance department in Sage Intacct. 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 detailed on a new supplier form and authorised by the finance lead at the school. Copies of all quotes must be retained by the purchaser.

- 58.3 On occasion, staff may be permitted to purchase low value items on behalf of their school and be reimbursed for the expense. This is to be the exception and must be approved by the budget holder in accordance with the scheme of delegation. See the trust's *Expenses for Staff Policy*.

59. E-procurement

- 59.1 Any department wishing to make a purchase on credit card must complete an official order form in the usual manner and pass this to the cardholder and finance lead make the purchase. All order forms detailing the purchase must be signed by the budget holder.
- 59.2 Occasionally the credit card is used to purchase small items, where it is not possible to order this elsewhere. This must be recorded and countersigned by the budget holder.

60. Orders

- 60.1 All orders must be made using the Sage Intacct purchase requisitioning. Once a purchase requisition is approved online in accordance with the financial scheme of delegation, it is converted into a purchase order.
- 60.2 Purchase orders will be recorded in the purchase order module of the financial information system which allocates a reference number and commits expenditure.
- 60.3 The budget holder must make appropriate arrangements for the delivery of goods to the academy. On receipt the recipient 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.
- 60.4 The order should then be approved by the budget holder, detailing any changes to the order for missing or replacement items.
- 60.5 All invoices should be sent directly to the finance department. Invoice receipt will be recorded by the finance department (and the invoice scanned) into the Sage Intacct purchase ledger module.
- 60.6 Any invoices without a purchase order will be returned to the budget holder to have the correct authorisation and authorisations completed.
- 60.7 If a budget holder is pursuing a query with a supplier, the school finance department must be informed of the query and periodically kept up to date with progress.
- 60.8 Contracted supplies such as utilities or service agreements do not require a purchase order and will be input by the Finance department and a non-order purchase invoice. This will follow the authorisation procedure before being released for payment.
- 60.9 The finance department will generate a payment run based on the due dates of the outstanding invoices. The associated paperwork must be authorised by two of the nominated signatories.
- 61.10 BACS payments are input by the finance team and authorised by two signatories in accordance with the banking policy and procedures (see E-procurement and Payments above).

61. Orders over £1,000 but less or equal to £10,000

- 61.1 For orders under £1,000, budget holders should give consideration to alternative suppliers and evidence attached if additional quotes have been sought.
- 62.2 At least three written quotations should be obtained for all orders between £1,001 & £10,000 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.
- 62.3 If it is not possible to obtain 3 quotes due to lack of suppliers in the market, warranty compliance or the specific nature of the product a quote waiver form can be completed stating the business case for under 3 quotes that must be agreed by the *Chief Executive Officer / CFO*. See the trust's [Procurement Policy](#) for more details.

62. Orders over £10,000

- 62.1 All goods/services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000, three or more written quotations or tenders are required for all expenditure. See the trust's [Procurement Policy](#) for more details.
- 62.2 The Procurement Act 2023, came into force in February 2025. Contracts for goods and (most) services over £214,904 **including** VAT are to be dealt with in accordance with the public sector procurement rules and the Find a Tender system. See the trust's [Procurement Policy](#). **Contact the Chief Financial Officer for further guidance.**

63. Trading with connected & related parties

- 63.1 All trustees and employees are required to complete a declaration of interest form and keep these details updated.
- 66.2 Any conflicts of interest or related party transactions will be reported to the Accounting Officer, the Chair of Trustees, the Chair of the Finance Committee and the *Chief Financial Officer*.
- 66.3 The *Chief Financial Officer* will inform the DfE, in advance of signing any contracts with a related party, to either inform or obtain approval from the DfE to engage in the transaction, as per the thresholds set out in the [Academy Trust Handbook](#).

64. Goods and services for private use

- 64.1 No goods are ordered or services provided to include any elements of private use by trustees, governors or staff.

65. Forms of tenders

- 65.1 There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.
- 65.2 **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the central team 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.

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

- a) there is a need to maintain a balance between the contract value and administrative costs,
- b) 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,
- c) the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

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

- a) the above methods have resulted in either no or unacceptable tenders,
- b) only one or very few suppliers are available,
- c) extreme urgency exists,
- d) additional deliveries by the existing supplier are justified.

66. Preparation for tender

66.1 Full consideration should be given to:

- a) objective of project
- b) overall requirements
- c) technical skills required
- d) after sales service requirements
- e) form of contract

66.2 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.

66.3 A tender brief must always be prepared, as per the financial scheme of delegation.

67. Invitation to tender

67.1 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.

67.2 An invitation to tender should include the following:

- a) introduction/background to the project
- b) scope and objectives of the project
- c) technical requirements
- d) implementation of the project
- e) terms and conditions of tender

- f) form of response
- g) dates for decision and work to be delivered

67.3 The invitation to tender should state the date and time by which the completed tender document is received by the academy trust. Tenders are 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 are not accepted.

68. Tender opening procedures

68.1 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.

68.2 A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

69. Tendering acceptance procedures

69.1 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.

69.2 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.

69.3 Full records should be kept of all criteria used for evaluation and a report should be prepared for the executive team highlighting the relevant issues and recommending a decision.

69.4 The accepted tender should be the one that is economically most advantageous to the academy and provides the best value for money. All parties are then informed of the decision.

70. Framework Agreements

70.1 A framework agreement is an umbrella agreement that sets out the terms (particularly relating to quality and price) under which individual contracts (call-offs) can be made throughout the period of the agreement.

70.2 Frameworks are essentially contracts procured by other organisations, such as local authorities, central government departments or public buying organisations that schools and other public sector organisations can call off from.

70.3 Frameworks can offer the following benefits to school:

- Saves time as the competitive tendering procurement has already been carried out
- Suppliers on the framework will have been evaluated to ensure that they have the capacity, technical and professional ability and economic stability to provide the goods or services.
- Lower prices resulting from the aggregated buying power of the wider public sector
- Balanced contract terms should have been negotiated that protect the interests of the school
- Contract management support is often provided by the organisation that awarded the framework agreement

70.4 To buy from a framework, depending on how the framework agreement has been structured, you may be able to go directly to a supplier or you may need to carry out a 'mini-competition' among the relevant suppliers on the framework. This is a much quicker and simpler process than procuring a new contract. **Please contact the Chief Financial Officer for further guidance.**

71. Insurance

71.1 The Finance Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.

71.2 We have opted in to the Department for Education's Risk Protection Arrangements. Additional insurance is in place to cover motor vehicles.

71.3 We do not take out staff absence or maternity insurance, but instead self-insure across the trust.

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

71.5 Any incidents requiring a claim from the trust's insurers must be communicated to the *Chief Financial Officer*, who will co-ordinate the claim. Insurance claim excess incurred will be funded by the department concerned as no budget is held centrally. Items under the insurance excess will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

72. Governors/Trustees expenses

72.1 All governing body members and trustees of the academy trust are entitled to claim for certain expenses to ensure they are not out of pocket in carrying out their duties as a Trustee/Governor. Please see the trust's [Governors or Trustee Expenses Policy](#) for full details.

73. Gifts

73.1 Ordinarily gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, small gifts (value less than £25) from pupils or parents as a "thank you" may be accepted. Please see the trust's [Gifts, Hospitality and Entertainment Policy](#) for further details.

74. Fraud

74.1 The trust does not tolerate fraud. Where instances of fraud are found the *Chief Financial Officer* or the Accounting Officer will notify the DfE and the police. From 1st September 2025, the 'Economic Crime and Corporate Transparency Act 2023' comes into force. There is a new offence for the failure of large organisations to prevent fraud. See the trust's [Anti-Fraud Policy](#) for more details.

75. Whistleblowing

75.1 The whistleblowing policy is agreed by the trustees.

75.2 Any concerns raised by a 'whistleblower' will be responded to properly and fairly. Please see the trust's [Whistleblowing Policy](#).

76. Leasing

76.1 The trust does not enter into finance leases.

76.2 Operating leases are used where the trust feels this is the best value for money.

77. Pooling of GAG

77.1 The trust does not amalgamate GAG into one central fund. Instead, funds are held at school level.

78. VAT

78.1 The trust is registered for vat and can recover most vat on inputs (purchases). It must also charge vat on some sale items /income. The *Chief Financial Officer* is responsible for submitting the quarterly VAT return and ensuring transactions and vat claims are compliant with HM Revenue and Customs vat regulations. Please contact the *Chief Financial Officer* if you have any queries regarding vat.

79. Fixed assets

79.1 Individual asset additions above the trust's £2,000 threshold (excluding vat) are capitalised and taken to **fixed assets register** on the balance sheet. All asset additions below or above £2,000 are recorded on the separate asset register held by each school.

80. Asset register

80.1 Asset additions must be entered on the asset register with the following details:

- a) asset description
- b) asset number
- c) serial number
- d) supplier name
- e) date of acquisition
- f) asset cost
- g) expected useful economic life
- h) depreciation
- i) current book value
- j) location
- k) name of member of staff responsible for the asset

80.2 The asset register helps:

- a) ensure that staff take responsibility for the safe custody of assets
- b) enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- c) to manage the effective utilisation of assets and to plan for their replacement
- d) help the external auditors to draw conclusions on the annual accounts
- e) support insurance claims in the event of fire, theft, vandalism or other disasters

80.3 Examples of items to include on the asset register include:

- a) Land

- b) Buildings
- c) Leaseholder improvements
- d) Groundworks - playgrounds
- e) ICT hardware & infrastructure
- f) Furniture
- g) Catering equipment – ovens, fridges
- h) Mini buses

81. Security of assets

81.1 All the items in the register are permanently and visibly marked as the academy trust's property.

81.2 Equipment is, where possible, stored securely when not in use.

81.3 A physical check on assets held on the register should be undertaken at each school on an annual basis. Where discrepancies between the physical count and the amount recorded in the register are found they must be investigated promptly and reported to the *Chief Financial Officer*.

82. Disposals

82.1 Disposals, where applicable, are in line with the [Academy Trust Handbook](#). See the trust's [Asset Disposal Policy](#).

83.2 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Chief Executive Officer 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 which is a land, building or heritage asset.

83. Loan of Assets

83.1 Ordinarily, items of academy property must not be removed from academy premises for loan to staff or students. There are exceptions for equipment to be used for work purposes. This can include laptop computers (staff or students) and work mobile phones for staff. A record of the loan agreement must be held by the school and the asset is to be signed out and back in upon return to the school.

83.2 Assets loaned to staff should be solely for work purposes and any private use insignificant (eg occasional checking of personal emails). If these conditions are met, then the loan would not be a taxable benefit (benefit in kind). Contact the *Chief Financial Officer* if you require further guidance.

84. Schedule of underlying trust policies and DfE regulatory documents

84.1 The DfE regulatory document is:

[Academy Trust Handbook](#)

84.2 Trust policies referenced in this procedures manual include:

Anti-fraud Policy

Asset Disposal policy

Charging Policy

Expenses for Staff Policy

Gifts, Hospitality and Entertainment Policy

Governors expenses policy

Investment Policy

Procurement Policy

Reserves Policy

Scheme of Delegation

Whistleblowing policy