

**Coppice Primary
Partnership**

An Ethic of Excellence



Finance Policy

Approved: Term 1 23/24

Next Review: Term 1 24/25

Finance Policy

A. INTRODUCTION

1. The purpose of the Finance Policy is to ensure that Coppice Primary Partnership (CPP) maintains and develops systems of financial control, conforming to the requirements of propriety and good financial management. It is essential that these systems operate properly to meet the regularity requirements of our Master Funding Agreement with the Department for Education (DfE).
2. The trust and each academy comply with the principles of financial control outlined in the latest version of the Academies Trust Handbook published by the DfE.
3. [Academy trust handbook 2023](#) manual expands on that, provides detailed information on the trust's accounting procedures and systems, and should be read by all staff involved with financial matters.
4. Systems and processes outlined in this document also extend to meeting the requirements of both the Companies House and related Company Acts, and Charity Commission as far as it relates to Exempt Charities.

B. ORGANISATION

Coppice Primary Partnership is a Company limited by guarantee with charitable status as an Exempt Charity. The trust has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for directors and staff. The financial reporting structure is illustrated below:

B.1 MEMBERS

1. The Members of Coppice Primary Partnership are responsible for appointing the Trustees, and will ensure that they appoint a competent Trustee to the Board to complete the functions of monitoring in Finance, Audit, Health & Safety and Compliance.
2. The Members of Coppice Primary Partnership fully delegate the strategic management of the trust and all monitoring functions to the Board of Trustees.
3. The Members fully delegate the completion and submission of the 'Annual 'Trustees Report' to the Board of Trustees on their behalf.
4. The Members will meet annually to:
 - Complete an overview of the effectiveness of the delegated functions.
 - Receive annual accounts and reports
 - Re-appoint or remove the auditors based on the recommendations of the Trustees.
 - All meetings of the Members will be formally minuted and made publicly available.

B.2 BOARD OF TRUSTEES

5. The Board of Trustees has responsibility for the administration of the academy trust's finances as fully delegated by the Members. The main responsibilities of the Board of Trustees are prescribed in the Master Funding Agreement between the academy trust and the DfE and in the academy's scheme of delegation, and the Academies Trust Handbook.

The Trustees have delegated certain responsibilities to Local Governing Bodies and the Trust Leader (Accounting Officer) as detailed in the Scheme of Delegation.

B.3 FINANCE AND AUDIT COMMITTEE

6. The Finance Committee is a sub-committee of the Board of Trustees to which the board delegates financial scrutiny and oversight. The matters delegated to the Finance Committee are detailed in the Scheme of Delegation and Terms of Reference.

7. The Accounting Officer and Chief Finance Officer attend meetings of the Finance Committee as 'officers' of the Trust.

B.4 LOCAL GOVERNING BODIES

8. The trust board will establish LGB's, appoint the chair, ensure two parents are elected and will determine what will be delegated. The responsibilities delegated to the LGB's are detailed in the Scheme of Delegation and Terms of Reference.

B.5 ROLE OF TRUST LEADER (CHIEF EXECUTIVE OFFICER / ACCOUNTING OFFICER)

The Trust Leader has the delegated responsibility for the operation of the trust including the performance of the trust's academies and so performance manages the academy headteachers.

Trustees have determined that the Trust Leader is the Accounting Officer who has specific responsibility for financial matters including personal responsibility to the ESFA for the trust's financial matters.

9. Within the framework of the Trust Business Plan, as approved by the Board of Trustees, the Trust Leader has overall executive responsibility for the academy's activities including financial activities. The Funding Agreement requires the academy trust to identify the Trust Leader as the Accounting Officer. This post confers responsibility for financial and administrative matters. This is a vital role, as the Accounting Officer is personally responsible to the Board of Trustees for ensuring:

- Regularity and propriety.
- Prudent and economical administration.
- Avoidance of waste and extravagance.
- Efficient and effective use of available resources.
- Day to day organisation, staffing and management of the academy.
- Authorising purchases up to agreed financial limits.
- Approving recruitment to posts within the approved staffing structure.
- Ensuring any actions arising from the annual audit are implemented.
- The Trust has a 'whistle blowing' policy, which is approved by Trustees and communicated to all staff within the Trust.

10. The Accounting Officer must have appropriate oversight of the financial transactions by:
 - Ensuring the Academy Trusts property and assets are under the control of the Trustees, and measures exist to prevent loss or misuse.
 - Ensuring that bank accounts, financial systems, and financial records are operated by more than one person.
 - Keeping full and accurate accounting records to support the annual accounts.
11. Included in the responsibilities of the Accounting Officer is a duty to take appropriate action if the Board of Trustees, or the Chair of Trustees, is contemplating a course of action which he or she considers would infringe the requirements of propriety or regularity (including the provisions of the Funding Agreement, the academy's Development Plan, or other documents setting out the financial duties of the Board of Trustees or of any other rules governing the conduct of the body), or would not represent prudent or economical administration, or the efficient or effective discharge of the Board of Trustees' functions.
12. In such circumstances, the Accounting Officer would be required to put his or her objections in writing to the Board of Trustees and to advise them of the requirement to inform the DfE Accounting Officer (the Permanent Secretary) and the Trusts external auditors, as well as the Controller and Auditor General.
13. Such notification should occur without undue delay, and the Departmental Accounting Officer will need to consider whether to intervene in such cases
14. Maintain the Trust's Estate Management Plan ensuring there is a prioritised maintenance and investment plan.

B.6 CHIEF FINANCE OFFICER

The Chief Finance Officer is appointed by the Board of Trustees (or their delegate).

15. The Chief Finance Officer works in close collaboration with the Accounting Officer through whom they are responsible to the Trustees. The Chief Finance Officer also has direct access to the Trust's Finance and Audit Committee.
16. The main responsibilities of the Chief Finance Officer include:
 - To ensure the Academy Trust is aware of its obligations under the Master Funding Agreement, Articles of Association and Academies Trust Handbook.
 - Management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees.
 - Maintenance of effective systems of internal control and facilitating the annual audit and review programme as determined by the Trustees.
 - Ensuring financial forms and returns are sent to the DfE / ESFA and Companies House in line with the published timetables, and informing the Accounting Officer where there is non-compliance. Oversee the day to day management of financial issues in collaboration with the Trust Finance

Officer, including the establishment and operation of a suitable accounting system and Trust bank account.

- Provide support and advice to the School and Central Team staff.
- Oversee the function to ensure the preparation and review of monthly management accounts, cash flow and key performance indicators (KPI's).
- Provide the Trustees with management accounts in a timely fashion and as a minimum to the Chair of Trustees, Chair of Finance & Audit and Trust Leader monthly and other Trustees at least six times per annum.
- Ensuring forms and returns are submitted to Teachers' Pension Scheme in line with published timescales, and the Year End Return is audited.
- Ensuring forms and returns are submitted to the Local Government Pension Scheme (LGPS) in line with published timescales.
- Maintain a Trust risk register for financial risks ensuring this is reviewed by the Finance & Audit Committee at least annually.
- Ensuring non-financial forms and returns are sent to the DfE / ESFA and Companies House in line with the published timetables by the Trust Governance Professional, and informing the Accounting Officer where there is non-compliance.

17. Trust Finance Officer / Assistant / Apprentice

- Oversee the day to day management of financial matters, including the operation of a suitable accounting system
- Ensuring the approved purchasing process is followed including the payment of invoices.
- Ensuring budget holders and Head Teachers within their schools are informed when proposed expenditure is not within the approved budget and / or would result in an overspend.
- Ensure compliance with effective systems of internal control.
- Ensuring that the school accounts are properly presented and adequately supported by the underlying books and records of the academy.
- Ensuring the finance system is up to date and accurate for the preparation of monthly management accounts for their school to the Head Teacher, Trust staff and Local Governing Body.
- Preparing VAT reconciliations for the schools to enable VAT126 submission by the Trust.

B.7 HEADTEACHERS

18. Head Teachers are appointed by the Chair of Board of Trustees and Trust Leader and have delegated responsibility for the following:

- Day to day operational management of their individual school.
- Strategic and operational planning of their individual school budget in support of the School Improvement Plan.
- Will ensure that the Trust Finance Officer is notified immediately on any material of financial change which may impact the budget monitoring process in time for the monthly cut off dates.
- Responsible for monitoring their budget monthly documenting clearly the activity undertaken and any anomalies or concerns and producing monthly management accounts in an accurate and timely manner.

- Head Teachers are responsible for full compliance with the principles of the Trust finance policy as part of their performance management objectives.
- Authorising purchases up to agreed financial limits.
- Approving staff appointments in consultation with the Trust Leader.
- Ensuring the school asset register is maintained for insurance purposes.
- Implementing the Charges and Remissions policy

B.8 SCHOOL LEVEL SUPPORT

19. Some of the Academies employ resource to deal with school level finance and HR duties . They report to the School Headteacher or Office Manager.

20. Their main responsibilities are:

1. Finance Assistant responsibilities

- To place all Purchase Orders on the finance system, ensuring best value and economies of scale, along with a clear audit trail of approval of expenditure and within budget allocations
- Make online purchases with the credit card as required; ensuring adherence to financial procedures
- To update goods receiving on the finance system, including dealing with suppliers for any delivery queries
- To ensure effective invoicing of any wraparound care is in place and to chase outstanding debts
- To ensure effective invoicing of any nursery care is in place and to chase outstanding debts
- Oversee the lettings of the school premises, including the effective invoicing for lettings and liaising with the Site Manager to ensure there are arrangements in place for the unlocking and locking of the premises.
- Manage petty cash including counting any cash that comes into school and ensuring this is banked appropriately.
- Issue budget holder reports to relevant departments as and when required.
- Support the EVC with organization of school trips including the collection of any funds.
- Oversee the use of the relevant Trust system used for any parent payments.

2. HR Assistant responsibilities

- To process timesheets for staff
- To record all staff absences on Arbor (or alternative MIS)
- To update Arbor (or alternative MIS) with staffing changes
- To complete the workforce census.
- To maintain and update the single central record

B.9 OTHER STAFF

21. Other members of staff, especially budget holders and those with delegated financial responsibility are expected to adhere to the Trust Finance Policy.

22. All staff are responsible for the security of academy property (as outlined within the Academy's Acceptable Use Policy), for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

C. AUDIT AND COMPLIANCE

C.1 APPOINTMENT OF EXTERNAL AUDITORS

23. The Trustees are to submit the financial statements for annual external audit. The Trustees make recommendations to the Members for the appointment of external auditors. Members have the discretion option to continue with the arrangement or give notice to terminate and appoint an alternative.

24. The auditors are required to give an opinion on whether:

- The financial statements give a true and fair view of the state of affairs of the Trust and have prepared in accordance with the financial reporting requirements of the ESFA.
- The Trustees report is consistent with the financial statements, and
- Grants made by the ESFA have been used for the purposes intended, including enhanced regularity audit based on the Accounting Officer's statement relating to regularity, propriety and compliance.

C.2 INTERNAL AUDIT

25. The Academy's system of internal financial control is based on a framework of regular management information, administrative procedures (including segregation of duties and systems of delegation) and the engagement of a professional auditor to carry out Internal Audit.

26. The Internal Auditor who will be recommended by the Finance and Audit Committee and appointed by Trustees shall be suitably skilled and qualified to undertake the role.

27. Is responsible for carrying out a programme of internal scrutinising to ensure systems are effective and compliant.

28. The Internal Audit should provide the Board of Trustees via report to the Finance and Audit Committee with assurance that:

- The statutory financial responsibilities of the Trustees as delegated to the Board of Directors are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner.
- Sound systems of internal financial delegation and control are being maintained.
- Financial considerations are fully taken into account in reaching all decisions.

29. The Internal Auditor will ensure that regular reviews are undertaken to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board of Trustees. A report of the findings from each visit will be presented to the Finance & Audit Committee.

D REGISTRATION OF INTERESTS

D.1 REGISTER OF BUSINESS INTERESTS & RELATED PARTIES

30. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make.
31. To avoid any misunderstanding that might arise all academy Members, Trustees, Local Governing Body Members and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the academy may purchase goods or services.
32. The register of business interests which should be updated regularly is open to public inspection and for Members and Trustees is published on the Trust website and that for Local Governing Bodies (LGBs) is published on the relevant school website.
33. Any Member, Trustee or member of existing academy staff with whom the Academy Trust wishes to trade would need to do so on a not for profit basis. The Trust must report all contracts and other agreements with related parties to the ESFA in advance of the contract commencing, and seek prior approval where the value exceeds the limit specified in the Academies Trust Handbook.
34. For each interest, the name of the business, the nature of the business, the nature of the interest and the date the interest began should be recorded. The register will include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the academy.
35. The disclosures should also include business interests of close relatives and associates such as a parent, child, spouse or business partner where influence could be exerted by that person.
36. The existence of a register of business interests will not, of course, detract from the duties of individuals to declare interests whenever they are relevant to matters being discussed by the Board of Trustees or a Committee.
37. Where an interest has been declared, it will be the decision of those present as to whether the individual should withdraw from the meeting or simply not take part in any discussion or decision making vote which may be called. This will be recorded clearly in the minutes of the meeting.

D.2 PERSONS OF SIGNIFICANT CONTROL

38. Coppice Primary Partnership will keep a register of persons with significant control over the strategic decision making for the academy trust. This list will be published on the academy website and updated annually.

D.3 GIFTS FROM THIRD PARTIES

39. Coppice Primary Partnership recognises that from time to time members of the public are generous and wish to make tokens of thanks to academy staff for the part they have played in the education of the children in our care.

40. All gifts valuing a total of more than £50 for an individual gift or series of smaller gifts across the year will be declared by all academy staff, Members, Trustees, Local Governors and volunteers.
41. It will be the responsibility of each individual Head Teacher to make a gifts register available in each individual school and for the Chief Finance Officer to make a register available for Trust staff.
42. The Finance and Audit Committee will audit the gifts registers annually.
43. No member of academy staff, Members, Trustees, Local Governors or volunteers will accept any gift where there is an agreed or perceived pecuniary or social benefit associated with such gift.

D.4 GIFTS TO STAFF MEMBERS

44. Coppice Primary Partnership recognises that staff members within the trust can be provided with gifts due to bereavement or retirement. All gift purchases should seek best value for price and should not be over the limit of £30 per gift item. As any purchase, it must be approved before the purchase takes place.

D.5 PERSONAL GAIN

45. Academy staff, Members, Trustees, Local Governors or volunteers will not seek to benefit in any loyalty scheme or points collection system through the use of academy funding at any level. It will be the responsibility of the person approving invoices and expenses to check receipts and invoices for participation in such schemes and refuse reimbursement where it is considered that personal gain has been made as a product of the purchase.

E. ALLOWANCES AND SUBSISTENCE CLAIMS

46. The policy in relation to expenses extends to all members of employed staff, Members, Trustees and Local Governors where engaged in academy business or training:
 - Staff must seek written approval in principal from the Head Teacher or Trust Leader before incurring any expenses. Headteachers must obtain prior approval of the Trust Leader. The Trust Leader should seek prior approval from the Chair of Trustees or Chair of Finance and Audit.
 - LGB, Trustees and Members must seek prior approval from their respective Chairperson.
47. Mileage expenses will be reimbursed to individuals for business journeys at a rate in accordance with the limitations set out by HM Revenue & Customs, and as published by the Trust. The claimant is entitled to be notified of this rate in advance of commencing their journey. Miles claimed should be established by calculating the difference between the length of the journey to the normal working place and the place driven to.
48. The claimant must have suitable insurance in place to cover both the vehicle and passengers and that indemnifies the Academy Trust against any claim.
49. Staff expense claims are to be authorised by the relevant Head Teacher or Trust Leader.

50. The Chair of Trustees must sign any claim relating to the Trust Leader or those relating to another Trustee or Local Governor.
51. Rates of subsistence will be set at a maximum of £10.00 in relation to meals for out of hour's meetings or training etc. where meals are not provided. Claims for the purchase of alcohol will not be reimbursed.
52. Where overnight accommodation is required, this should be approved by the Headteacher (for school staff) or the Trust Leader (for school senior leaders and Trust staff).
53. VAT Receipts or other appropriate evidence of expenditure must be attached to the claim in respect of all purchases.
54. The Trust may not reclaim VAT without a proper VAT receipt. Please be aware that reimbursement of expenditure may be refused if sufficient evidence/receipts are not produced.
55. The Trust does not obtain goods or services for the private use of governors or staff. Where uniform or computer equipment is issued any private use is incidental. Members, Trustees, Governors and members of staff may not:
 - Hold any interest in any equipment or property held or used for the academy.
 - Acquire any interest in the disposal of academy equipment or property at the end of any contract between the academy and any third party.

F. GOVERNANCE ALLOWANCES

56. Coppice Primary Partnership values and appreciates the contribution of time, expertise and resource made by all Members, Trustees and Local Governors.
57. In addition to the aforementioned section entitled 'Mileage Allowances and Subsistence Claims', Members, Trustees and Local Governors are entitled to claim expenses in line with the School Governance (Roles, Procedures and Allowances) (England) Regulations.
<https://www.gov.uk/government/publications/school-governance-regulations-2013>
58. Payments will not be made by way of reimbursement for phone calls, internet connection, printing, ink or paper.
59. Individual schools will have a duty to ensure their Local Governors have sufficient access to the material necessities in order to undertake their roles effectively. This will be a local arrangement agreed between the Head Teacher and Chair of Local Governing Bodies.
60. The Academy Trust will have a duty to ensure that Members and Trustees have sufficient access to the material necessities in order to undertake their roles effectively. This will be a local arrangement agreed between the Trust Leader and Chair of Trustees.

61. Administrative support for individual Members, Trustees and Local Governors is not provided, with exception to the Chair of Trustees.

62. Coppice Primary Partnership is unable to provide direct technical support for IT equipment or devices not owned by the Academy Trust. Generic guidance and solution led advice may be provided for Members, Trustees, and Local Governors to enable them to resolve any issues.

G. HOSPITALITY

63. Coppice Primary Partnership may provide by way of hospitality the provision of meals and refreshments for staff, Members, Trustees, Local Governors and visitors in line with what would be a reasonable consumption of such refreshment in the course of the time spent on site and the time of day. Hospitality does not extend to the provision of alcohol. Hospitality will be provided by the vehicle of unrestricted funds.

64. Each individual school will have a set area of the budget where such costs are funded.

65. The Trust will have a set budget where such costs are funded.

H. STAFF REWARDS:

66. Staff will be rewarded in line with the principals set out within the Trust policies which includes pay and reward. Staff will be rewarded as part of their annual performance management cycle in material terms for positive performance.

67. Benefit in Kind – Benenden Private Health Care

At Coppice Primary Partnership, we are committed to the well-being and professional development of our valued staff members. As part of our dedication to our core principle of 'Staff First', we provide a range of benefits to ensure that our staff feel supported and cared for. We believe providing staff with access to Benenden Private Health Care will enhance their overall well-being. This benefit is funded by the schools and the trust, and includes a comprehensive list of services, such as:

- 24/7 GP Helpline
- 24/7 Mental Health Helpline
- Mental Health Support
- Medical Treatment/diagnostics/Physiotherapy
- Care Planning and Social Care Advice
- Cancer Support

Eligibility

This benefit is offered to all employees who are employed on a permanent or fixed term contract as of 1st September 2023.

Enrollment and Dependents

Upon receipt of the completed Opt-In form, employees will become eligible to access Benenden Private Health Care from the 1st of the following month.

Employees also have the option to include dependents at a cost of £12.80 per person, per month, deducted from their pay. Dependent eligibility begins one month after the employee's enrollment.

Taxation – Benefit in Kind

It is important to note that this benefit is considered a ‘Benefit in Kind’ and is therefore taxable.

As an example, for a basic taxpayer, the monthly tax deduction for this benefit amounts to 20%, currently approximately £2.56/month (April 2023). Opting-out is possible at any time. This benefit will be reviewed periodically to ensure its effectiveness and relevance. Any updates or changes will be communicated to all employees.

I. SCHEME OF DELEGATION / AUTHORISATION LIMITS

I.1 PURCHASING

68. The Trust seeks to achieve the best value for money from all purchases. This means it procures goods & services of the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

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

I.2 ROUTINE PURCHASING

69. As a general principle, procedures should ensure that purchases are as required and are for bona fide purposes and value for money is obtained in respect of all goods and services.

70. Budget holders will be informed of the budget available to them at the start of the financial year.

71. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.

72. School staff are responsible for making the first request for the purchase of goods or services.

73. Purchase order requests are completed by the requesting member of staff, which are passed to the school finance assistant.

74. A sequentially numbered Purchase Order will then be raised for approval by the Budget Holder or appropriate person in accordance with the delegated financial limits.

75. Where quotes have been sought due to the value of the purchase, all relevant documentation including any received quotes must be attached to the purchase order.

76. No orders should be placed verbally outside of the finance system.

77. In approving the Purchase Order, the Budget Holder will be alerted if there is insufficient budget available to fund the purchase. Headteachers’ prior approval is required to complete the purchase order.

78. On receipt of confirmation that the Purchase Order is approved by the Budget Holder or appropriate person, it is sent to the supplier / contractor via email where possible.
79. The academy trust will pay suppliers via BACS and Direct Debit wherever possible.
80. All data relating to financial transactions is held securely and retained for 7 years.

I.3 GOODS RECEIVED AND INVOICING

81. The school finance or trust staff, when placing approved orders with suppliers, must make appropriate arrangements for the delivery of goods to the appropriate school.
82. On receipt, a member of staff 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. The GRN should be signed by the reviewer to indicate that this has been done.
83. Correct GRN information should be passed to the school finance assistant as soon as possible to enable the invoice to be processed when received. Only in exceptional circumstances will goods or services be paid for in advance and usually, only in respect of a deposit e.g. School trips or residential.
84. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Team should be notified. Any goods returned to suppliers will be noted on the relevant GRN.
85. All invoices should be sent directly to the Trust Finance Team either directly by the supplier or via the School Office which will be checked against the GRN for accuracy. Invoices will be marked for the recording of order and payment details. Invoices in dispute will be marked accordingly to ensure payment is not released.
86. Invoices received will be checked against purchase orders for accuracy by the Trust Finance Team. Where estimates were provided initially invoices will be paid where the discrepancy is less than 10% of the original quotation.
87. The Trust Finance Team will input details of payments to be made to the purchase ledger and generate the BACS payment required.
88. Copy invoices are not to be paid unless checks have been performed to confirm that payment has not previously been made. References back to the original order are to be made in every case. Confirmation that such checks have been made is to be by endorsing the invoice "copy invoice not previously passed for payment" and signing. Under no circumstances are payments to be made against supplier statements.

I.4 ONLINE PURCHASING

89. Online Purchases must be made upon receipt of evidence from the budget holder:

- Each internet purchase must be accompanied by a printed confirmation sheet detailing products purchased, the date and total cost (including VAT element) to the school.
- When using a card for internet purchases, card holders must ensure that the internet site is secure and that all companies used are reputable. Never disclose card details on an email as this method of payment is not secure.
- Details of the Trust's bank accounts should never be provided as a secondary form of payment (for example, creation of a PayPal account) as this carries the risk of fraudulent access to the entire available balance in that account.

I.5 CHARGE CARDS

90. Allocations of charge cards and limits will be approved by the Trust Leader. The list will match the records held by commercial banking with Lloyds Bank at all times.

91. Charge cards will be issued to key individuals to be held securely by them (not in school safe). PIN details should not be stored with the card.

92. Charge Cards are only to be used where payment on account is not available – either due to required timescales or restricted supplier payment options, and card holders will only place orders on receipt of a completed requisition

93. A direct debit will be set up to clear the monthly balance on all cards in full.

94. An approved purchase order is required before a purchase is made. Authorised purchase receipts will be submitted by card users to the school finance assistant (for schools) or Trust finance team (for trust staff) as soon as is practically possible, who will reconcile receipts against the monthly statements and subsequently against the bank direct debit charge.

95. Reconciled monthly charge card statements are to be signed off by the Head Teacher, or in the case of the Head Teacher which will be signed off by the Chief Finance Officer. For Trust staff, it must be signed off by the Trust Leader

96. The CFO will maintain a list of staff who have been issued with cards and their limits.

97. Site staff have a pre-authorised charge card with a financial limit of £250.

98. In the case of an emergency where it would be a breach of duty of care or a health and safety matter, members of staff may complete a purchase using a charge card without prior approval or a personal debit card up to £250.

J. PURCHASE & DISPOSAL LIMITS

J.1 PURCHASES

99. Specific purchase and disposal (write off) limits will be set for all budget holders or those responsible for orders and procurement in the academy.

100. Purchase limits and allocation of charge cards will be documented clearly by the Trust Office. The list will match the records held by commercial banking with Lloyds Bank at all times.

101. Levels of financial authority are:

Order Value	Authorisation Level	Details of approval process and documentation
Up to £1,000	Budget Holders / those with delegated authority	The Budget Holder will only approve the Purchase Order once they are satisfied that the purchase represents best value
£1,001 - £5,000	Head Teacher	Three prices should be sought wherever possible and the Head Teacher will sign to confirm that the selected supplier represents best value. The quotes obtained are to be retained by the Finance Team.
£5,001 - £25,000 And Up to £50,000 with joint approval of CFO	Trust Leader	Three prices must be obtained in writing and the Trust Leader will sign to confirm that the selected supplier represents best value. The quotes obtained are to be retained by Finance Team.
£50,001 +	Board of Trustees	Three prices must be obtained in writing and the Head Teacher will present alongside an explanation of how best value is being achieved. The quotes obtained are to be retained, along with minutes of the approval all being provided to the Finance Team attaching to the order and invoice.

102. Within the specified limits there are exceptions to the above:

- Where it is not possible to obtain alternative quotes, this is to be made clear on the purchase order.
- Where incurring the expenditure exceeds the approved budget then the Trust Leader or Head Teacher must approve the order.
- Where budget monitoring demonstrates that there is a risk of overspend, the Head Teacher, Trust Leader or Finance and Audit Committee can introduce a moratorium.

103. Pre-payments for items should not be made. However, there may be exceptional circumstances where a pre-payment is necessary to secure goods or services. Therefore, a pre-payment can be made subject to:

- The person placing the order has attempted to negotiate an alternative such as same day payments or payment on receipt of materials
- Where pre-payments or deposits are being made then appropriate due diligence is carried out by the trust finance team. This includes but not limited to checking companies house to ensure returns are up to date and that there are no suspicious changes of directors. Once the trust team have completed the due diligence process, the pre-payment/deposit will be sent to the CFO/CEO for approval

J.2 DISPOSALS:

104. The Trust must seek approval of the DfE in writing if it proposes to dispose of a freehold of land or buildings, or a 'heritage asset' (as defined in financial reporting standards).
105. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licenses for software programmes have been legally transferred to the new owner.
106. The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must, if required by the Secretary of State, pay all or part of the proceeds to the DfE or Local Authority taking into account the amount to be reinvested by the Trust.

K. FORMS OF TENDER

107. There are three forms of tender procedure: open, restricted and negotiated. The circumstances in which each procedure should be used are described below.
108. Open Tender: This is where all potential suppliers are invited to tender. The CEO and CFO must be consulted how best to advertise for suppliers' e.g. general press, trade journals, use an approved framework 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.
109. 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.
110. Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
- The above methods have resulted in either no or unacceptable tenders.
 - Only one or very few suppliers are available.
 - Extreme urgency exists.
 - Additional deliveries by the existing supplier are justified.

K.1 PREPARATION FOR TENDER

111. Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract
- Price

112. 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.

K.2 INVITATION TO TENDER

113. If a restricted tender is to be used then an invitation to tender must be issued.

114. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

115. Contracting authorities must follow World Trade Organisation (WTO) agreement on Government Procurement (GPA) process for the tendering of goods and services where the value (which should be established inclusive of VAT) exceeds the published threshold (As at 1st January 2022 this is £213,477).

116. Tendering for goods and services for contracts where the annual value exceeds £50k should use a framework agreement, whereas those in excess of £100k per annum must use a framework agreement.

117. 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.
- Form of response required.

K.3 TENDER ACCEPTANCE PROCEDURES

118. The invitation to tender should state the date and time by which the completed tender document should be received by the academy and to whom it should be addressed.

119. Tenders should be:

- Submitted in plain envelopes clearly marked to indicate they contain tender documents.
- Date and time stamped on receipt and stored in a secure place prior to tender opening.

120. Tenders received after the submission deadline should not be accepted.

K.4 TENDER OPENING PROCEDURES

121. Tenders will be opened by two members of staff.
122. All tenders submitted should be opened at the same time and the tender details recorded including the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

K.5 TENDER EVALUATION PROCEDURES

123. The evaluation process should involve at least two appropriate people who may include external advisers or Trustees / Local Governors as appropriate.
124. 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.
125. 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.
126. Full records should be kept of all criteria used for evaluation.
127. 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.
128. The accepted tender should be the one that represents best value. All parties should then be informed of the decision.

L. FINANCIAL PLANNING AND BUDGETING

The Trust and Academy 3-Year financial plans prepared in conjunction with the Trust and School Strategic Documents

L.1 FINANCIAL PLANNING

129. The Trust prepares annual and 3 year budget projections.
130. The 3 year budget projection is prepared as part of the development planning process.
131. The annual strategic plans for each individual school and the Trust as a whole indicate how the Trust's educational and other priorities are going to be achieved, within the expected level of financial resource.
132. The strategic priorities provide the framework for the setting of the annual budget.
133. The budget is a detailed statement of the expected resources available and the planned use of those resources for the following year.

134. The plan will include detailed objectives for the coming year and, (where possible) the estimated resource, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

L.2 ANNUAL BUDGET

135. The Trust Leader in consultation with the Head Teacher and supported by the Trust Finance Team are responsible for preparing the draft annual budget for each of the individual schools.

136. The draft budget will be reviewed by the Local Governing Body of the individual school. They will provide feedback to the Trust Leader.

137. The Trust Leader is responsible for preparing the draft annual budget for the Academy Trust as a whole including the central budget.

138. The draft budgets for all individual schools on consideration of LGB feedback will be finally approved (following appropriate challenge of any anomalies) by the Board of Trustees.

139. The draft budget for the Trust on consideration of Finance & Audit Committee recommendation will be finally approved (following appropriate challenge of any anomalies) by the Board of Trustees.

140. The approved Trust budget must be submitted to the ESFA (BFR3Y) by the published deadline each year. The Trust Leader is responsible for ensuring the submission takes place within the agreed timescale.

141. Where an additional school joins the Trust within a financial year, guidance on reporting will be sought from the ESFA.

142. Budget forecasts are based on a detailed review of income and expenditure on an accruals basis.

143. Budgeted income is based on the annual funding formula which is determined by pupil numbers on roll (Census Data), and a review of other income sources which are known to be available to the academy.

144. Budgeted expenditure is based on a review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes and identification of potential efficiency savings.

145. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

146. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where reductions can be made. This may entail prioritising tasks and deferring projects until more funding is available.

147. 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.

148. The budget will be seen as a working document which may need revising throughout the year as circumstances change.

L.3 MANAGEMENT ACCOUNTS AND REVIEW

As part of the monthly management accounts process, trust finance staff monitor actuals against the approved budgets and reviews with the relevant headteacher who will inform LGBs where appropriate with support from the trust finance team.

The trust finance team are responsible for ensuring accurate and timely management accounts. Headteachers are responsible for ensuring school level finance tasks are completed accurately and timely to ensure deadlines can be met.

149. School Monthly monitoring reports comprising income and expenditure forecast, cash flow and balance sheet will be prepared by the trust finance team and shared with the Trust Leader and the relevant Head Teacher.

150. The Head Teacher supported by the trust finance team will provide a monitoring report to their respective Local Governing Body.

151. Local Governing Bodies either at their formal meeting or via Governor monitoring will monitor income, expenditure and cash flow for their Academy.

152. The Chair of Finance & Audit Committee, Chair of Trustees and Trust Leader will receive monthly management accounts for each school and a consolidated report at Academy Trust level, and key performance measures. They will formally monitor the academy trust budget at least six times per year and report such to the Board of Trustees.

153. The format of management accounts must include an income and expenditure account, variation to budget report, cash flows and balance sheet.

154. At year-end, the Trust will account for pre-payments and accruals where the value is in excess of £1000.

155. The monthly process should be accurate and timely to enable effective decision making.

M. PAYROLL

M.1 STAFF

M1.1 APPOINTMENTS

156. The Board of Trustees approves the staffing structure for the Trust annually. The operational responsibility for setting the structure lies with the Trust Leader.

157. Changes to the structure mid-year should be reported to the relevant Local Governing Body for approval if temporary and within budget where there is no financial impact on the current year budget.
158. Where the proposal is either for a permanent change to the staff structure or results in additional expenditure or has cost implications for the 3-Year Forecast then the matter must be referred to the Finance and Audit Committee for approval.
159. The Trust Leader has authority to appoint staff within the authorised structure.
160. Head Teachers have the authority to appoint staff if within their approved establishment and budget, otherwise; a temporary appointment requires approval of the Trust Leader, or the Trustees if either permanent or extends into the following financial year.
161. Appointment of staff to school management team positions must be made in consultation with the Trust Leader and then reported to the LGB.
162. Appointment of staff to the Trust management team such as the Trust Leader, CFO / and Headteachers) must be made in consultation with the Board of Trustees.
163. Appointment of the Trust Leader (Accounting Officer), Chief Finance Officer and Clerk to the Trust will be undertaken by the Board of Trustees.

M1.2 LEAVERS

164. On receipt of letter of resignation, send acknowledgement confirming receipt and end date.
165. Inform payroll by inputting details onto iTrent, and SPS by completing a termination form on the portal which is authorised by the relevant Head Teacher or Trust Leader as appropriate.
166. Seek return of any payment cards, ID badges and access fobs, and any equipment provided to the member of staff (laptop, i-pad, mobile phone) updating the asset register as required.
167. Advise IT service provider of the leaver details to ensure usernames and passwords are deleted.
168. Ensure personnel folder is up to date and place in the archive store.

M.2 PAYROLL ADMINISTRATION

169. Payroll management and payments to staff are administered externally by a payroll provider approved by the Board of Trustees. The terms are outlined in the Service Level Agreement.
170. All staff are paid monthly through the approved payroll method.
171. Amendments can only be created for school and trust leadership positions the Payroll Service by the School Team on the approval from the Trust Leader.

172. Amendments to the contractual arrangements and the pay of the Trust Leader must be recommended in writing with rationale by the appointed Performance Management Panel which is approved by Trustees.
173. Monthly Payroll Input documentation (e.g. Overtime, supply, absence) to be pre-approved by a member of SLT and once worked to be authorised by the relevant line manager. The Trust Leader will authorise any claims submitted by the Head Teachers and Trust staff, and the Chair of Trustees will authorise any claim submitted by the Trust Leader.
174. Payroll will be monitored by the Trust finance and HR team on a monthly basis and reported to the Head Teacher / Trust Leader.
175. Headteacher (for school) and Trust leader (for trust) must approve the pre-processing and post processing payroll reconciliation report.
176. There will be a monthly accuracy check to ensure all staff are being paid the correct amount in line with their contractual arrangements.
177. Payroll data will be reconciled to agree Salary, National Insurance, Pension, Superannuation (On-Costs) and other deductions to the underlying records as part of this process.
178. All salary payments are usually made by BACS.
179. All payments made each month to the Payroll Service Provider, together with notification of payments made to outside agencies, are to be debited against the relevant budgets.
180. Any contract for the services of a Payroll Service Provider will be reviewed regularly to ensure that the trust is getting value for money and that the provider is giving adequate service.
181. The appointed auditors will carry out management checks to ensure that all the internal control mechanisms shown above are in place and are being adhered to, and to ensure the accuracy of all payroll working papers.

N. INCOME

182. The main sources of income for the Trust are the grants from the ESFA. The receipt of these sums is monitored directly by the Trust Finance Team who are responsible for ensuring that all grants due to the academy are collected.
183. Funding from the Local Authority, such as Higher Needs Funding/Nursery, will be monitored by the Trust finance team in conjunction with the relevant school staff to ensure schools are receiving expected income.

184. The academies also obtains income from:

- Students, mainly for trips, uniform and clubs etc.
- Public, from lettings, school events, donations
- Parent Fundraising bodies (e.g. Friends of / PTA)
- Consultation Services (provision of temporary leadership or specialist advice / support to other schools)

185. Universal Free School Meals. Students who are eligible for Key Stage 1 (KS1) Universal Free School meals are to be annotated as appropriate in the dinner register. Free school meal cost is covered by receipt of matching UFSM funding from the ESFA.

186. All income in respect of significant trips / activities shall be acknowledged by the collector to the payer.

187. All monies received must be banked intact as soon as is practicable.

188. All cheques banked must be entered on the allocated paying-in slip or attached as a schedule.

189. Schools within the trust operate an online payment facility and are encouraging cashless payments wherever possible. Receipts will be issued for cash payments in respect of extended services, trips, activities and school uniform.

190. A sales log will be kept in respect of tuck shop sales and low transactional value donations such as second hand uniform.

191. All cash and cheques must be kept in the school safe prior to banking. Banking should take place at least every other week or once an amount of £1,000 cash is reached.

192. Monies collected must be banked in their entirety in the appropriate bank account.

193. The appropriate member of staff is responsible for preparing reconciliations between the sums collected and the sums deposited at the bank.

194. Reconciliations must be prepared promptly and entered onto the accounting system.

O. DEBT MANAGEMENT

195. Unless specifically detailed on the invoice, payment terms will be 30 days.

196. The following process shall apply where payment is not received:

- 14 days after original invoice overdue – *first reminder letter*
- 1 week after first reminder letter – *telephone the debtor*
- 1 week after second reminder – *Debt referred to the School Finance Team to obtain payment or agree payment plan*

- At this point, 28 days after invoicing and if no payment plan agreed then Head Teacher informed who will consider withdrawing the service

197. The Head Teacher can write off an individual's debts of up to £100. The Trust Leader can write off an individual's debts up to £1,000 within an academic year. A cumulative write off of up to £5,000 for a single service can also be authorised by the Trust Leader. All written off debts will be reported to the Finance and Audit Committee. Any write off above £1000 for an individual or £5,000 for a single service must be referred to the Board of Trustees. The Trust will comply with the ESFA reporting requirements as detailed in the Academies Trust Handbook.

P. CASH MANAGEMENT

P.1 BANK ACCOUNTS

198. The opening of all accounts must be authorised by Trust Leader.

199. The Trust Leader shall approve the arrangements covering the operation of accounts, including transfers between accounts, cheque signing arrangements and all other BACS / electronic forms of payment. Coppice Primary Partnership currently operates a single bank account.

200. Coppice Primary Partnership does not operate a School Voluntary Fund.

P.2 PETTY CASH

201. Petty Cash is not held on site by any schools within the Trust.

P.3 CASH ON SITE

202. The following cash limits are covered by the Insurance Policy of for all purposes of cash holding and transportation. The following limits are per individual school.

- Cash in a safe £10,000
- Cash not in a safe £5,000
- Cash in transit £5,000
- Cash stored in a domestic residence (Employee, Trustee or Local Governor) £500

P.4 DEPOSITS

203. Particulars of any deposit must be processed on a timely basis and entered on a paying in slip which includes the amount of deposit and a reference such as an invoice number or the name of the debtor.

204. Schools should use their designated Paying-In Book for all deposits, so that the origin of the receipt can be identified from the single Bank Account's statement for reconciliation.

P.5 PAYMENTS AND WITHDRAWALS

205. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the authorised signatures.

206. This provision applies to all accounts operated by or on behalf of the Board of Trustees of the Academy.

P.6 ADMINISTRATION

207. The Trust Finance Team must ensure bank statements are downloaded regularly and that reconciliations are performed at least monthly.

208. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the academy's financial accounting system
- Reconciliations of all control accounts are prepared by the Trust Finance Team and checked by the CFO. Any discrepancies or adjustments must be dealt with promptly.

P.7 CASH FLOW FORECASTS

209. The CFO is responsible for preparing a Trust cash flow statement.

210. Support for this function is facilitated by Bank Reconciliations being completed monthly within the finance system.

211. If significant balances can be foreseen, steps should be taken to invest the extra funds via formal investment.

212. Similar plans should be made to re-profile annual spending plans to cover potential cash shortages.

Q. RESERVES POLICY

213. The Board of Trustees will review the reserve levels of the trust annually following recommendation from the Finance and Audit Committee. The Academy Trust is able to hold two types of reserves:

- Unrestricted Funds which represent those resources that can be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees e.g. income from Lettings.
- Restricted Funds which comprise the funds received from ESFA, the Local Authority and other organisations which are applied for a specific purpose including the normal running costs of the Trust.

214. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

215. The Trust Leader needs to consider the level of reserves the academy should hold overall, which is approved by the Board of Trustees.

216. The reserves policy, which is approved by the Finance & Audit Committee:

- Assists in strategic planning by considering how new projects or activities will be funded
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects
- Informs the budget and risk management process by identifying any uncertainty in future income streams

217. The Trust Leader identifies:

- When reserves are drawn on, so that Trustees understand the reasons for this and can consider what corrective action, if any, needs to be taken.

218. When considering an appropriate level of reserves, the Trust Leader considers:

- The risk of unforeseen emergency or other unexpected need for funds
- Covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence.
- A fall in a source of income, such as lettings or pupil numbers on roll
- Planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received

219. Trustees have agreed that the level of reserves should be 4% of revenue income. This will be reviewed annually as Trustees wish to work towards the prudent approach recommended by the ESFA in that reserves should equal 1 month's salary costs. The reserves exclude any capital reserves which are for specific projects. In addition, it has been agreed that each school will, as part of the top slicing for Trust overheads, contribute £2k per annum per form of entry, which will provide for a contingency held at Trust level for unforeseen expenditure.

R. INVESTMENT

220. A return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return the Trust policy is clearly geared towards avoiding risk than to maximising return.

221. The Trust will operate an interest-bearing current account with a bank approved by the Board and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll and payment runs) and sufficient contingency for unexpected payments.

222. Monies surplus to the working requirements shall be invested in an account in the name of the Trust with the approved institutions as authorised by the Board. This may be a higher interest bearing account operated by the same bank that the Trust operates its current account with, or an alternative approved institution. The Trust will not take out any long term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

S. FIXED ASSETS

S.1 ASSET REGISTER

223. Each individual academy school will hold and maintain its own asset register for the purposes of supporting insurance claims.

224. All items purchased with a value over the academy's capitalisation limit of £5,000 per item or per project must be entered in a Trust asset register which will be maintained by the CFO. The asset register should include the following information.

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Asset cost
- Source of funding
- Location

225. The Asset Register helps:

- Ensure that staff take responsibility for the safe custody of assets
- Enable independent checks on the safe custody of assets as a deterrent against theft or misuse
- To manage the effective utilisation of assets and to plan for their replacement
- The external auditors to draw conclusions on the annual accounts and the academy's financial system
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

S.2 SECURITY OF ASSETS

226. All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular annual count for all assets with value associated to them by someone other than the person maintaining the register.

227. Discrepancies between the register and the physical assets should be investigated promptly and where significant reported to the Finance and Audit Committee.

228. Additional inventories of academy property should be kept up to date and reviewed regularly for Insurance purposes.

S.3 LOAN OF ASSETS

229. With the exception of academy assets that have been allocated to individual staff (Laptops, i-pads, mobile phones) on no account should academy property be removed from the premises without the prior authority of the Head Teacher or Trust Leader.

230. A record of the loan must be made and returned by the member of staff when no longer required or when they leave the employment of the Academy Trust. Failure to return the equipment or if returned in an unsatisfactory condition then the Academy Trust reserves the right to charge for a replacement.

231. If assets are on loan for extended periods of time or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Asset loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

S.4 DEPRECIATION

232. Depreciation is provided on cost or valuation in equal annual instalments over the estimated useful life of the assets.

233. Currently a full year's depreciation is provided for in the year the asset is acquired and nil depreciation in the year of disposal.

234. The rates of depreciation to be adopted are as follows and are applied from the month following purchase:

Type of Asset	Depreciation Term
Computer equipment and software	4 years (25%) from the date of purchase
Inherited buildings	125 years for leasehold or 50 years for freehold.
Plant, equipment, furniture and fittings	5 - 10 years (10%)
Future buildings	50 years (2%)
Leasehold improvements	10 years