



# Financial Regulations Policy

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Last Updated	July 2020 (clarification/not material change)

<b>Associated documentation</b>	
<b>Academy trust funding agreement</b>	<b>March 2020</b>
<b>Academies Financial Handbook</b>	<b>latest ESFA version</b>
<b>Academies Accounts Direction</b>	<b>latest ESFA version</b>
<b>Apollo Partnership Trust Financial Procedures document</b>	<b>Latest version</b>

This document sets out the financial regulations for the Trust

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## Introduction

1. The purpose of this manual is to ensure that the academies maintain and develop systems of financial control, which conform to 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 Education Funding Agency (ESFA).
2. The academies within the trust must comply with the principles of financial control outlined in the Academies Financial 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.

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

## Financial Planning

4. The academy trust will prepare rolling 5 year budgets for all academies within the trust and a consolidated 5-year budget based on the most accurate information known at the time of creation.

### The budget cycle

5. The budget cycle is as follows:
  - Autumn term (Sept – Dec) ○ Implementation of current budget plan ○ Monitoring expenditure (continuous-monthly) ○ Reconciliation and closure of previous financial year ○ Termly review of pupil number projections
  - Spring term (Jan – Mar) ○ Monitoring and Reviewing of year's budget ○ Revised Budget where appropriate ○ Pre-planning new financial year ○ Termly review of pupil number projections
  - Summer term (Apr – Aug) ○ Planning for forthcoming year ○ Preparation and submission of financial budget plan ○ Review of current year's budget ○ Termly review of pupil number projections

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

### Budget

6. The Chief Finance & Operations Director (CFOD) is responsible for preparing and obtaining approval for the annual budget for the Trust based on information provided by each academy. The budget must be approved by the Accounting Officer, Finance & Resources Committee and the Board of Trustees.
7. The annual budget will reflect the best estimate of the resources available to the academies for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the Multi-Academy Improvement plan (MIP) individual academy school development plan (SDP) objectives and the budgeted utilisation of resources.
8. The budgetary planning process will incorporate the following elements:
  - forecasts of the likely number of pupils to estimate the amount of General Annual Grant
  - latest estimate of other ESFA funding e.g. Pupil Premium, Yr7 Catch-Up or other specific funds
  - review of other income sources available to the academy to assess likely level of receipts
  - review of past performance against budgets to promote an understanding of the academies costs
  - identification of potential efficiency savings
  - review of the main expenditure headings in light of the MIP and SDP objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
  - all carry forward balances and reserves

- any unspent grants from the previous financial year
  - any funds held in Trust
9. 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 Plan.
  10. If there is a significant (over 10%) departure from the anticipated budget this will be escalated to the **Finance & Resources Committee** as part of the monthly management accounts procedure and/or a Revised Budget will be considered for approval.
  11. The approved budget is then entered onto the finance system at the start of the new financial year.

### **Other Government Funding**

12. In addition to GAG funding from ESFA the trust may be awarded specific funding for other projects e.g. Condition Improvement Funds, Character Bid funding, Additional Special Educational Needs funding etc. This funding may be from the Department for 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.
13. The CFOD, Business Managers & Admin Team are responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

### **Other Grants and specific funding**

14. In addition to the GAG funding from the ESFA the Apollo Partnership Trust and other government funding, the Apollo Partnership Trust may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, and Charitable Grants etc. All applications for additional external funding must be approved and supported by the Board of 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.
15. The CFOD and Business Managers are responsible for recording income and expenditure for each grant, providing reconciliation within the monthly management accounts.

### **Funds held in Trust**

16. Where funds are held in trust the CFOD and Business Managers are 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. Full use of high interest accounts must be made where appropriate.

### **Virements**

17. Substantial virements shall be approved and minuted by the **Finance & Resources Committee** and should be within the agreed criteria and financial limits. Any material virements required must be undertaken via a Revised Budget.

18. The Accounting Officer and CFOD are given delegated power to vire from one budget to another and shall seek approval from the **Finance & Resources Committee** and retrospectively where the amount exceeds £5,000.
19. All virements exceeding £5,000 or 2% of the budget shall require prior approval from the **Finance & Resources Committee**.

### **Revised Budget**

20. Monitoring and analysis of the agreed budget should be carried out on a monthly basis by the Accounting Officer, CFOD and Business Managers of the trust and timely reports forwarded to the Board of Trustees. Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by the Accounting Officer and or where significant staff changes have occurred in-year, then a Revised Budget should be prepared and approved by the Board of Trustees. This Revised Budget should then form the basis of analysis of all income and expenditure until the financial year end.

### **Budget Forecast Return**

21. The approved budget must be submitted to ESFA by 31 July each year by the CFOD based on the consolidated information provided by the trusts CFOD and Business Managers. The CFOD and Accounting Officer are responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

### **Monitoring and review (including management accounts)**

22. Monthly reports are prepared by the CFOD and Business Managers for individual academies and a consolidated report is prepared by the CFOD. The reports are contained in the Monthly Workbook and include:
  - actual income and expenditure against budget (shown as month to date and cumulatively) □ balance sheet
  - cash flow forecast
  - one page summary highlight and explaining variances of at least 5% or £10,000 (whichever is smaller)
23. Any potential overspend against the budget must in the first instance be discussed with CFOD.
24. Monthly reports are sent to Budget Holders and the accounting officer by the CFOD and Business Managers within the individual academies and to the CFOD who will report to the Accounting Officer and where appropriate, the **Finance & Resources Committee** and the chair of trustees.

### **Independent checking procedures**

The Board of Trustees have elected to appoint an external internal audit control and have appointed Leicestershire Audit Services for this purpose. An independent annual review of internal controls and assurance is carried out and a report is forwarded to the Finance & Resources Committee for scrutiny and monitoring, including an Action Plan for any areas identified as requiring attention.

#### **Review of regularity**

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

- reviews management accounts
- reviews compliance against the scheme of delegation and Funding Agreement
- reviews transactions for evidence of connected party transactions
- value for money practice

26. The Accounting Officer has delegated the following responsibilities to the CFOD:

- adherence to tendering policies
- review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
- review of trustees/governors' minutes
- Liaison with CFOD and Business Managers in individual academies for financial and resources information

## Annual accounts

The Academies Accounts direction (<https://www.gov.uk/guidance/academies-accounts-direction>) explains the requirement in further detail.

27. The Apollo Partnership Trust must prepare annual audited financial statements for the accounting period to 31 August.
28. The accounts are prepared by the Academy's appointed auditors who work in conjunction with the CFOD.
29. The accounts are then submitted as follows:
- by 31 December – to ESFA
  - by 31 January – published on our own website
  - by 31 May – to Companies House

## Value for money statement

Value for money must be reviewed annually and examples must be focussed on how educational outcomes have been improved. The accounts direction s4.2.5 (<https://www.gov.uk/guidance/academies-accounts-direction>) explains the requirement in further detail.

30. As part of the annual accounts the trust must include 3 focussed examples of value for money.
31. The CFOD is responsible for collating the examples which are then confirmed by the Finance & Resources Committee.

## Audit arrangements

32. External auditors must be appointed in accordance with the Academies Financial Handbook.
33. The CFOD is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.

## Work undertaken during accounting period

34. The CFOD and Business Managers are responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:

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

## Work undertaken for the year end

35. The CFOD and Business Managers are responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:

- stock take and including of year end stock value □ prepayments for IT licenses
- prepayments or accruals including grant income
- control account reconciliations (bank, wages, debtors, creditors)
- close down of the purchase ledgers
- close down of the Sales ledgers and aged debtors
- pension valuations
- Pension Audit

## Accounts Return

As part of the funding agreement with ESFA Apollo Partnership Trust must submit their Accounts Returns (<https://www.gov.uk/government/publications/academies-august-accounts-return-template-andguide>)

36. The academies trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by the deadline specified by the ESFA.
37. The accounts return is prepared by the Academy's appointed auditors who work in conjunction with the CFOD and Business Managers of individual academies.

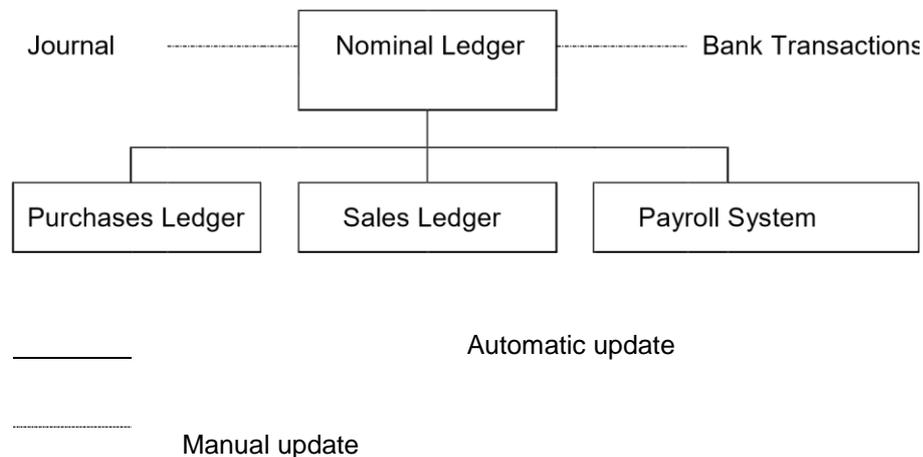
## Document retention

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

- **Finance records – current year plus preceding 6 years**
- **Supply cover insurance – current year plus preceding 6 years**
- **Payroll and travel records – current year plus preceding 6 years**
- **Personnel records – 5 years after an employee has left**
- **All student files until the student reaches the age of 21**

## Accounting system

39. All the financial transactions of the academy trust must be recorded into the HCSS Accounting System, the computerised financial information accounting system. This system is operated by the Finance Department and consists of:



### System Access

40. Access to the system is password restricted to CFOD and Business Managers and key Admin staff, and others have been authorised by the Accounting Officer e.g. external accounting providers.
41. When passwords are changed the new password should be placed in a sealed envelope and passed to Business Managers to keep in the safe. The Business Managers are responsible for implementing a system which ensures that passwords are changed regularly

### Back-up Procedures

42. The Network Manager or Business Manager is responsible for ensuring that there is effective back up procedures for the complete IMS system. Data is backed up on a suitable medium or server and the copies stored in a secure place (in a fireproof container). Back-up copies are taken on at least a daily basis and stored in a separate location.
43. The Financial Management system is cloud based and backed up off site daily.
44. The disaster recovery plan explains what to do in the event of loss of accounting facilities or financial data. Copies are held in the fire proof container.

### Transaction processing

45. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
46. All journal entries are documented on the FMIS, and authorised by the CFOD and/or Business Managers and/or the Accounting Officer or Heads in each academy, prior to being input to the accounting system.
47. Bank transactions are input by the Business Managers/Key Admin personnel and reviewed by the CFOD and Business Managers or Accounting Officer or Heads in each academy where appropriate.

## Transaction reports

48. The CFOD and Business Managers review the following system reports to ensure that only regular transactions are posted to the accounting system:

- the weekly audit trail reports;
- Masterfile amendment reports for the payroll, purchase ledger and sales ledger;
- management accounts summarising expenditure and income against budget at budget holder level

## Reconciliations

49. The CFOD and Business Managers are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- payroll control account
- VAT control account
- all suspense accounts
- bank balance per the nominal ledger to the bank statement
- Prepayments and Accruals
- Fixed Assets Register

50. The CFOD and Business Managers and/or Accounting Officer and Heads at each academy signs all reconciliations as evidence of review.

51. Any unusual or long outstanding reconciling items are brought to the attention of CFOD and/or Accounting Officer and/or Heads at each academy and dealt with according to the bad debt limits in this manual.

## Cash Management

### Bank Accounts

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

- the trust is responsible for selecting the banking institution and negotiating the terms and conditions
- the board of trustees must authorise the opening of all bank accounts
- the academies 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
- terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
- the trust must inform the bank, in writing, that their accounts must not become overdrawn □  
the trust must ensure there are sufficient funds to cover large payments

### Deposits

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

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

54. The Business Managers are responsible for updating the accounting system (within 5 working days) for deposits placed.

### **Payments and withdrawals**

55. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories:
- Chief Executive Officer as Accounting Officer
  - Headteachers
  - CFOD and Business Managers (where appropriate)
  - Deputy Headteacher
  - Assistant Headteachers
  - Board of Trustees
  - Local Governing Body Governors (as agreed)
56. This provision applies to all accounts, public or private, operated by or on behalf of the board of trustees of the academy including funds held in trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.
57. The CFOD and Business Managers are responsible for updating the accounting system (within 5 working days) for deposits placed.

### **Administration**

58. The Business Managers ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academies cash book
  - reconciliations are prepared by the Admin & Finance Departments
  - reconciliations are subject to an independent monthly review carried out by the CFOD and/or Business Managers
  - adjustments arising are dealt with promptly

### **Petty Cash**

59. The Apollo Partnership Trust will NOT maintain a Petty Cash system the use of Credit/Payment cards or BACS will be used to purchase of minor items or reimburse staff for expenses.
60. The use of credit/payment cards or BACS must not be used for:
- cashing personal cheques
  - paying staff loans

### **Payments**

61. In the interests of security, petty cash payments are limited to £25. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account.

### **Administration**

62. The petty cash float is maintained on the accounts system and the float is only reimbursed from the main bank account.

63. The petty cash float (where operated) is reconciled monthly by **Business Manager or Key Admin & Finance personnel**. The reconciliation is then reviewed by the **CFOD, Headteachers in each academy and/or Business Managers** and initialled as evidence of review.
64. The CFOD **and/or Audit** carries out a spot check of the petty cash float once a term.

## **E-procurement & Payments**

65. The academy credit card issued by Lloyds Bank is used only when it is not practical or economical to use the purchase order/cheque system. It is used mostly for internet purchases and to buy refreshments for meeting etc.
66. The card is kept in the safe and is only used by:

**CFOD and Business Managers**  
**Headteachers**  
**Accounting Officer**  
**Deputy Headteacher**  
**Key Site Staff agreed by Business Manager**

67. Any department wishing to make a purchase on credit card must complete an order form and pass this to the Business Manager, or authorised Admin staff to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
68. 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 Business Managers or Headteacher in each academy.
69. 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.
70. The credit card bill, along with all the relevant order forms, is then given to the Business Managers or Headteachers in each academy who will check sample statements. The Headteachers and/or CFOD will then check a sample of the transactions (minimum of 3 or 20% whichever is the maximum), and sign the authorisation statement. These are then filed away together in the credit card folder, until the end of the financial year, when they will then be transferred to the finance storage box for that year.

## **BACS Payments**

71. On receipt of an invoice, the budget holder signs the invoice, to signify:
  - an official purchase order has been raised for the purchase
  - the delivery note has been checked
  - the delivery is of correct quantity, quality and price
  - it has not been previously paid
  - funds are available in the relevant budget
  - VAT chargeability on qualifying expenditure is shown
72. The payment is then prepared and the BACS payment then passes it on to two of the cheque signatories who check to ensure that the bank and sort codes have been correctly entered and approves payment.

73. Normally, BACS payments are processed within a month of receipt, although every effort is made to ensure the school benefits from early payment discounts.
74. The Business Managers ensure that evidence is kept of the employment status test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as selfemployed, the Business Manager should request that the individual states his self-employment reference number on any invoice issued to the school.

## Investments

75. Investments are made in accordance with written procedures approved by the Local Governing body and all consideration is given to safety of any investments.
76. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## Reserves

77. Any overall surpluses or deficits (reserves) at the end of the year are carried over to the following year.
78. The **CEO** as Accounting Officer must inform ESFA immediately if a deficit is anticipated.
79. If the Apollo Partnership Trust or any individual academy anticipates a deficit at the end of any financial year, the board of trustees, CEO and Headteachers have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The board of trustees working with the CFOD and Headteachers must ensure that a recovery plan is submitted and approved by the ESFA.
80. The Apollo Partnership Trust undertakes to ensure that an uncommitted contingency reserve of at least 2% of the previous year's total GAG or at least one month's salary cost is kept. If the Trust identifies that an individual academy has insufficient proportionate reserves, then a recovery plan should be provided to the Board of Trustees Finance & Resources Committee stating how the academy will establish sufficient reserves.

## Capital Reserves

81. Any overall surpluses at the end of the year are carried over to the following year.
82. It is the responsibility of the **CFOD and Business Managers** to keep accurate records of the capital funds, especially where grants have been received for capital projects.

## Payroll

### Staff Appointments

83. The Board of Trustees via the Local Governing Bodies (LGB's) have approved a personnel establishment for the academies within Apollo Partnership Trust. Changes can only be made to this establishment with the express approval in the first instance of the **Local Governing Body** who must ensure that adequate budgetary provision exists for any establishment changes. The LGB has a

responsibility to report any changes to the Board of Trustees Finance & Resource Committee of any agreed changes.

84. The **Headteachers** have authority to appoint staff within the authorised establishment except for **the Senior Leadership Team including the Business Managers** whose appointments must follow consultation with the Trustees. The **Business Managers** maintain personnel files for all members of staff which include contracts of employment in each academy. All personnel changes must be notified, in writing, to the **Business Managers** immediately.
85. The Business Managers and Admin Team are responsible for obtaining the relevant DBS checks and any other required employment checks including the Single Central Record (SCR) and ensuring these are retained on file

## **Payroll Administration**

86. Payroll is administered through the Apollo Partnership Trust's payroll provider East Midlands Shared Services.
87. All staff are paid monthly through the payroll provider. A master file is created for each employee which records:
  - salary
  - bank account details
  - taxation status
  - personal details
  - any deductions or allowances payable
  - other legal and relevant details
88. New master files can only be created by the Finance & Admin Departments with the express approval of the CFOD, Business Managers or Headteachers in individual academies. Any master file amendments made by the Admin Team must be printed out each month prior to the payroll run and must be authorised by the CFOD and/or Business Managers or Headteacher. Any master file amendments made by the CFOD or Business Managers must be authorised by the Headteacher.
89. The Business Managers produce a monthly staff return which is sent to the trust's payroll provider, which details of all staff in the academy's in respect of sickness and other absences during the month and any new appointments or terminations.
90. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. In turn this is authorised by the budget holder or Line Manager, prepared by the Finance Team and signed off by the Business Managers or Headteacher.

## **Payments**

91. Before payments are dispatched a printout of all data should be obtained, including an exceptions report from the payroll provider and this should be checked against source documentation by the Business Managers and then reviewed and initialled by the Headteachers. Authority to release payment will be by Business Managers or the Headteacher.
92. All salary payments are made by BACS.
93. The Business Managers prepares a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. to check for errors.

94. The Business Managers select at least five employees at random each month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by the CFOD.
95. After the payroll has been processed the nominal ledger is updated on the accounting system. Postings will be made both to the payroll control account and to individual cost centres. The Business Managers 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.
96. Annually, the Business Managers check each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

### **Salary advances**

97. The trust does not award salary advances.

### **Overtime**

98. Overtime is recorded by the individual and submitted by the end of each month to the Business Managers, who completes the claim forms and copies of the time sheets to be forwarded to the academy's payroll provider.
99. Claim forms must not be submitted prior to work having been undertaken.
100. No payments for work undertaken will be made other than via the payroll system.

### **Severance payments**

Severance payments must be made in line with the Academies Financial Handbook. Further information is provided on gov.uk (<https://www.gov.uk/guidance/academies-severance-payments>)

101. The Apollo Partnership Trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.
102. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
103. The Accounting Officer will sign off and review each business case.

### **Ex-gratia payments**

Ex-gratia payments must be made in line with the Academies Financial Handbook.

104. Any ex-gratia payments in relation to severance must be submitted to ESFA for prior approval.

## Income

### ESFA grants

105. The main sources of income for the academies are the grants from the ESFA. The receipt of these sums is monitored directly by the CFOD and Business Managers who are responsible for ensuring that all grants due to the academies are collected.

### Other grants

106. The receipt of these sums is monitored directly by the CFOD and Business Managers who are responsible for ensuring that all grants due to the trust are collected.

### Trips

107. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The Admin Teams prepare a record for each student intending to go on the trip showing the amount due.
108. Students and pupils should make payments to the Admin Team personnel. All income for Trips are receipted and monies recorded against the student making the payment.
109. The Business Manager maintains an up to date record for each student showing the amount paid and the amount outstanding. Any outstanding monies are chased before the trip.
110. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Business Managers and Headteacher in advance of the booking being made.

## Catering and other cash collection

### *Electronic cash collection*

111. The bank credits are reconciled to the cashless software system reports in the first instance. Monthly checks are undertaken by Business Managers and cross referenced to a sample of individual pupils.

### Lettings

112. The Business Manager is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation. Payments are made in advance for the use of facilities, **except where regular bookings with established relationships have built up with specific users. Whereby the Business Manager can enter into an agreement to invoice monthly in arrears. Should any regular user abuse this agreement and default on payment over 30 days, then payment in advance must be adhered to. Business Managers are responsible for ensuring any payments in arrears do not exceed 30 days.**
113. Details of organisations using the sports facilities are held by the Business Manager who will establish a sales ledger account and produce a sales invoice from the Financial Information accounting system.
114. Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

## Sundry income

115. Income from other sources (for example educational consultancy) is priced in consultation with the CFOD and Business Managers. The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance with the agreed Consultants Policy. The **CFOD and Business Managers** approve all credit agreements.

## Gift aid

An academy trust is able to claim gift aid (<https://www.gov.uk/claim-gift-aid/overview>) on donations from individuals.

116. To ensure the Apollo Partnership Trust, in its position as an exempt charity, receives all the monies it is entitled to the CFOD and Business Managers:

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

## Bad debts

Write offs are in line with the delegated authorities set out in the Academies Financial Handbook.

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

118. If the debt remains unrecoverable after 6 months, or it becomes clear that the debt will not be repaid, the Business Manager submits a report to the **CFOD** for approval of write off by the relevant Committee of Trustees.

119. The following write off limits apply:

- Up to £1000 – Headteachers in each academy
- £1000 to £10,000 – Finance & Resources Committee of Trustees and refer to debt collecting agency
- Over £10,000 - Full Board of Trustees and refer to debt collecting agency
- If over £45,000 the Chair of Trustees are to notify the ESFA

## Purchasing

120. The Apollo Partnership 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:

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

## Routine Purchasing

121. Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder each month. Budget holders will be able to monitor data relating to their own budget areas on a monthly basis via reports from the financial information system.
122. Routine purchases up to **£2,500** or the budget limit allocation if below, can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Business Managers. **Two quotations** where possible or prices must always be obtained before any order is placed. Purchases over **£10,000** must be accompanied by **3 written quotations**. Copies of all quotes and reasons for the decisions made must be attached to the order form.

## E-procurement

123. 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 Business Manager to make the purchase. All order forms detailing the purchase must be signed by the Budget Holder.
124. 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 **Business Managers**.

## Orders

125. All orders must be made, or confirmed, in writing using an official order form, stocks of which are held by the Business Manager. Orders must bear the signature of the budget holder and must be forwarded to the Business Manager who will check to ensure adequate budgetary provision exists before placing the order.
126. Approved orders will be recorded in the purchase order module of the financial information system which allocates a reference number and commits expenditure. Orders will be dispatched to the supplier from the Admin Team.
127. The budget holder must make appropriate arrangements for the delivery of goods to the trust's academies. On receipt the Business Managers or Finance & Admin personnel, 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 are discussed with the supplier of the goods without delay.
128. If any goods are rejected or returned to the supplier because they are not as ordered or are of substandard quality, the Budget Holder is notified. The Business Managers keeps a central record of all goods returned to suppliers.
129. All invoices are sent to the Business Manager. Invoice receipts are recorded by the Business Managers (and the invoice scanned) into the Financial Information System purchase ledger module) The Business Managers stamp invoices with a grid against which the following can be evidenced by the budget holder authorising payment:
  - invoice arithmetically correct
  - invoice posted to purchase ledger
  - goods/ services received
  - goods/services as ordered
  - prices correct
  - invoice authorised for payment

- payment authorised
  - VAT treated correctly
  - payment made
130. The budget holder must make a detailed check against the order and the GRN and these documents must be attached to the invoice before it is sent back to the Business Managers for payment. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
131. If there is a query with a supplier the Business Managers will keep the Budget Holder informed periodically with progress.
132. The Business Managers or Finance & Admin personnel inputs details of payments to be made to the purchase ledger and generates the cheques required. The cheques and associated paperwork must be authorised by two of the nominated cheque signatories.
133. BACS payments are input by the Business Managers and authorised on-line by two signatories in accordance with the banking policy and procedures (see E-procurement and Payments above).

### **Orders over £2,500 but less than £10,000**

134. At least two written quotations should be obtained for all orders over £2,500 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders or Admin Team for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles. Where the item/service ordered is specialised or restricted to a particular supplier or in the case of emergency repair work being required, only one quotation needs to be required.

### **Orders over £10,000**

135. All goods/services ordered with a value over £10,000, or for a series of contracts which in total exceed £10,000 must be subject to formal tendering procedures where possible or at least 3 quotations with rationale. For orders exceeding £25,000 an Apollo Business Case report must be produced and agreed by the CFOD using the Tender process.

### **Official Journal of the European Union**

136. Purchases over **£181,302** are to be dealt with in accordance with OJEU

### **Trading with related parties**

The Apollo Partnership Trust does not routinely carry out any trade with related parties. A register of pecuniary interests is maintained and published on the academy's website.

The trustees are aware that there should be no conflicts of interest and adequate disclosure within the trust's accounts is required.

Regular reviews of the suppliers list and key management personnel are undertaken to ensure related parties are identified early and the register of pecuniary interests is cross-referenced.

If any transactions are identified as related parties' transactions the Trust will report all contracts and other agreements in advance of the contract of agreement commencing using the ESFA related party on-line form as per the Academies Financial Handbook. Approval from the ESFA will be sought were relevant.

## Trading with connected parties

The Apollo Partnership Trust does not routinely carry out any trade with connected parties.

Regular reviews of any potential connected parties and key management personnel are undertaken to ensure that connected parties are identified early and the register of pecuniary interest is crossreferenced against suppliers.

## Goods and services for private use

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

## Forms of Tenders

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

**Open Tender:** This is where all potential suppliers are invited to tender. Open Tenders are carried out by the CFOD and Business Managers who will consider 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.

**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 is 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.

**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,
- the nature of the order is specialised and can be achieved by different methods, □ additional deliveries by the existing supplier are justified.

## Preparation for Tender

139. Full consideration should be given to:

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

140. 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.

141. A tender brief must always be prepared and is reviewed by the CFOD and Business Managers.

### **Invitation to Tender**

142. 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.

143. An invitation to tender will 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
- dates for decision and work to be delivered

### **Tender Acceptance Procedures**

144. 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 deadlines are not accepted.

### **Tender Opening Procedures**

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

- For contracts over £50,000 to £100,000 – Business Manager and CFOD
- For contracts up to £150,000 - the Business Manager, CFOD and/or the Headteacher plus a member of the Local Governing Body
- For contracts over £150,000 – the Business Managers, CFOD, Headteacher plus either the CEO or trustee of the Finance & Resources Committee.

146. Separate record details the names of the firms submitting tenders and the amount tendered. The record is then signed by people present at the tender opening.

### **Tendering Procedures**

147. The evaluation process will 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.

148. 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.

149. Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the CFOD, Local Governing Body and Finance & Resources Committee of Trustees, highlighting the relevant issues and recommending a decision.

150. The accepted tender should be the one that is economically most advantageous to the academy. All parties are then informed of the decision.

## Insurance

151. The **Finance & Resources 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.
152. The Apollo Partnership Trust is currently in a Long Term Agreement with its insurers. When this ends the academies will join the Department for Education's Risk Protection Arrangements.
153. Budget holders must ensure all valuable are kept under lock and key when not being used in a supervised manner.
154. The first £500 of replacement has to be funded by the department concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

## Board of Trustees Expenses

155. All Trustees of the Apollo Partnership Trust are entitled to claim the actual costs, which they incur as follows:
- childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
  - cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
  - the extra costs they incur in performing their duties either because they have special needs or because English is not their first language
  - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for school personnel
  - travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source □ Telephone charges, photocopying, stationery, postage etc.
  - any other justifiable allowances
156. The Board of Trustees acknowledges that:
- Trustees are not to be paid attendance allowance
  - Trustees are not reimbursed for loss of earnings
157. Trustees wishing to make claims under these arrangements must complete a claims form from the CFOD or Business Managers **together** with the relevant receipts. The form must be submitted to the CFOD within two weeks of the date when the costs were incurred, when they will be submitted for approval by the Trustees or Chair of Finance & Resources to be presented to the Finance & Resources Committee for final approval.
158. Claims will be subject to independent audit and may be investigated by the Board of Trustees (or Chair of Finance in respect of the Board of Trustees) if they appear excessive or inconsistent.

## Gifts

159. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 are reported to the Headteachers in each academy in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses.
160. Gifts that have been reported are entered onto the gifts and hospitality register held at each academy and authorised by the Headteacher in each academy or CFOD.
161. All purchases of alcohol and any excessive gifts, including those purchased with unrestricted funds, are deemed to be irregular expenditure and **should not** be made without the express prior permission of the CEO who is the Trust's Accounting Officer.

## Energy Management

162. The **Site Team** are responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked weekly and before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the Business Manager immediately.
163. The **Site Team** ensures that the school's heating system is operated and run as efficiently as possible.
164. The **CFOD and Business Managers** ensure that the all academies purchasing of energy is at the most competitive prices available.
165. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

## Fraud

166. The trust does not tolerate fraud. Where instances of fraud are found the **Accounting Officer and/or CFOD** will notify the ESFA.

## Whistleblowing

The trust has a whistle blowing policy in place which is available to all staff and published on the academy's website. The policy also references raising any issues with the Department for Education and/or Education Funding Agency (ESFA) directly where relevant.

## Leasing

Finance leases represent borrowing and are not allowed under the Academies Financial Handbook.

The academy does not enter into any Finance Leases and refers to the guidance provided by the ESFA.

The Apollo Partnership Trust does have a number of operating leases which are disclosed to the auditors annually to ensure compliance with guidance from central government.

## VAT

### VAT Returns

167. The Accounting Officer and CFOD is responsible for submitting the VAT Return 100 form and ensures compliance with HM Revenue and Customs for claiming the correct levels of VAT. Advice is sought from the academy's VAT Accountants in respect of any Business Use calculations.

## Fixed assets

### Asset register

168. As per the Fixed Assets section of the AFH, the Fixed Assets register must be maintained on a monthly basis via the APT Monthly Workbook. All items purchased with a value over the academy's capitalisation limit of **£1,000** must be entered on the fixed asset and include the following details:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from grant and % funded from other sources) □  
expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

169. The asset register helps:

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

170. Items included on the asset register are:

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

## Depreciation

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

<b>Long leasehold land and buildings</b>	<b>0.8%-2.5%</b>	<b>straight line</b>
<b>Sports pitches</b>	<b>2.5%-10%</b>	<b>straight line</b>
<b>Computer equipment</b>	<b>33%</b>	<b>straight line</b>
<b>Furniture &amp; Fittings</b>	<b>20%</b>	<b>straight line</b>

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

## Security of assets

171. All the items in the register are permanently and visibly marked as the Apollo Partnership Trust or individual academy property.
172. Equipment is, where possible, stored securely when not in use.
173. An annual count is under taken by the Site Team, who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the board of trustees.

## Disposals

174. Disposals, where applicable, are in line with the Academies Financial Handbook.
175. Items which are to be disposed of by sale or destruction are authorised for disposal that are less than £100 can be authorised by the CFOD. Items that are above £100-£1,000 can be authorised by the LGB. Items that are above £1,000-£19,000 must be authorised by the Finance & Resources Committee of the Board or Trustees following approval by the LGB. The value of any items are dictated by the Net Book Value (NBV). Where an item is of significant NBV attempts to sell the item must be made before submission for write-off. The Apollo Partnership Trust will seek the approval of the ESFA, in writing, if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

## Loan of Assets

176. Items of Apollo Partnership Trusts property must not be removed from any academy's premises without the authority of the Headteacher, CFOD or Business Managers. A record of the loan is recorded in a **loan book** and booked back in to the relevant academy when it is returned.
177. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans are therefore kept under review and any potential benefits discussed with the academy's auditors.