The Gateway Trust

Financial Procedures Policy

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1. Introduction

The purpose of the financial regulation manual for Gateway Multi Academy Trust is to ensure that the Trust maintains and develops systems of financial control that will conform with requirements, both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement with the ESFA.

The Trust must comply with the principles of financial control outlined in the Academies Guidance published by the ESFA. The Financial Regulations will provide detailed information on the Trust's accounting procedures, contained in the Academies Financial Handbook published each year.

Staff as follows:

1. *CEO*
2. *Headteacher*
3. *Deputy Headteacher*
4. *Assistant Headteacher*
5. *Governors*
6. *COO*
7. *Finance Manager*
8. *Finance Officer*
9. *Finance Assistants*

2. Organisation

The Trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for Governors and staff. The financial reporting structure is as follows:

The Governing Body

The Governing Body has overall responsibility for the administration of the Trust's finances. The responsibilities include:

a. *Ensuring grants from the ESFA are used only for the purposes intended*
b. *Ensuring that funds from sponsors are received according to the Trust's Funding Agreement and are only used for the purposes intended*
c. *Approval of the annual budget*
d. *Appointment of the Executive Leader and Headteacher*
e. *Appointment of the COO in conjunction with the EHT and Headteacher*

f. Decision on all Tenders (over £50,000 capital and non -capital)
g. Setting the terms of reference for the Board of Trustees
h. Appointment of independent auditors
i. Approval of Bank Accounts

The Pay Committee

a. Reviewing the Executive Leader and Headteachers' annual remuneration
b. Approval of staff remuneration

The Board of Trustees

This committee is a Committee of the Governing Body who meets at least twice a term. The responsibilities of the Board of Trustees are as follows:

a. Initial review and authorisation of the annual budget
b. Review of the Trust's accounting policies and procedures
c. The monitoring of actual expenditure and income against budget
d. Ensuring annual accounts are produced in accordance with the requirements of the companies act 1985 and the ESFA's guidance issued to academies.
e. Authorising the award of contracts over £20,000.
f. Scrutiny of orders over £5000 and transfers of over £5000
g. Exemptions include (proof of these provided at the meetings): *Exam Costs*
Utilities
Supply Costs
h. Authorising changes to the Trust personnel establishment
i. Reviewing financial controls information provided by the responsible officer (these will also be reported to the full Governing Body)
j. Review of school trips and the cost implications

The CEO

Within the framework of the Trust Development Plan, as approved by the Governing Body, the Executive Leader has overall executive responsibility for the Trust's activities, including financial activities. The majority of financial responsibility is delegated to the COO however, the Headteacher will retain responsibility for the following:

a. Approval of new staff appointments (in conjunction with Governors approval)
b. Authorisation of contracts up to £20,000 (unless in the specified exemptions)
c. Implementation of any actions required by The Board of Trustees
d. Full support to the Finance Department

e. *Remuneration reviews with the COO (Including members of The Senior Leadership Team) making recommendations to the Pay Committee.*

f. *Writing off obsolete/unusable equipment from the Inventory*

The COO

The COO works in close collaboration with the Executive Leader, they will have direct access to the Governors and will attend all Board of Trustees meetings. The main responsibilities of the COO are:

a. *Day to day management of financial issues*
b. *Establishment and operation of a suitable accounting system*
c. *The management of the Trust financial position*
d. *Maintenance of effective systems of internal control*
e. *Ensuring that the Trust's annual accounts are properly presented and supported by the books and records of the Trust*
f. *Preparation of monthly management accounts*
g. *Provision of financial and statistical information*
h. *Authorisation of orders above £5000, in conjunction with budget holders*
i. *Following submission deadlines from the ESFA*
j. *Checking Inventories*
k. *Disposal of unusable or obsolete equipment included in the inventory*
l. *Maintaining a register of business interests*
m. *Assist the Executive Leader with the preparation of the annual budget*
n. *Review insurance cover annually*
o. *Preparation of tender documents*
p. *Ensuring the Trust complies with tax regulations*
q. *Preparation of accounts for the auditors*
r. *Authorisation of payroll*
s. *Authorisation of invoices on PS Financials*
t. *Authorisation of all BACS payments*
u. *Responsibility for ACCESS budgeting system*

Finance Manager

The main responsibilities for the Finance Manager are:

a. *Deputising for the COO*
b. *Month end procedures*
c. *Reconciling the schools credit cards*
d. *Assisting with the preparation of accounts for the auditors*
e. *Management of the petty cash*
f. *Inputting data of banking of cash and cheques*
g. *Reconciliation of bank statements*

h. *Provision of financial reporting information*
i. *Supervision of the Finance Officer/Assistants*
j. *Authorisation of invoices on ACCESS*
k. *Provide budget information to budget holders*

Finance Officer

a. *collation and banking of all trip monies*
b. *Responsibility for on-line payments*
c. *Preparation of invoices and collection of music fees*
d. *Preparation of invoices and collection of bus fees*
e. *Preparation and submission of VAT return*
f. *Assisting with the preparation of the monthly payroll*

Finance Assistants

a. *Data input of all invoices*
b. *Ensure Best Value is obtained*
c. *Banking of cash and cheques*
d. *Data input of all orders on PS Financials*
e. *Checking of all orders*
f. *Monitoring of authorisation levels*

The Responsible Officer

The Responsible Officer is appointed by the Governing Body and provides an independent oversight of the Trust's financial affairs. They will review, on a quarterly basis, the financial process and controls laid down by the Governing Body. The findings of these will be reported back to the Board of Trustees.

The main responsibilities of the Responsible Officer are:

a. *Assurance that the financial responsibilities of the Governors are being properly discharged*
b. *Resources are being managed in an efficient, economical and effective manner*
c. *Ensure systems of internal financial control are maintained*
d. *Financial considerations are fully take into account when reaching decisions*

Other Staff

All staff are responsible for the security of the Trust property, for avoiding loss or damage, for the economy and efficiency in the use of resources and for the conformity with the requirements of the Trust's financial procedures.

The Register of Interests

It is important that all staff and Governors, whether they have significant financial or spending powers on behalf of the Trust, or are in a position to order goods for their department, demonstrate that they do not benefit personally from any decisions they make. All staff and Governors will need to declare any financial interests they have in companies/individuals from which the Trust may purchase goods or services.

The disclosures should also include business interests of relatives or business partners, where influence could be exerted over a Governor or a member of staff by that person. This does not detract from the duties of Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a Committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

3. The Accounting System for Gateway Multi Academy Trust

All financial transactions of the Trust must be recorded on the ACCESS accounting system. ACCESS system is operated by the Finance Department. The accounting system provides the following:

1. Nominal Ledger
2. Purchase Ledger
3. Sales Ledger
4. Cash Book

All access is password restricted and the COO has the administrative rights to change passwords (this will be done on a regular basis). There are access restrictions in accordance to the required segregation of duties of each financial procedure.

All transactions will be input into the accounting system in accordance with the Finance Department controls document, all duties will be segregated and access levels set.

The reconciliation of accounts will be split in accordance to the segregation of duties. The COO will ensure monthly reconciliations of the following by the Finance Manager:

1. Sales Ledger
2. Purchase Ledger
3. Bank Balance
4. Control Accounts

1. Financial Planning

The Trust will prepare both medium and short term financial plans based on the development plan, which is the framework for the annual budget. The process for budget control is below:

Introduction

The Trust's annual budget should be agreed before the start of the financial year. The Headteacher is responsible for proposing the Trust's budget and the Governing Body for approving it. The Trust's annual expenditure may not exceed its available funding.

Budget Setting

The CEO and COO will draw up an outline budget which takes account of the total funding available. Components of the budget will be prepared using a standard template, including sufficient detail to allow monitoring of expenditure. The Governors may refer the proposal back to the Headteacher for further amendment and resubmission. The COO will communicate the allocation of central services and departmental allowances. These will be agreed and signed for by the budget holders.

Expenditure

Expenditure may only be committed within the financial protocols set by the Governing Body, these being the responsibility of the COO.

The COO will communicate to the budget holders their level of responsibility. Each budget holder is responsible for authorising expenditure within the budget agreed for their area, in accordance with the Trust's financial procedures. Through cost centre management, each budget holder will track the progress of their expenditure against the agreed budget and will be responsible for the management of their own photocopying costs and for the management of petty cash claims that will be recharged to their department.

Expenditure Control

The COO, with support from the Finance Manager, will prepare half termly reports for each budget holder showing the expenditure against budget, both half termly and for the year to date.

Each half term, the COO will communicate profit and loss and cash reports including actuals, variance and year-end forecasts, to the Board of Trustees. Budget holders must not exceed their available funding. Any expenditure over the agreed limit must be authorised by COO and the Executive Leader and may be deducted from their next year's budget allocation.

Monitoring, Evaluation and Review

The Governing Body will review this procedure within two years and assess its implementation and effectiveness. The COO will also be responsible for regular communication with budget holders to review their expenditure.

2. Payroll

The payroll for Gateway Multi Academy Trust is a bureau service with ACCESS Education. The process is included within the school finance team, involving at least three members of staff, to ensure segregation of duty, which is finally authorised by the COO.

Staff Appointments

The CEO has the authority to appoint staff within the authorised establishment with the exceptions of Headteacher, Deputy Headteacher and the COO, who must follow consultation with the Governors. All staff requests must be approved by the Board of Trustees who must ensure there is adequate budgetary provision.

The HR Department hold the personnel files, personnel changes are notified to the COO, the and the necessary amendments are actioned on payroll and the MIS database.

3. Ordering and Purchasing

The effective control of the Trust's ordering and purchasing is a complex task and by effective implementation of this policy we aim to:

contribute towards the 'internal controls' by which the Trust ensures that its finances are properly managed;

demonstrate that we actively strive towards obtaining and providing 'best value'; describe how we place orders and pay for goods and services.

Best Value

Best value is a statutory duty to deliver services to clear standards covering both cost and quality in the most effective, economic and efficient means available. The governing body is accountable for the way in which the schools resources are allocated to meet the objectives set out in the school's development plans.

Ordering of goods and services

Instructions for the ordering of goods and services have been drawn up to ensure consistency of procedure and compliance with regulations. Staff are advised of the procedure by way of any entry in the staff handbook.

To provide an accurate account of expenditure every order must be entered on the ACCESS accounting system and an official order printed. Official orders are used to purchase most of the School's services and goods with some exceptions, eg utilities, and petty cash payments.

PLACING ORDERS:

Orders are placed by budget holders through the use of requisition form.

The signed form is passed to the Finance assistants and officers who will arrange for the requirements to be converted into an official order (via accounting system) and an official order number generated. The processing of the order will commit the required funds from the appropriate cost centre. No order will normally be processed unless there are sufficient funds in the appropriate cost centre.

A copy of the official order is retained within the accounting system for reference and audit purposes.

Authorised orders will be emailed to the supplier.

Staff are not to place orders via telephone, fax or otherwise without prior authorisation from the COO.

In all cases a full VAT receipt must be obtained by the member of staff concerned.

The Trust aims to achieve best value for money on all purchases and are committed to displaying the following principles:

1. Probity
2. Accountability
3. Fairness

Purchasing Requirements

The levels of delegated budget for each department are held with budget information. All orders must be given to the finance department for processing. All orders over the value of £10,000 require 3 quotations to be sought to obtain "Best Value".

Exemptions include utility provision, exam expenses, supply cover and subscription renewals.

Charging for Specific Items within School

Gateway Multi Academy Trust has a Charges and Remissions Policy, which is reviewed and renewed annually by the Governing Body. This covers all charging for school activities as required by ESFA.

4. Income

The main source of income for the Trust is the School Budget Share from the EFA. Income will be monitored by the Finance managers, who is responsible for ensuring that all grants due to the Trust are collected.

School Trips

Before a trip or visit is authorised by Leadership Team, the trip leader should liaise with the finance department, to ensure the trip is self-funding in accordance with the Academies Financial Handbook, and that the proposed trip/visit poses no financial risk to the school.

Tickets, such as flights tickets, will only be purchased once parental permission has been received and a suitable deposit taken for at least the deposit element of the trip cost. Parents should be made aware that all trips are non-refundable, unless the place can be re-sold. Refunds will only be considered in the event of the student

having a medical reason/condition. In this occurrence, the refund may be covered on the schools insurance policy.

The Finance Manager/Finance Officer will:

- Monitor the collection of money through the Scopay/Tucasi online payments system.
- Update the trip leader of the current position on weekly basis
- Throughout the 'collection of money' stage, the Finance Manager will settle invoices from the tripcompany when appropriate funds have been received.
- Cash is no longer collected for trips – all payments must be made online through ScoPay
- Any cash to be taken on a trip has to be signed for and receipts **MUST** be returned for the full amount to the Finance office. Auditors require proof of expenditure for all cash paid to staff, as it is pupil funds.
- After every school trip a summary of income and expenditure must be produced organiser and given to the Finance Manager.
- All trip accounts must be closed after the trip and any surplus greater than **£5** per head must be returned to students. Small amounts will be placed into a miscellaneous fund to assist less fortunate students.
- All deposits (unless extreme circumstances) are non-refundable.

Debt Management

- The school will endeavour to collect all monies owed to the school.
- The Finance Officer will e-mail or telephone parents to determine the timeline of the debt repayment.
- Should the school not receive a satisfactory response, the debt will be elevated to the Finance Manager and the COO.
- Should the debt remain outstanding, consideration to remove the child from the bus/trip/music lesson will be made.
- If the debt remains outstanding for a pupil in year 11, the pupil will not be entitled to purchase a ticket to the leavers prom.

5. Cash Management

The opening of all bank accounts must be authorised by the Governing Body, who must set out in a formal memorandum and the arrangements covering the operation of the accounts, including any transfers between accounts and cheque signing arrangements. The authorised signatories of the school account include the COO,

the Headteacher and the Deputy Headteacher. All bank statements will be reconciled against the Trust account on a monthly basis and will be subject to an independent review by the Responsible Officer.

Banking will be done on a weekly basis. All duties regarding cash management will be segregated.

Petty Cash

The trust does not hold any petty cash on site.

Investments

Investments must be made only in accordance with written procedures approved by the governing body.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. Additional procedures may be required from any income received due to investment.

Gifts in Kind

Any contributions from sponsors should be recorded and valued. All donors should be requested to put in writing the details of their gift, the fact there are no conditions attached to the gift and their estimation of the value of the gift. Discounted amounts cannot be treated as donations but must be shown as a reduction in costs.

Gifts in kind are to be included in the accounts in the accounting period they are received. (Guidance to be found in the Academies Financial Handbook.

Thefts & Fraud

The Secretary of State must be notified of any loss arising from theft or fraud exceeding the amount set out in the annual funding letter.

6. Fixed Assets

Asset Register

All items purchased with a value over the Trust's capitalisation limit of £5,000 must be entered onto the Asset Register.

Security

All stores and equipment must be secured and authorised staff allowed access only. All items listed on the register must be marked as the Trust property and inventories of the stock must be maintained on a regular basis. The auditors will attend stocktakes and anomalies will be investigated.

Disposals

Any items disposed of by sale or destruction must be authorised for disposal by the Executive Leader. If the item is of significant value, then it should be sold following competitive tender and the Trust must seek approval from the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment.

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 repay to the ESFA a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State.

Loan of Property

Items of the Trust must not be removed from the Trust premises without the authority of the Head of Department. A record must be made of this loan.

If assets are on loan for extended periods or to a single member of staff on a regular basis, the situation may give rise to a "Benefit in Kind" for taxation purposes. Loans should therefore be kept under review and discussed with the Trust auditors.

Appendix 1

Financial Procedures

- Budget holders are responsible for keeping within the spending limits allocated to them.

- All proposed purchases must be made using Gateway Multi Academy Trust Official Purchase Order Forms, available online or by request from the Finance Office.

- Once completed, all orders must be signed by the Budget Holder and given to the Finance Department for processing (Finance Assistant). This will then be entered onto ACCESS and allocated to the cost centre.

- If a Budget Holder wishes to purchase items from the internet, an Official Order Form must be completed in the normal way, purchases will be made by the Finance Department using the schools credit card.

· Once the invoice for the goods is received by the Finance Department, authorisation for payment from the Budget Holder (a goods receipt) is required. Authorisation should only be conveyed to the Finance Department once the order is complete and satisfactory, preferably by email, or on occasion by signing and dating the invoice.

· If an invoice is received that has not been through the order commitment process, the invoice can be entered onto ACCESS as a non-order invoice; there is no requirement to complete an Official Order Form retrospectively. **The invoice requires authorisation of goods received, again preferably by email, and is then counter signed by the Finance Manager.**

· The invoices will then be scanned in to the Finance system, to await payment by BACS. Payments are made weekly, and are entered into Lloyds Commercial Banking by the Finance Manager and authorised, and a second authorisation is required by the COO, different Finance Manager or Finance Officer.

· All invoices on the payment run should accompany the BACS payment schedule for confirmation of payment.