

Pax Christi Catholic Academy Trust



Financial Regulations Manual

December 2017

Financial Regulations Manual

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1) Introduction

The purpose of this manual is to ensure that the Pax Christi Catholic Academy Trust (PCCAT) maintains and develops 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 the funding agreement between the PAX Christi Catholic Academy Trust and the Department for Education; the Scheme of Delegation between the Trust and its academies; the Articles of Association and the Academies Financial Handbook;

The PCCAT must comply with the principles of financial control outlined in the academies guidance published by the EFSA. This manual expands on that and provides detailed information on the academy's accounting procedures and the system manual should be read by all staff involved with financial systems.

2) Organisation

The PCCAT has defined the responsibilities of each person involved in the administration of academy and centrally held 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 illustrated below:

2.1) The Board of Directors

The main responsibilities of the PCCAT are prescribed in the funding agreement with the DfE. The key financial responsibilities include:

- Ensuring that funds received for the charitable objects of the Trust is used only for the purposes intended
- Approval of the annual budget
- Balancing the budget from year to year
- Production of an Annual Report and Accounts
- Appointment of the Auditors
- Appointment of the Accounting Officer
- Appointment of the Chief Finance Officer
- Apportioning an amount of funding not exceeding 5% of GAG for supporting the centralised services of the Trust.

All directors must ensure that they are even handed in their relationships with connected parties and comply with the requirements of the Academies Financial Handbook and the Charities Commission in this regard.

Directors must ensure that they comply with the Charity Commissions' guidance on Trustee Expenses and payments – further information available in the Governors Expenses Policy.

2.2) The Accounting Officer

The Board of Directors annually agree who will fulfil the role of Accounting Officer. The Accounting Officer has specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to the EFSA's Accounting Officer for the financial resources under the Trust's control. The Accounting Officer must be able to assure Parliament, and the public, of high standards of propriety in the management of public funds, in particular:

Value for money

This is about achieving the best possible educational outcomes through the economic, efficient and effective use of resources. A key objective is to achieve value for money not only for the trust but for taxpayers generally. A full definition is included in Annex A of the Academies Financial Handbook.

Regularity

Dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this handbook, and compliance with the trust's internal procedures – this includes spending public money for the purposes intended by Parliament

Propriety

The requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control – this covers standards of conduct, behaviour and corporate governance.

The Accounting Officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to EFSA with the audited accounts. They must also demonstrate how the Trust has secured value for money via the governance statement in the audited accounts.

2.3) The Resources Committee

1. The terms of reference for this committee must be approved by the Board of Directors and reviewed each year. They reflect the agreed Scheme of Delegation and provide the sole, agreed framework within which the committee operates.
2. The committee shall meet at least once per term.
3. Membership shall be reviewed at least annually.
4. A chair will be elected from amongst committee members at the first meeting of every year.
5. A vice-chair will be elected from amongst committee members at the first meeting of every year.
6. A quorum shall be three members of the committee.

2.3.1) Committee Responsibilities

1. To challenge, amend, agree budgets submitted by the Pax Christi Catholic Academy Trust and individual academies to support the needs of their students.
2. To monitor financial performance against budget for the Pax Christi Catholic Academy Trust and each academy, on a half termly and Year to Date (YTD) basis.

3. To look consistently to reduce/manage costs to provide as much finance as possible to help our pupils/students to achieve their potential and to ensure efficient use of taxpayer's money. In particular develop centralisation of services/best value.
4. To develop and deliver a trust wide Finance Policy.
5. To agree, implement and review relevant policies.
6. To contribute to the production of the Directors' report in the Annual Accounts with clear and generic financial reports for each academy to reflect a trust wide approach is clearly evident in the published accounts.
7. Monitor, develop and make use of trust wide and individual web sites to ensure all statutory information is included on each site.
8. To monitor and ensure there is an effective workforce plan which includes skills management, succession planning, learning and development for staff and directors. To ensure procedures for appropriate recruitment are in place and to be involved in approval for leadership recruitment.
9. To identify training needs of governors/directors that will help to develop their abilities to add value to achievement and ethos.
10. To advise the Board of Directors on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.
11. To ensure compliance with the Master Funding Agreement, the Academies Financial Handbook and the Education Funding and Skills Agency (EFSA) Accounts Direction.

2.4) Local Governing Bodies

The Local governing body will work with the Board of Directors in order to secure the appointment of the Principal and Vice Principal in line with the requirements of the Scheme of Delegation and requirements of the NRCDES for senior Catholic posts.

The principal/head teacher and the local governing body set the strategic direction of the academy within the parameters of the Scheme of Delegation.

The Local Governing Body are responsible for self-generated income e.g. lettings income, charging and remissions etc. Such income will be paid into either the trading account or governor's fund for which they are responsible for monitoring and allocating expenditure to their preferred projects. No overspends are allowed. These funds will be audited along with the Trust accounts and must not be banked/accounted for separately. The Local Governing Body will annually decide upon and minute levels of delegated authority for such funds, e.g. order/payment authorisation limits and provide the information to the Trust Finance Officer for monitoring and compliance purposes. They will set and review annually a charging and remissions policy.

Local Governing bodies may delegate some of these responsibilities to a sub-committee within the parameters of the Scheme of Delegation.

2.5) Local Governing Body Finance Committees

Where a local governing body delegates functions to a Finance Committee it will do so by the annual review and approval of a remit which will detail such matters as membership, quoracy,

remit etc. It will report to the Local Governing Body at least termly to a schedule which is in line with Trust requirements.

2.6) Trust Operations Director

The Trust Operations Director will fulfil the role of Chief Finance Officer in line with the requirements of the Academies Financial Handbook and other regulatory frameworks, e.g. HMRC guidelines. The postholder will play both a technical and leadership role, including ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts.

The oversight of Trust business activities to ensure viability and assess the impact of such activities on the Company's charitable objects and VAT registration status.

To arrange the Property and non-property related insurance cover with the exception of staff absence and kitchen maintenance policies which are held at local level.

Keep this policy and other related policies under review and advise the Board of Directors appropriately.

Within the framework of the Central Services budget as approved by the Resources Committee the Trust Operations Director has overall executive responsibility for the activities of centralised business services including financial activities. Much of the financial responsibility has been delegated to the Pax Christi Finance Team but the Trust Operations Director still retains responsibility for:

- Approving new staff appointments, except for any posts which directors have agreed should be approved by them;
- authorising contracts in conjunction with the Finance Manager within agreed budget allocation;
- Authorising payments in conjunction with the Finance Manager and other authorised signatory.
- In the absence of a Principal/Head Teacher, authorise orders over £1,000 (Primary Academy) and £2,000 (Secondary Academy).

2.7) The Principal/Head Teacher

Within the framework of the Scheme of Delegation and the academy development plan as approved by the Local Governing Body the Principal has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Pax Christi Finance Team but the Principal still retains responsibility for:

- In line with the Scheme of Delegation, approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Body have agreed should be approved by them;
- authorising contracts in conjunction with the Trust Finance Manager within agreed budget allocation;
- Authorising payments in conjunction with the Finance Manager and other authorised signatory.

2.8) The Trust Finance Manager

The Trust Finance Manager works in close collaboration with the Principal/Head Teachers and Trust Operations Director through whom he or she is responsible to the directors. The Trust Finance Manager also has direct access to the directors via the Finance and HR Committee. The main responsibilities of the Trust Finance Manager are:

- the day to day management of financial issues including the operation of an accounting system in line with the requirements of the Pax Christi Catholic Academy Trust;
- the management of the trust's financial position at an operational level within the framework for financial control outlined by the Academies Financial Handbook.
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- Supporting head teachers/principal with budget planning, setting and review
- Where requested by the Principal/Head Teacher, authorise orders below (£1,000 (Primary Academies) and £2,000 (Secondary Academy) within authorised budget allocation.
- Making payments in conjunction with Head Teachers/Principal or Trust Operations Director.
- Working with the Trust Operations Director to formulate a timetable for financial matters to ensure appropriate budget monitoring and accounting procedures are achieved.
- Managing Trust bank accounts, including mandates, signatories, division of duties etc.
- Ensuring appropriate cash flow.
- Managing Investments on behalf of the Trust.
- Working with the Trust Operations Director to ensure Value for Money in all transactions.
- Overseeing monthly payroll transactions and reconciliation
- Line management of staff in the Pax Christi Finance Team.
- Carrying out IR35 checks for off-payroll services.

2.9) Finance Staff

Academy based finance staff work in close collaboration with their Head Teacher, the Trust Operations Director and the Central Finance Team to ensure the processing of financial transactions at academy level are in line with the this policy (and any subsequent amendments/guidance), requirements of the Pax Christi Trust Operations Director and Central Finance Team.

2.10) Internal Control

Appropriate assurances as to internal controls for the Board of Directors are established by additional internal audit inspections covering the following:

- the co-ordination, planning and budgeting processes
- discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties

- preparation of monthly budget monitoring reports
- ensuring that delegated financial authorities are respected
- effective planning and oversight of any capital projects
- the management and oversight of assets
- the propriety and regularity of financial transactions
- reducing the risk of fraud and theft
- ensuring efficiency and value for money in the organisation's activities
- a process for independent checking of financial controls, systems, transactions and risks

During the financial year 2017/2018 the additional internal audit inspections will be carried out by Duncan and Toplis, who are the Trust Accountants and Auditors. All internal audit reports are presented to the Resources Committee.

2.11) Other Staff

Other members of staff, including budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of academy property, 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.

2.12) Conflict of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all directors and governors complete a Conflicts of Interest declaration annually. The register is published on the Trust website and is available for public inspection on request with two working days. The existence of a Conflict of Interest register does not, of course, detract from the duties of directors and governors to declare interests whenever they are relevant to matters being discussed by the Board or Local Governing Body. The agenda for each meeting will have a standard agenda item for the declaration of conflicts of interest before the main business is discussed. Where an interest has been declared, directors or governors should not attend that part of the meeting. Further guidance is available in the Conflicts of Interest Policy.

2.13) The Anti-Fraud Policy

The Trust has an anti-fraud policy which is reviewed annually by the Resources Committee. Suspicion of fraud is immediately investigated and appropriate action taken if mal-practice has been identified.

3) Accounting system

3.1) PS Financials Accounting System

All the financial transactions of the Trust must be recorded on the PSF accounting system. Academy Transactions are recorded using the Web portal module. The PSF system is operated by the Pax Christi Finance Team. The system allows for the separation of funds for each

academy and central services by the provision of ledgers belonging to each establishment. Each establishment has the following ledgers:

- Purchase
- Sales
- Staff Expenses
- VAT
- Fixed Asset
- Cost Centres
- Staff (although the Cost Centre Ledger is used for recording payroll transactions for each establishment)
- Capital
- Student
- Trips

3.2) System Access

Entry to the PSF system is password restricted and the Pax Christi IT Director is responsible for implementing a system which ensures that passwords are secure. At no time should an individual disclose their password to anyone else. It is forbidden for more than one person to access the financial system using the same user name/password.

Access to the PSF system is to be restricted to the Trust Operations Director, IT Director, Trust Finance Manager, Trust Finance Officer and Trust Finance Assistant or any signatory given authorising responsibility in their absence as well as those responsible for auditing the financial systems of the academy. Budget holders, Primary Office Managers and the Christ the King Finance Assistant will have password secured access to the web portal module for the purposes of requisitioning goods, authorising goods received notes and accessing financial reports.

Where it is suspected that unauthorised access to the system has taken place, the Trust Operations Director shall be notified immediately. Where this is not possible for any reason the Trust IT Director shall be notified.

3.3) Back-up Procedures

The Trust IT Director is responsible for ensuring that there are effective back up procedures for the system and that provision is made for restoring data should a fire occur in the server room.

The Pax Christi Catholic Academy Trust Operations Director will prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link to the risk register held by directors of the major risks to which the academy is exposed and the systems that have been put in place to mitigate those risks.

3.4) Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.

All journal entries must be documented on the appropriate journal log located on the X drive. An example is shown in Appendix A. All fields must be completed before processing can take place. The Trust Finance Manager will process approved journals within one week.

The procedure for processing bank transactions is detailed in the Cash Management Section of this manual.

Detailed information on the operation of the PSF system can be found in the user manuals held in the Pax Christi Finance Office based at Christ the King.

3.5) Supplier Administration

In order to prevent fraud, changes to supplier bank account information on the PSF system must only be made by the Trust Finance Manager after appropriate double checks have taken place to ensure the validity of the change. A record of such checks shall be kept on file for a period of 12 months after the change has been made.

3.6) Reconciliations

The Trust Finance Manager is 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;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement for all accounts held by the academy.
- Petty cash
- Expenses
- Fixed assets
- VAT
- Depreciation

Any unusual or long outstanding reconciling items must be brought to the attention of the Principal/Head Teacher of the relevant establishment and the Trust Operations Director. The Principal/Head Teacher will review and sign all reconciliations as evidence of this review.

4) Financial planning

The Pax Christi Finance Team work the head teachers/principal and Trust Operations Director to prepare 3, 5 year and short-term financial plans for each academy and Central Services. Head teachers/principal work with their local governing body and/or Finance Committee to develop strategic plans for school improvement within the framework of available resources.

The 3 and 5 year financial plans are prepared as part of the development planning process. The development plan indicates how educational and other objectives are going to be achieved within the expected level of resources over the next three and five year periods.

The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the academy and the planned use of those resources for the following year.

The development planning process and the budgetary process are described in more detail below.

4.1) Development Plan

Development plans are concerned with the future aims and objectives of each establishment and how they are to be achieved; that includes matching objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the “big picture” within which more detailed plans may be integrated.

The form and content of the development plan are matters for the establishment to decide but due regard should be given to guidance issued by the NRCDES, DFE, EFSA and Trust Board of Directors.

Each year the Principal/Headteacher will propose a planning cycle and timetable to the Governing Body which allows for:

- a review of past activities, aims and objectives - “did we get it right?”
- definition or redefinition of aims and objectives – “are the aims still relevant?”
- development of the plan and associated budgets – “how do we go forward?”
- implementation, monitoring and review of the plan – “who needs to do what by when to make the plan work and keep it on course” and feedback into the next planning cycle – “what worked successfully and how can we improve?”

For the Business Services establishment, this will be carried out in liaison with the Resources Committee.

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Principal/Headteacher or in the case of the Business Services Establishment, the Trust Operations Director.

The completed development plan will include detailed objectives for the coming academic year and outline broad objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a senior member of staff. That staff member should monitor performance against the defined success criteria throughout the year and report to senior managers at least quarterly. For academies, the senior management team through the Head Teacher/Principal will report to the Local Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action. In the case of Business Services, this will involve the Resources Committee.

4.2) Annual Budget

The financial resources available to each establishment are delegated by the Board of Directors in accordance with the Scheme of Delegation.

The Pax Christi Catholic Academy Trust uses software from HCSS to support the budget setting process which links with the SIMS MIS and PSF software packages. Access to the system is available to each Principal/Head Teacher, the Trust Operations Director, the Central Finance Team and academy based administrative staff on a password protected and user appropriate level.

The Trust Finance Manager is responsible in conjunction with the Head Teacher/Principal and Trust Operations Director for preparing and obtaining approval for the annual budget for each establishment. The budget must be approved by firstly the local governing body (in the case of the Central Business Services Budget, this will be the Resources Committee) followed by the PCCAT.

The Trust Operations Director will set a date by which approval of budgets must be made by the Trust in order for the Trust Finance Manager to consolidate the budgets and comply with EFSA reporting requirements. The published date in the annual timeline may be subject to change when dates are announced by the ESFA.

Annual Budgets will reflect the best estimate of the resources available to the PCCAT for the forthcoming year and must include provision for the cost of trust-wide services as directed by the Board of Directors in accordance with the Scheme of Delegation. They will detail how resources are to be utilised and there should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of EFSA grant receivable;
- review of other income sources available to the academy to assess likely level of receipts;
- Review of staffing levels and detailed salary information to ensure all known changes and incremental progression is covered.
- Known or projected inflation factors, e.g. projected teaching and salary staff cost of living increases and an allowance for higher than average energy costs etc.
- review of past performance against budgets to promote an understanding of the academy cost base;
- Identification of potential efficiency savings and review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

4.3) Balancing the Budget

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 should be dealt with in line with the Reserves and Investments Policies.

4.4) Finalising the Budget

Once the different options and scenarios have been considered, draft budgets will be prepared by the Finance Manager in conjunction with the Trust Operations Director and the Head Teacher/Principal of each academy. These will be approved by the local governing body (or Resources Committee in the case of the Central Services budget) before submission to the PCCAT. The Trust Operations Director or Head Teacher/Principal shall communicate the budget to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

Budgets will be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which will need revising throughout the year as circumstances change.

4.5) Monitoring and Review

Reports detailing actual income and expenditure against budget at summary level, with the option to drill down to nominal detail are available via the PSF web portal. These are available to budget holders in real time and can be accessed through any web browser by users with the appropriate log in information.

The Finance Manager will meet with each establishment head at least once per term to review actual income and expenditure against budget, changes to known staffing information and other variables to reforecast the projected out-turn position. This information should be reported by the Head Teacher/Principal to their local governing body in the case of academies or the Trust Operations Director in the case of Central Business Services. Academy budget reforecasts, along with that of the Central Business Services establishment will be reported to the Resources Committee termly by the Trust Finance Manager and/or Trust Operations Director. Revised budgets will be uploaded to both the HCSS and the PSF Systems to enable accurate monitoring, and reporting at Trust level.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from surplus balances. Where virements exceed £2,000 this should be authorised and minuted by the local governing body, or in the case of Central Business Services, the Trust Resources Committee.

5) Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration
- payments.

5.1) Staff Appointments

The Board of Directors has approved a staffing establishment for the Central Services Team and Local Governing Bodies have done so for each academy. Changes can only be made to these establishments with the express approval of those bodies who must ensure that adequate budgetary provision exists both in the short and medium term budget plans. Decisions must be recorded in the minutes of the appropriate body.

The Trust Operations Director and Academy Principal/Head Teachers have the authority to appoint staff within the authorised establishment except for academy Assistant or Vice Principals/Assistant or Deputy Heads whose appointment must follow formal consultation with the Board of Directors. Guidance from NRCDES on the appointment of Catholic staff must also be followed. It is normal practice within PCCAT academies to consult with the Chair of the LGB on teacher and other senior support staff appointments and to involve members of the Governing Body in the recruitment process. Further details can be found in the Trust Safer Recruitment Policy.

Office Managers in primary academies maintain personnel files for all members of staff based in their academy which include contracts of employment. At Christ the King this is carried out by the HR Assistant.

A complete electronic record should be kept in SIMS.net.

Contracts of Employment may only be signed by a PCCAT Director or the Trust Operations Director.

5.2) Payroll Administration

PCCAT employs Nottinghamshire County Council Payroll Services to administer the monthly payroll.

The Trust Finance Manager is responsible for liaison with Nottinghamshire County Council to ensure all pay and other pay related matters are correctly determined prior to payments being authorised and that any errors are corrected as soon as is practically possible.

The Central Finance Team will download payroll reports and check each transaction against budget. Where discrepancies are identified, each will be interrogated and either payroll or the budget corrected depending on where the error lies. Where discrepancies are greater than £100 they will be reported to the Principal/Head Teacher or in the case of Central Business Services, the Trust Operations Director. Details of all payments made are recorded as a journal onto the PSF accounting system. Approval should be signed each month by the Principal/Head Teacher of each academy and the Trust Operations Director for the Central Services Team.

Academy based staff will:

- Obtain approval from the Head Teacher/Principal for payroll variances.

- Notify the Trust Finance Team of new starters, leavers, contract variations, deductions from pay, overtime and other additional payments, changes to personal data, e.g. bank account details etc a minimum of one week before payroll deadlines etc.
- Ensure accurate staffing records are kept in SIMS.net
- Process overtime, other exceptional payments and payroll deductions on the BMS portal and record these in the format required by the Trust Finance Manager.

Trust Finance staff will:

- Check that authorisation for changes has been given by the Head Teacher/Principal or in the case of Central Business Services, the Trust Operations Director.
- Ensure that notification is sent to payroll for all changes notified within one week of the payroll deadline.
- Update the establishment budget in accordance with the notification
- Raise all additional documents relating to membership of a pension scheme

The payroll system operated by Nottinghamshire County Council automatically calculates the deductions due to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions, but this list is not exhaustive. The amounts payable are summarised on the gross to net pay and these amounts are checked by the Trust Finance team and authorised for payment by the Trust Finance Manager and the Principal/Head Teacher/Trust Operations Director (or other authorised cheque signatory if one is unavailable) by the due date. Financial penalties incurred by the academy of late return must be reported to the Trust Operations Director.

5.3) Payments

After the payroll has been processed but before payments are dispatched a print of salary payments by individual showing the amount payable in total will be provided by Nottinghamshire County Council. The print must be reviewed and authorised together with authority to release payment by the Finance Manager and the Principal/Head Teacher of each academy and/or the Trust Operations Director.

All salary payments are made by BACS.

After the payroll has been processed nominal ledgers will be updated. Postings will be made both to the payroll control accounts and to individual academy cost centres. The Finance Manager should 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 accounts.

5.4 Off-payroll working through an intermediary

A worker is involved in off-payroll working when they work for the Trust through their own intermediary, often a personal service company (PSC), but would be an employee if they were providing their services directly. As off-payroll workers are paid through their own intermediary, they pay Income Tax and National Insurance contributions (NICs) in a different way to an employee. HMRC have strict rules to ensure that such payments are made and as a public sector organisation, the Trust has a legal responsibility to ensure that it assesses the

relationship and carries out an assessment using the HMRC website. Any off-payroll arrangement for services must be referred to the Trust Finance Manager who will ensure the appropriate checks are in place in order for the Trust to comply with the legislation.

6) Purchasing

It is the responsibility of all who expend Trust resources to achieve the best value for money from purchases. This means getting what is needed in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and there is a 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.

Each academy will work closely with the Trust Operations Director, Trust Finance Manager and other academies within the Trust to support the development of cross-trust buying power.

6.1) Suppliers

The Pax Christi Catholic Academy Trust shall maintain a list of approved suppliers held on the PSF database from where orders can be placed. It is recognised that some high value items, e.g. IT hardware can be available at competitive prices over the internet by Companies who require payment ahead of despatch of goods. In this instance, for purchases of £2,000 (primary) and £5,000 (Secondary), the purchaser shall request from the Trust Finance Manager, a credit reference check to ascertain creditworthiness. The decision as to whether to proceed after the check shall lie with the Trust Operations Director or in the case of absence, the Trust Finance Manager. The cost of the credit reference check shall be borne by the budget holder.

Where a budget holder wishes to order goods from a supplier not yet approved, they shall supply the Trust Finance Manager with the relevant details who will then take steps to include the supplier on the PSF database.

6.2) Routine Purchasing

Budget holders will be informed of the budget available to them at the beginning 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. The Trust Finance Manager will ensure that Office Managers and budget holders have the appropriate training in order to ensure that they can access live data in the PSF web portal to enable them to proactively monitor and manage their budget.

Routine purchases can be ordered by budget holders up to the limit of their budget. A quote or price must always be obtained before any order is placed.

It is essential that all orders for goods and services must be made using the PSF system. This must include any agreed charges for delivery etc. Any exception to this must be agreed in advance with the Trust Finance Manager. Failure to comply with this will result in the Trust not having up to date financial records available in order to monitor budgets and project cash flow requirements. The Trust Finance Manager is required to report regular occurrences of this in any academy to the PCCAT Resources Committee.

Orders should be placed with payment terms of 30 days by the Trust. Any requirement to reduce this must be agreed by the Trust Finance Manager in advance of the order being placed.

Orders for utilities and other metered expenditure should be placed on the PSF system using the best estimate of projected usage. When the invoice arrives in the academy the Officer Manager will ensure that it is checked against the meter and queried with the service provider if appropriate. The order will be amended to reflect actual usage at that time.

Authorised orders are dispatched electronically to the supplier by academy staff, except in the case of debit card and utility orders/other metered expenditure.

The Central Finance Team will produce a report on outstanding orders over 30 days each month and seek an explanation from academy staff. Where goods/services are no longer required, the order will be cancelled from the system in order to release the funds from commitment which will ensure contemporaneous management information is available.

All orders are authorised by the Principal/Head Teacher in primary academies or the Trust Operations Director for Central Business Services. At Christ the King Catholic Voluntary Academy the table of budget holders is shown below:

Budget Holder	Account	Account Title
D Burrough	3OCC	Occupation Costs
D Burrough	3PREM	Premises Costs
D Burrough	3UTIL	Utilities
J Love	4ACHL	Achievement Leaders
M Tyrrell	4ACTI	Active & Creative
A Riding	4ALTP	Alternative Provision
L Snow	4BURS	Bursary
T Gregory	4BUSI	Business Studies
P Burke	4CAP	Capitation - Curriculum Bidding fund
J Hopkins	4CHAP	Chaplaincy
C Bull	4DOFE	Duke of Edinburgh Award Scheme
T Gregory	4ECON	Economics
C Cuomo	4EMAG	EMAG
J Collins / P Bingham	4ENGL	English
S Kononowicz	4EXAM	Examinations
M Tyrrell	4EXCU	Extra-Curricular
M Hoyle	4FOTO	Photograph Sales
D Burrough	4FURN	Classroom Furniture

P Burke	4GENS	General Studies
A Riding	4GIFT	Gifted & Talented
T Gregory	4ICTC	ICT Curriculum
W Henley	4LRC	Learning Resource Centre
T Gregory	4MATH	Maths
E Wall	4MFL	Modern Foreign Languages
F Mansell	4PRIM	Primary/Secondary Transition
A Riding	4PUPP	Pupil Premium
M Hoyle	4REPR	Reprographics
J Love	4REWA	Rewards & Prizes
F Mansell	4SCHG	School Garden
M Tyrrell	4SCHP	School Productions
A Blazewicz-Bell	4SCI	Science
D Eddyshaw	4SEN	Special Needs Department
R Nokes	4SIXF	Sixth Form Transition
C Cuomo	4SLT	SLT Contingency
P Lightfoot	4SPIR	Spiritual & Human
T Gregory	4TECH	Technology
A Southgate	4WEXP	Work Experience
C Cuomo	4WHSC	Whole School Items
M Hoyle	5A2W	Access to Work
M Hoyle	5ADMI	Admin Costs
M Mason	5CATE	Catering
P Burke	5EXCC	External Consultancy - Curriculum
C Cuomo	5EXCO	External Consultancy - Other
C Cuomo	5EXTS	Extended Services
M Hoyle	5FURN	Office Furniture
C Cuomo	5GOVS	Governors Fund
CCuomo	5INSO	Insurance - Other
W Ottewell	5ITWH	IT Whole School
A Riding	5LINK	Link Courses
C Cuomo	5MARK	Marketing
M Hoyle	5MUSI	Music Tuition
C Cuomo	5SABS	Insurance - Support Staff Absence
L Snow	5SCDI	School Direct
C Cuomo	5TABS	Insurance - Teaching Staff Absence
C Cuomo	6CAFO	CAFOD
C Cuomo	6CIN	Children in Need
C Cuomo	6INEE	Indirect Employee Expenses
C Cuomo	6OECH	Other External Charities
C Cuomo	6PAFO	Parent Forum
M Hoyle	6SCTR	School Trading
R Nokes	6SFCH	Sixth Form Charities
L Snow	6TRAI	Staff Training & Development

The authorisation of an order is treated as the permission to take the amount from the academy budget. No further authorisation of expenditure is required.

Invoices will be sent directly to the Central Finance Team who will process them against the authorised order within the requirements of the terms and conditions.

Where an invoice is received by the Central Finance Team and there is no GRN attached to the order, or if there is no order at all, a copy will be placed on the X drive and the relevant academy contacted immediately for rectification of the situation.

Where there is a discrepancy in the amount of the invoice vs the order, this will be investigated by the Trust Finance Team. Where the discrepancy is for an amount up to and including £10.00 or 3% of the total, whichever is greater, this will be reported to the budget holder who will be required to authorise the additional payment or arrange return of the goods.

All incoming goods will be received by academy administrative staff who will take delivery of those goods and inform the budget holder they are ready for collection. The receiver of the parcel must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies. Discrepancies should be discussed with the supplier of the goods without delay. The budget holder must make appropriate arrangements for storage or distribution of goods in a timely manner. The GRN should be scanned and attached to the order using the PSF system.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, or if there is any other query which results in the decision to withhold payment, the Trust Finance Manager should be notified immediately in order to prevent processing of the invoice. Academy staff will keep a record of all goods returned to suppliers and chase replacements or credit note. If a credit note is to be issued, suppliers should be notified to ensure that it is posted to the Central Finance Team and not the academy. Failure to do so may result in payment being made for faulty goods and the academy budget being debited inappropriately.

6.3) Higher Value Orders

In primary academies orders over £1,000 but less than £10,000 at least three written quotes should be obtained. At Christ the King these values are £2,000 to £20,000. Written details of all quotations should be scanned and uploaded to the X drive by academy staff to enable the information to be attached to the order in preparation for internal assurance and audit requirements. All goods/services ordered with a value of £10,000 (primary) or £20,000 (secondary) or for a series of contracts which in total exceed these values must be subject to formal tendering procedures which will be managed by the Trust Operations Director/Central Business Services Team in collaboration with the Head Teacher/Principal.

Purchases over £106,047 fall within EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds and procedures is available through the Trust Operations Director.

6.4) Lloyds Multipay Card

The Pax Christi Catholic Academy Trust uses the Lloydslink Multipay Card which has been formally approved by the Resources Committee and minuted as such. The card allows for the streamlining of card transactions over the period of one month, after which the full balance on the account will be paid. It is not a credit card.

The authorised users of the card(s) and their financial limits of delegated authority are outlined below:-

Establishment	Name	Post	Transaction Limit	Monthly Spend Limit
Holy Cross Primary CVA	Robert della-Spina	Principal	500	1425
	Teresa Horden	Office Manager	500	1425
	Christa Bales	After Schools Club Leader	30	300
Good Shepherd Primary CVA	Margaret Williams	Head Teacher	500	1500
	Zoe della-Spina	Office Manager	500	1500
Sacred Heart Primary CVA	Karen Taylor	Head Teacher	500	1425
	Jan Timewell	Office Manager	500	1425
	Dawn Rogers	After Schools Club Leader	50	150
St Margaret Clitherow Primary CVA	Chris Reilly	Head Teacher	500	1350
	Kathy Turgoose	Office Manager	500	1350
	Ray Steeples	Caretaker	50	150
	Hazel Loughran	Club Leader	30	150
Christ the King CVA	Carlo Cuomo	Principal	500	3000
	Rebekah Daley	Admin Officer	500	5000
Central Business Services	Caroline Anderson	Operations Director	500	3000
	Victoria Bowen	Finance Manager	500	2500
	David Burrough	Facilities Manager	500	2500

Each Principal/Head Teacher will determine the nominated card holders for their academy along with the transaction and monthly spend limits. These shall be communicated to the Trust Finance Manager who will make the necessary arrangements with the bank.

All Multipay cards are held securely when not in use either by the cardholder or within the academy in a secure location where there is limited access.

There is no cash withdrawal facility with the Multipay card. It is not permitted for the card to be used for items of personal expenditure in any circumstances.

Any misuse of the card(s) outside of the conditions of use will result in the immediate withdrawal of the card(s) from the cardholder(s). The Principal will take appropriate action in line with the academy's financial regulations and where applicable, the Disciplinary Policy.

The loss of any card(s) will immediately be reported to the bank and Trust Finance Manager.

If the card(s) are no longer required or the cardholder(s) leave the academy they shall be returned to the Trust Finance Manager and destroyed in accordance with accepted procedures.

The use of Multipay cards for ordering goods and services shall operate in conjunction with the principles of best value.

A record of expenditure incurred together with supporting vouchers or receipts should be maintained by the cardholder(s), including a valid VAT receipt where relevant. These should be submitted to the budget holder for the purpose of checking payments made and passed to admin staff no later than the following working day.

Academy Office Managers/Admin Officers will raise supporting documentation for all multi-card purchases which must be loaded on the X drive within 3 days of the transaction taking place to enable regular reconciliation with bank statements to take place. The Central Finance Team will create a debit card transaction in the PSF system. Where a transaction is raised through a purchase order a purchase debit card transaction is raised. In the case of a direct online purchase a miscellaneous debit card transaction is raised.

Monthly statements will be downloaded by the Central Finance Team and reconciled against the purchase orders/GRN or in the case of web purchases where accounts are not set up on the ledger budget holder approval is identified from the Debit Card Transaction documentation.

Where there is no evidence of documentation on the X Drive to reconcile against a transaction within a statement, this will be investigated by the Trust Finance Team and the academy will be contacted. Where there is a discrepancy between documentation and amount the Central Finance Team will investigate with the academy/supplier and evidence actions taken to reconcile.

6.5) Forms of Tenders

Where purchasing from recognised buying groups, e.g. Churchmarketplace.com where national tenders have already been run, the following procedures need not apply although value for money should still be sought/demonstrated. Advice should be sought from the Trust Operations Director.

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. The Trust Operations director must discuss and agree with the Trust Finance Manager 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 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.

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.

6.6) Preparation for Tender

Full consideration should be given to:

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

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

6.7) Invitation to Tender

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.

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 and
- form of response.

6.8) Aspects to Consider

Financial

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

Technical/Suitability

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

Other Considerations

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

6.9) Tender Acceptance Procedures

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

6.10) Tender Opening Procedures

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

- For contracts up to £50,000 - the Trust Finance Manager or the Trust Operations Director;
- For contracts over £50,000 - either the Trust Operations Director or Trust Finance Manager plus a member of the Resources Committee.

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

opening. Tender documents will be scanned and attached to the purchase order in the PSF system in order to comply with audit requirements.

6.11) Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

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. Further details can be found in the gifts and hospitality policy.

Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Resources Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance Committee. It is normal practice within the academy that contracts that will have a significant material impact on the academy regardless of whether they are over the appropriate thresholds are discussed at Finance Committee and approval is gained before work is undertaken.

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.

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

6.12) Contracts

Contracts may only be signed by a Director of the Company or the Trust Operations Director. Due regard must be paid to the provisions of paragraphs 4.1.2.12, 4.1.2.13, 4.1.2.14 and 4.2.2 of the Scheme of Delegation. Advice can be sought from the Trust Operations Director in these circumstances.

7) Income

The main sources of income for the Trust are the grants from the EFSA. The receipt of these sums is monitored directly by the Trust Finance Manager who is responsible for ensuring that all grants due to each academy are collected.

Academies also obtains income from:

- students, mainly for trips, music tuition and school meals
- the public, mainly for sports lettings and use of accommodation

Organisations should be encouraged, wherever possible, to make payments to the academy by BACs.

With the exception of St Margaret Clitherow (who use SchoolComms), Pax Christi Academies use the Squid system for the collection of trip and school meals income. The academy

administrator will open the trip in Squid to enable parents/carers to make payments against it. They will then download daily sales data and upload it onto the X drive. The Central Finance Team will process the transactions onto PSF as a sales receipt on the sales/student/trip ledger as appropriate. Reconciliation with the bank account will take place on a monthly basis.

7.1) School Meals

At St Margaret Clitherow academy payments for school dinners are made weekly by parents and are recorded individually by administrative staff. A record of the lunches paid for is kept electronically in the SIMS.net database. All monies are checked by the School Office Manager who initials the record. Collections are made by G4S.

7.2) Trips

A lead teacher must be appointed for each trip to take responsibility for the collection of monies due. In conjunction with academy administrative staff the lead teacher must prepare a record for each student intending to go on the trip showing the amount due. The lead teacher will delegate responsibility for managing these records to the academy administrative staff who will keep them regularly informed of payments made.

7.3) Music Tuition

Academies may opt to provide Instrumental Music Tuition to Students/Pupils. All parental payments to be made in advance to a timeline determined by the Trust Finance Manager in order that bookings can be made without risk to academy finances. Records of payments and lessons taken will be kept by academy administrative staff.

7.4) Lettings

Academies may opt to allow outside organisations to use their premises during periods of school closure. The Trust has adopted a trust-wide application form and set of terms and conditions which must be used for each agreement. Approval for each letting must be given by the Principal/Head Teacher.

Academy administrative staff are responsible for maintaining records of bookings of sports facilities and other accommodation and for identifying the sums due from each organisation. Details are entered onto the sales invoice log on the X drive to enable the Central Finance Team to raise the invoice against the relevant ledger.

7.5) Charging and Remissions

Each LGB shall adopt a Charging and Remissions Policy and review it annually. A copy of the policy should be provided to the Trust Operations Director/Trust Finance Manager.

7.6) Sales Invoices

Academy staff will identify where a sales invoice is to be raised, e.g. lettings and inform the Central Finance Team via the sales invoice log on the X drive. The Central Finance Team will create a sales ledger account and produce and despatch a sales invoices from the PSF system. Details of payments made and outstanding accounts will be forwarded to academy finance staff on a regular basis who will chase outstanding debts and ensure no use is made of the facilities unless payment has been made.

No debts should be written off without the express approval of the local Governing Body (the EFSA's prior approval is also required if debts to be written off are above the value set out in the Academies Financial Handbook). In this instance, the Trust Operations Director should be notified.

Sales debtors should be instructed to make all payments by BACs.

7.7) Custody

All income should be counted and verified by 2 persons at the receiving academy. Supporting documentation should be scanned and saved to the X drive and the Record of Receipts spreadsheet signed by both parties. The payment of cash should be discouraged at all times however it is acknowledged that small amounts of cash can be accepted on occasion. Cash and cheques should be stored securely in the safe until banking takes place. Banking should take place every week or more frequently if the sums collected exceed the insurance limit on the safe. Monies collected must be banked in their entirety in the Pax Christi bank account. The paying in slip should be scanned and uploaded to the X drive to enable the Central Finance Team to check the bank statement against expected income. The Central Finance Team is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. When an individual is asked to take cash to the bank for paying in, due regard to the lone working policy must be taken in order to ensure the safety of the individual and the security of the cash.

8) Cash Management

8.1) Bank Accounts

The opening of all accounts must be authorised by the Resources who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Funds earmarked for each establishment are separated using the PSF system as each establishment has its individual ledger.

The Pax Christi Catholic Academy Trust operates one current account. Individual academy budgets and balances are preserved using the ledger system in the PSF accounting software.

8.2) Current Account

Sort Code: 30 96 18

Account Number: 46384168

Mandate: The Trust Operations Director and each Principal/Head Teacher are named as parties on the mandate.

Signatories: The Trust Operations Director and each Principal/Head teacher are signatories to the account.

Changes:	Any changes made to the account require the signature of two of the parties named on the mandate.
Online Banking:	The Trust Finance Manager and the Trust Finance Officer have access to the online banking system for the purposes of cash management, downloading statements for reconciliation etc.
BACS	The Trust Operations Director and each Principal/Head Teacher have approval rights on the Lloydslink system. They are issued with a card which uses a password protected electronic signature. Under no circumstances should this be disclosed to a third party. The Trust Finance Manager has administrator permissions which enables the changing of permissions and the ordering of cards etc. The Finance Officer is set up as a user which gives access to the system in order to process payments.
BACStel:	This is used for the payment of salary funds to the payroll provider. The signatories to the account are authorised to make the BACStel arrangements.

The Trust Finance Manager is a non-signatory contact to the account and is authorised to deal with the bank on matters relating to the account.

8.3) Direct Debits

These can be set up by the Finance Manager and or Finance Officer and approved by two signatories for regular transactions, e.g. utility accounts. Monthly reconciliation with the PSF system takes place.

8.4) Investment Accounts

Investments will be made on behalf of the Pax Christi Catholic Academy Trust by the Trust Finance Manager in line with the Investment Policy.

8.5) Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit and
- a reference, such as the number of the receipt or the name of the debtor.

8.6) Payments and withdrawals

All cheques and other instruments authorising withdrawal from the Trust bank accounts must be signed by two signatories to the account. Cheque requests are made via the form available on the X drive.

Cheque requests made to cash can only be used in the event of an academy needing a cash float for a fundraising event, e.g. Summer Fair. Funds for this should be drawn from the

Governors Fund and paid back into this fund after the event. The Central Finance Team will raise the cheque and obtain appropriate authorisation and despatch it to the academy to take to the bank.

8.7) Administration

The Trust Finance Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- a person other than the Finance Manager carries out the reconciliation
- all bank accounts are reconciled to the academy's cash book;
- reconciliations are subject to a review carried out by the Finance Manager or in the event of his/her absence, a member of staff who has not completed the reconciliation
- adjustments arising are dealt with promptly.

8.8) Petty Cash Accounts

The Pax Christi Catholic Academy Trust does not generally authorise the use of petty cash accounts. The exception is the Science Department at Christ the King Catholic Voluntary Academy who routinely buy small items of fresh produce for dissection which cannot be sourced by using any other payment means. The cash balance of this account is £50 and it is administered by the Science Technician. It is reconciled monthly with supporting evidence being presented to the Finance Assistant at that academy. In all other circumstances, monies for small items of expense are paid through the staff ledger in the PSF system.

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. The Trust does not permit the cashing of personal cheques in any circumstances.

Payments and Withdrawals

In the interests of security, petty cash payments will be limited to £20. Higher value payments should be made by cheque directly from the main bank account as a cash book payment or as a BACS payment into the account nominated for payroll purposes of the member of staff making the claim.

Administration

- The Science Technician is responsible for the day to day management and record keeping on the account. Authorisation for purchases made should be obtained from the Budget holder.
- The Science Technician is responsible for storing the cash balance in a locked tin kept in a secure location.
- The Trust Finance Assistant is responsible for transaction processing in the PSF system.
- The Trust Finance Manager is responsible for ensuring periodic spot checks on the records and cash held to ensure security and accuracy of records. This may be delegated to the Trust Finance Officer.

8.9) Cash Flow Forecasts

The Trust Finance Manager is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from investments accounts to cover potential cash shortages. Where cash flow forecasts predict a lack of available funds to service commitments, this should be notified to the Trust Operations Director immediately and reported to the next meeting of the Resources Committee.

8.10) Investments

Investments must be made only in accordance with written procedures approved by the Resources Committee.

All investments must be 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 and a date of expiry/renewal of term of investment. The Trust Finance Manager will ensure that all investment income is received and credited to the relevant accounts.

9) Fixed assets

9.1) Asset register

The Trust Finance Manager must ensure that all items purchased with a value over the academy's capitalisation limit are entered into the PSF Fixed Asset ledger by the end of the first month following acquisition. The capitalisation limit has been set at £1,000.

The entry should include the following information:

- asset description including, wherever possible, make, model and serial number
- date of acquisition
- purchase cost (excluding VAT)

9.2) The Asset Register helps:

- determine expected useful economic life
- depreciation
- 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 and the academy's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

9.3) Security of assets

All items of value which are either portable or desirable should be entered on to an inventory held at the academy by the Office Manager/Finance Assistant.

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

High value items, e.g. mobile phones, tablet devices, laptops etc. will be marked with Smartwater. Responsibility for this falls with the IT Team at Christ the King and the Office Manager at primary academies.

All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register, e.g. a member of the local governing body. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the local governing body. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

The inventory helps:

- Identify the member of staff responsible for the asset
- 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
- support insurance claims in the event of fire, theft, vandalism or other disasters

9.4) Disposals

The PCCAT must seek the approval from the EFSA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid. The Scheme of Delegation requires that the Board of Directors authorise any disposal of any asset which are in excess of 10% of the Net Book Value of all assets belonging to an academy. If an academy is considering either of these propositions they should contact the Trust Operations Director for advice. Other items which are to be disposed of by sale or destruction must be authorised for disposal by the LGB and, where significant, should be sold following competitive tender. A record should be included in the LGB minutes.

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 licences for software programmes have been legally transferred to a new owner, or that the hard drive has been cleaned prior to the computer work being handed over.

The PCCAT is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other assets. If the sale proceeds are not reinvested then the academy must repay to the EFSA a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State and Diocesan Trustees and therefore academies are required to notify the Trust Operations Director of their intention in this case.

9.5) Loan of Assets

Items of academy property must not be removed from academy premises without the authority of the Principal/Head Teacher. A record of the loan must be recorded in a loan book and booked back in at the academy when it is returned. This does not apply to laptops, or mobile phones which are used in the academy and taken home on a daily basis.

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 any potential benefits discussed with the academy's auditors.

It is the responsibility of the Office Manager/CTK Finance Assistant to keep the loan log and bring to the attention of the Principal/Head Teacher any issues that need their consideration.

10) VAT Procedures

The PCCAT is not VAT registered and therefore no VAT can be added to sales invoices for any purpose. The Trust and each academy has a separate VAT ledger against which claims are processed.

The PSF System is set up as to allow monthly VAT claims to be made. The frequency of claims shall be determined by the Trust Finance Manager who will monitor workload against cash flow. Claims for repayment of VAT will be made to HMRC no less frequently than every three months.

A report from the PSF system will be run for each academy with an amount of 0.5% of the claim being deducted to allow for contribution towards VAT on business activity at each academy. The Finance Manager will keep this proportion under review and advise the Trust Operations Director and Head Teacher/Principal where any adjustment is needed.

A report will be run from the PSF System and will be checked against the VAT ledger. Discrepancies will be investigated and when the claim balances it will be signed by the member of staff concerned.

The VAT 126 form will then be completed and attached to the printed and signed PSF report. It will then be submitted for review and signature to Trust Operations Director.

Once the incoming funds have been received from HMRC the Trust Finance Manager will ensure that the appropriate journals are carried out to balance the control accounts.