



The Elliot Foundation Academies Trust Finance Manual

01-09-2016

Table of contents

1. Introduction.....	4
2. Organisation	4
The Local Governing Body.....	4
The Local Governing Body Finance Committee	5
The Principal.....	5
School Business Manager	5
The Assurance Officer.....	6
Other Staff.....	7
Register of Business Interests	7
3. Accounting system	8
System access	8
Back-up of the Finance System.....	8
Transaction Processing.....	8
Journal Entries/Adjustments	8
Reconciliations.....	9
Financial Reporting.....	9
4. Financial planning.....	10
Development Plan	10
Annual Budget.....	11
Cash Flow Forecasts	12
Monitoring and Review.....	13
5. Payroll.....	15
Staff appointments	15
Staff Overtime.....	15
Payroll Administration	15
Payroll Reconciliation.....	16
Payments.....	16
Expenses Policy	17
Gifts.....	20
Benefits.....	20
6. Purchasing.....	21
Purchase Ordering on PS Financials.....	21
Routine Purchasing of up to £3,000 (exc. VAT).....	22
Orders over £3,000 and up to £25,000 (exc. VAT).....	23
Orders over £25,000 (ex VAT)	23
Payment Runs.....	24
7. Income	25
Lettings.....	25
Debt Collection Policy.....	29
Write Off Policy.....	31
8. Cash management.....	33
Cash Handling.....	33
Deposits.....	33

Administration	34
Academy Credit Cards	34
Petty Cash Accounts	35
Investments	36
Borrowing	36
Register of Deposits	37
9. Transfer to schools.....	37
10. Stock management.....	38
11. Risk.....	38
Responsibility	38
Procedure.....	39
12. Gifts & hospitality.....	40
Consideration of the Bribery Act 2010	44
13. Fixed assets.....	45
Asset register	45
Depreciation.....	46
14. Reserves.....	47
Appendix A Audit Committee terms of reference	49
Composition, attendees, quorum & reporting	49
Appendix B Finance Committee terms of reference.....	52
Composition, attendees, quorum & reporting	52
Responsibilities of the Finance Committee	52
Appendix C Forms.....	53
Payroll Reconciliation Template.....	53
Fixed Asset Register	53
Prepayment Schedule	53
Expense Claim Form.....	53
Purchase requisition form	53
Appendix D Additional Information	54
Commitments in PSF- and how to clear them	54
How to cancel an order with GRN status.....	61
Bank Statement Import from Lloyds Link to PS Financials	66
Reconciling Bank Statement on PS Financials	73
VAT SUMMARY	77

1. Introduction

- a. The purpose of this manual is to ensure that the Elliot Foundation Academies Trust (TEFAT) Board recognise their responsibility to maintain and develop systems of financial control which conforms 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 with the Department for Education (DFE)/ Education Funding Agency (EFA).
- b. This manual applies to all academies within TEFAT. It provides detailed information on individual academy's accounting procedures and system manual, and should be read by all personnel involved with the financial systems.
- c. The TEFAT Board is responsible for ensuring that adequate internal controls are in place. Some of these controls are undertaken by the Trust Board itself. In practice, these are applied through the Executive and Senior Management team, sub-committees to TEFAT Board, Academy Principals and Academy Local Governing Bodies to ensure that the risks of error or fraudulent activity are minimised.
 - To ensure this the Trust Board will consider:
 - Staff expertise
 - Segregation of duties
 - Documentation
 - Register of business interests
 - Financial Accounting systems and records.

2. Organisation

The Local Governing Body

- a) The Local Governing Body under the guidance of TEFAT Board will provide a framework of accountability for governors/ trustees and staff within their academy. The financial reporting structure is illustrated below:
- b) The Local Governing Body has delegated responsibility from TEFAT Board for the administration of the academy's finances. The main responsibilities include:
 - Ensuring that funds are received according to TEFAT the Funding Agreement, and are used only for the purposes intended;
 - Approval of the annual budget;
 - Appointment of the Principal; and
 - Appointment of the School Business Manager, in conjunction with the Principal.

The Local Governing Body Finance Committee

- c) The Local Governing Body Finance Committee is a committee of the governing body. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary.
- d) The main responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the governing body. The main financial responsibilities include:
- The initial review and authorisation of the annual budget;
 - The regular monitoring of actual expenditure and income against budget;
 - Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and DFE/EFA guidance issued to academies; i.e. in Statement of Recommended Practice (SORP) for Charities.
 - Authorising orders and the award of contracts over £25,000;
 - Authorising changes to the academy personnel establishment and
 - Reviewing the reports of the Assurance Officer or arrangements established to cover the Assurance Officer role, on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

The Principal

- e) Within the framework of the academy development plan as approved by TEFAT the Principal has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the School Business Manager but the Principal still retains responsibility for:
- 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 orders and contracts between £3000 and £10,000 in conjunction with the School Business Manager; and
 - Signing cheques and BACs payments in conjunction with the School Business Manager or other authorised signatories.

School Business Manager

- f) The School Business Manager works in close collaboration with the Principal through whom he or she is responsible to the Local Governing Body. The School Business Manager also has direct access to the Local Governing Body via the Finance Committee.

The main responsibilities of the School Business Manager are:

- The day to day management of financial issues including the establishment and operation of the accounting system;
 - The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body and principal;
 - The maintenance of effective systems of internal control
 - Ensuring monthly management accounts are prepared to agreed deadlines
 - Routine purchasing of under £3,000. (Purchase ordering procedure is set out in Section 6 of this manual).
 - Signing cheques and BACs payments in conjunction with the Principal or other authorised signatories and
 - Ensuring that forms and returns are sent to TEFAT and the DFE/ EFA within prescribed timetable.
- g) As TEFAT academies are exclusively primary phase, the School Business Manager will be unlikely to be a finance professional and finance duties, although a priority, will only be part of a wider set of responsibilities. The School Business Manager will, however, be supported by accountants engaged to undertake many of the technical and strategic finance duties for the academy. While the duties will be undertaken by the external accountants, the School Business Manager will still be expected to act as the client for these services.

The Assurance Officer

- h) The Assurance Officer (RO) is appointed by TEFAT Board's Finance and Audit Committee and provides TEFAT and the Governing body with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:
- The financial responsibilities of the governing body are being properly discharged;
 - Resources are being managed in an efficient, economical and effective manner;
 - Sound systems of internal financial control are being maintained and
 - Financial considerations are fully taken into account in reaching decisions.
- i) The Assurance Officer will undertake a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board. A report of the findings

from each visit will be presented to TEFAT Board, Finance Committee and to the Full Local Governing Body meeting.

- j) Where appropriate TEFAT and/or the Local Governing Body may establish arrangements through an external organisation to provide the independent oversight that would be maintained by the RO.

Other Staff

- k) Other members of staff, primarily the Finance/ Administrative Assistant, and budget holders, will have some financial responsibilities and these are detailed in further 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.

Register of Business Interests

- l) 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 members of the academy Local Governing Body and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.
- m) The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member of the Local Governing Body or a member of staff by that person.
- n) The existence of a register of business interests does not, of course, detract from the duties of members of the Local Governing Body 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, members of the Local Governing Body and staff should not attend that part of any committee or other meeting.

3. Accounting system

- a. All the financial transactions of the academy must be recorded on the PS Financial system.

System access

- b. Entry to PS Financials system is password restricted. Passwords are changed automatically by the system every two months. Passwords should only be used by the individual concerned and under no circumstances passed on for use by other persons.
- c. Access to the component parts of the system can also be restricted and Head Office Management Accountant will set access levels for all members of staff using the system.

Back-up of the Finance System

- d. All financial information on PS Financials is backed up remotely and stored off site so in the event of a disaster the information will be secure.

Transaction Processing

- e. All transactions input to the accounting system must be authorised in accordance with the Scheme of delegation. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in later sections of this manual. Bank transactions input should be checked and reconciled by the School Business Manager whilst carrying out the monthly bank reconciliation and a copy kept for audit purposes.

Journal Entries/Adjustments

- f. Journals should be completed on a journal template, authorised and filed in journal number order. If there is no authoriser available locally to authorise the journal it should be forwarded to Central Office Finance (email: finance@elliottfoundation.co.uk) for authorisation by the Financial Accountant or Finance Director who will return the signed document in PDF format. A copy of the e-mail should be kept on the journal file.
- g. The below procedure should be followed:
 - The journal is prepared & posted on PS Financials, printed off & signed by the authoriser
 - The preparer should ensure that each journal input has a description on PS Financials that explains the reason for raising the journal
 - If an amendment to the posted journal is required, a new journal to correct this change should be posted on PS Financials and signed off by the authoriser
 - Once the journal is posted & authorised, store the relevant supporting document for a minimum of 6 years before disposal
 - **Head Office Finance** department will print off all journals posted on PS Financials for each Academy and checked on a monthly



basis for inconsistencies, duplication and any other errors. Once satisfied the finance department will sign them off

- h. Detailed information on the operation of PS Financial system can be found in the user manuals held in the School Business Manager's Office. Support will also be available and instructions regarding this will be issued by Central Office.

Reconciliations

- i. The School Business Manager is responsible for ensuring the following are reconciled each month:-
- Sales ledger control account with the aged debtors
 - Purchase ledger control account with the aged creditors
 - Banking control account (including petty cash). The bank reconciliations to be completed on PSF by uploading the bank statements and completing the reconciliation on the system. A copy of the reconciliation to be printed and kept on file. (See Appendix E)
 - Payroll gross pay to provider with amounts posted to the ledger
- j. Any unusual or long outstanding reconciling items must be brought to the attention of the School Business Manager. The School Business Manager will review and sign all reconciliations as evidence of review.

Financial Reporting

- k. The School Business Manager will obtain and review system reports to ensure that all transactions are posted correctly to the accounting system. The review will start with the trial balance report from PS Financials and encompass:
- Review of actual expenditure against budget. This will involve looking at details of the transactions so that errors and omissions can be corrected at the time.
 - Management accounts are to be prepared monthly in line with the reporting deadlines as detailed in section 4.20 of this document.

4. Financial planning

- a. The academy prepares both medium term and short-term financial plans.
- b. The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- c. 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.
- d. The development planning process and the budgetary process are described in more detail below.

Development Plan

- e. The development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the academy's 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.
- f. The form and content of the development plan are matters for the academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DFE and/or the EFA.
- g. Each year the Principal 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 when to make the plan work and keep it on course"
 - Feedback into the next planning cycle – "what worked successfully and how can we improve?"

- h. 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.
- i. The completed development plan will include detailed objectives for the coming academic year and outline 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.
- j. For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to an academy manager. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- k. The Principal with the support of the School Business Manager is responsible for preparing and submitting the annual budget. The budget must be approved by the Local Governing Body Finance Committee and final ratification by TEFAT Board.
- l. The approved budget must be submitted to the DFE/ EFA by 30 June each year and the School Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- m. The annual budget will reflect the best estimate of the resources available to the academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
- n. The budgetary planning process will incorporate the following elements:
 - Forecasts of the likely number of pupils to estimate the amount of DFE/ EFA grant receivable;
 - Review of other income sources available to the academy to assess likely level of receipts;
 - Review of past performance against budgets to promote an understanding of the 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.
- o. Yearly Budget Preparation guidance will be sent out to ALL Schools to promote consistency across Schools by March each year.
 - p. Budget Preparation training will be given by Central Finance team for all new Schools joining TEFAT and those Schools requiring additional support
 - q. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be used to build up designated funds to be available to meet the cost of unforeseen events. The build-up of substantial undesignated funds as a contingency should be avoided.
 - r. Once the different options and scenarios have been considered, a draft budget should be prepared by the School Business Manager for review by the Principal, the Finance Committee and the governing body. Later, a final budget should be approved by TEFAT Board and afterwards the budget template is finalised and loaded on to PSF. The final budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. The budget is set for the year and only varied in exceptional circumstances on the instructions of the Finance Director. Forecasts are to be prepared at prescribed intervals to reflect up to date information and for short term future planning.
 - s. Monthly Forecast Outturn is to be done to assist in projecting the remaining balance at the end of the current financial year for the Academy. This will also reflect an up to date position as unforeseen circumstances that may not have been taken into account whilst preparing the yearly budget will be considered. Support from Head Office will be given.

Cash Flow Forecasts

- t. The School Business Manager/Head Office Management accountant is responsible for preparing a minimum of 12months rolling cash flow forecasts and reviewing it on a monthly basis to ensure that the Academy/Head Office has sufficient funds available to pay for day to day operations.

Monitoring and Review

- u. Monthly management accounts will be prepared by the School Business Manager. These will detail actual income and expenditure against budget/forecast both for budget holders and at a summary level for the Principal and the Local Governing Body Finance Committee.
- v. Any potential overspend against the budget must in the first instance be discussed between the Principal and the School Business Manager.
- w. 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.

The below procedure should be followed:

Academies

I. Management Accounts

Run a management accounts report with explanations of any variances over £5k against the budget.

II. Reconciliations

Payroll Reconciliation - Reconcile payroll provider (EPM from 1st April 2015) reports to PS Financial postings. Signed listings of starters/leavers/amendment and signed payroll provider reports should be emailed to finance. (See Appendix D – For the Payroll reconciliation Template).

Income Reconciliation – Ensure transfer journal is posted and agrees to EFA payment schedule. Review all income postings to ensure nominal coding's are correct and sufficient supporting documents (remittances) are available for all income posted. **Please avoid using 'xxx1090 other income' as a dumping ground.**

Bank Account Reconciliation – Reconcile bank account monthly and forward signed completed reconciliation to finance. (See Appendix E)

Balance Sheet Control Accounts Reconciliation – Review balance sheet control accounts and clear to zero balances. Email a print out of TB showing balances with explanation of any un-cleared balances to finance.

III. Commitments

Review commitments monthly (See Appendix E - guidance on cancelling commitments)

IV. Fixed Asset register

Complete fixed asset register monthly with copies of all capital invoices attached & emailed to finance. Please note capitalisation limit is £5000. (See Appendix E - Fixed Asset register template).

V. Prepayment

Complete prepayment scheduled monthly & attach copy invoices of items over £500.
(See Appendix E - Prepayment template).

NOTE: All the above reports should be emailed monthly to finance@elliottfoundation.co.uk

Head Office

- VI. Review management accounts submitted by SBM's and forward the management accounts report with feedback to SBM's & Principals within two weeks.
- VII. Review academy reconciliations submitted and respond with feedback within two weeks
- VIII. Review fixed asset register, commitments and prepayment scheduled submitted and respond with feedback within two weeks
- IX. Review all Journals within the period & sign off

5. Payroll

Staff appointments

- a. The governing body has approved a personnel establishment for the academy. Changes can only be made to this establishment with the express approval in the first instance of the Personnel Committee who must ensure that adequate budgetary provision exists for any establishment changes.
- b. The Principal has authority to appoint staff within the authorised establishment except for Deputy Principal and the School Business Manager whose appointments must follow TEFAT personnel policy and practice and include consultation with members of the Local Governing Body. The Principal maintains personnel files for all members of staff which include contracts of employment in accordance with TEFAT personnel policy and practice.

Staff Overtime

- c. Payment of staff overtime is subject to prior approval and authorization of overtime claim by manager.
- d. Proper segregation of duties within the payroll process should be upheld when authorising and processing staff overtime. One member of staff should not have too great a responsibility over the payroll function.

Payroll Administration

- e. The monthly academy payroll is administered by EPM. Payroll data must be uploaded onto the PS Financial system monthly either by journal or template. All payroll information must be kept in a secure area with limited access and computer files listing detailed payroll information must be password protected.
- f. New staff can only be added to the payroll with the express approval of the Principal and notified to the School Business Manager. New staff must complete all relevant payroll documents issued by EPM. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.
- g. Salary amendments can only be made with the express approval of the Principal and notified to the School Business Manager.
- h. Staff can only be terminated from the payroll with the express approval of the Principal and notified to the School Business Manager.
- i. Payment for sickness or maternity must be authorised by the Principal in line with the employment contract for the individual.
- j. Where leave of absence is discretionary, payment can only be made with the express approval of the Principal.

- k. Staff who are paid on submission of a time-sheet must complete and return their time-sheet to their Line Manager by week ending nearest to 28th of each month. Failure to do this may result in non-payment of salary by the Academy. In these circumstances, the salary payment may not be paid until the next payroll run in the following month. The supervisor must then check and sign the time-sheet and return it to the Finance/ Admin Office. Time-sheets are then authorised by the Principal and/or the School Business Manager.
- l. The School Business Manager is authorised by the Principal to make all mandatory changes to the payroll without further authority e.g. Tax, NI and pension contribution rates, tax code changes, attachment of earnings etc.

Payroll Reconciliation

- m. The below procedure and authorisation should be followed on a monthly basis:
 - I. Use the payroll reconciliation template to record the total gross pay from the provider statement on a monthly basis
 - II. Export the actual staffing amounts posted on PS Financials onto the payroll reconciliation template on a monthly basis (exclude any agency payments)
 - III. Compare amounts *a* & *b* above which should match. If NOT, the Schools Business Manager should investigate the differences and resolve before the close of the period
 - IV. The completed payroll reconciliation should then be passed to the Head teacher/Director of Finance for authorisation
 - V. The authorised reconciliation should be saved on a monthly basis. Another copy should be emailed to the Head Office Finance team who will check for inconsistencies, duplication and any other errors. Once satisfied the finance department will give feedback to the academies as part of the month end process.

Payments

- n. After the payroll has been processed but before payments are made, a print of salary payments for each individual should be obtained from the system. The print must be reviewed and signed by the School Business Manager and then passed to the Principal/Vice Principal for final approval before payments are made.
- o. All Salary payments are made by BACS unless cheque payment has been authorised by the Principal.

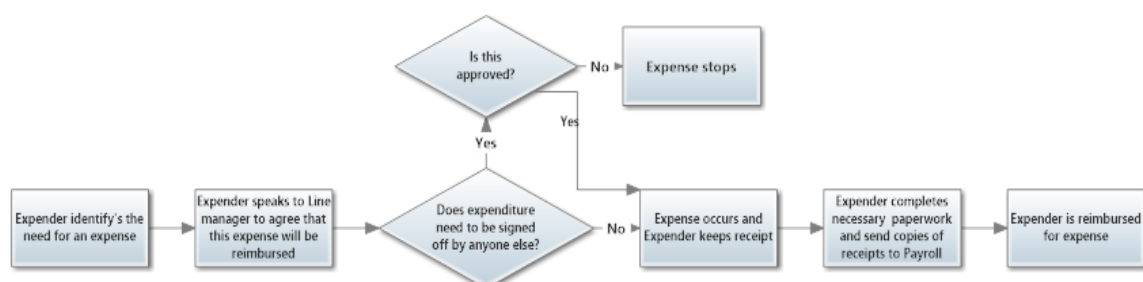
- p. Payslips are issued to paid employees the day before salary payment is made into bank/building society accounts.
- q. The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions.
- r. After the payroll has been processed the School Business Manager will update the nominal ledger with the payroll costs for the month.
- s. The School Business Manager should ensure that the tax/NIC and superannuation payments are checked and paid to the relevant bodies in good time.
- t. On an annual basis the School Business Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the Audit file of the individual.

Expenses Policy

- u. The Elliot Foundation believes that no Elliot Foundation employee should suffer any financial loss as a result of legitimate reasonable expenditure incurred whilst engaged on the organisation's business. Employees must, however, attempt to keep all expenditure to a minimum and take advantage of special rates and discounts where possible.
- v. All claims for expenses must be made via the appropriate claim form and with the approval of the appropriate budget holder. (See Appendix D)

Procedure

- w. There will be a number of occasions as an Elliot Foundation employee when legitimate expenditure will be incurred whilst on the organisation's business. All employees need to speak to their line managers in the first instance to understand whether they will be reimbursed for their expenses.
- x. Below is a flow chart detailing the steps that need to be taken when claiming an expense:



- y. It is important that all expenses which are submitted have a VAT receipt. Failure to produce this could lead to your expense(s) not being reimbursed.
- z. Principals in academies should seek approval of expense claims from the Chair of the LGB.

Types of claims

Accommodation

- aa. There may be occasions where you need to stay overnight for a conference or meeting the following day. If this happens, you will need to make sure that you meet the following criteria:
 - You are at least 80 miles away from your home
 - Your meeting is before 10am
 - You have considered all alternatives such as moving your meeting
 - It is the most effective and/or cost efficient method
 - You have your line managers/budget holder's approval
- bb. The maximum spend for a Hotel is normally £120 per night rate (£150 in London). This does not include costs for breakfast or dinner associated with the stay. Any expenses above this will need to be approved by the respective director or Principal.
- cc. Hotels should be booked using methods that obtain the best rate and best value for money in the area required. This will often involve online bookings. We encourage everyone to book accommodation as early as possible which may limit the amount of money that is needed for this.

Travel

- dd. There will be times where employees need to travel to different sites and locations. It's important that all options are considered as well as exploring the most cost effective way for any travel that is needed. Below is a list of the potential methods of transport that may be used:
 - *Rail Travel:* all employees should travel at a cost equivalent to Standard Class accommodation. Employees must use any discount that they are entitled to.
 - *Other Public Transport:* the cost of local journeys by other means of public transport such as a bus, ferry or underground will be met at the standard rate. Claims for travel by Transport for London paid by Oyster card must be accompanied by a copy of the Oyster card statement.

- *Taxis (including mini cabs and any driven journey):* taxis can be used at the discretion of the budget holder. Appropriate circumstances would be where travel by public transport would prove unsafe, is too time-consuming, does not exist or is not cost effective. All claims for expenses by taxi must be supported by receipts.
 - *Private Vehicles:* Employees will be entitled to use their own private vehicles for business travel, providing this is the most cost effective and convenient mode of transport. Employees will be reimbursed at the rate of 45 pence per mile. Employees will, however, need to ensure that they have adequate insurance to cover any business journeys.
 - *Car Hire:* where it is deemed most cost effective, and in particular where more than one employee is making the same journey, a car may be hired.
 - *Air Travel:* domestic air travel may be authorised in circumstances where the lengths of the journey by alternative means would prove unreasonable, or where it is more price competitive. All employees must fly Economy Class.
 - *Travel Abroad:* any overseas travel must be agreed by the CEO or Principal well in advance of the date of travel. Itineraries and appropriate levels of expenditure should be agreed prior to the date of departure. Expenditure claims, which exceed the agreed amount, will not be paid without good reason.
- ee. Where possible, advance tickets should be ordered to ensure that the best price is obtained.

Meals

- ff. The Elliot foundation will reimburse employees for the reasonable cost of meals purchased whilst on The Elliot Foundation's business, providing the following criteria are met:
- *Breakfast* - employees may make a claim for the purchase of breakfast only where an overnight stay is involved. Employees are able to claim a maximum of £10 for breakfast.
 - *Lunch/Dinner* - employees may make a claim for the purchase of dinner when required to work late and authorised by their line manager. A maximum of £20 will be allowed to be claimed.
 - *Alcohol* will not be claimable.
- gg. All claims must be supported by relevant receipts. Any exceptions to the above must be approved by the Principal, Director of Finance or CEO.

Gifts

- *Gifts for volunteers:* gifts can be bought for volunteers providing services for the Elliot Foundation, the value of the gifts must be reasonable and approved by the Principal, Director of Finance or CEO.
- *Gifts for staff:* gifts for staff should only be purchased in exceptional circumstances e.g. long term ill health. The value of the gift must be reasonable and approved by the Principal, Director of Finance or CEO.

Benefits

Pension

hh. All employees are auto enrolled into the Local Government Pension Scheme or Teachers Pension Scheme as appropriate. They have the choice to opt out. The rate of employee contribution will depend on the scheme rules which may vary from time to time.

Employee Assistance Program

- ii. To help support our employees TEFAT has introduced a free and confidential Employee Assistance Programme (EAP). This is a service that is provided for all Elliot Foundation Academies Trust staff. The EAP is delivered by Workplace Options, an independent, provider of employee support services. Their staff are specialists in fields such as well-being, family matters, relationship issues, debt management, consumer rights, and much more.
- jj. EAP is paid for as a support service for you as an employee, so that it's free of charge for you to use. It's available 24 hours a day, 7 days a week, 365 days a year and is accessible by phone, email and online. The EAP can provide:
- Practical information
 - Fact sheets and packs
 - Resource information on support services in your local area and
 - Short-term face to face or telephonic counselling to help get you back on track.
- kk. Their comprehensive EAP website offers extensive resources including articles, interactive tools and regular online seminars. The EAP contact information is:
FREEPHONE: 0800 243 458 | E-MAIL: assistance@workplaceoptions.com |
WEBSITE: www.workplaceoptions.com

6. Purchasing

- a. The academy must achieve the best value for money from all purchases. This means the academy must get what is needed in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:
- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
 - Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs and as well as the specific requirements relating to disclosure of financial information relating to the academy Principals and academy staff need to be mindful that, with few exceptions TEFAT, will be required to provide information in response to requests made under the Freedom of Information Act 2000;
 - Fairness, that all those dealt with by the academy are dealt with on a fair and equitable basis.

Purchase Ordering on PS Financials

- b. Goods ordered should be processed using PSF purchase ordering via the Portal unless in exceptional circumstances authorised by the principal.

The process is as follows:

- Purchase order to be entered on the system by the Business Manager or other finance person with access to the PO system. This is after receipt of the Authorised Purchase Requisition Form (See Appendix D)
- Order to be checked for accuracy and approved by the Principal/Deputy Principal or the Business Manager in line with their approval authority
- When the goods are received they are checked for any discrepancies or shortfalls and the goods received note is signed. The details received are entered on to the system and matched with the order. Any discrepancies noted at this stage should be communicated promptly to the supplier.
- When the purchase invoice is received the totals should be checked against the order and once again any errors or discrepancies followed up with the supplier.

- The Business Manager should ensure that only live orders are on the system and to this end an ordering report should be run off the system at least monthly. Any cancelled orders should be removed from the system at this stage.

Routine Purchasing of up to £3,000 (exc. VAT)

It is the responsibility of the budget holder, usually the Principal and Deputy Principal, to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied each month and budget holders must keep their own records of orders placed but not paid for and this will also be available from PS Financials.

- c. A quote or price must always be obtained before any order is placed. The School Business Manager should ensure that best value is achieved.
- d. Information regarding orders will be sent to the Business Manager and these will only be processed if there is adequate budget provision for such purchase. The School Business Manager will authorise orders of £3000 or less once the budget provision has been confirmed. The Principal will authorise orders over £3000.
- e. The Finance and Admin office must make appropriate arrangements for the delivery of goods to the academy. On receipt the finance office must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN before distributing the goods.
- f. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality the finance office will record this on the Purchase Ordering system
- g. All invoices should be sent to the Finance/ Admin Office. The Invoice will be date stamped, coded and approved and then entered in the purchase ledger of PS Financial System. The School Business Manager/ Admin Assistant will, using the information already on PSF evidence the following:
 - Invoice arithmetically correct;
 - Goods/ services received;
 - Goods/services as ordered;
 - Prices correct;

- h. If a budget holder is pursuing a query with a supplier the Finance and Admin Office must be informed of the query and periodically kept up to date with progress.

At regular intervals the Finance/ Admin assistant will produce a payment list from the purchase ledger and this list together with supporting documentation i.e. invoices/credit notes, will be reviewed by the School Business Manager

- i. It is important that the correct payment terms are entered on to the supplier records on PSF during the setting up of new suppliers so that invoices are not paid long before they are due.
- j. When the payment list is agreed it is approved and signed by the Principal and afterwards BACs payments or cheques are generated. The BACs payments or cheques listing must be signed by two of the nominated bank signatories, one of which must be either the Principal or the School Business Manager and a copy kept on file
- k. Cheques will be dispatched to suppliers by the Finance Assistant. BACs payments will be notified to suppliers by email.
- l. Non-order purchases must have the prior approval of the School Business Manager. Non-order purchases must be kept to a minimum and should only take place when it will affect a smooth running of an activity.
- m. Any supplier statements received should be checked and agreed with the supplier account on PSF. Missing invoices or other discrepancies should be followed up with the supplier.

Orders over £3,000 and up to £25,000 (exc. VAT)

- n. At least three written quotations should be obtained for all orders over £3,000 and up to £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared by budget holders and attached to requisitions passed to the Finance/ Admin office. This is for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed/e-mailed confirmation of quotes has been received before a purchase decision is made.
- o. The Principal will authorise orders for goods between £3,000 and £10,000.
- p. Any orders between £10,000 and £25,000 the Principal and One TEFAT director need to authorise

Orders over £25,000 (ex VAT)

- q. All goods/services ordered with a value over £25,000 must be subject to formal tendering procedures. Purchases over £173,934 (threshold from 01/01/2012)

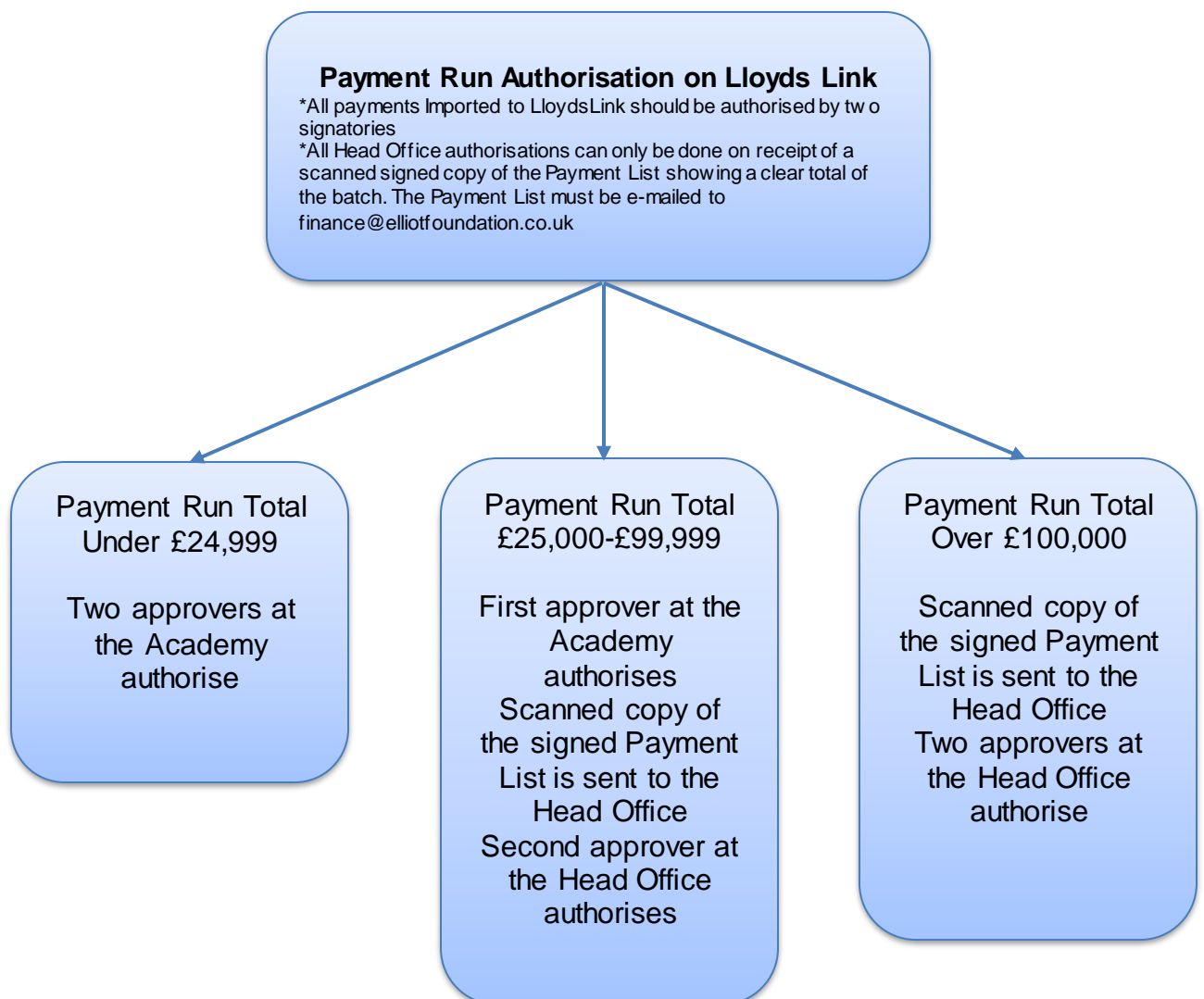
excluding VAT fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the TEFAT Procurement Guide. Ordering goods to a value which will or may exceed £25,000 must be discussed with School Business Manager prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

- r. For all detailed guidance on tendering and procurement please refer to TEFAT Procurement Guide which is included as an appendix to this manual.

Payment Runs

- s. All payments Imported to Lloyds Link should be authorised by two signatories
- t. All Head Office authorisations can only be done on receipt of a scanned signed copy of the Payment List showing a clear total of the batch. The Payment List must be e-mailed to finance@elliottfoundation.co.uk

See below chart with a summary of authorisation levels.



7. Income

- a. The main sources of income for the academy are the grants from the DFE/ EFA via TEFAT. The receipt of these sums is monitored directly by the School Business Manager who is responsible for ensuring that all grants due to the academy are collected.
- b. The academy also obtains income from:
 - Students
 - The public, mainly for use of site/ sports facilities.
 - Trips
- c. A lead teacher must be appointed for each trip to take overall responsibility for the trip. The lead teacher should prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance and Admin Office.
- d. Students should make payments to the Finance/Admin Office. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
- e. The School Business Manager should maintain an up to date record for each student showing the amount paid and the amount outstanding.

Lettings

General Guidance

- f. Academies should set fees for their chargeable services at full cost, but can apply an additional rate of return.
- g. Fees and charges should be determined in accordance with annex 6.1 of HM Treasury's Managing Public Money.
- h. For letting land and buildings this supply is a VAT exempt business supply
- i. The School Business Manager is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. Copies of invoices produced must be forwarded to the Finance/ Admin office. Payments must be made in advance for the use of facilities.

- j. The School Business Manager will be responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.
- k. No debts should be written off without the express approval of TEFAT Board.
- l. Organisations using the academy's facilities should be instructed to send all payments by BACS, if possible.
- m. The income is then kept in a safe prior to banking ensuring that insurance limits for cash in the safe is not exceeded.
- n. The Finance/ Admin Office must input the income details from the paying in slip into PS Financials
- o. Any Direct Debit income received in respect of the regular use of the site/ sports facilities should be paid into the academy bank account on the first working day of each calendar month. This is to be checked by the School Business Manager, who also chases rejected direct debits. The Finance/ Admin assistant inputs the details onto PS Financials system and then reconciles this income against the weekly bank statements.

Sports facilities

- p. Premises are classified as sports facilities if they are designed or adapted for playing any sport or taking part in any physical recreation and include the following as examples:
 - Swimming pools
 - AstroTurf pitches
 - Dance studios
 - Football pitches
 - School halls
 - Gymnasiums
- q. Under HMRC's definition, each individual pitch or court is a separate sports facility. This is important when deciding on the correct VAT treatment. If you let facilities for playing any sport or taking part in any physical recreation, then your supply is normally standard-rated and output VAT needs to be charged to the customer.
- r. There are exceptions to this rule and these are explained below:

Exempt lets

VAT notice 742

- s. If the facilities are let for over 24 hours to the same club and they have exclusive control of the facility for the duration of the let, then the supply is exempt and no output VAT should be charged.
- t. If the facilities are let for a series of sessions then again this may qualify as an exempt supply, however there are numerous conditions that need to be met, the most important being:
 - At least 10 sessions must be booked.
 - The interval between sessions must be no more than 14 days.
 - It must be paid for as a whole.
 - The person to whom the facilities are let has exclusive use of them during the sessions.

Swimming pools

- u. Where a charge is made to students for swimming lessons, the supply should be treated as an educational non-business activity, therefore no output VAT need be charged and all associated input VAT can be reclaimed.
- v. The legislation specifically requires that the classes are led by an instructor rather than merely supervised.
- w. Any spectators' admission charges would be a standard rated supply.
- x. Any hire of the pool for leisure purposes would also be a standard rated supply. It would not qualify for the exemption as no educational need is being met.
- y. If the pool is let out for multiple sessions then it may be eligible for exemption provided it meets certain criteria (as discussed above).

Meeting Rooms

- z. If you hire out a room for a meeting then it is generally an exempt supply. You can also serve minimal refreshments such as tea, coffee and biscuits and this will also be treated as exempt. No output VAT should be charged, and any related input VAT would not normally be recoverable subject to the partial exemption rules (section 12).

- aa. If the meeting room is provided with substantial refreshments, such as a meal or buffet, the catering element would be treated as a separate standard rated supply and output VAT should be charged. Any associated input VAT would then be recoverable in full. If a single 24 hour conference rate is charged for all services, then the entire supply would be taxable at the standard rate and any input VAT would be recoverable as well.
- bb. If an academy has “Opted to Tax” a building from which a meeting room is then let, then the income from that let would automatically be subject to VAT at the standard rate regardless of any exemptions mentioned above. All input VAT would then also be fully recoverable.

See below summary:

Type of expense	Trading / Non-business	VAT Treatment
Letting of sports facilities (block booking)	Trading	Exempt
Letting of sports facilities (individual booking)	Trading	Standard
Letting of swimming pool (swimming lessons)	Non-business	Outside the scope
Letting of swimming pool (spectators)	Trading	Standard rated
Letting of swimming pool (leisure use)	Trading	Standard rated
Letting of meeting rooms	Trading	Exempt (subject to option)
Letting of meeting rooms (with buffet)	Trading	Food - Standard
		cc. Room - Exempt

Catering Income

- dd. The income received daily must be recorded and banked, and a monthly reconciliation be completed by the School Business Manager/ Assistant.

Debt Collection Policy

- The TEFAT Board have a responsibility for ensuring that appropriate procedures are in place to enable the Elliot Foundation Academies Trust to receive all income to which it is entitled. For this reason, it is important that TEFAT has a policy for dealing with debts which is approved by the TEFAT Board.
- Parents should be made aware of this policy and the procedures by being sent a copy of the policy. A copy of this policy will also be published on the website.
- Each academy within TEFAT will actively pursue debtors, including parents/carers for the collection of monies owed to it.

The Head/School Business Manager will ensure that:

- all letters requesting monies outstanding are accurately recorded and maintained;
- there is documentary evidence of all the steps undertaken by the academy to recover the debt and this includes recording the dates that letters and statements were sent, and/or phone calls that have been made to debtors;
- for all outstanding debts, a final statement is issued by recorded delivery to the person(s) liable for the charge;
- each case involving a family will be judged on the family's individual circumstances and the amount outstanding as to the length of time before legal action is started;
- the identity of a family involved is only disclosed to those who need to know under this policy.

The LGB:

- must consider the arrangements for debt recovery;
- must approve the academy undertaking legal action in any particular case;
- must include in the minutes of its meeting or record of its decision, its approval to pursue any outstanding debt;
- will ensure that the identity of a family involved is only disclosed to those who need to know under this policy;
- may delegate its responsibilities under this policy to the Finance Committee

Debt Collection Procedures

Pupil related income

Collection of income

- All income is collected in advance, wherever possible. Costs of trips and activities will be notified to parents/carers as soon as possible.

Debt Recovery Procedure

Stage 1 <£50 gentle reminder letter issued

Stage 2 Personal contact

Stage 3 Final Reminder Letter (sent recorded delivery)

Stage 4 dependent upon the circumstances a legal letter may be issued.

Debt Write-Off

- The Head of School/Head teacher/Principal of each Academy has discretion to write-off debts up to the value of £50. A record must be maintained to show the reason for the write-off, the action taken to recover the debt and the authorising signature.
- Records must be provided to the Trust who will report all debt write-offs to the Finance Committee
- The Finance Committee must grant approval for the write-off of all debts above £50.

Commercial income

Invoicing and payment periods

- Income will be collected in advance of services provided wherever possible.
- Invoices will be raised and payment is requested in full within 30 days of being issued.

Debt Recovery Procedures

- Stage 1 (8 weeks from date of invoice) Informal reminder letter
- Stage 2 (12 weeks from date of invoice) Formal reminder letter
- Stage 3 (16 weeks from date of invoice) Final reminder letter

If the debt is as a result of an unpaid invoice, then reminder invoices on a monthly basis for two months.

Failure to settle a debt

- Any debt unpaid after the final reminder letter has been issued will be referred to the Head Teacher.
- A letter will be sent to the debtor by recorded delivery and will threaten legal action if the account is not settled within 14 days. Any additional recovery costs incurred by the Trust will also be pursued.
- Legal advice may be sought from the Trust's lawyers (Browne Jacobson) through the Trust and where appropriate a Legal letter will be issued indicating recovery action will be initiated through the county court (where appropriate).
- The CEO of the Trust will make a recommendation as to the suitability of this course of action taking into consideration the value of the debt and the proposed legal fees.
- This decision and its basis will be recorded and reported to the Finance Committee.

School Meals

- The Board of Directors of Elliot Foundation Academies Trust has adopted a NO DEBT policy relating to the provision of school meals. This means that all money for school meals must be PAID IN ADVANCE.
- In exceptional circumstances credit of £50 will be extended.
- Once this limit is reached no school meals will be allowed to be booked until the debt is cleared.

Pupil Premium

- Children in receipt of Free School Meals are eligible for Pupil Premium Funding and Elliot Foundation Academies Trust may use part of the Pupil Premium money received to help pay for Educational Visits, swimming lessons, part funding of residential trips and full cost of any after school clubs run by the school (excludes clubs run by external organisations) and to assist with the purchase of school uniform.

Write Off Policy

Background

The academies handbook is very prescriptive on how much income a Trust may write off. Whilst most income received is from public funds, there are still debtors that are outside of this scope, such as pupil meals, school uniforms, lettings income and any other accrued income.

Write off policy

The following procedures apply to each academy and the trust as a whole and are subject to a maximum limit of £250,000.

The delegated write off limits are as follows:

- 1% of total annual income or a maximum limit of £45,000 (whichever is smaller) on any one single transaction.
- cumulatively, 5% of total annual income in any one financial year per category of transaction.

If any of the above limits are to be breached, then this would require prior EFA approval.

In relation to these limits:

The trust should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled the trust should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the



debtor, the trust's insurers, or the risk protection arrangements, and should be satisfied that there is no feasible alternative the amounts for write-offs are before any successful claims from an insurer or the risk protection arrangements

Total annual income is defined as grant income as disclosed in the trust's last set of audited accounts. EFA should be contacted if the trust has not yet published their first set of audited accounts

Before accepting any liabilities by:

- issuing specific guarantees, or
- providing a letter of comfort, or
- providing indemnities

the trust should secure value for money by appraising the proposal through an assessment of the costs and benefits of relevant options. The trust must ensure that the value of any liability is within its delegated authority to commit.

8. Cash management

- a. The Academy has a current account and money is swept from or to this account. The account signatories are:-
- TEFAT Board via the Director of Finance
 - Principal
 - School Business Manager
 - Deputy Principal(s)

Cash Handling

- b. The School Business Manager should ensure that any significant amounts of cash are held in a secure place (i.e. a safe), which cannot be easily forced (i.e. a locked drawer). Cash should be banked as soon as possible to minimise risk.
- c. Monies collected must be banked **in their entirety** in the appropriate bank account. These monies should not be used for other purposes or to top up the petty cash float. The Finance/ Admin assistant is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.
- d. The use of cash collection services e.g. G4S is encouraged. However if cash is banked in person then two staff members should accompany any cash. Going at set times should be avoided to minimise the risk.
- e. Any cash coming into the academy should only be given in return for a clear signed receipt. The numbers of staff handling cash should be minimised to reduce the risk of error and theft.
- f. Where amounts of cash is being handled or counted, i.e. emptying cash loaders, then this should always be done by two members of staff to reduce risk and in a secure place away from public interference
- g. Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists.
- h. The reconciliations must be prepared monthly and be certified/signed off by the School Business Manager.

Deposits

- i. 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; and
 - Payments and withdrawals.
- j. All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two authorised signatories (see 8.1). At least one of the signatories must be either the Principal or the School Business Manager.
- k. This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy.
- l. For payments over £25,000 at least one signatory must be TEFAT Board/ the Director of Finance.
- m. Signatories may not sign a cheque reimbursing themselves. For principals the other authorised signatory must sign any cheque reimbursing expenses.

Administration

- n. The School Business Manager must ensure bank statements are received regularly and electronic ones will be available. Reconciliations should be performed at least on a monthly basis and procedures must ensure that:
- All bank accounts are reconciled by checking transactions on the bank statements to data on PS Financials
 - Reconciliations are prepared by the Finance/ Admin. Officer
 - Reconciliations are subject to a monthly review carried out by the School Business Manager or the Principal and adjustments arising are dealt with promptly.

Academy Credit Cards

- o. The Academy has 1 card and the card holder is the Principal.
- p. This card is only to be used when cheque or BAC's payments are not possible.
- q. Receipts must be retained and reconciled to monthly statements. Where possible a VAT receipt should be obtained as VAT cannot be reclaimed from a credit/debit card slip and such slips do not give details of the expenditure.

Petty Cash Accounts

- r. The Academy/Head Office will maintain a *maximum* cash balance of £250 at any one time to meet unexpected payments and reimbursements with short notice
- s. The authorised personnel is responsible for entering all petty cash transactions into the petty cash book. School Business Managers may authorise petty cash expenditure with the approval of the Head/Principal.
- t. Petty cash should be properly secured in a safe and the access code limited to authorised personnel ONLY
- u. Petty cash will only be reimbursed following submission of authorised petty cash slip, (a folio number should be written on the slip) supported with suitable evidence of expenditure e.g. receipts (Preferably VAT receipts and VAT accounted for appropriately).
- v. Any deposits to petty cash should be recorded in the petty cash account with the date, amount and a reference (i.e. cheque number).
- w. For security, petty cash payments will be limited to £75. Higher value payments should be made by BACS.
- x. Unannounced cash counts will be made by members of Head Office Finance to ensure that all petty cash is properly accounted for
- y. Proper records are to be maintained, properly authorised & reconciliations completed on a monthly basis
- z. If anyone needs petty cash, a petty cash slip should be filled in as follows:
 - Date
 - Reason for the expenditure
 - Amount required
 - Authorisation from one of the cheque signatories.
- aa. At the month end or when the float needs to be replenished all the petty cash transactions to be entered onto a petty cash spread sheet with the slips attached to the back. This should balance to the monies in the petty cash tin
- bb. This spread sheet will be the source document for posting of petty cash onto the system which will be done monthly.
- cc. The only deposits to petty cash should be from cheques cashed specifically for the purpose to top up the tin. Petty cash is to be run on an imprest system so catering and cash from other sources should not be put into the petty cash tin

and these monies must be identified and paid directly into the bank. The petty cash receipt should be recorded in the petty cash system on PSF.

Investments

- dd. Investments must be made only in accordance with written procedures approved by TEFAT Board.
- ee. 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. Additional procedures may be required to ensure any income receivable from the investment is received.
- ff. The Academy/Trust will operate an interest bearing current account with Lloyds bank. Sufficient balances will be maintained to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments. Monies surplus to the working requirements shall be invested in order to generate the best possible low risk returns. The Academy will not take out any long term investments until reliable cash flow pattern had been established, monies will only be paid into term deposits not exceeding six months.
- gg. The Academy/Trust should consider likely cash needs before tying up funds. Approval will be required from the TEFAT board & Finance Committee before any investment engagements are made and will be in line with the guidelines in the Academies Handbook
- hh. It is expected that all investment decisions will be made on a risk averse basis. Sufficient and appropriate documentation regarding these Investments must be filed.

Borrowing

- ii. The Academy is not permitted to borrow without prior permission of the Director of Finance/Finance Committee

Limits and Authority

- jj. See below summary for authorisation

TYPE/CATEGORY	AUTHORISATION
New School	CEO & OPS group are delegated by TEFAT Board of Directors
New Venture	TEFAT Board of Directors
Balances/ Treasury risk	Finance Committee

kk. No deposits will be placed without prior agreement with the Head teacher or other signatory subject to the relevant limits. Authorised bank signatories of the Academy/Trust are set out in the Academy's Scheme of Delegation.

Register of Deposits

ll. The Central Finance will maintain a register of all deposits/investments held which will record

- Institution with which deposit placed
- Date deposit placed
- Amount deposited
- Date of maturity
- Amount returned
- Interest earned
- Rate of Interest

mm. The Director of Finance will present the Register of Deposits to TEFAT Board of Directors/Finance Committee on a quarterly basis. On an Annual basis the Director of Finance will review interest rates and compare these with investment opportunities through other institutions.

9. Transfer to schools

- a. The EFA Funding for all TEFAT Schools is received in the main TEFAT bank account on a monthly basis.
- b. The above funds are then transferred to the schools net of the schools salaries & other related costs which includes management fee.
- c. TEFAT Head Office will issue a transfer to schools schedule to all the schools on a monthly basis once the funds have been transferred to the school. This acts as the remittance advice.
- d. The transfer to school schedule shows the balancing figure between EFA funding and the salaries and other related costs paid. If the balancing figure is positive the amount is transferred in full to the school through the bank transfer. If the amount is negative (i.e. school owes TEFAT) the deficit is carried forward to the next month until the end of August. At year end i.e. end of August, the Transfer to School balance to be brought forward to the next

year must be ZERO. This is to ensure the Intercompany accounts on PSF are cleared (final accounts requirement).

- e. If the balance is still showing a balance owed to TEFAT, the funds will be transferred in full from the school's bank account to TEFAT. To avoid the deficit situation at the end of August and recovering the funds from the schools, an amount will be retained at the end of July (the amount is at the discretion of head office).

10. Stock management

- a. An inventory register must be maintained for equipment, tools & furniture with a value of over £200
- b. School Governors have the responsibility of the Inventory Control Process. Day to day management is delegated to the Head teacher/Principal or Schools Business Manager with support from Central Finance
- c. All purchases of inventory must follow the Procurement process and rules as documented in the TEFAT's Finance Manual.
- d. A reconciliation of physical assets held and the inventory register should be done at the end of the financial year i.e. in August and items made available for inspection by internal/external audit when requested
- e. All equipment should be securely stored and marked with the schools name & postcode where possible
- f. Disposal should be made when they no longer have any use to the school e.g. obsolete, damaged beyond repair, upgraded equipment purchased etc. Sufficient documentation should be filed. The approval from the Head teacher/ Director of Finance should be sought before disposal. Relevant accounting posting should be made on the ledger by the School Business Manager or TEFAT Head Office Finance.

11. Risk

Responsibility

- a. Risk management is integral to all aspects of TEFAT's activities and is the responsibility of all staff.
- b. More specifically, TEFAT board and Senior Management have the responsibility of overseeing the development and implementation of the risk

management strategy. This will involve identifying, assessing, managing, controlling risks by implementing strong internal controls. It also has a duty to disclose in its annual accounts the major risks the charity is exposed to, and the manner in which they have mitigated these risks.

Procedure

- c. Best practice will be adopted in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. In order to maximize the early identification of risk, TEFAT adopts a dynamic approach to risk management dependent on the business cycle.

Pre-conversion Risk

- d. All academy conversions are preceded by a due diligence exercise which populates a Pre-conversion risk assessment spreadsheet which is completed by the CEO.

Conversion risk

- e. In the event that the conversion proceeds the pre-conversion risk assessment is an input to the project risk register which is managed by the project manager reporting to the project director. When the conversion project completes the all unclosed risks are transferred to the central risk register

Central risk register

- f. The central risk register is owned by the CEO and Project Director and is managed by the Operations Group. The Operations Groups meets weekly by teleconference on a Monday and Risk management is a standing item on the agenda. Risks are grouped by directorate or by academy and each week the Operations Group will take a different directorate, region or new area of risk under consideration. This approach ensures that each term education, safety, finance, buildings, HR, development, compliance, operational and school risks are all reviewed at least once and mitigation discussed. The operations groups escalates risk to the TEFAT board as a standing item on the board agenda.

Academy risk

- g. It is the ambition of the trust that each academy will have/already has its own risk register managed by the School Business Manager that feeds into the Trust's central risk register.

Risk Identification

- h. The process of risk identification will involve both TEFAT board of directors and Senior Management dependent on the business cycle. See below summary.

BUSINESS CYCLE	Pre-Conversion	Conversion	Business as usual - Central	Business as usual - School
RESPONSIBILITY	Chief Executive Officer	Project Manager	OPS group (Senior Management)	School Business Manager

Risk Assessment

- i. The assessment of each risk will take into consideration the control measures currently in place to manage the risk. The controls identified will be assessed to determine whether they are an appropriate mitigation of the risks identified.

Risk register

- j. Any risks requiring treatment should be recorded in the Schools and Elliot Foundations' risk register. The actions required to produce an acceptable control system will be identified and documented by the School and Head Office updated on the same. Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.
- k. The risk register will be reviewed regularly by the Schools governors and TEFAT board to ensure that risks are identified and that appropriate controls and responses are in place

Risk Appetite statement

TEFAT faces a broad range of risks which arise from its day-to-day operational activities. These risks are managed through detailed processes that emphasize the importance of integrity, maintaining high quality staff, and public accountability.

In terms of operational issues & financial risks, TEFAT has a low appetite for risk. TEFAT recognises that it is not possible to eliminate some of the risks inherent in its activities. Acceptance of some risk is often necessary to foster innovation within the organisation.

12. Gifts & hospitality

- a. As a general guideline, business gifts and hospitality should not be accepted by any member of staff, except as provided for below.

- b. The intention of the policy is to ensure that employees and Trustees of The Elliot Foundation Academies Trust (TEFAT) and TEFAT Academies can demonstrate that no undue influence has been applied or could be said to have been applied by any supplier or anyone else dealing with the business dealings. All TEFAT employees should be able to show that all decisions are reached on the basis only of value for money and for no other reason.
- c. Any breach of this policy could lead to disciplinary action and may constitute gross misconduct.
- d. Employees shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of TEFAT by:
 - Maintaining an unimpeachable standard of honesty and integrity in all their business relationships
 - Complying with the letter and spirit of the law, and contractual obligations rejecting any business practice that might be deemed improper
 - At all times in their business relationships acting to maintain the interests and good reputation of TEFAT.
- e. Any employee who becomes aware of a breach of policy must either report this immediately to his or her manager who will instigate investigations as necessary or refer to the whistle blowing policy.
- f. Any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's impartiality or conflict with the duty owed to TEFAT or a TEFAT Academy in any matter relevant to an employee's duties (such as conflicting business interests) should be declared in writing. Any member of staff who is aware of any business dealings conferring personal gain, or involving relatives or associates of members of staff must supply details of such transactions for entry into the Register of Business Interests.
- g. Employees are permitted to accept gifts, rewards or benefits from members of the public or organisations which TEFAT or a TEFAT Academy has official contacts with only where they are isolated gifts of a trivial nature, or inexpensive seasonal gifts (such as diaries or calendars). Gifts should not therefore be accepted if they appear to be disproportionately generous or could be construed as an inducement to effect a business decision.
- h. Where purchased items include a "free gift", such a gift should be either used for Academy business or handed to TEFAT to be used at charity raffles etc.
- i. In relation to conventional hospitality (lunches, outings, tickets for events, etc) may be accepted provided that it is normal and reasonable in the circumstances. Such invitations should not be accepted:

- Where there is no reasonable business justification for doing so
 - Where an invitation is disproportionately generous
 - Where the invitation could be seen as an inducement to affect a business decision.
- j. Any hospitality other than of a nominal value (up to £50) or facilities provided during the normal course of business should be reported for entry into the Register of Business Interests.

Gifts in Kind

- k. Gifts of cash are clearly the easiest to value. However it is recognised that a proportion of contributions may be in the form of gifts in kind (i.e. assets). Gifts in kind should be included in the academy's accounts in the accounting period in which they are receivable.
- l. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the academy or (less likely) the amount actually realised as in the case of second-hand goods donated for resale. The key valuation test is "what would the academy be prepared to pay to purchase the asset?"

For example:

- If the academy wants a mid-range PC and is given a high-spec PC, then the valuation of that gift should be based on that of a mid-range PC
- If the academy needs a minibus and is given a 48-seater coach then the valuation should be that of the minibus.

Donated Services and Facilities

- m. Academies may also receive assistance in the form of donated services (e.g. 'time') or facilities. Such incoming resources should be included in the Statement of Financial Activities where the benefit to the academy is reasonably quantifiable and measurable. This would usually be limited to *donations by an individual or entity as part of their trade or profession*.
- n. For example if a local accountancy firm agreed to supply an accountant free of charge to assist the academy's finance department for a couple of hours a month, this should be included in the accounts. However a police officer talking to a group of pupils as part of his/her community liaison role would not be classified as a donation, as this service would always be provided free as part of normal police activities.
- o. In contrast to donations as part of a trade or profession, the *contributions of volunteers* should be excluded from the Statement of Financial Activities as the value of their contribution cannot be reasonably quantified in financial terms. For

example parents or other volunteers assisting with reading in the classroom would be excluded.

- p. However the exclusion of these contributions should be disclosed in the Trustees' Annual Report if this information is necessary for the reader to gain a better understanding of the academy's activities. The value placed on those donations which are included in the Statement of Financial Activities should be the price the academy estimates it would pay in the open market for the services or facilities.

For example:

- If the academy requires a bookkeeper and is given the services of a chartered accountant for doing the work of the bookkeeper) then the valuation of time should represent what it would have cost to obtain the services of a bookkeeper;
- If the gift is classroom assistance irrespective of who is providing the time the appropriate rate from the relevant pay scale (i.e. unqualified or qualified) should be used.

Other Considerations on Valuation

- q. The valuation of gifts in kind and donations under the above rules may be different from the value placed on the asset, service or facility made by the donor. However it is the Director of Finance and the TEFAT Finance and Audit Committee's responsibility to account for the gift at a valuation which they can justify to their auditors.
- r. In many instances obtaining a valuation will be relatively straightforward or the governing body will be able to satisfy itself that the donor's own valuation of the gift is fair and reasonable. However, it is recognised that in some instances it will be more difficult to obtain a comparable valuation. The Director of Finance will need to consider what evidence is required to enable them to form a view on the valuation of gifts. Listed below are a number of sources of evidence of valuation:
- Comparable quotations from alternative suppliers
 - What the academy already pays for that service/asset
 - Cash realised if the gift were to be sold
 - Experience of the Director of Finance or members of the TEFAT Finance and Audit Committee in purchasing similar services or assets; and
 - What would the Director of Finance and/or members of the TEFAT Finance and Audit Committee be prepared to pay for that gift out of the academy budget
- s. The auditors will wish to see evidence of the valuation of gifts and therefore evidence obtained as above should be retained and discussions on valuation at

the TEFAT Finance and Audit Committee meetings should be minuted fully. Time spent by members in attending the TEFAT Finance and Audit Committee meetings is part of their responsibility in undertaking their governance role and therefore should not be included as a business contribution.

- t. However, if a TEFAT Finance and Audit Committee member gives additional free time to the academy providing professional advice, outside their role as a member, this may be accounted for as a donation.
- u. TEFAT should ensure they are clear about what constitutes the work and role of members of the TEFAT Finance and Audit Committee before determining whether additional assistance from a member is classified as a donation.
- v. "Free gifts" i.e. non-solicited gifts will only have a value to the academy if the gift assists in achieving its objectives as set out in the Academy Development Plan. However the auditors will expect annual accounts to show the full details of an academy's transactions, whether they are monetary or notional. Academies will therefore be expected to account for unsolicited gifts where applicable.
- w. The general rule relating to discounts is that they are not acceptable as "gifts" and should not be recorded as income. This is because under generally accepted accounting principles, discounts are not accounted for as income but as a reduction in expenditure. As the governing body is required to obtain value for money, the offer of discounts should be taken into account in making purchasing decisions.
- x. Full records of receipt of business contributions should be retained, as the auditors will require evidence of receipt.

Consideration of the Bribery Act 2010

TEFAT will act to uphold the principles of the Act and take steps to prevent bribery. This will include (but is not limited to):

Consideration of proportionality – TEFAT is a UK based organisation operating in the field of education and is therefore not specifically high risk. A common-sense approach will therefore be adopted to ensure compliance.

Top level commitment – Senior staff in TEFAT and its academies will actively demonstrate that bribery is unacceptable through communication (e.g. highlighting policy and personal conduct).

Risk assessment – any new venture, for example, a procurement, will be assessed and managed to avoid potential bribery.

Due diligence – for example in understanding who TEFAT is working with and carrying out checks, if appropriate, to determine character.

Monitoring and review – particularly if the nature of TEFAT and its relationship with other markets changes.

13. Fixed assets

Asset register

- a. All items purchased with a value over the academy's capitalisation limit of £1000 must set up on PSF Fixed Assets. The following information should be entered
- asset description
 - serial number (if available) (in the notes section)
 - date of acquisition
 - asset cost
 - source of funding (% of original cost funded from DFE grant and % funded from other sources) – in the notes section
 - expected useful economic life per guidelines
 - depreciation start date – usually straight line
 - Useful life in months as listed below
 - location (in the notes section)
 - name of member of staff responsible for the asset (in the notes section)

A copy of the asset register should be held in a secured location.

A separate copy should be kept of the invoice for the asset as this will be required for the year-end audit. A full list of assets can be obtained from PSF Fixed Asset ledger to:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system and

- Support insurance claims in the event of fire, theft, vandalism or other disasters.

Depreciation

b. The TEFAT policy on depreciation on assets is as follows:-

- Freehold Buildings 2% straight line
- Motor Vehicles 25% straight line
- Plant & Machinery 15% straight line
- Furniture & Equipment 25% straight line
- Computer Equipment & Software 33.333% straight line
- No depreciation is provided on freehold land.

Depreciation on assets in the course of construction is not charged until they are brought into use and these will be recorded in the Assets under Construction balance sheet code on PSF and transferred to Fixed Assets when complete.

Security of assets

- c. Equipment must be secured by means of physical and other security devices.
- d. 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. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Finance Committee. 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.

Disposals

- e. Asset items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Committee and, where significant, should be sold following competitive tender. The academy must seek the approval of TEFAT in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid. If disposals within one financial year (September-August) collectively originally attracted grant of more than £20,000 then the academy must inform the DFE via TEFAT.
- f. 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.
- g. The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the DFE a proportion of the sale proceeds.
 - h. All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

- i. Items of academy property must not be removed from academy premises without the authority of the Principal/ Deputy Principal. A record of the loan must be recorded on a loan of equipment form and booked back into the academy when it is returned.
- j. The Principal/ Deputy Principal will be asked for a copy of a loan of equipment form, should an item of equipment be missing when a fixed asset audit is undertaken.
- k. 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.

14. Reserves

Definition

- a. Reserves are used to describe that part of a charity's funds that are freely available to fund its general operations and so is not subject to commitments, planned expenditure or other restrictions. Consequently, Reserves do not include endowment funds, restricted funds and designated funds.

Why a reserves policy?

Because:

- b. A reserves policy helps a charity to properly manage its resources.
- c. A reserves policy helps a charity to plan and formally report its approach to stakeholders.
- d. A reserves policy helps the charity to match its reserves to its requirements and no more, otherwise the charity would hold reserves that are too high or too low for its needs.

What is the minimum the policy covers?

- e. The amount of reserves (at least at every balance sheet date);
- f. The reason(s) why the charity needs this level of reserves;
- g. How the charity intends to establish / maintain reserves at the amount determined by the trustees; and
- h. How the trustees are to review the reserves policy on a regular basis.

How do trustees set a reserves level?

- i. Reserves should be set by considering (where appropriate) the following:
 - j. Cash flow (and forecasts);
 - k. A review of existing funds and reserves;
 - l. A review of future income streams;
 - m. A review of likely future expenditure;
 - n. A review of past operational and other trends;
 - o. The likely effects of changes on the public and beneficiaries;
 - p. A review of the major risks facing the charity;
 - q. An analysis of future needs, contingencies and risks the potential consequences for the charity not being able to meet them.

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

The TEFAT Board propose to maintain the charity's reserves at a level which is at least equivalent to four weeks' operational expenditure (TEFAT Head Office)

The trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the charity's continuing obligations on a quarterly basis at their finance meeting.

Appendix A Audit Committee terms of reference

Composition, attendees, quorum & reporting

1. The Audit Committee (“the Committee”) is a committee of the Board of The Elliot Foundation Academies Trust (TEFAT) and reports directly to the Board. The members of the Committee are appointed by the Board and will include a minimum of one member of the TEFAT Board.
2. None of the members of the Audit Committee are to be employed or otherwise remunerated by TEFAT.
3. The Managing Director, the Finance Director and at least one other TEFAT Director will normally attend the Committee meetings not as members of the Audit Committee attend but to provide information and participate in discussions. The responsible officer, external auditors and finance team members present as appropriate.
4. The Committee has the authority of the Board to access any information or employee of TEFAT in the course of undertaking its responsibilities and to obtain outside professional advice without further recourse to the Board.
5. Until otherwise determined by the Committee, a quorum shall consist of three members.
6. The Committee will meet at least once per academic term and additionally as may be necessary.
7. Responsibility for minutes of meetings will be reviewed by the Board when approved by the Committee Chair.

B. Specific Responsibilities of the Audit Committee

1. To observe that the tendering process has been followed as appropriate for the higher value purchases and contracts as outlined in the scheme of delegation as appropriate.
2. To receive reports on all incidents of non-compliance with procurement guidance that risked a loss of more than £1,000 whether or not a loss was incurred.
3. To ensure an accurate and timely delivery of the annual statutory accounts, produced in accordance with the requirements of the Companies Act 2006, DFE guidance and Charity Law.
4. Reviewing the reports of the Assurance Officer, and/or any bodies delegated to undertake Responsible Officer activities, and external Auditors on the effectiveness of the financial procedures and controls.
5. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

6. The Committee oversees both the external and, where relevant, internal audit process and its tasks are to:
 - a. Determine the frequency and process of tendering for the external audit service.
 - b. Consider the appointment, resignation or dismissal of the external auditors, to approve their fee annually and to review their independence and objectivity and consider any matter relating to the provision of non-audit services.
 - c. Review formally the performance of the external auditors every three years.
 - d. Review and discuss with the Assurance officer, and/or any bodies delegated to undertake internal audit activities, and external auditors, the nature, plan and scope of the internal audit programme (where relevant) and annual external audit prior to these taking place.
 - e. Review annual financial statements, in conjunction with the external auditors before submission to the Board, focussing upon:
 - i. Any changes in accounting policies or practices
 - ii. Major judgemental areas
 - iii. Significant adjustments arising from the audit
 - iv. Material misstatements detected by the auditors which were not corrected and the explanations thereof
 - v. The going concern assumption
 - vi. Compliance with accounting standards & statutory requirements.
 Recommend the statements to the Board when satisfied in respect of the above.
 - vii. Discuss any problems or reservations arising from the annual audit and any matters the auditors may wish to discuss (in the absence of Management where necessary).
 - viii. Consider the external auditors' Management Letter and TEFAT Management's response and ensure appropriate action is taken.
 - ix. Review the annual Statement on Internal Control and its compliance with the Turnbull & the Charity Commission guidance focussing on: Policies and processes for identifying risks to TEFAT and their potential impact; the operational effectiveness of matters related to risk and control; and recommend the Statement to the Board when satisfied.
 - x. Consider any necessary disclosure implications concerning material internal control aspects of any significant problems disclosed in the Annual Report & Accounts.
 - xi. Consider the disclosure about the role of, responsibilities of and actions taken by the Committee included in the Annual Report.
 - xii. Consider the appointment, resignation or dismissal of the Assurance Officer, review the internal audit strategy and the internal audit cycle and satisfy them that there is appropriate liaison between the internal & external audit functions.
 - xiii. Review all reports of the Internal Auditor, where relevant, and or Assurance Officer, and/or any bodies delegated to undertake Officer activities, and consider

Management responses to recommendations and act as final arbiter in the case of any dispute.

- xiv. Receive regular reports concerning the implementation of any recommendations of the Internal Auditor and or Assurance Officer, and/or any bodies delegated to undertake Responsible Officer activities, and satisfy them that effective and timely management action has been taken.
- xv. Being at all times advised of any significant changes to major financial and management policies, control systems and authority levels, consider and amend or approve such changes.
- xvi. Being at all times advised of any instance of fraud or financial misdemeanour within TEFAT or affecting TEFAT, obtain reassurance that satisfactory management action has been taken.
- xvii. Review and approve TEFAT's policies relating to whistle blowing and fraud and corruption.
- xviii. Review and update its own terms of reference and submit them to the Board for approval.

- xix. Assist the Internal Auditor and Assurance Officer, and/or any bodies delegated to undertake internal audit activities with the annual report of the Committee performance.

- xx. The committee's work must focus on providing assurances to the board of trustees that risks are being adequately identified and managed by:
 - xxi. reviewing the risks to internal financial control at the trust
 - xxii. agreeing a programme of work to address, and provide assurance on, those
 - xxiii. risks
- xxiv. The outcome of the work should inform the governance statement that accompanies the trust's annual accounts and, so far as is possible, provide assurance to external auditors.

Delivering assurance

Academy trusts should manage this programme of risk review and checking of financial controls in the way that they deem most appropriate to their circumstances. Options include:

- xxv. the appointment of an internal audit service (either in-house, bought-in or provided by a sponsor)
- xxvi. the performance of a supplementary programme of work by the trust's external auditor
- xxvii. the appointment of a non-employed trustee with an appropriate level of qualifications and/or experience to check the trust's internal controls, who neither charges, nor is paid by the trust for their work. This appointment is not mandatory but is one way trusts are able to conduct their internal checks a peer review, with the work being performed by the chief financial officer, or a suitably qualified or experienced member of the finance team, from another

academy trust, as an independent reviewer

xxviii. The trust may wish to commission a programme of work that combines the above options. For example, a trustee appointed under the third bullet above to carry out checks can delegate some of the detailed checking to an external contractor or peer reviewer. The adequacy of the arrangements at each trust will be established as part of the process leading to the accounting officer's annual statement, and, where appropriate, through the self-assessment review of financial management and governance or other review of the governance arrangements.

Appendix B Finance Committee terms of reference

Composition, attendees, quorum & reporting

1. The Finance Committee ("the Committee") is a committee of the Board of The Elliot Foundation Academies Trust (TEFAT) and reports directly to the Board. The members of the Committee are appointed by the Board and will include a minimum of three members of the TEFAT Board.
2. The Chair of the Committee will be a member of the TEFAT Board and will not be an employee or otherwise remunerated by TEFAT.
3. The Managing Director, the Finance Director and at least one other TEFAT Director will be members of the Committee meetings.
4. The Committee has the authority of the Board to access any information or employee of TEFAT in the course of undertaking its responsibilities and to obtain outside professional advice without further recourse to the Board.
5. Until otherwise determined by the Committee, a quorum shall consist of three members one of which should be a non-remunerated by TEFAT Board member.
6. The Committee will meet at least once per academic term and additionally as may be necessary.
7. Responsibility for minutes of meetings will be reviewed by the Board when approved by the Committee Chair.

Responsibilities of the Finance Committee

1. To consider the academies indicative funding, notified annual by the DfE, and to assess its implications for the academy, in consultation with the principal, in advance of the financial year, drawing any matters of significance or concern to the attention of the board.
2. To consider and recommend acceptance/non-acceptance of each academy's budget, at the start of each financial year. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or

- balances, ensuring the compatibility of all such proposals with the TEFAT and academy development priorities.
3. To contribute to the formulation of each academy's development plan, through the consideration of financial priorities and proposals, in consultation with principals, with the stated and agreed terms and objectives of each academy.
 4. To receive reports on staffing, as appropriate, and make recommendations about the financial aspects of matters being considered.
 5. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for each academy.
 6. To establish and maintain a structure for delegated authority.
 7. To establish and maintain a TEF Procurement Guide and ensure a register of high value contracts is maintained and kept up to date.
 8. To monitor reports of cash flow.
 9. To monitor summary reports of actual expenditure and income by Academy against budget supplied by the Finance Director.
 10. To monitor all material movement of current asset and liabilities within consolidated monthly management reports.
 11. To monitor summary reports of forecast end of year out-turn by Academy supplied by the Finance Director.

Appendix C Forms

Click below icons for the relevant document required in below list

[Payroll Reconciliation Template](#)

[Fixed Asset Register](#)

[Prepayment Schedule](#)

[Expense Claim Form](#)

[Purchase requisition form](#)



Payroll
Reconciliation.xlsx



Purchase
Requisition Form.xls



Fixed Asset
Register.xlsx



Prepayments
Schedule.xls



Expense
Template.xls



Expense
Template.xls

Appendix D Additional Information

Commitments in PSF– and how to clear them

During the monthly review of commitments in PSF, it sometimes arises that a commitment needs to be cancelled. Commitments should usually only be on the report 1 month or so, so any that are older than 2 months old require investigation and confirming that the invoice has not yet been received.

This document sets out what to do when you identify that a commitment is no longer needed within PSF, and how that may have occurred.

You can run a Commitment report from the pre-set reports that are identified in the opening screen of PSF Reporting Pack

Academy Reporting Suite

	Account Index Reporting Account Index Analysis Account Index Income / Expenditure Account Summary Account Summary with Nominal Details Income / Expenditure by Funding Type Ledger Income / Expenditure Summary	Creditors\Debtors Aged Creditors Aged Debtors Creditors List Debtors List
Management\Strategy Reporting Balance Sheet CFR Management Accounts SoFA	Budget Holder Reporting Budget Holder Budget Holder (Detailed) Budget Holder (Nominal Summary) Budget Holder (Period Analysis) Budget Holder by Nominals	General Reports Budget by Account Budget by Nominals Budget Matrix Chart of Accounts Document Enquiry Paylist PSF Security Roles Overview Sales Statement
Additional Reports Academy Dashboard Federation Reporting Suite VAT 100 VAT 126	Nominal Reporting Nominal Summary Nominal Transactions Nominal Transactions (Detailed)	Purchase Ordering <u>Current Commitments</u> Outstanding GRN's by Document Outstanding GRN's by Supplier Outstanding Purchase Orders by Document Outstanding Purchase Orders by Supplier Search by Description Unauthorised Purchase Orders

The report entitled 'Current Commitments' is one that is regularly used. If an order is showing on this commitment report, it will either have the order status of POAUT or GRN. This document explains to you what to do when you need to change this status to CANCELLED.

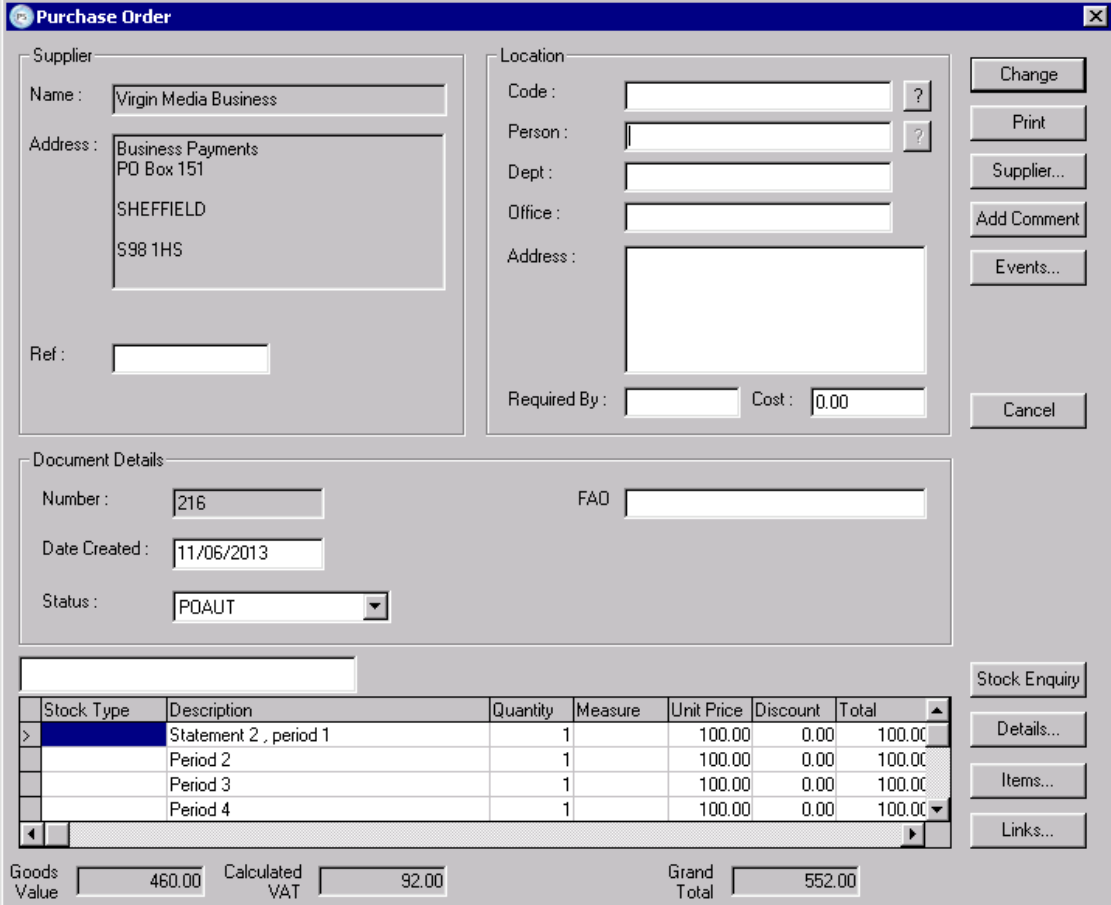
Status = POAUT

Why is the commitment stuck at the POAUT status?

- Line item discontinued, and so will never be invoiced
- Order not actually placed with the supplier, although raised in PSF
- Invoice booked in as a ##PI – so incomplete from a POIN point of view (* most common)

If the Purchase Order (PO) or the detailed PO line items need to be cancelled, then within PS Distribution, search for the PORD number and double click on it to access the screen where the order status is shown (*PS Distribution > View > Document Search or click on binoculars icon*).

E.g. PORD 216 = training room order status is POAUT but is 15 months old.



Purchase Order

Supplier Name: Virgin Media Business
 Address: Business Payments, PO Box 151, SHEFFIELD, S98 1HS
 Ref: []

Location Code: [] ?
 Person: [] ?
 Dept: []
 Office: []
 Address: []
 Required By: [] Cost: 0.00

Buttons: Change, Print, Supplier..., Add Comment, Events..., Cancel

Document Details
 Number: 216 FAO []
 Date Created: 11/06/2013
 Status: POAUT

Stock Type	Description	Quantity	Measure	Unit Price	Discount	Total
>	Statement 2 , period 1	1		100.00	0.00	100.00
	Period 2	1		100.00	0.00	100.00
	Period 3	1		100.00	0.00	100.00
	Period 4	1		100.00	0.00	100.00

Buttons: Stock Enquiry, Details..., Items..., Links...

Goods Value: 460.00 Calculated VAT: 92.00 Grand Total: 552.00

To cancel the whole document, change the status to CANCELLED, as shown below, and then click on the CHANGE button on the top right hand corner.

Document Details

Number : 216 FAO

Date Created : 11/06/2013

Status : **CANCELLED** ▼

Stock Type	Description	Quantity	Measure	Unit Price	Discount	Total
>	Statement 2 , period 1	1		100.00	0.00	100.00
	Period 2	1		100.00	0.00	100.00
	Period 3	1		100.00	0.00	100.00
	Period 4	1		100.00	0.00	100.00

Goods Value Calculated VAT Grand Total

Buttons: Stock Enquiry, Details..., Items..., Links...

However, if you only need to cancel a single line item, then using PORD 216 as an example, highlight the line that needs to be cancelled:

Purchase Order

Supplier: Name: Virgin Media Business
 Address: Business Payments
 PO Box 151
 SHEFFIELD
 S98 1HS
 Ref:

Location: Code: ?
 Person: ?
 Dept:
 Office:
 Address:
 Required By: Cost: 0.00

Document Details: Number: 216 FAO:
 Date Created: 11/06/2013
 Status: POAUT

Stock Type	Description	Quantity	Measure	Unit Price	Discount	Total
	Statement 2 , period 1	1		100.00	0.00	100.00
>	Period 2	1		100.00	0.00	100.00
	Period 3	1		100.00	0.00	100.00
	Period 4	1		100.00	0.00	100.00

Goods Value: 460.00 Calculated VAT: 92.00 Grand Total: 552.00

Buttons: Change, Print, Supplier..., Add Comment, Events..., Cancel, Stock Enquiry, Details..., Items..., Links...

Click on the button called DETAILS on the right hand side, and the following screen appears – which is specifically linked to the top row as highlighted in the screen print above,

Detail Line - Period 3

Status :

Due Date :

Posting Details

Split On

Percentage

Amount

Add

Change

Delete

Nominal	Account	Value
TPA5...	5017	100....

Budget : Copy to all following detail lines

Period :

User Defined Fields

Field 1 :

Field 2 :

Field 3 :

OK

Add Comment

Stock Enquiry

Cancel

And change the highlighted status from POAUT to CANCELLED.

Detail Line - Period 3

Status : **CANCELLED**

Due Date :

Posting Details

Split On

Percentage

Amount

Add

Change

Delete

Nominal	Account	Value
TPA5...	5017	100...

Budget : **BUDGET**

Period : **2012/13.10**

Copy to all following detail lines

User Defined Fields

Field 1 :

Field 2 :

Field 3 :

OK

Add Comment

Stock Enquiry

Cancel

Click OK (top right hand corner) which returns you to the main PORD screen and click CHANGE (top right hand corner) to update the status of the line item of this order.

If you need to change the status of another line item first, please highlight that line item by clicking on it on the left hand side, and proceed as above.

Status = GRN

This arises when

- The goods have been received and booked in with GRN status in PSF, BUT, the invoice has been posted as a PINV instead of being posted as a POIN linked to the GRN and PORD.
- The supplier has not yet invoiced OCL, despite OCL having booked in the GRN for the goods (or unusually service).

Purchase Order

Supplier
Name : Screwfix Direct Ltd
Address : Trade House
Mead Avenue
Yeovil
BA22 8RT
Ref :

Location
Code :
Person :
Dept :
Office :
Address :
Required By : Cost : 0.00

Change
Print
Supplier...
Add Comment
Events...
Cancel

Document Details
Number : 618
Date Created : 16/07/2013
Status : GRN
FAO Andrew

Stock Type	Description	Quantity	Measure	Unit Price	Discount	Total
>	PTFE Tape	1		0.41	0.00	0.41
	Outside Tap	2		4.00	0.00	8.00
	Jersey Toilet Seat	7		6.66	0.00	46.62
	Redwall Plugs	6		0.38	0.00	2.28

Stock Enquiry
Details...
Items...
Links...


Goods Value 120.57 Calculated VAT 24.11 Grand Total 144.68

It is worth confirming that the invoice linked to this commitment has been booked as a ##PI, to confirm that the order status of GRN can be changed to CANCELLED.

However, if we have received the goods or service, but have not yet received the invoice, then this is a legitimate commitment, which should be reviewed at year end.

How to cancel an order with GRN status

1. Log into PS Financials and click on File – Distribution and below screen appears



Management Accounts Deadlines 2014-15		
Month	Accounts Due	PSF closed
March 2015	17 th April	17 th April
April 2015	15 th May	15 th May
May 2015	12 th June	12 th June
June 2015	10 th July	10 th July
July 2015	11 th September	11 th September
August 2015	18 th September	18 th September

Key Contact details		
Name/Department	Phone Number	Email Address
Finance	020 7278 7131	finance@elliottfoundation.co.uk

2. Click on the binoculars (top left hand side) and below screen appears

Distribution Document Search

Standard Fields:

Document Type: GRN (Goods Received No) [v]

Document Status: All [v]

Account From: [] [icon]

To: [] [icon]

Document Number: 4421

To: []

Document Dates: [] [v]

To: [] [v]

Person: []

Reference: []

Stock Item Code: []

Stock Type Code: []

Custom Fields:

Name: [] [v]

Values: []

To: []

Doc ...	Doc Num	Doc Date	Year Code	Period	Input Date	Ir

Doc Num	Detail Status	Ref No	Doc Date	Year Code	Period

Close Search Open... Print More Back

A. If you do not have the GRN number then follow below steps

1. Under the “Document Type” select “PORD (Purchase Order)”
2. Under the “Document Number” type in the Purchase Order number and click the search button

Distribution Document Search

Standard Fields

Document Type:

Document Status:

Account From:

To:

Document Number:

To:

Document Dates:

To:

Person:

Reference:

Stock Item Code:

Stock Type Code:

Custom Fields

Name:

Values:

To:

Doc ...	Doc Num	Doc Date	Year Code	Period	Input Date	Ir
PORD	2327	03/02/...	2013/14	06	03/02/2...	

Doc Num	Detail Status	Ref No	Doc Date	Year Code	Period
F 2327		1000...	03/02/...	2013/14	06

Close Search Open... Print More Back

3. The above screen will appear which populates information on the top right hand side highlighted in Blue

4. Double click on it and below screen appears

Purchase Order

Supplier

Name:

Address:

Ref:

Location

Code:

Person:

Dept:

Office:

Address:

Required By: Cost:

Change Print Supplier... Add Comment Events... Cancel

Document Details

Number: FAD:

Date Created:

Status:

Stock Type	Description	Quantity	Measure	Unit Price	Discount	Total	T3
>	Hollow Block Cart	1		290.00	0.00	290.00	
		0		0.00	0.00	0.00	

Stock Enquiry Details... Items... Links...

Goods Value: Calculated VAT: Grand Total:

5. Click on the "Links" button (bottom right hand side) which takes you to the below screen

Doc. Number	Date	Status	Person	Quantity
<Purchase Order> 2327	03/02/2014	GRN		1.00
Goods Received Note 2599	13/03/2014	GRN		1.00

6. This will give you the GRN number which you need to make a note of
7. Go back to the “Distribution Document Search screen” and under “Document Type change to “GRN (Goods Received Note)”
8. Under “Document Number” type in the GRN number that you had made note of earlier. See below screen

Doc ...	Doc Num	Doc Date	Year Code	Period	Input Date	Ir
GRN	2599	13/03/...	2013/14	07	13/03/2...	

Doc Num	Detail Status	Ref No	Doc Date	Year Code	Period
E 2599		1000...	13/03/...	2013/14	07

9. Double click on the blue link that appears and it takes you to the link below

Goods Received Note

Supplier:
 Name: COMMUNITY PLAYTHINGS
 Address: DARVELL BRIGHTLING ROAD
 ROBERTSBRIDGE
 TN32 5DR
 Ref:

Location:
 Code: THS
 Person: Gerry Gillies
 Dept:
 Office:
 Address: Hyde Crescent
 LONDON
 NW9 7EY
 Received: Cost: 0.00

Document Details:
 Number: 2599
 Date Created: 13/03/2014
 Status: GRN

Stock Type	Description	Quantity	Measure	Unit Price	Discount	Total
>	Hollow Block Cart	1		290.00	0.00	290.00
		0		0.00	0.00	0.00

Goods Value: 290.00 Calculated VAT: 58.00 Grand Total: 348.00

10. Under the “Status” section (bottom left hand side) select “Cancelled” from the drop down menu and click on “Change” button (top right hand side)

B. If you DO have the GRN number then follow below steps

11. You can ignore STEPS 1 – 6 and follow process from STEPS 7 to 10 above

IMPORTANT NOTE:

At year end, it is worth considering setting up an accrual for these committed amounts where OCL have received the goods / service and want to recognize the cost in the correct accounting year.

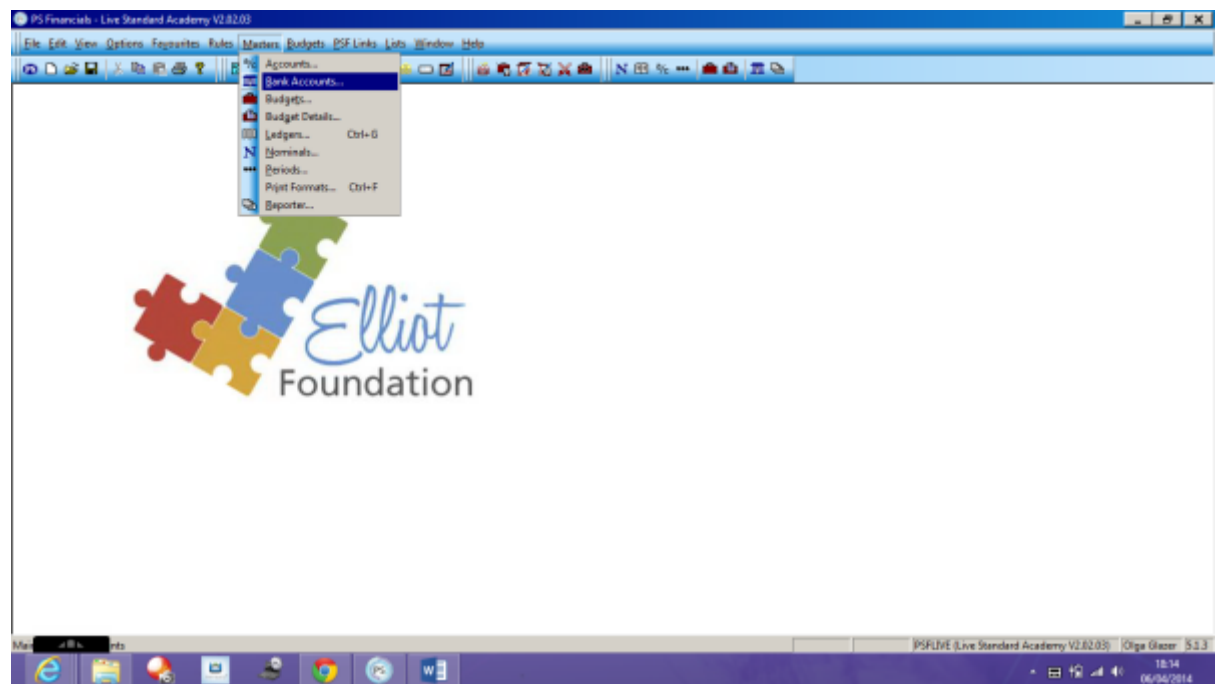
Again, please note that a commitment does NOT create an accounting posting into PSF, and does NOT show as an expense / purchase.

Bank Statement Import from Lloyds Link to PS Financials

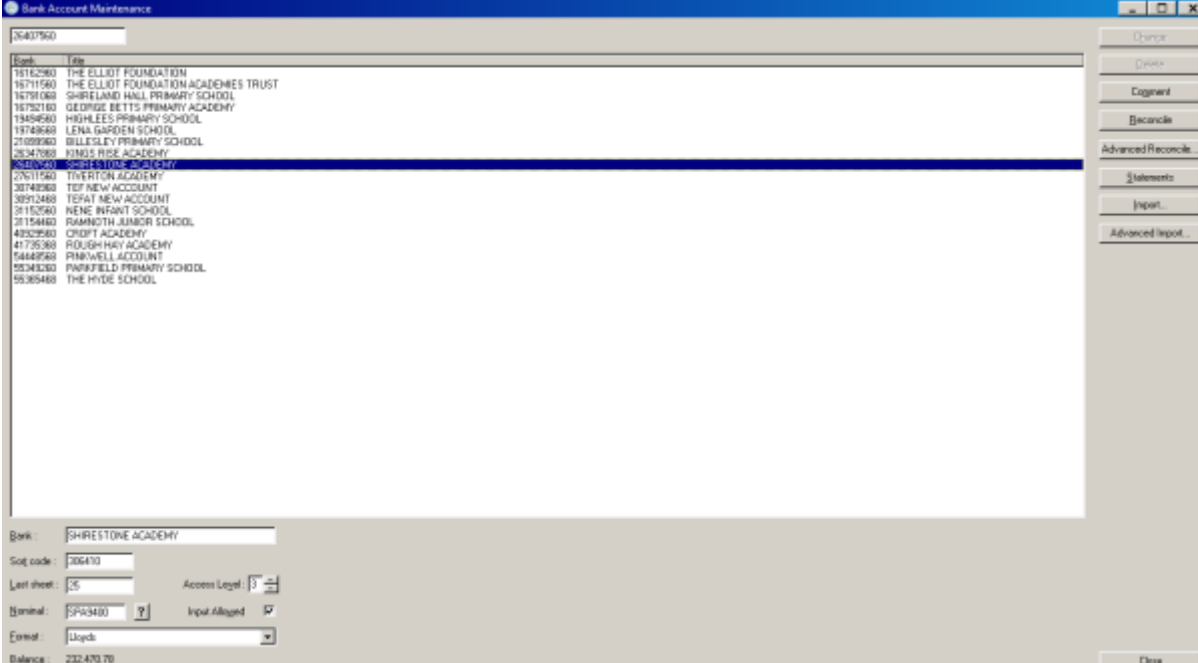
On PS Financials check the date and the closing balance of the last statement uploaded:

Click on Masters

Click on Bank Accounts



Choose your bank account – you should see only your school's bank account in this view.



Bank Account Maintenance

30407560

Bank	File
16162960	THE ELLIOT FOUNDATION
16711560	THE ELLIOT FOUNDATION ACADEMIES TRUST
16791068	SHIRELAND HALL PRIMARY SCHOOL
16792160	GEORGE BETTS PRIMARY ACADEMY
19494680	HIGHLEES PRIMARY SCHOOL
19748688	LENA GARDEN SCHOOL
21089280	BILLESLEY PRIMARY SCHOOL
26347688	STUDS RISE ACADEMY
30407560	SHIRESTONE ACADEMY
37611560	THVERTON ACADEMY
38748688	TEF NEW ACCOUNT
38912488	TEFAT NEW ACCOUNT
38102560	RENE INFANT SCHOOL
31154460	RAMNOUTH JUNIOR SCHOOL
40029680	CRIFT ACADEMY
41735388	ROUGH HAY ACADEMY
54448968	PRINWELL ACCOUNT
55343260	PARKFIELD PRIMARY SCHOOL
55365488	THE HYDE SCHOOL

Bank: SHIRESTONE ACADEMY

Sort code: 306410

Last sheet: 25 Access Level: 1

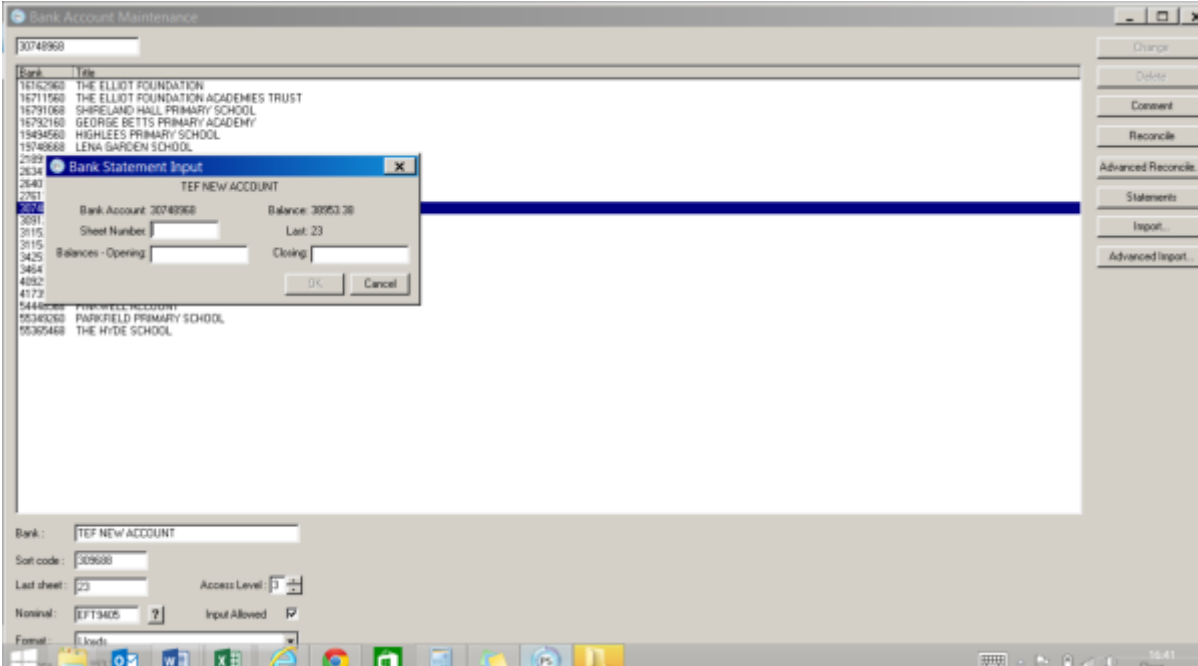
Nominal: 37493400 Input Allowed:

Format: Ujydc

Balance: 232,470.70

Buttons: Change, Delete, Consent, Reconcile, Advanced Reconcile, Statements, Import, Advanced Import, Done

Click on Statements (on the right hand side of the screen). This will bring up a box which will show you the last sheet number. Please enter this number next to the "Sheet Number"



Bank Account Maintenance

30748960

Bank	File
16162960	THE ELLIOT FOUNDATION
16711560	THE ELLIOT FOUNDATION ACADEMIES TRUST
16791068	SHIRELAND HALL PRIMARY SCHOOL
16792160	GEORGE BETTS PRIMARY ACADEMY
19494680	HIGHLEES PRIMARY SCHOOL
19748688	LENA GARDEN SCHOOL
21089280	BILLESLEY PRIMARY SCHOOL
26347688	STUDS RISE ACADEMY
30407560	SHIRESTONE ACADEMY
37611560	THVERTON ACADEMY
38748688	TEF NEW ACCOUNT
38912488	TEFAT NEW ACCOUNT
38102560	RENE INFANT SCHOOL
31154460	RAMNOUTH JUNIOR SCHOOL
40029680	CRIFT ACADEMY
41735388	ROUGH HAY ACADEMY
54448968	PRINWELL ACCOUNT
55343260	PARKFIELD PRIMARY SCHOOL
55365488	THE HYDE SCHOOL

Bank Statement Input

Bank Account: 30748960 Balance: 30953.28

Sheet Number: Last: 23

Balances - Opening: Closing:

OK Cancel

Bank: TEF NEW ACCOUNT

Sort code: 309680

Last sheet: 23 Access Level: 1

Nominal: 8713465 Input Allowed:

Format: Ujydc

Buttons: Change, Delete, Consent, Reconcile, Advanced Reconcile, Statements, Import, Advanced Import

Note the date and final balance on the last line of the statement

PS Financials - Live Standard Academy V2.02.03

File Edit View Options Favorites Rules Masters Budgets BSLinks Sheet Lists Window Help

Lloyds Statement

Statement of: TEF NEW ACCOUNT

Account No.: 30743968

Page: 23

No	Date	Description	withdrawals	Pay-Ins	Balance
1	07/11/2014	TO A/C TFR3091	386,574.37		927.25
2	10/11/2014	INTEREST (GROSS)		29.73	956.98
3	24/11/2014	SERVICE CHARGES	7.60		949.38
4	27/11/2014	ABBINGDON UNIVERSITY CO BGC 4000		38,004.00	38,953.38

PSPLIVE (Live Standard Academy V2.02.03) Olga Glazer 5.1.3

18:42 01/12/2015

Log in to Lloyds Link
 Click on Cash Management
 Click on Statements and Balances to bring up the following screen:

https://lloydslink.online.lloydsbank.com/... LloydsLink online

LloydsLink online

HOME | LOGOUT

Today's Statement

Yesterday's Statement

Yesterday's Balance - Short

Yesterday's Balance - Long

Today's Balance

Transaction Search Wizard...

Create New Statement ...

25/06/2015

31 days

Bank Statement

Bank Statement 21/06 - 05/07

CA/SH Last month

Custom Report

Custom Report 1

Last Month

Monthly Statement

School Fund Statement

Search Report

Selected Dates

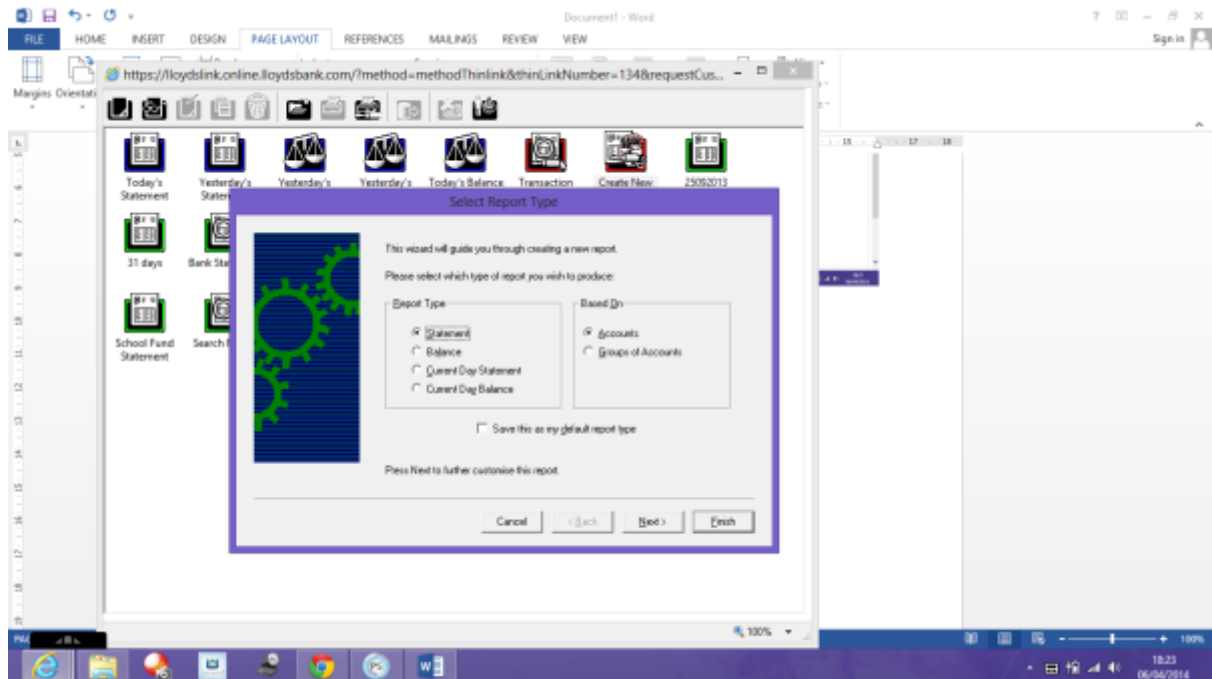
Sept Bank Statement

TEF Last Months Statement

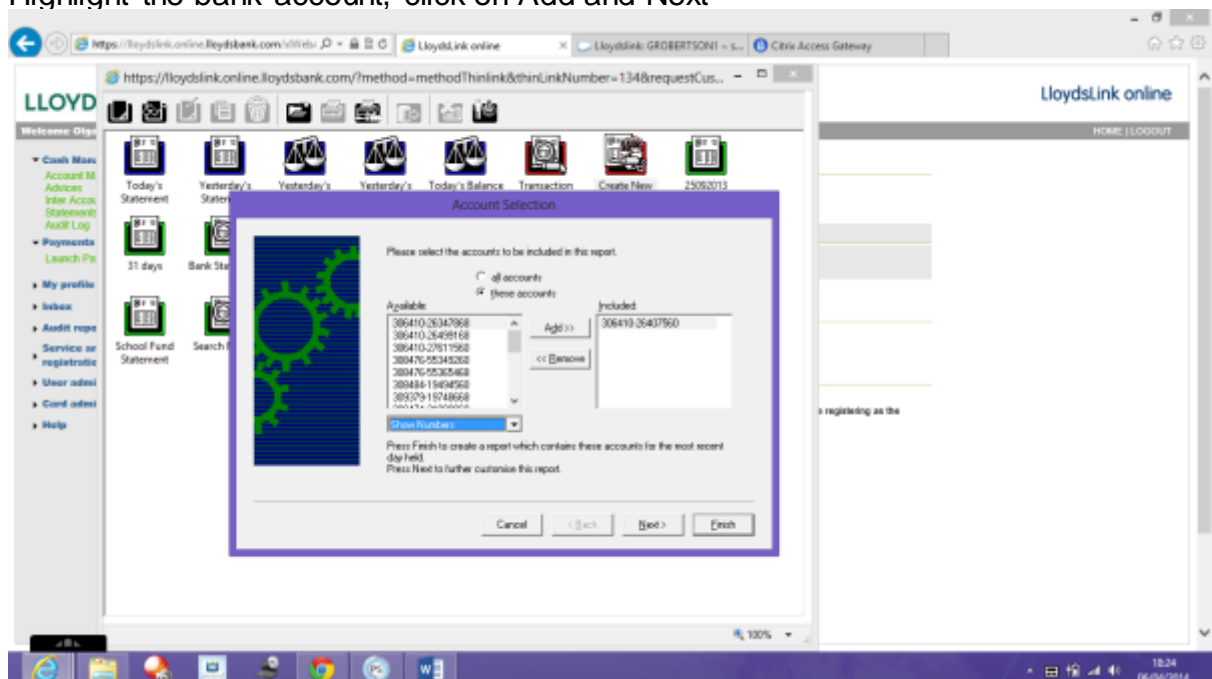
TEFAT

18:21 06/04/2014

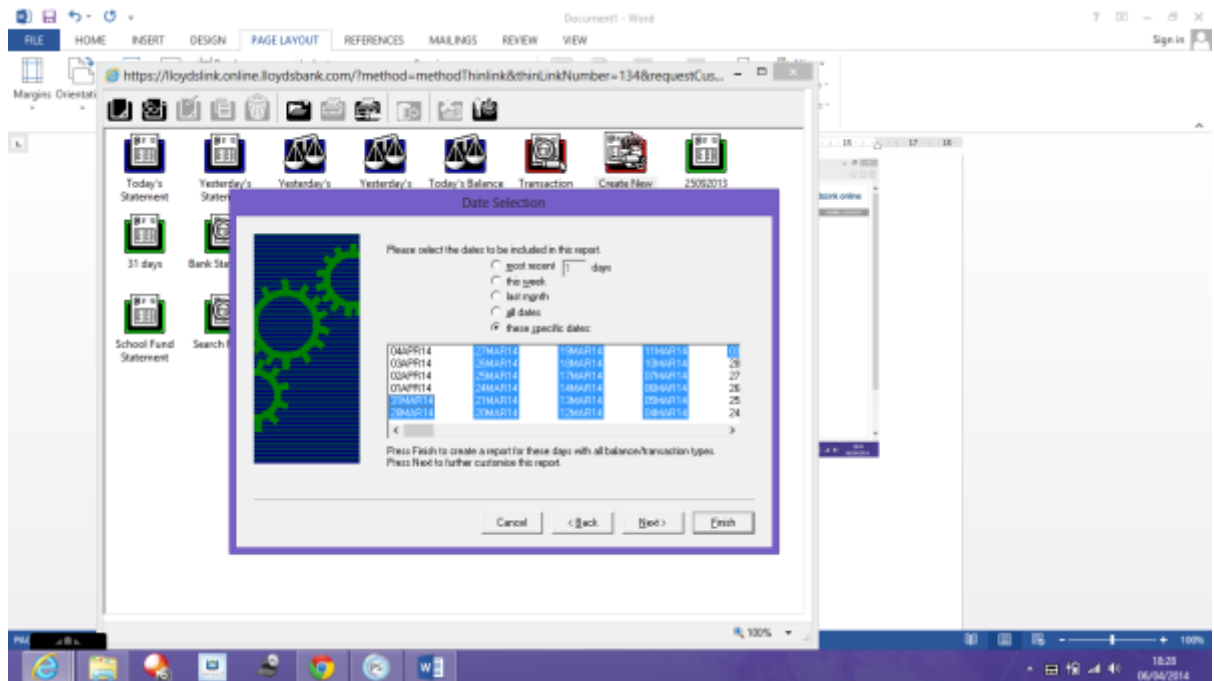
Click on the Create New Statement
 Tick Statement and Next



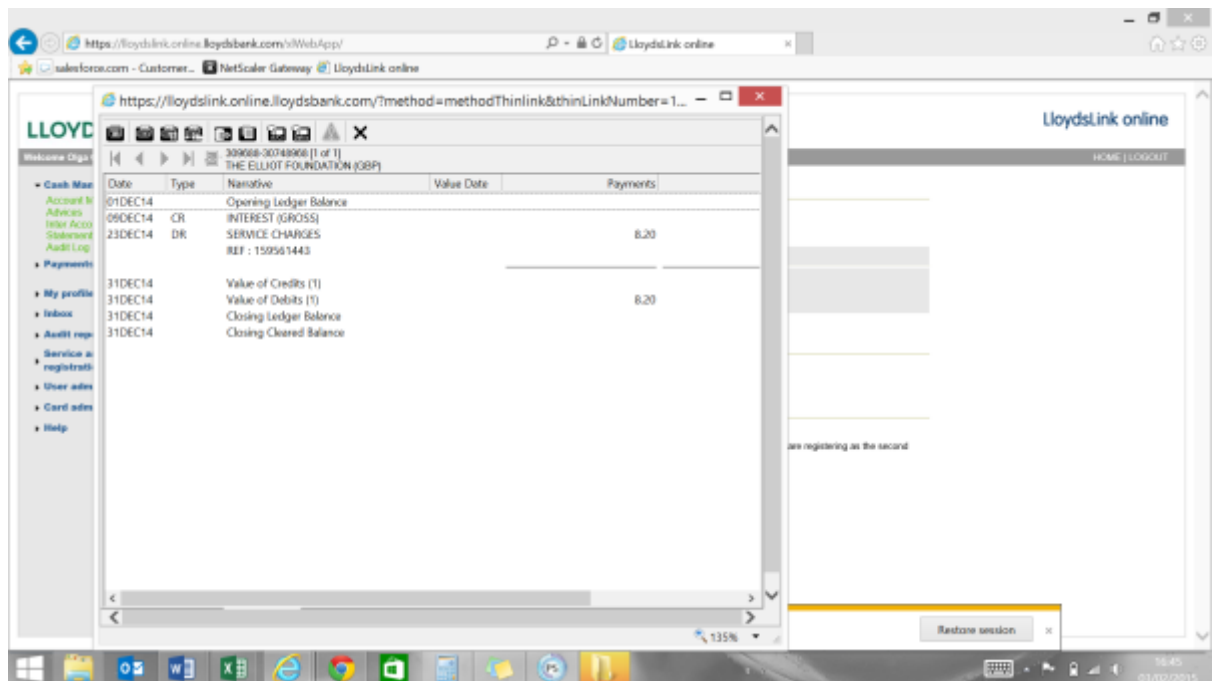
Tick These Accounts at the top
Highlight the bank account, click on Add and Next



Tick “These specific dates”
Highlight the dates you need to import to PS Financials, you can do this by holding “Shift” key and clicking on the dates required. Or you can hold “Shift” key and use arrows up, down and to the side. If you are importing a statement as part of the month end process make sure you do not pick up dates for next month. Pick up only the dates for the month you are completing month end process.



Click Finish and you will get a statement



Click on the fifth icon from the left and save the statement to your local disc/driver.

Please follow the name format already set School Code YMMDD Bank Statement, e.g. SPA140331 Bank Statement

Go to PSF P Drive

Find the file on the local drive and copy it

Click on PSF P Drive

Click on your school's folder

Click on Bank Statement folder

Paste the copied file

Go to PS Financials

Click on Masters

Click on Bank Accounts

Highlight your school's bank account

Click on Advanced Import on the right hand side of the screen

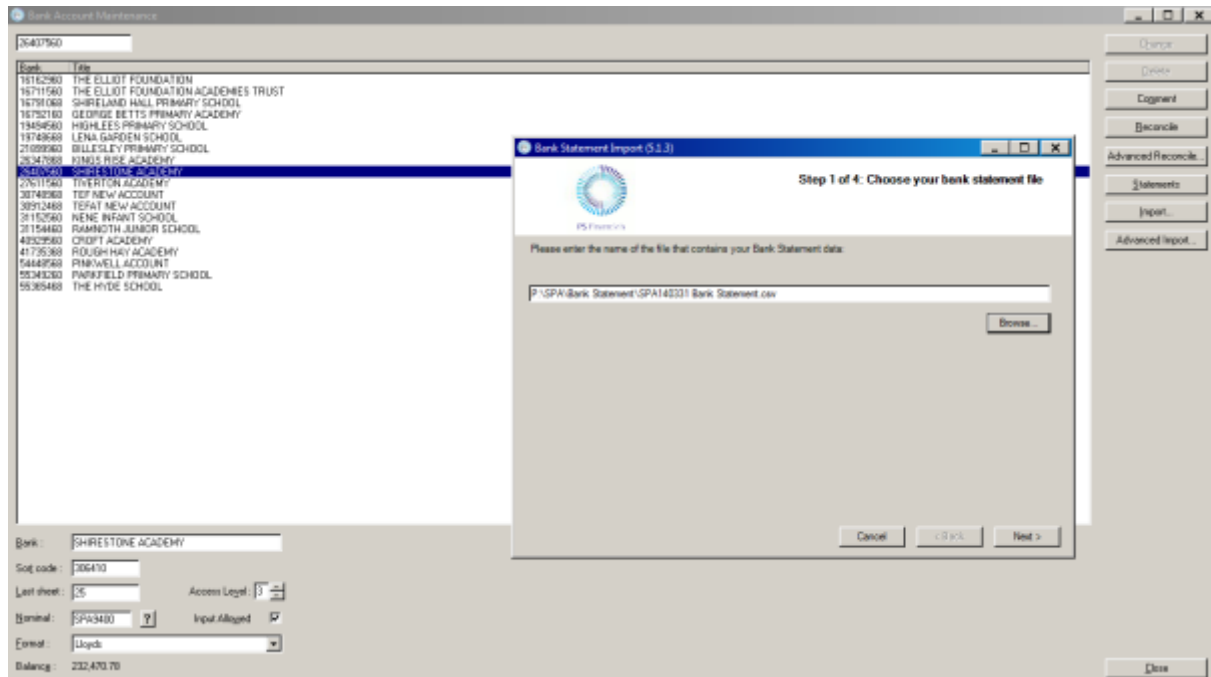
Click Browse and find the statement you have just saved

Click Next

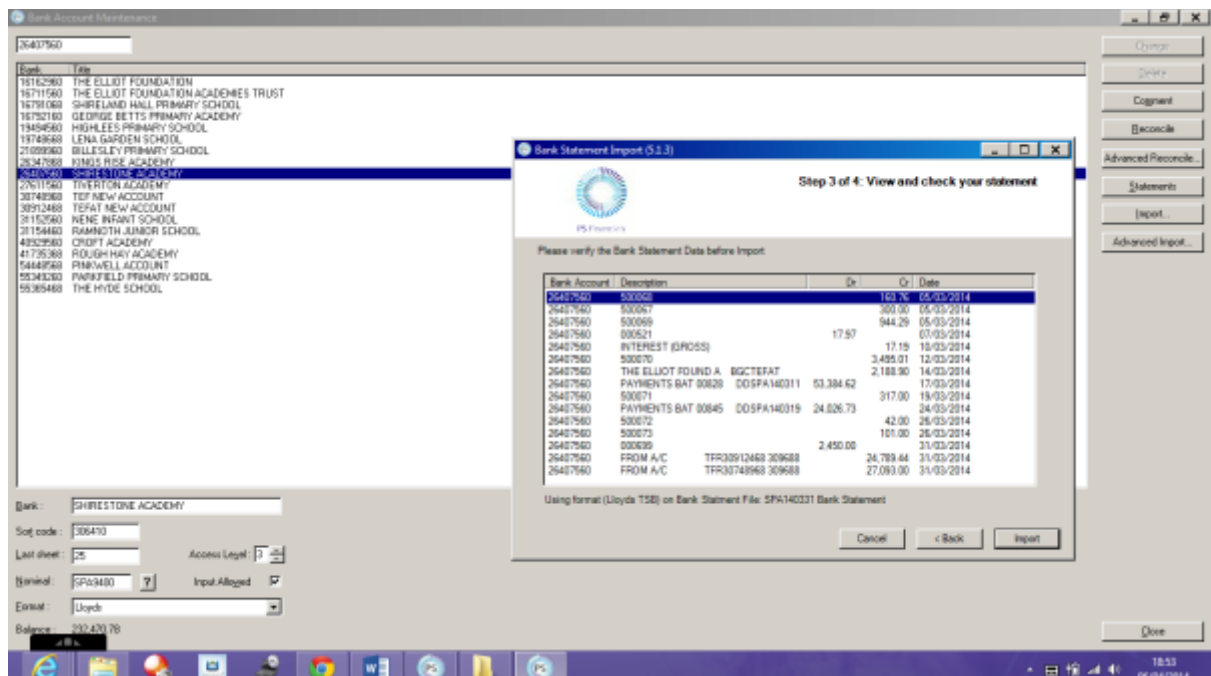
Make sure the line on next screen shows the following (it is different for different schools, the difference is usually the school code)

Highlight the line

Click Next



On the next screen make sure your Debits are the payments made, i.e. cheques, payment batches, etc., and Credits are the money received
Click Import

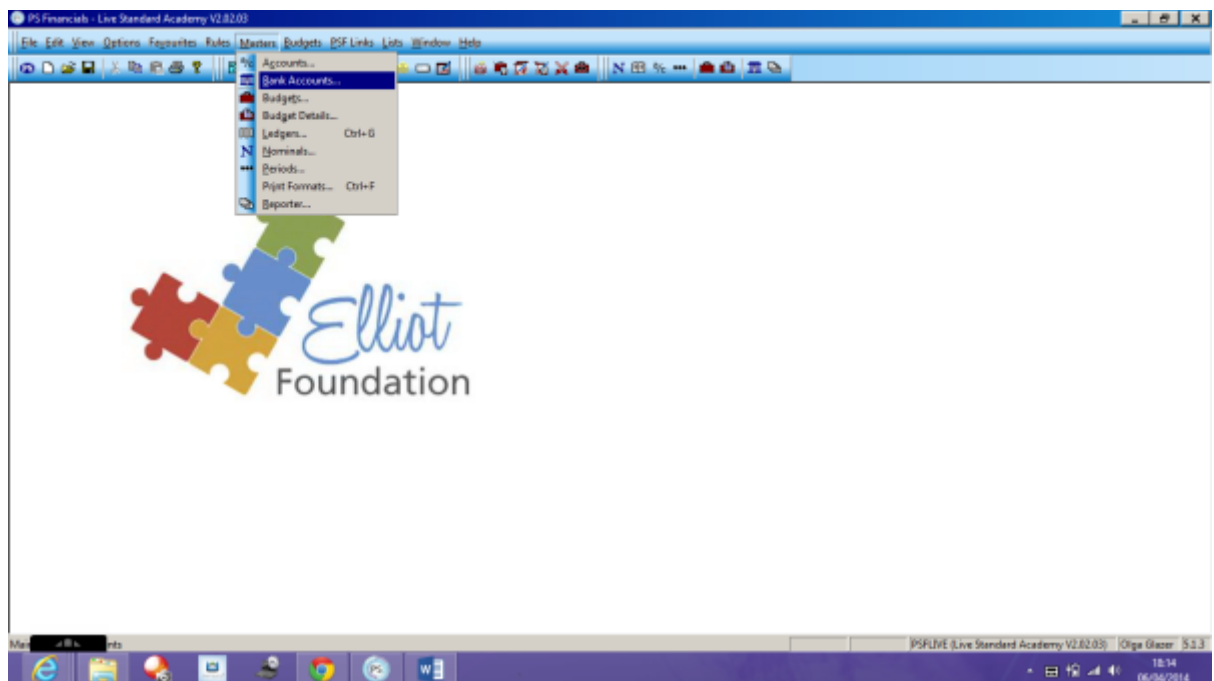


Once imported the next screen will show green ticks on the left hand side next to each statement line. Make sure that each statement line has a green tick before clicking Finish button.

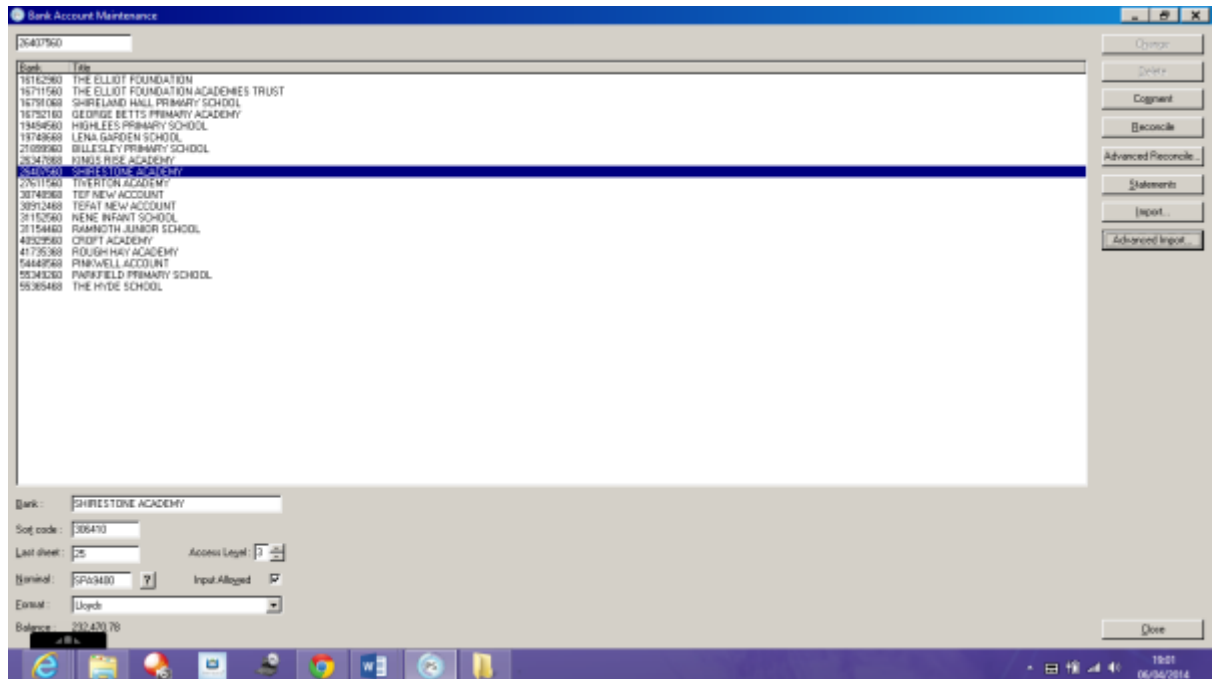
The statement is now imported and ready to be reconciled.

Reconciling Bank Statement on PS Financials

In PS Financials click on Masters
Click on Bank Statements



Click on Advanced Reconcile



Click on Browse

Highlight your school's bank account and click **next**

The next screen shows a screen split in two. The left hand side is the statement you have just imported. The right hand side is the Cash Book where all the transactions input in PS Financials are shown.

Click on the transaction on the left hand side and on matching transaction on the right hand side.

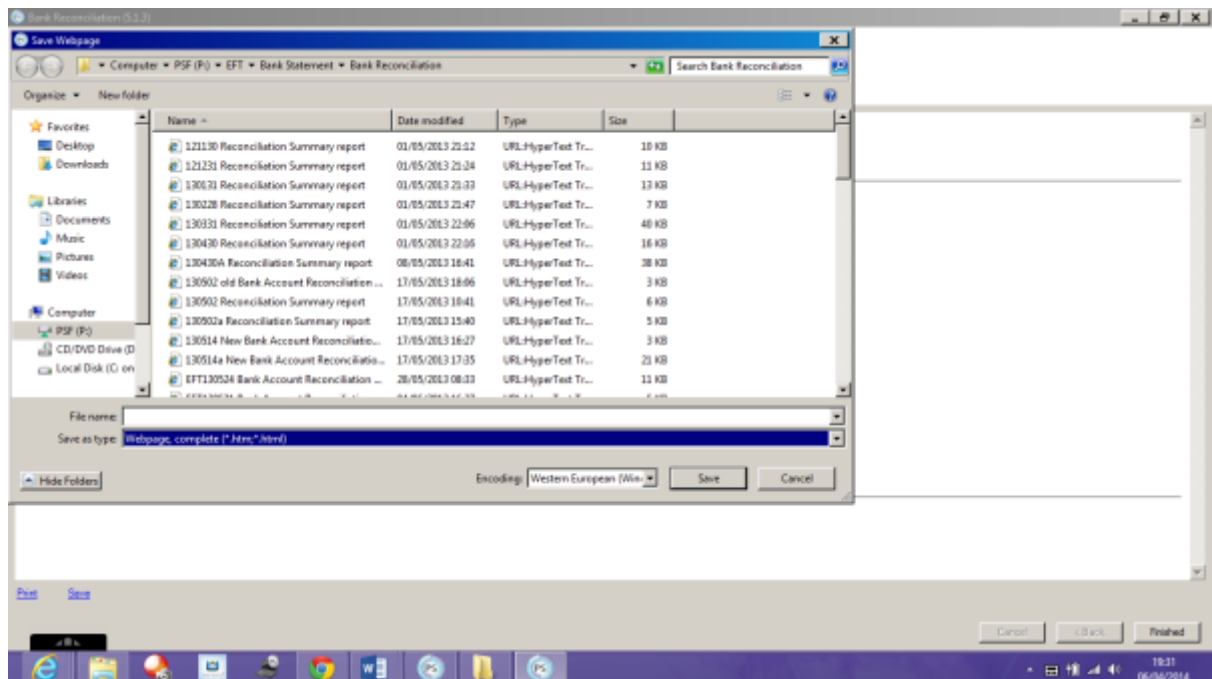
Under left hand screen the difference should be equal 0.

If the difference is 0, under right hand screen please click Match Selected

Proceed to match all the transactions.

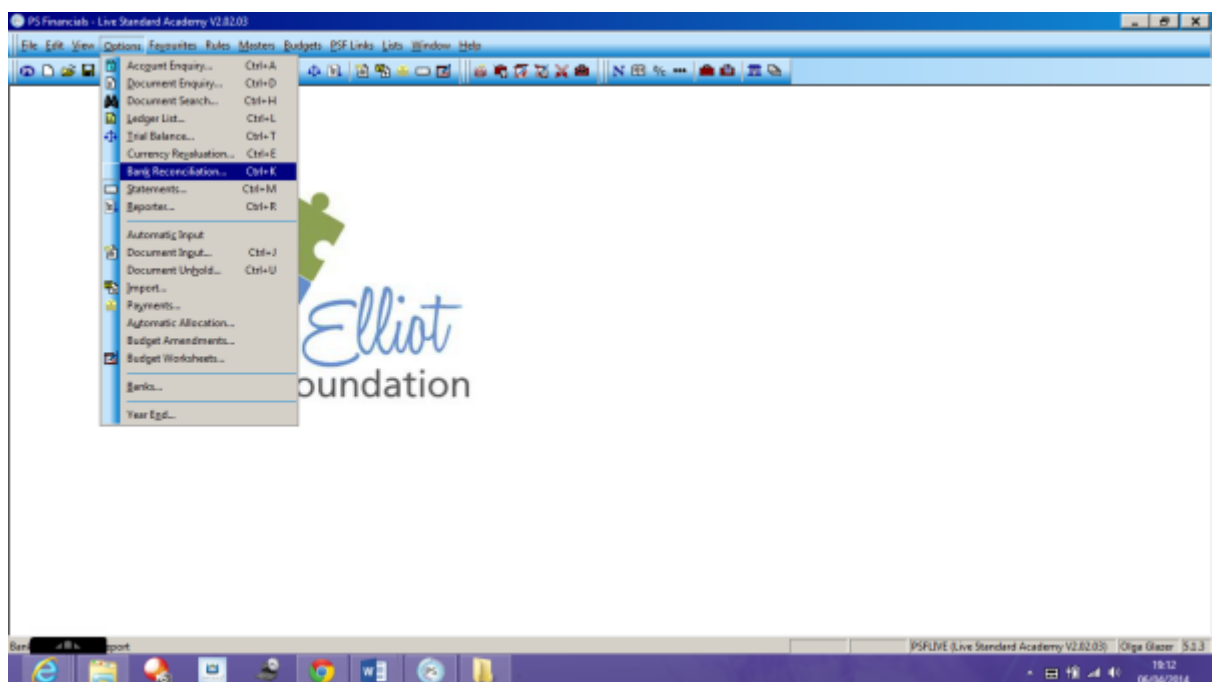
Once you have matched all the possible transactions, click Next

On the bottom on the left hand side click Save. Save the file in PSF P Drive-School folder-Bank Statement-Bank Rec Report. Change Save As Type to "Webpage, complete".

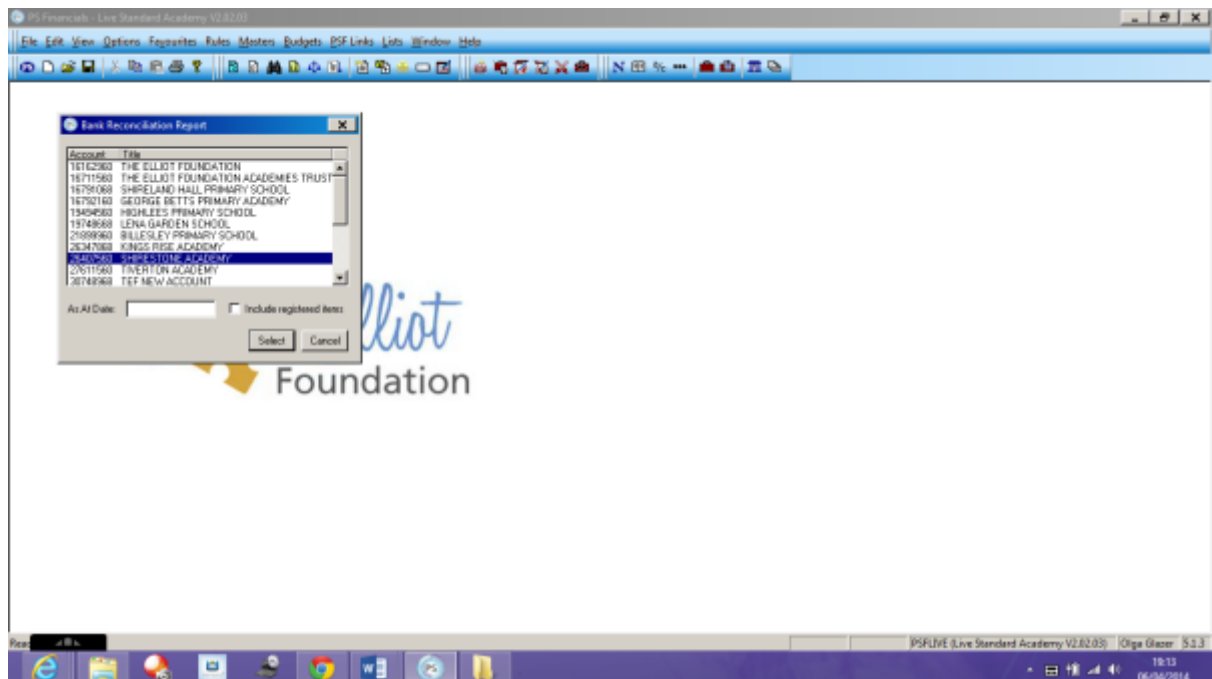


Please make sure you are saving it in the format set, as previous reports.
Click Finish

In PS Financials click on Options
Click Bank Reconciliations



Highlight your school's bank account and click Select



When the report is shown click on the Print icon

Find your PDF writer (either Cute PDF or Adobe Writer) and save report on your local drive

Go into P drive and copy the report from your local drive into P Drive-School folder-Bank Statement-Bank Rec Reports. Make sure you rename the file to follow the previous reports. You should have two reports saved for this reconciliation

If you have matched all possible transactions on the Statement side and Cash Book side, and you still have transactions on the Statement side you need to enter corresponding transactions to the Cash Book. Follow the usual process of Document Input.

Once you have input the remaining transactions complete the Advanced Reconciliation process again, making sure you save the Reconciliation Reports as instructed. If you do need to do this exercise make sure you save the new report with adding a letter at the end of the date, e.g. JLA140331a Bank Reconciliation Report.

If you are doing your Bank Reconciliation more than once a month, it is acceptable for the transactions to remain on the Bank Statement side. But these transactions should be matched by the end of the month.

At the end of the month **all** the transactions on the Statement screen should be matched to the transactions on the Cash Book. It is common to still have transactions on the Cash Book side – uncleared cheques or BACS run done during first week of the following month.

VAT SUMMARY

- **Summary**

Type of Income / expense	Trading / Non-	VAT Treatment
GAG Funding	Non-business	Outside the scope
Sale of Laptop to student	Non-business	Outside the scope
Sale of musical instrument to student	Non-business	Outside the scope
Sale of goods from school shops	Trading	Standard rated
Sale of management & admin services	Trading	Standard rated
Partly private funding for education	Trading	Exempt
Donations from parents	Non-business	Outside the scope
Breakfast / after-school clubs (not for Nurseries & Holiday clubs)	Non-business	Outside the scope
School uniform (young children)	Trading	Zero rated
School uniform (to children over 14 yrs)	Trading	Standard rated
Commission from photography	Trading	Standard rated
Sale of photographs to students	Trading	Standard rated
School trips for educational purposes	Non-business	Outside the scope
Catering for students (at or below cost)	Non-business	Outside the scope
Catering for students (run for a profit)	Trading	Standard
Vending machines	Trading	Standard rated
Catering for staff and visitors	Trading	Standard rated
Tuck shops (at or below cost)	Non-business	Outside the scope
Tuck shops (run for a profit)	Trading	Standard rated
Secondment of general staff	Trading	Standard rated
Secondment of educational staff	Trading	Exempt/Outside the
Letting of sports facilities (block)	Trading	Exempt
Letting of sports facilities (individual)	Trading	Exempt
Letting of swimming pool (swimming)	Non-business	Outside the scope
Letting of swimming pool (spectators)	Trading	Standard rated



Letting of swimming pool (leisure use)	Trading	Exempt
Letting of meeting rooms	Trading	Exempt (subject to
Letting of meeting rooms (with buffet)	Trading	Food – Standard Room - Exempt
Fundraising events	Trading	Exempt
Admission to musical, theatrical	Trading	Exempt
Admission to fashion show	Trading	Standard rate
Construction – Residential	Trading	Seek advice
Construction – Building for educational	Trading	Seek advice
Building repairs	Trading	Standard rated
Fuel & power bills	Trading	Reduced rated