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**Financial Management Policy**

**(including procurement policy)**

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| DRAFT v0.1 | July 23 | DD/CFO | Reviewed and revised to reflect the planned structure of the integrated trust. Based primarily on the previous Willows Academy Trust policy. |
| DRAFT v0.2 | July 23 | DD/CFO | Believe Academy Trust Expenses Policy incorporated. |
| DRAFT v0.3 | August 23 | DD/CFO | Believe Academy Trust Procurement Policy incorporated. Academy Trust Handbook incorporated. |
| DRAFT v0.4 | Sept 23 | DD/CFO/GB | Reviewed by CFO and amendments incorporated. Submitted for Trust Board approval |
| V1 | Oct 23 | DD/CFO/GB | Minor amendment incorporated:   * removal of reference to faxing documents.   Trust Board approval (Minute 1.9.1). |
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1. **Overview**
   1. The purpose of this policy is to ensure that ONE Academy Trust (ONE) maintains and develops effective systems of financial control that conform with the requirements of statutory & regulatory authorities, as well as complying with established principles of good financial management and common sense. These systems must operate properly to meet the requirements of the Funding Agreement between ONE Academy Trust (ONE), the Education and Skills Funding Agency (ESFA) and the Department for Education (DfE); the Schemes of Delegation in force between the trust and the individual school; the Articles of Association; and the Academy Trust Handbook (published by ESFA).
   2. Each school must comply with the principles of financial control outlined in the Academy Trust Handbook published by the Educational Skills Funding Agency (ESFA). This policy converts this into practical detailed information on the school’s accounting procedures and should be read and absorbed by all staff interacting with the trust’s finances.
   3. It is incumbent on members, trustees, staff and all parties engaged by or with the trust to observe both the letter but also the spirit of the trust Financial Management Policy. The trust is responsible for public money and as such the duty of care is naturally set very high. Whenever in doubt and where this policy does not specifically set out an appropriate approach, the highest principles should be observed to ensure the trust can fully stand behind the approach taken by the decision-maker.
   4. This policy operates in conjunction with all relevant ONE Academy Trust and school policies including:

* Anti-fraud, Bribery and Corruption Policy
* Gifts & Hospitality Policy
* Staff Code of Conduct
* Governors and Trustees Code of Conduct
* Whistleblowing Policy
* Pecuniary Interests Policy
  1. This policy reflects legislation at the time when it was last reviewed. Any changes in legislation will take precedence over anything printed in the policy.

1. **Scheme of Financial Delegation** 
   1. A Scheme of Financial Delegation (Appendix 1) for each school and the central team is reviewed and agreed on annually by the board of trustees.
   2. Each Scheme of Financial Delegation sets out the financial limits and signatories applicable to various matters and ensures that there are sufficient operational controls in place for all the financial processes within ONE Academy Trust.
   3. There are three standard schemes for schools plus a scheme of delegation for the central team.

* Category 1 - applies to schools with an in-year surplus and surplus reserves
* Category 2 - applies to schools predicting an in-year deficit offset by surplus reserves
* Category 3 - applies to schools with an in-year deficit and deficit reserves
  1. The ONE Board of Trustees reserve the right to amend the Scheme of Financial Delegation and delegate financial decision-making to the CFO, the CEO or to administer greater direct control. The following circumstances are examples of when levels of delegation may be amended:
* A balanced budget cannot be achieved and a recovery plan is required/in place.
* There is evidence that the ONE Academy Trust Financial Management Policy and/or the relevant Scheme of Financial Delegation is not being adhered to.
* There is evidence that the ESFA Academy Trust Handbook isn’t being adhered to.
* There is evidence or suspicion of fraudulent activities, bribery or corruption within a school or the central team.

1. **Organisation and responsibilities**
   1. ONE Academy Trust (ONE) is a company limited by guarantee, registered in England and Wales and is a multi-academy trust. The company has charitable status.
   2. The trust has defined the responsibilities of each person involved in the administration of both trust level and individual school finances. The financial reporting structure is illustrated in the following bullet points:

**The Board of Trustees (Trust Board)**

* 1. The ONE Academy Trust Board of Trustees (the Trust Board) has overall responsibility for the management and administration of the multi-academy trust’s finances. The board of trustees is led by the chair. It is the board of trustees' statutory responsibility to safeguard the assets of the company and to meet all requirements of the Companies Act. The main DfE prescribed responsibilities are set out in the Master Funding Agreement issued to ONE Academy Trust by the DfE including:
* ensuring that educational grants are used for the purpose intended
* managing budgets to be balanced, and annual approval of those budgets
* approval and issuing of annual audited accounts to ESFA
* instructing & reviewing internal audit reports to ensure high internal rigour;
* appointment of the accounting officer, chair of trustees, finance officer and external auditors
* appointment of school headteachers
  1. The chair of the board of trustees is the head of the ONE Academy Trust organisation. They are ultimately accountable for all trust activity. As well as signing off the Annual Accounts, and being the first contact point for all external stakeholders, they are also required to submit to the ESFA an annual statement indicating the trust has secured value for money.
  2. The board of trustees must operate within the limits set out by the ESFA and as set out in the latest Academy Trust Handbook. All financial decision-making should be undertaken in consultation with the CFO who will provide advice on the current ESFA requirements and the appropriate procedures.
     + - Writing off bad debts, or entering into guarantees, indemnities and letters of comfort.
       - Severance payments made to staff are restricted to an assessment made of an Employment Tribunal award.
       - Entering a lease may require ESFA approval. Any finance lease (e.g. hire purchase), any leasehold/tenancy agreement >5 years (e.g. leasing premises), any granting of a lease on land – all require ESFA approval. This is NOT required for photocopiers (i.e. operating leases) or any premises lease of 5 years or less
       - Any fraud or irregularity must be reported to the ESFA in accordance with the requirements of the current Academy Trust Handbook. The trust is handling public funds and the standards expected within the trust are suitably high. All examples of suspected irregularity or fraud will be investigated by the CFO and reported to the trust board at the first available opportunity. If the CFO is in any way implicated in the fraud, responsibility for the investigation will move to a trustee
  3. The trustees will co-authorise any school or central trust expenditure as prescribed in the appropriate Scheme of Financial Delegation
  4. All trust expenditures will be authorised by at least 2 authorised signatories (at the trust level this will be any name appearing on the bank mandate for the ONE Academy Trust’s bank account)
  5. All trustee expenses will be authorised by the CFO and a different trustee (usually the chair of the board).

**The Local Governing Body**

* 1. The local governing body (LGB) does not have a financial delegation. The headteacher will keep the local governing body informed about budget matters, staffing and major expenditure decisions in order that they can understand the implications of budget planning and financial constraints on the management of the school, the school improvement plan and other aspects of school life.

**The headteacher**

* 1. Within the framework of the school development/improvement plan, the headteacher has overall executive responsibility for the school’s activities including financial activities. The headteacher retains responsibility for:
* committing school funds only for the purpose intended in accordance with the Financial Management Policy and the school’s Scheme of Financial Delegation;
* managing the school budget and seeking approvals to expenditure in accordance with the school’s Scheme of Financial Delegation;
* ensuring the CFO/ is kept informed of all proposed budget changes and
* approving or seeking approval for staff appointments within the authorised establishment in accordance with the school’s Scheme of Financial Delegation.
* authorising or co-authorising purchases/contracts up to the limits set out in the school's Scheme of Financial Delegation;
* advising the local governing body of purchases/contracts in accordance with the school's Scheme of Financial Delegation;
* authorising payments in conjunction with the office/business manager or another authorised signatory – all payments require 2 signatories
* ensuring the school complies with the prescribed Scheme of Financial Delegation both in letter and spirit
  1. Within a school, the headteacher, with the approval of the CFO and board of trustees, may delegate the management of a budget area to a member of the senior leadership team.

**Chief Financial Officer (CFO)**

* 1. The Chief Financial Officer (CFO) is responsible for the strategic management of the trust's finances across ONE Academy Trust and individual schools (in accordance with agreed Schemes of Financial Delegation to individual schools).
  2. The CFO will ensure annual trust level accounts are delivered in accordance with all statutory and regulatory requirements.
  3. The CFO is responsible for budget setting at the trust level, and ensuring an appropriate control environment exists across the trust.
  4. The CFO works in close collaboration with the school headteachers and the CEO through whom the CFO is responsible to the board of trustees. The CFO also has direct access to the board of trustees via board meetings.
  5. The main responsibilities of the CFO are:
* preparing the annual budgets and medium-term financial plans for the trust and the schools within the trust, for review and approval by the board of trustees;
* managing day-to-day financial issues of the ONE Academy Trust including the establishment and operation of a suitable accounting system;
* managing the ONE Academy Trust’s financial position at a strategic and operational level within the framework for financial control determined by the board;
* maintaining effective systems of internal control across the whole of ONE Academy Trust;
* ensuring the annual accounts are presented properly and supported adequately by the underlying books and records of ONE Academy Trust;
* preparing monthly management accounts in accordance with the requirements of the Academy Trust Handbook for the whole of ONE Academy Trust setting out its financial performance and position. These must include an income and expenditure account, variation to budget report, cash flows and balance sheet. These will be shared with the chair of trustees every month and the board will consider these when it meets and be assured that it has appropriate oversight of the trust’s financial position.
* authorising and co-authorising purchases in accordance with the Scheme of Financial Delegation;
* authorising and co-authorising service contracts in accordance with the Scheme of Financial Delegation;
* ensuring forms and returns are sent to the ESFA in line with the timetable it prescribes;
* controlling procurement procedures and acting as the *‘Procurement Champion’* for ONE Academy Trust;
* supporting and overseeing the school office/business managers; and
* Identifying and addressing financial training needs within ONE Academy Trust.

**Budget-holders**

* 1. Budget-holders are responsible for financial management in the areas or activities they control as delegated by the headteacher or CEO. The Chief Financial Officer will supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept. Headteachers are responsible for establishing and maintaining clear lines of responsibility within their school for all financial matters.
  2. Budget-holders & finance officers shall provide the Chief Financial Officer with such information as may be required to enable:
* Compilation of the trust’s financial statements;
* Implementation of financial planning;
* Implementation of audit and financial reviews, projects and value-for-money studies.

**The Office/Business Manager**

* 1. The office/business manager works in close collaboration with the headteacher and the CFO through whom he or she is responsible to the board of trustees. Their main responsibilities are:
* the day-to-day management of financial issues including the operation of an accounting system in line with the requirements of ONE Academy Trust;
* the management of the school’s financial position at an operational level within the framework for financial control outlined by the Academy Trust Handbook;
* the maintenance of effective systems of internal control;
* authorising orders in conjunction with school budget holders in accordance with the Scheme of Financial Delegation;
* ensuring the correct procurement procedures are followed by the school
* authorising payments in conjunction with the headteacher or other authorised signatories; and
* assisting the CFO in ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

**Internal Scrutiny**

* 1. An internal scrutiny service provider is appointed by the ONE Finance, Audit & Risk Committee to provide governors and trustees with independent oversight of the trust’s financial and operational affairs. The main duties of the internal scrutiny service provider are to provide the trust's trustees with independent assurance that:
* the financial and operational responsibilities of the board of trustees 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 are consistent across schools;
* procurement procedures are being followed correctly;
* risks relating to procurement procedures, authorisation limits and governance are being kept under review;
* any other specific risks or operational areas identified from time to time by the ONE Finance, Audit and Risk Committee are being kept under review; and
* financial considerations are fully taken into account in reaching decisions.
  1. The internal scrutiny provider will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the board of trustees and CFO. The ONE Finance, Audit and Risk Committee direct the trust programme of internal scrutiny.
  2. A report of the findings will be presented to the Finance, Audit & Risk Committee, the board of trustees;
  3. An Internal Scrutiny Report will be submitted to the ESFA, following approval by the Finance, Audit & Risk Committee.

**Other Staff and Partners/Subcontractors/Suppliers**

* 1. Other staff/partners/subcontractors/suppliers will have varying degrees of access to trust/school assets and may have some financial responsibilities. Concerning their relationship with the trust/school they are responsible for:
* the security of school property, for avoiding loss or damage;
* for ensuring economy and efficiency in the use of resources; and
* for conformity with the requirements of the trust/school’s financial procedures.

**Register of Pecuniary Interests**

* 1. 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 trust trustees, school governors and any staff, partners, subcontractors and suppliers with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the trust/school may purchase goods or services. The register is open to public inspection.
  2. The register should include all business interests such as trusteeships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the school. 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 trustee, governor or a member of staff by that person.
  3. The existence of a register of pecuniary interests does not, of course, detract from the duties of trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, trustees, governors and staff should not attend that part of any committee or other meeting.

1. **Accounting system**

**Accounting system**

* 1. All the financial transactions of the trust and each school must be recorded on the Financial Accounting System. The Financial Accounting System is operated by the office/business manager and anyone appointed by the trust with appropriate skills and experience, and consists of:
* Orders/Invoices/Journals
* Payments/Receipts/Nominal Ledger bank postings
* Monthly Reconciliations
* Recording of all Transactions
* Aged Purchase Ledger & Sales Ledger, and debt collection
* Balance Sheet Management – custody of trust/school assets
* Payroll Input
* Asset System Management & Depreciation
* All routine Reporting

**System Access**

* 1. Entry to the Financial Accounting System is password restricted and passwords are system changed. At no time should an individual disclose their password to anyone else. It is expressly forbidden for more than one person to access the financial system using the same user name/password.
  2. Access to the Financial Accounting System is to be restricted to the office/business manager and anyone delegated by this post, the headteacher or any signatory given authorising responsibility in the headteacher’s absence as well as those responsible for auditing the financial systems of the school. Budget holders will have password secured access to the online module for the purposes of requisitioning goods and authorising goods received notes.
  3. Where it is suspected that unauthorised access to the system has taken place, the finance & audit committee shall be notified immediately.

**Back-up procedures**

* 1. The CFO is responsible for ensuring that there are effective backup procedures for the Financial Accounting System data and that provision is made for restoring data in a disaster.
  2. These back-up procedures should link in with the annual assessment made by trustees of the major risks to which the trust is exposed and the systems that have been put in place to mitigate those risks.

**Transaction processing**

* 1. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal entries must be documented on the appropriate journal form and authorised by the office/business manager before being input into the accounting system.

**Reconciliations**

* 1. The office/business manager is responsible for ensuring the following reconciliations are performed each month in conjunction with the CFO, and that any reconciling or balancing amounts are cleared:
* sales ledger control account;
* purchase ledger control account;
* payroll control account;
* assets system to nominal ledger balance sheet;
* all suspense accounts – cleared down;
* bank balance per the nominal ledger to the bank statement;
  1. Any unusual or long outstanding reconciling items must be brought to the attention of the headteacher and the CFO. The headteacher will review and sign all reconciliations as evidence of this review.

1. **Financial planning**

**Financial plans**

* 1. The trust and each school prepare medium-term (3 years) and annual financial plans.
  2. The medium-term financial plans are prepared as part of the ONE Academy Trust development planning process.
  3. The development planning process and the budgetary process are described in more detail below.

**Development planning**

* 1. The ONE Academy Trust development plan sets out the trust's overarching objectives and indicates how the trust's objectives are going to be achieved within the expected level of resources over the next three year period.
  2. The school improvement/development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.
  3. The development plan is concerned with the future aims and objectives of the school and how they are to be achieved; that includes matching the school’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.
  4. The form and content of the ONE Academy Trust and school development plans and financial plans are matters for the trust and schools to decide but due regard should be given to the matters included within the guidance issued by the Department for Education (DfE). ONE Academy Trust uses software from a Financial Accounting System for this purpose which links with the financial management software package.

**Annual budget**

* 1. The CFO, in conjunction with the headteacher and the office/business manager, is responsible for preparing and obtaining approval for each school's annual budget. The budget must be reviewed by the headteacher and the CFO and approved by the accounting officer (CEO) and the board of trustees.
  2. The CFO, in conjunction with the CEO, is responsible for preparing and obtaining approval for the ONE Academy Trust annual budget. The budget must be approved by the accounting officer (CEO) and the board of trustees.
  3. The approved ONE Academy Trust budget must be submitted to the Education, Skills and Funding Agency (ESFA) by the specified deadline each year and the CFO is responsible for establishing a timetable that allows sufficient time for the approval process and ensures that the submission date is met.
  4. The annual budget will reflect the best estimate of the resources available to the trust 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.
  5. The budgetary planning process for both the schools and the trust will incorporate the following elements:
* forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
* review of other income sources available to the trust/school to assess likely level of receipts;
* review of past performance against budgets to promote an understanding of the trust/school 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.

**Balancing the budget**

* 1. 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 and expenditure.

**Finalising the budget**

* 1. Once the different options and scenarios have been considered, a draft budget for each school will be prepared by the CFO in conjunction with the headteacher, for review and the approval of the accounting officer and the board of trustees.
  2. A draft budget for the trust will be prepared by the CFO in conjunction with the CEO and taking account of the planned school budgets.
  3. The approved budget should be communicated to all stakeholders so that everyone is aware of the overall budgetary constraints.

**Monitoring and review**

* 1. Monthly budget monitoring will be undertaken by the CFO. Termly reports will be prepared by the CFO. The reports will detail actual income and expenditure against the budget at a summary level for the headteacher and the ONE Academy Trust finance committee.
  2. The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action is taken where appropriate. If a budget overspend is forecast it may be appropriate to move money from another budget or the contingency. Virements must be authorised by the CFO in accordance with the Scheme of Financial Delegation.

1. **Staffing & payroll**

**Staff appointments**

* 1. The board of trustees will approve a personnel establishment for each school, taking into consideration the views of the headteacher. Changes can only be made to this establishment with the express approval in the first instance of the CFO who must ensure that adequate budgetary provision exists for any establishment changes.
  2. All staff appointments must be pre-approved by the CFO before recruitment.
  3. The office/business manager maintains personnel files for all members of staff which include contracts of employment.

**Payroll administration**

* 1. The trust payroll is administered by the payroll provider. The office/business manager is responsible for updating the information passed to them promptly every month.
  2. All staff are paid monthly. A master file is created for each employee which records:
  + salary;
  + duty information and hours;
  + bank account details;
  + taxation status;
  + personal details and
  + any deductions or allowances payable.
  1. Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments are prepared by administrative staff and must be authorised by the school headteachers before being submitted to the payroll provider.
  2. New staff can only be added to the payroll with the express authorisation of the school headteachers. New staff must complete all relevant payroll documents issued by the office/business manager. 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.
  3. Details of all payments made are passed via email, to the office/business manager for recording on the current financial system. This document should be signed each month by the headteacher to authorise the payment.
  4. The office/business manager is responsible for liaison with the payroll provider to ensure all pay and other pay-related matters are correctly determined before payments are authorised and that any errors are corrected as soon as is practically possible.
  5. The office/business manager must complete a monthly staff return which provides details for all staff in the section of sickness and other absences during the month and any new appointments or terminations. The staff return must be authorised by the headteacher. Authorised staff returns should be sent to the payroll provider who is then responsible for payroll processing. A hard copy of the authorised file should be retained at the school.

**Payments**

* 1. After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total will be provided by the payroll provider. The print must be reviewed and authorised together with the authority to release payment by the office/business manager and the headteacher.
  2. All salary payments are made by BACS.
  3. The office/business manager should prepare a reconciliation between the current months, the contract of employment record and the budget and investigate and deal with discrepancies. This reconciliation should be carried out promptly and identified discrepancies reported to the headteacher.
  4. The payroll system operated by the payroll provider automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions, but this list is not exhaustive. The amounts payable are summarised on the gross to net pay and these amounts should be checked by the office/business manager and authorised for payment by the office/business manager and the headteacher (or another authorised cheque signatory if one is unavailable) by the due date.
  5. After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and individual cost centres. The office/business manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and identify any amounts posted to the suspense account.

**Changes to payroll**

* 1. Changes to payroll documents (including payment of extra hours, change to pay scale etc.) must be signed by the relevant member of staff and submitted by the office/business manager to the school headteachers for authorisation and signing off. The relevant details will then be forwarded to the payroll provider. Any documents relating to changes to payroll must be retained in the member of staff’s personnel file.

**Payroll documentation**

* 1. All staff members should have their own personnel files either stored electronically, or stored as hard copies and locked away. Access is restricted to named employees. The following information should be kept in each staff member’s personnel file and signed accordingly:
* checklist;
* new starter forms;
* offer letter;
* references;
* contract;
* job description; and
* all documentation evidencing variations to any of the above.

1. **Expenses** 
   1. Expenses will only be reimbursed where:

 They have been wholly and necessarily incurred on behalf of the trust.

 Amounts charged are incurred in accordance with this policy.

* Expenses have not been reimbursed by another party
  1. All governor and trustee expenses must be pre-approved by the CFO (or CEO in the absence of the CFO). The trust will take into account the Charity Commission’s guidance for trustees [CC11:](https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11) [Trustee expenses and payments](https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11)
  2. All staff expenses for the trust central team must be pre-approved by the CFO (or CEO where they relate to the CFO).
  3. All school staff expenses must be pre-approved by the headteacher (or CFO where they relate to the headteacher).
  4. All bookings for transport and accommodation must be made through the school/trust and not by the individual. Independent bookings may be made where the employee is able to achieve improved value for money or, in exceptional circumstances, in an emergency, and this arrangement should be discussed with the headteacher/CFO in advance of the booking wherever possible.
  5. **Subsistence:** In circumstances where the employee is representing the trust away from school premises, subsistence expenses may be claimed on an actual cost basis with receipts (ie only the actual cost can be claimed if this is less than the allowable amount). Subsistence expenses are capped at £50 per day in the UK and £60 per day abroad to cover the cost of meals and refreshments. For more than 8 hours and no official food provided, lunch may be purchased. For than 12 hours and no official food provided, an evening meal may be provided. There will be no reimbursement for the purchase of alcohol as part of subsistence. The purchase of any alcohol will be at the individual’s expense.
  6. **Overnight accommodation:** The cost of overnight accommodation is considered a legitimate expense where an employee cannot reasonably be expected to make the return journey to and from a meeting or event in the same day. Overnight accommodation should be no more than £70 outside of London and £120 in London. All bookings for overnight accommodation should be made through the office manager or CFO. Bookings made by individuals will not be reimbursed, unless there are exceptional circumstances, when the prior approval of the headteacher/CEO must be granted.
  7. All expenses (with the exception of mileage) are to be accompanied by fully itemised original receipts (which excludes photocopies or credit card transaction slips) and approved and signed off by the school headteacher/CEO. Credit card slips do not constitute receipts from a supplier and expenses incurred will not be reimbursed on the basis of the submission of credit card slips alone
  8. Hotel bookings will be of 4\* or lesser standard.
  9. **Rail Travel:** Train tickets will be purchased on behalf of the staff member/governor and booked as far in advance as possible and preferably at off-peak times to reduce costs. An open ticket may only be purchased if it is not possible to know the finishing time of a meeting or event. In this event, the booking of a restricted ticket for the outward journey should be possible. First-class will be permitted where the cost is of lower or equal value to that of a standard ticket or in exceptional circumstances where standard class facilities are not available to the person travelling (for example if the individual has special requirements) and prior agreement must be sought from the CFO and retained for audit purposes.
  10. **Private Cars:** It is the responsibility of the employee to ensure that there is an appropriate level of insurance on the private car to be used, for example on the use in connection with business and associated passengers. Any expense associated with a change to a personal insurance policy will not be reimbursed. It is also the individual’s responsibility to ensure they hold a valid driving licence and that the vehicle is roadworthy. Private cars should be used only under the following conditions:
* Their use is approved in advance.
* The journey is made by the shortest appropriate route, taking into account travel time.
* Where two or more trust personnel are travelling together, so that the combined cost of their journey by public transport would exceed that calculated using the mileage rates provided by the trust.
* Where the cost of travelling by public transport would exceed the cost of using a private car
* The traveller is disabled or is assisting a disabled person.
* Where bulky equipment is being carried.
* Where the destination is not reasonably accessible by public transport.

Where the use of a private car is approved, normal parking charges, congestion charges and tolls incurred on business journeys may be reclaimed. The payment of any penalties, fines and other charges are the responsibility of the driver and the trust will not make reimbursement for these. Nor will the trust accept liability for loss or damage to an employee’s vehicle or any part thereof.

* 1. Mileage expenses must be mileage incurred on the trust’s business and supported by a log of miles travelled and the reason for travel. Mileage excludes normal daily mileage to the school or normal place of work. It is the responsibility of the individual to ensure that there is an appropriate level of insurance on the private vehicle to be used, for example on the use in connection with business and associated passengers.Distances will be checked by the authoriser. Mileage expenses will be paid at the HMRC recommended rate.
  2. **Taxis:** Taxi fares may be claimed where suitable public transport is unavailable, where there are issues of personal safety or welfare, where the cost of a taxi is less than the cost of public transport (e.g. when sharing) or in other exceptional circumstances. Such arrangements must be approved by the headteacher/CEO in advance of the travel, unless travel in an emergency proves necessary. Evidence of this approval must be attached to the expense claim form
  3. If you have a disability which necessitates reasonable adjustments for travelling arrangements, please discuss your needs with the headteacher or CEO (as appropriate to your role) before committing any expenditure.
  4. **Home telephone/broadband/personal mobile phone costs:** The trust will not reimburse personal mobile phone rental costs, home broadband or home telephone rental costs. The trust will, however, reimburse the costs of business calls made from a home telephone or personal mobile phones where these are incremental costs over and above fixed rental costs. All claims must be supported by itemised bills.
  5. **Governors and trustees** can also claim the actual costs that they incur in carrying out their duties as a governor or representative of the trust. Claims may be made for:
     + - The extra costs they incur in performing their duties either because they have special needs or because English is not their first language.
       - The cost of travelling to meetings/training courses, at no more than the agreed rates for trust employees
       - Childcare or babysitting expenses when attending meetings and/or care arrangements for an elderly or dependent relative when attending meetings
  6. Claims must be submitted within three months after the expenditure was incurred.
  7. Breaches of policy, abuse and inappropriate claiming/authorisation of claims under this policy will be investigated and may lead to disciplinary action in the case of employees.
  8. In the event that the position regarding the reimbursement of expenses is unclear, further advice can be obtained from the CFO. Advice should be obtained before incurring the expenditure.
  9. The following types of expenditure will not be paid out of ONE Academy Trust funds:
* Alcohol purchases.
* Parties/meals for employees.
* Comfort gifts (such as flowers) for employees
* The cost of speeding tickets, parking fines, congestion charge penalties, library fines, interest or late payment penalties on credit card or any other avoidable surcharge. Fines, interest and penalties will be treated as personal expenses.
* Personal expenditure incurred during an overnight stay such as alcohol, newspapers, private telephone calls etc.
  1. The claim authoriser is responsible for ensuring that all the conditions have been met and the claim adds up correctly. Expense claims that do not meet these requirements will be returned to the claimant which may delay or prohibit payment.

1. **Procurement** 
   1. Procurement is defined as the act of obtaining or buying goods and services. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. The process of procurement is often part of a company's strategy because the ability to purchase certain materials effectively and efficiently will determine if operations can continue.
   2. The trust is spending public money, and so it must follow basic procurement regulations, which will ensure that spending decisions are fair and open and represent value for money. Poor procurement decisions and a failure to comply with the relevant legislation could create problems such as:

* Legal challenges from suppliers
* Contracts being cancelled
* Financial penalties
* Adverse effects on the school’s/academies reputation
  1. The trust has in place clear procurement documentation to show that procedures have been followed openly and fairly. The documentation includes:
* Clear descriptions of the roles and responsibilities of those involved in procurement.
* A Scheme of Delegation showing the required authority for different monetary levels of purchases (see Appendix 1)
* An explanation of how and where purchases are recorded
* Arrangements to ensure segregation of duties

All of these are included in the Trust’s Financial Management Policy and associated policies and procedures.

* 1. ONE Academy Trust will attempt to achieve the **best value** for money from all purchases. This means getting what is needed in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:
* **Probity,** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the school;
* **Accountability,** the school is publicly accountable for its expenditure and the conduct of its affairs;
* **Fairness,** that all those dealt with by the school are dealt with on a fair and equitable basis.
  1. ONE Academy Trust will work closely with all the schools within the trust to support the development of cross-trust buying power and to achieve economies of scale.
  2. Purchasing will be in accordance with the [DfE Buying Procedures and Procurement Law for Schools](https://www.gov.uk/guidance/buying-procedures-and-procurement-law-for-schools) tool to help obtain value for money and apply relevant procurement regulations.
  3. The procurement rules and thresholds in the [Public Contracts Regulations 2015](http://www.legislation.gov.uk/uksi/2015/102/contents/made) and [Find a Tender](https://www.gov.uk/guidance/public-sector-procurement) service are observed
  4. Professional advice is obtained where appropriate
  5. Where appropriate, a ONE Academy Trust debit card may be used to make payment.
  6. Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. The office/business manager will ensure that budget holders have the appropriate training to ensure that they can access live data in the Financial Accounting System to enable them to proactively monitor and manage their budget.

**Identifying the need**

* 1. Before making a non-routine spending decision, the Trust carries out a detailed needs analysis and resource mapping exercise to decide if there is a real need for the purchase. This would involve:
* Looking at the outcomes for pupils
* Involving the stakeholders - staff and users – to see that they agree with the requirements and evaluation criteria
* Deciding whether there are any alternative ways to obtain the goods or services, for example, by borrowing, renting or hiring

The findings of the needs analysis identifies what the Trust is aiming to achieve by proceeding with the procurement. When a tendering or commissioning process is commenced the needs are clearly communicated to prospective providers.

**Values of purchase**

* 1. The Trust defines these as:
* Low value - Under £2,000
* Medium value - Over £2000 but less than £50,000
* High value - over £50,000
* Public Procurement Thresholds

**Routine purchasing (low value purchases)**

* 1. Routine purchases up to the values set out in the Scheme of Financial Delegation can be ordered by budget holders up to the limit of the allocated budget and as set out in the Scheme of Delegation applicable to a school.
  2. The prior approval of the CFO must be obtained for all purchases which exceed a school’s financial delegation.
  3. In the first instance, a supplier should be chosen from the list of approved suppliers maintained by the office/business manager. A quotation or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed upon with the office/business manager.
  4. For purchases less than £2,000 it is not essential to seek price comparisons but the requirement to obtain best value must be considered. It is good practice to explore possibilities in order to achieve best value, such as splitting the purchase into smaller ones from different suppliers, carrying out a web search to find the best price etc.
  5. All orders for goods and services must be made or confirmed in writing using an official order form, unless:
* It is in respect of:
  + payment of a utility bill
  + payment of rates
  + engaging/paying supply teachers
  + payment of a telephone bill
  + photocopying invoice
  + childcare vouchers
  + catering invoices
  + emergency items needed immediately (confirmation in writing should be made as soon as possible)
  + milk for pupils
  + trip arrangements and expenditure
* It is a low-cost item (see Scheme of Financial Delegation)
* It is an intra-company transaction
* A formal contract has been entered into
* The work is urgent and must be carried out immediately
* An alternative process has been agreed upon with the CFO
  1. Authorised orders are dispatched electronically to the supplier by the office/business manager.
  2. All invoices should be sent to the office/business manager. Invoice receipt will be recorded in the purchase ledger.
  3. If a budget holder is pursuing a query with a supplier the office/business manager must be informed of the query and periodically kept up to date with progress.
  4. At the end of every month, the office/business manager will review all outstanding invoices from the purchase ledger. This is to ensure any old items are resolved, credits chased and cleared, and payments made on a timely basis. This review should be performed BEFORE the finalisation of monthly management accounts.
  5. The office/business manager will generate cheques and/or BACS payments required. The cheques or BACS report and associated paperwork must be authorised by two of the nominated cheque signatories.
  6. The office/business manager will check all outstanding orders to ensure that they are appropriately still open. They will ensure that any deliveries/services received are accurately reflected. This review should be performed BEFORE the finalisation of monthly management accounts.

**Purchases over £2,000 but less than £50,000 (medium value)**

* 1. If an item falls into this range, it will be necessary to obtain 3 quotations and to submit them for ratification by the CFO. For all purchases exceeding £2,000 a specification detailing requirements must be compiled. If the purchase is of a contract or maintenance agreement and the annual cost is under £50,000, but the total lifetime cost exceeds this figure, the overall cost is the cost to be used for making procurement decisions.
  2. The purchase must not be made until the relevant decision to proceed has been made and ratified. All quotations must be filed so that they can be accessed during financial audit.
  3. At least three written quotations should be obtained for all orders between £2,000 and £50,000 to identify the best source of the goods/services, unless agreed otherwise with the CFO. Written details of quotations obtained should be retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and confirmation of quotes has been received before a purchase decision is made. Screenshots from a website that identifies the goods and clearly shows a price, including delivery charge, are also acceptable.
  4. The CFO may approve single source procurement in specific circumstances such as in cases where the product sought is unique to a specific company, for example a piece of software and licences, in situations where 3 quotations cannot be obtained or in circumstances where there has been recent and effective competition. Approval must be sought from the CFO prior to taking procurement action and this must be documented for audit purposes.

**Orders over £50,000 (high value purchases/public procurement threshold value purchases)**

* 1. All goods/services ordered with a value over £50,000 or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures.
  2. Purchases over certain values may fall under the [Public Procurement (Amendment etc.) (EU Exit) Regulations 2020](https://www.legislation.gov.uk/uksi/2020/1319/contents/made) and will need to be advertised under the UK e-notification service called Find a Tender service(FTS).
  3. Any purchase above UK spending thresholds for public bodies are subject to a recognised procedure determined by UK law under the Public Contracts regulations 2015 and the Concession Contract Regulations 2016. Timelines are longer, in some cases 180 days, and the opportunity must be advertised to ensure access to free trade across the UK. There are several types of tendering process specified in UK and the type to undertake depends on the type and nature of purchases.
  4. All higher value requirements must be checked against the current public procurement thresholds before procurement action is taken.
  5. Procurement Frameworks are a simpler and potentially more efficient way to procure products and services above the threshold figures. Examples of such frameworks are ESPO, Crown Commercial Services etc.
  6. High value purchases take a longer period of time. At the beginning of the process a timeline should be determined. The timeline can be decided by the Trust but must include certain elements such as drawing up a detailed specification for potential suppliers, advertising the opportunity and/or identifying suitable suppliers, interviewing tenderers, scoring of the bids against pre-decided criteria, a cooling-off period and the formal evaluation of tenders. All stages must be recorded and filed for audit. Once the decision has been reached and the cooling-off period has expired the order can be placed and the purchase made. All information and files should be retained and filed for audit.

**Forms of tender**

* 1. There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.
* **Open Tender:** This is where all potential suppliers are invited to tender. The headteacher must discuss and agree with the office/business manager and the CFO on how best to advertise for suppliers e.g. general press, and trade journals or to identify all potential suppliers and contact them directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
* **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
* there is a need to maintain a balance between the contract value and administrative costs,
* a large number of suppliers would come forward or because the nature of the goods is such that only specific suppliers can be expected to supply the school’s requirements,
* the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
* **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
* the above methods have resulted in either no tenders or unacceptable tenders,
* only one or very few suppliers are available,
* extreme urgency exists
* it would build on previous works already done (e.g. previous supplier knowledge of site specifics),
* additional deliveries/services by the existing supplier are justified.

**Tendering procedure**

* 1. Example of an in-house tendering process:
* Draw up a specification and compile any documentation such as questionnaires, requests for information etc.
* Place an advertisement describing what is required for a period of at least 7 days, and specify a response date. The advertisement should be placed on the trust/school websites and/or in a newspaper, trade magazine or education specific journal and/or on comparable websites. It must be worded in such a way as to make clear the requirements to any potential provider.
* After the response date consider all responses and depending on the information gathered compile a shortlist. This should take place no more than 7 days after the closure of the advertisement.
* Advise the prospective providers of any interview dates no more than three days after the shortlist is compiled.
* Carry out interviews and use weighting to assess the relevance of any bids/quotes
* Within 3 days, decide on the outcome of the process and inform the successful provider, and feed back to the unsuccessful ones if they have asked for this.
* A 7 day cooling-off period follows
* The purchase can be made
* Keep all relevant documentation and communication

If there is a very high response rate to an advertisement, the Trust may issue a pre-qualification questionnaire, which would seek to establish some basic but critical information from potential suppliers. This could include the company’s financial status, track record, testimonials, relevant experience, capacity etc. Using all of the gathered information the Trust will then draw up a short list of providers to interview prior to taking tender action.

**Preparation for tender**

* 1. Full consideration should be given to:
* the objective of the project
* overall requirements
* technical skills required
* after-sales service requirements
* form of contract.
  1. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

**Invitation to tender**

* 1. If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.
  2. An invitation to tender should include the following:
  + introduction/background to the project;
  + scope and objectives of the project;
  + technical requirements;
  + implementation of the project;
  + terms and conditions of tender and
  + form of response.

**Aspects to consider**

* 1. Financial:
* Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
* Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
* Is there scope for negotiation?
  1. Technical/Suitability
* Qualifications of the contractor
* Relevant experience of the contractor
* Descriptions of technical and service facilities
* Certificates of quality/conformity with standards
* Quality control procedures
* Details of previous sales and references from past customers.
  1. Other Considerations
* Pre-sales demonstrations
* After-sales service
* The financial status of the supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after-sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

**Tender acceptance procedures**

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

**Tender opening procedures**

* 1. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders. For contracts over £50,000 this should be the headteacher or CEO plus the CFO.
  2. A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

**Evaluating tenders/quotations (all procurement values)**

* 1. For the multi-academy trust and for individual schools, the evaluation process for tendering should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact on their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process (see the Pecuniary Interests Policy).
  2. Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence (see the Gifts & Hospitality Policy).
  3. When evaluating quotations for any level of expenditure, the Trust must be seen to be fair, treating all suppliers equally. The evaluation will primarily look at value for money and best value. These can be defined as “the best balance of quality and price that suits a client’s requirements and whole life costs”. More simply, when the trust considers a purchase, it is essential to ascertain how to spend wisely not only in terms of price but also in all of the relevant costs associated with the purchase, ownership and disposal of goods, services or works. Examples of associated costs could be delivery charges, ongoing support and running costs. The result of all considerations is often that the best value for money proposal is not always the cheapest.
  4. As part of the evaluation of quotations/tenders the trust considers:
* How well the specification has been met
* Whether the quotation was submitted on time
* The whole life cost of the purchase
* The possibility of price increases during the contract
  1. For higher value formal tenders, the trust sets out evaluation criteria and weightings which are determined at the specification stage and communicated to potential suppliers. Suppliers will then be aware of how the decision will be made.

**Award of contract/purchase order**

* 1. Where required by the conditions attached to a specific grant from the DfE, the department’s approval must be obtained before the acceptance of a tender.
  2. The accepted tender should be the one that provides the best value for money to the trust/school.
  3. The Trust must respect the confidentiality of all contractors and suppliers at all times – the details of quotations and tenders are commercial-in-confidence. The notification letter to the successful party is an invitation to finalise contractual arrangements and makes it plain that no commitments are made at this stage, and that work cannot start and no goods can be supplied until contracts have been signed.
  4. Unsuccessful tenderers should be informed by letter or email. If a supplier asks for specific details of the successful bid, the details supplied should be restricted to a summary of the evaluation criteria and the aspects of the successful quote that were considered to be the most economically advantageous.
  5. When all bidders have been informed of the decision, then the process can be completed and the award made.
  6. If a procurement has been made according to the Public Procurement Regulations the rules specified by the Public Procurement Notes apply.

**Legal compliance**

* 1. If at any point in any procurement process, irrespective of value, there is uncertainty about the purchase, process or legality, then the advice of the CFO must be sought. If any doubt remains after this, advice must be sought from the Trust’s legal partners.

1. **Related party transactions** 
   1. Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members). See the related parties section of ESFA’s [Accounts Direction](https://www.gov.uk/government/publications/academies-accounts-direction) for further information.
   2. The trust will report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing or being renewed, using ESFA’s [related party on-line form](https://onlinecollections.des.fasst.org.uk/onlinecollections/).
   3. The trust will obtain the ESFA’s prior approval, using ESFA’s related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed where a contract or other agreement exceeds the current ESFA thresholds (set out in the Academy Trust Handbook). Some exemptions supply as set out in the Academy Trust Handbook.
   4. The trust will pay no more than ‘cost’ for goods or services (not including contracts of employment) provided to it by the persons (individuals and organisations) as set out in the Academy Trust Handbook. This includes members or trustees of the academy trust and individuals or organisations related to a member or trustee of the academy trust. See the Academy Trust Handbook for more information.
2. **Contract management**
   1. As part of good contract management the trust will:

* Monitor the delivery of goods and services to ensure it meets the agreed requirements and service levels
* Ensure that all suppliers providing a regular service to have a performance framework in place and regular reviews
* Regularly check invoices to monitor any price discrepancies and to challenge these
* Strive to maintain good relationships with suppliers and promote partnership working
* Keep copies of all relevant documentation
* Identify risks associated with any contract and manage them appropriately
* Implement change control procedures to manage the likelihood of alterations to contracts or supplies made by contractors, and work with them to agree changes
* Review end terms in good time and agree an exit strategy with suppliers, if/when it is necessary to end a contract,
* Take advantage of any potential savings that are identified during the life of a contract. Contracts may be varied to reflect these without going to a competitive process, subject to relevant ratification within the Trust

1. **Income**
   1. The main sources of income for the trust are the grants from the ESFA. Schools also obtain income from other sources including the local authority, wrap around care, lettings and the parent/teacher fundraising groups.

**Income generation**

* 1. The academy trust should set fees for its chargeable services at full cost, but can apply an additional rate of return when in a commercial environment.

**Trips**

* 1. A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. In conjunction with the office/business manager, the lead teacher must prepare a record for each student intending to go on the trip showing the amount due. For the majority of local trips, the lead teacher will delegate responsibility for managing these records to the office/business manager.
  2. Pupils should make payments to the office/business manager who should make a record of individual payments received and pass these to the lead teacher. A record of payments made is retained against the pupil making the payment. All these payments are then passed through to the office/business manager to record and then bank the monies received.
  3. With residential trips, the office/business manager should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be regularly updated as payments are made and parents kept informed through a payment record of amounts outstanding.
  4. Payments for school lunches are made weekly or termly by parents and are recorded individually by administrative staff. A record of the lunches paid for is kept electronically. All monies are checked and then passed to the office/business manager for paying into the bank unless the online payment system is used.

**Lettings**

* 1. The office/business manager is responsible for maintaining records of bookings of sports facilities and other accommodation and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities.
  2. The office/business manager will establish a sales ledger account and produce a sales invoice from the accounting system. Outstanding debts will be chased to ensure payment is made on a timely basis, and/or the account is put on stop until debts are recovered.
  3. No debts should be written off without the express approval of the relevant authority as set out in the Scheme of Financial Delegation. The prior approval of the board of trustees and the ESFA is also required if debts to be written off are above the value set out in the annual funding letter or value set out in the Scheme of Financial Delegation.
  4. Organisations using the facilities of the school should be instructed to send all payments to the school office.

**Custody**

* 1. All income should be recorded in the Financial System on receipt. All cash and cheques must be kept in the safe and banked every week, or more frequently if the cash sums collected exceed £5,000.
  2. Monies collected must be banked in their entirety in the appropriate bank account. The office/business manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The depositing of monies is undertaken jointly with other office staff both for security and for propriety in handling the reconciliation process. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the headteacher.

**Donations**

* 1. All donations must be recorded through the profit and loss account. If a donation is an item or a service rather than a cash donation a ‘Donations Declaration Form’ must be completed by the donor (or their representative) before the goods/services are received, this will determine the value of goods/services so they are recorded in line with the financial handbook and accounting standards.
  2. For all monetary donations, a ‘Donations Declaration Form’ must be completed by the donor. This will detail what the donation is to be used for. The school must retain evidence that the donation was used for the purpose it was given.

1. **Cash management**

**Bank accounts**

* 1. The opening of all trust & school accounts must be authorised by the accounting officer who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.
  2. The trust mustmanage its cash position robustly. It must avoid becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing.

**Deposits**

* 1. 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.

**Payments and withdrawals**

* 1. All cheques and other instruments authorising a withdrawal from school bank accounts must bear the signatures of two of the following authorised signatories:
* Headteacher;
* Office/business manager;
* Other person listed specifically on the school bank mandate.
  1. This provision applies to all accounts, public or private, operated by or on behalf of the board of trustees or the school.
  2. Trust central office cheques must bear two of the signatories on the bank mandate

**Administration**

* 1. The office/business manager must ensure bank statements are received regularly and that reconciliations are performed at least monthly. Reconciliation procedures must ensure that:
  + all bank accounts are reconciled to the school’s cash book;
  + reconciliations are prepared by the office/business manager;
  + adjustments arising are dealt with promptly.

**Deposits**

* 1. All cash receipts for whatever reason should be paid directly into the bank. The school does not permit the cashing of personal cheques in any circumstances.

**Payments and withdrawals**

* 1. Payments should be made by cheque directly from the main bank account as a cash book payment or as a BACS payment into the account nominated for payroll purposes of the member of staff making the claim.

**Cash Flow forecasts**

* 1. The CFO and the office/business managers are responsible for preparing cash flow forecasts to ensure that the trust/school has sufficient funds available to pay for day-to-day operations. Where cash flow forecasts predict a lack of available funds to service commitments, this should be notified to the headteacher, CEO, ~~AGB~~ and board of trustees immediately.

**Investments**

* 1. The board of trustees may invest to further the trust’s charitable aims, but mustensure investment risk is properly managed.
  2. Investments must be made only in accordance with an investment policy approved by the board of trustees.
  3. 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.
  4. The board should follow the Charity Commission’s guidance: [CC14 Charities and](https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14) [investment matters: A guide for trustees](https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14)

1. **Fixed assets**

**Asset Register**

* 1. All items purchased with a value over the school’s capitalisation limit must be entered in an Asset Register. The capitalisation limit has been set at £5,000. The asset register should include the following information:
  + asset description
  + asset number
  + serial number
  + date of acquisition
  + asset cost
  + source of funding (% of the original cost funded from DfE grant and % funded from other sources)
  + expected useful economic life
  + depreciation
  + current book value
  + location
  + name of the member of staff responsible for the asset
  1. The Asset Register helps:
  + 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;
  + the external auditors to draw conclusions on the annual accounts and the school’s financial system and
  + support insurance claims in the event of fire, theft, vandalism or other disasters.

**Security of assets**

* 1. Stores and equipment must be secured using physical and other security devices. Only authorised staff may access the stores.
  2. All the items in the asset register should be permanently and visibly marked as the school/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 headteacher and the CFO. Inventories of school property should be kept up to date and reviewed regularly. Where items are used by the school but do not belong to it this should be noted.

**Disposals**

* 1. Items that are to be disposed of by sale or destruction must be authorised for disposal in accordance with the appropriate Scheme of Financial Delegation. The school must seek the approval of the DfE (via the CFO) in writing if it proposes to dispose of an asset for which a capital grant above the current DfE limit was paid. The DfE approval limits for disposals must be checked before the disposal is processed.
  2. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment. Additionally, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner, or that the hard drive has been cleaned before the computer is handed over.
  3. The school is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested then the school must repay to the DfE a proportion of the sale proceeds.
  4. All disposals of land must be agreed in advance with the board of trustees, the Secretary of State and the Local Authority.

**Loan of Assets**

* 1. Items of school property must not be removed from school premises without the authority of the headteacher. A record of a property loan must be recorded in a property loan book and booked back in at the school when it is returned. This does not apply to laptops that are used in the school and taken home daily.
  2. If assets are on loan for extended periods or to a single member of staff regularly, the situation may give rise to a benefit-in-kind for taxation purposes. Property loans should, therefore, be kept under review and any potential benefits discussed with the school’s auditors.

1. **Reserves, investment and cash flow**

**Investment**

* 1. Adequate cash balances must be maintained in the current account to cover day to day working requirements. Any investment made by ONE Academy Trust must ensure there is no risk of loss in the capital value of any cash funds invested and that invested funds are protected against inflation and a view is taken to optimise returns on invested funds.
  2. Regular cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll-related commitments and outstanding creditors that are due for payment. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Finance, Audit & Risk Committee. Approval must be signed off and recorded in the committee minutes. In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk.
  3. The aim is to reach an appropriate level of reserve to allow the Finance, Audit & Risk Committee (or equivalent body) to explore alternative investment possibilities, with criteria being:
* Investment in a deposit account attracting a higher rate of interest than current accounts;
* Investment with a different counterparty (to reduce counterparty risk);
* Consideration of whether there should be a maximum level of investment with a single approved counterparty; and
* A longer-term investment with a higher return (but not high-risk investments which are not in the best interests of the trust and its schools).

**Reserves**

* 1. The trust intends to build up a prudent level of reserves over time and will review the reserves level annually.
  2. The target level of reserves across the trust is two months’ worth of salary expenditure.

**Inter-company borrowing**

* 1. The CFO can authorise cash to be moved between the trust bank accounts for cash-flow purposes.

1. **Central Charge Policy & Appeals Process**

**Central Charge**

* 1. A contribution from each school is agreed to pay for any services that are provided by the MAT centrally. This is reviewed and set annually by the board of trustees when agreeing on the annual budgets to ensure that the contribution continues to meet the needs of each school and the services provided to all schools by the central trust.
  2. The central charge is usually set between 5% and 9% of the total GAG. The percentage contribution will be common to most of the schools in the trust but may be adjusted depending on the needs of the individual schools within the MAT.
  3. The central contributions from all schools contribute to the following range of services:

**Central Trust staff team:**

* + Chief Executive Officer (CEO)
  + Vice CEO
  + Chief Financial Officer (CFO)
  + Chief Operations Officer
  + Human Resources Manager
  + Director of Teaching & Learning
  + Governance coordinator

**Services:**

* + Financial management support & accounts preparation
  + Teaching & Learning Reviews
  + Internal audit
  + External Audit
  + Data protection audit and advisory services (including DPO)
  + Payroll Administration contract
  + Health & Safety services contract
  + Central trust policy reviews
  + School Improvement Service
  + HR/legal support
  + Finance software including budgeting software
  + Headteacher appraisal
  + Apprenticeship levy
  + Staff wellbeing
  + National Governance Association membership
  1. The headteacher will be advised of the proposed central charge for the forthcoming year as part of the budget preparation cycle in the summer term. Final charges will be confirmed to schools no later than 31 July for the next academic year. Any overspend or underspend during the year will be retained and carried forward.

**Appeals Process**

* 1. Upon receipt of notice of the annual charge, a school will have a period of 20 working days to submit an appeal against the charge applied.
  2. The headteacher should appeal, in writing, directly to the clerk to the board of trustees who will convene an appeals panel of the board of trustees.
  3. The headteacher, CFO, and CEO will be allowed to submit their case, justification and supporting evidence. Written records will be kept of any meetings and interviews held concerning the appeal.
  4. The appeals panel of the board of trustees will review and consider the appeal and respond as soon as possible and no later than the end of September of the current financial year.
  5. If the headteacher is not satisfied with the decision of the appeals panel, the headteacher may raise the issue with the ESFA.

1. **Monitoring and review** 
   1. This policy and the associated schemes of financial delegation will be reviewed annually as a minimum, and immediately when there has been a change in trust management or organisational structure.
   2. This policy will be reviewed against each update of the DfE Academy Trust Handbook and updated as required.

**Appendix 1**

**Schemes of Financial Delegation**

**ONE Academy Trust Scheme of Financial Delegation – Category 1 School**

**(effective 1 Sept 2023)**

Each school will be required to comply with the relevant Scheme of Financial Delegation notified to them by the CEO on behalf of the Board of Trustees.

The Scheme of Financial Delegation should be read in conjunction with the ONE Academy Trust Financial Management Policy and the latest version of the Academy Trust Handbook. The Scheme of Financial Delegation sets out the financial limits and signatories applicable to various matters and ensures that there are sufficient operational controls in place for all the financial processes within ONE Academy Trust. Authorisation must be obtained before any contract, agreement, commitment or spend has been made and evidence of such authorisation must be retained. For the avoidance of doubt, any financial powers not mentioned in this document are reserved matters for the Board of Trustees.

**Please note:**

* Orders should be written on the approved purchase order form (requisition) and authorised financially before being processed. If emergency action has to be taken, the purchase order must be brought up-to-date and annotated accordingly as soon as possible.
* All formal contracts (goods or services), irrespective of value, must be authorised and signed by the CFO.
* Any potentially novel or contentious transactions must be brought to the attention of the CFO prior to making any commitment

| **Scheme of Financial Delegation - Category 1 (effective 1 Sept 2023)** | | | |
| --- | --- | --- | --- |
| **Action** | **Criteria and Limits** | **Delegated Financial Authority** | **Notes** |
| **Purchase orders for goods/assets** *(non-salary)*   * **in budget**   *Competition/price comparison or single source where competition is not available or there is appropriate justification not to seek competition* | Up to £500 | Headteacher/  office manager | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £500 to £2,000 | Headteacher | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £2,000 - £5,000 | Chief Financial Officer | 3 written quotations/price comparisons are required in most circumstances. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5k - £50,000 | Chief Financial Officer | 3 written quotations required. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained. If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50k | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| **Purchase orders for goods/assets** *(non-salary)*   * **unbudgeted** * **unbudgeted but with offset from another code (virements)**   *Competition/price comparison or single source where competition is not available or there is appropriate justification not to seek competition* | Up to £500 | Chief Financial Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £500 to £2,000 | Chief Financial Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £2,000 - £5,000 | Chief Financial Officer | 3 written quotations/price comparisons required in most circumstances.  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5,000 - £50,000 | Chief Financial Officer | 3 written quotations required.  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50,000 | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting. |
| **Ordering of services/service contracts**  *The CFO will consider combining requirements trust-wide to take advantage of economies of scale*. | <£5,000 | Chief Financial Officer | Price comparisons not essential for all purchases but requirement for best value must be considered. Need not accept lowest quotation.  Proof of best value to be noted and evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5,000 - £50,000 | Chief Financial Officer | 3 written quotations required. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50,000 | Board of Trustees  (CEO/CFO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| **Award of contracts**  (licences, leases, services etc.) | Irrespective of value | CEO/CFO to sign.  *All contracts are subject to approval of expenditure at the appropriate delegated financial authority* | All contracts must be pre-authorised by the CFO before any contractual commitment is made and the contract must be signed by the CFO or CEO (see Academy Trust Handbook for guidance). |
| **Signatories of cheques, BACS payments and bank transfers** | Any | Two signatories | On production of an invoice or receipt and appropriate approval authority to purchase. One signatory must be the budget manager. |
| **Disposal of fixed assets (>£3k)**  **(Fixed Asset Register)** | >£3,000 | CFO | Items may be on the Fixed Asset Register as part of a bulk purchase.  Entry to be made on the Fixed Asset Register showing the method of disposal i.e. sale or destroy and the sales value of the item when sold. |
| **Borrowing** | All | Not authorised |  |
| **Purchase or sale of any freehold property** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Granting any leasehold or tenancy agreement** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Taking up any leasehold or tenancy agreement for more than 3 years** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Staff severance payment** | All | CFO | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Liabilities and write-off bad debts or entering into guarantees, indemnities and letters of comfort** | <£10.00 | Headteacher | Must be recorded with the justification. |
| >£10.00 | CFO | CFO will take appropriate action in accordance with the limits set out in the latest version of the Academy Trust Handbook |
| **Gifts and hospitality** | >£30 | Headteacher/CEO/CFO | A declaration form needs to be completed for any gifts provided or received and logged in the school/trust Gifts and Hospitality Register. |
| **Appointment of staff**  ***(permanent or temporary contract)***   * **in overall staffing budget** * **unbudgeted**   All staff contracts must have the prior authorisation of the CEO/CFO who will consult with the Board of Trustees as required.  **Appointment of staff**  ***(permanent or temporary contract)***   * **in overall staffing budget** * **unbudgeted**   All staff contracts must have the prior authorisation of the CEO/CFO who will consult with the Board of Trustees as required. | Up to senior leadership team | Headteacher with prior approval of the CEO/CFO | Staffing structure approved annually when setting budgets.  When seeking approval for a staff contract it should be made clear whether the role:   * is/is not included in the approved staffing structure (pre-approved role or replacement of member of staff) * can be covered within the overall budget * will/will not cause the school to go into deficit   CEO/CFO will consider if the post is affordable. |
| Headteacher & senior leadership team | Board of Trustees  (CEO/CFO to advise the trustees on the requirement) | Staffing structure approved annually when setting budgets.  When seeking approval for a staff contract it should be made clear whether the role:   * is/is not included in the approved staffing structure (pre-approved role or replacement of member of staff) * can be covered within the overall budget * will/will not cause the trust to go into deficit   The CFO/CEO will consider if the post is affordable.  All senior appointments (including temporary staff) must be approved by the Board of Trustees  Must be included in the minutes of the next Board of Trustees' meeting |
| **Temporary cover (supply) and staff overtime hours:**   * **in overall staffing budget** * **unbudgeted**   The CFO, CEO & Trust Board must be made aware of all long-term requirements. | Up to senior leadership team | Headteacher | Overtime and appointments |
| Headteacher & senior leadership team | CFO | CFO will consider affordability  All senior appointments (including temporary staff) must be approved by the Board of Trustees.  Appointments must be included in the minutes of the next Board of Trustees' meeting |
| **Employment contract changes**  ***(permanent or temporary)*** | All | As 'appointment of staff ' above | All contract changes need to be authorised at the appropriate authority level as per the appointment of staff and filed in the staff member's file. |
| **Payroll Processing** | Headteacher | Office manager | Office manager to check monthly payroll and make any necessary changes or adjustments. Monthly payroll and any changes must be authorised and signed off by the headteacher. |

**ONE Academy Trust Scheme of Financial Delegation – Category 2 School**

**(effective 1 Sept 2023)**

Each school will be required to comply with the relevant Scheme of Financial Delegation notified to them by the CEO on behalf of the Board of Trustees.

The Scheme of Financial Delegation should be read in conjunction with the ONEAcademy Trust Financial Management Policy and the latest version of the Academy Trust Handbook. The Scheme of Financial Delegation sets out the financial limits and signatories applicable to various matters and ensures that there are sufficient operational controls in place for all the financial processes within ONEAcademy Trust. Authorisation must be obtained before any contract, agreement, commitment or spend has been made and evidence of such authorisation must be retained. For the avoidance of doubt, any financial powers not mentioned in this document are reserved matters for the Board of Trustees.

**Please note:**

* Orders should be written on the approved purchase order form (requisition) and authorised financially before being processed. If emergency action has to be taken, the purchase order must be brought up-to-date and annotated accordingly as soon as possible.
* All formal contracts (goods or services), irrespective of value, must be authorised and signed by the CFO/CEO
* Any potentially novel or contentious transactions must be brought to the attention of the CFO prior to making any commitment

| **Scheme of Financial Delegation - Category 2 (effective 1 Sept 2023)** | | | |
| --- | --- | --- | --- |
| **Action** | **Criteria and Limits** | **Delegated Financial Authority** | **Notes** |
| **Purchase orders for goods/assets** *(non-salary)*   * **in budget**   *Competition/price comparison or single source where competition is not available or there is appropriate justification not to seek competition* | Up to £500 | Headteacher/  office manager | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £500 to £2,000 | Chief Financial Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £2,000 - £5,000 | Chief Financial Officer | 3 written quotations/price comparisons required in most circumstances. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5k - £50,000 | Chief Financial Officer | 3 written quotations required. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained. If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50k | Board of Trustees  (CFO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| **Purchase orders for goods/assets** *(non-salary)*   * **unbudgeted** * **unbudgeted but with offset from another code (virements)**   *Competition/price comparison or single source where competition is not available or there is appropriate justification not to seek competition* | Up to £500 | Chief Financial Officer | Price comparisons not essential for all purchases but requirement for best value must be considered. |
| £500 to £2,000 | Chief Financial Officer | Price comparisons not essential for all purchases but requirement for best value must be considered. |
| £2,000 - £5,000 | Chief Financial Officer | 3 written quotations/price comparisons required in most circumstances.  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5,000 - £50,000 | Chief Financial Officer | 3 written quotations required.  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50,000 | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting. |
| **Ordering of services/service contracts**  *The CFO will consider combining requirements trust-wide to take advantage of economies of scale*. | <£5,000 | Chief Financial Officer | Price comparisons not essential for all purchases but requirement for best value must be considered. Need not accept lowest quotation.  Proof of best value to be noted and evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5,000 - £50,000 | Chief Financial Officer | 3 written quotations required. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50,000 | Board of Trustees  (CEO/CFO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees’ meeting |
| **Award of contracts**  (licences, leases, services etc.) | Irrespective of value | CFO to sign.  *All contracts are subject to approval of expenditure at the appropriate delegated financial authority* | All contracts must be pre-authorised by the CFO or CEO before any contractual commitment is made and the contract must be signed by the CFO or CEO (see Academy Trust Handbook for guidance). |
| **Signatories of cheques, BACS payments and bank transfers** | Any | Two signatories | On production of an invoice or receipt and appropriate approval authority to purchase. One signatory must be the budget manager. |
| **Disposal of fixed assets (>£3k)**  **(Fixed Asset Register)** | >£3,000 | CFO | Items may be on the Fixed Asset Register as part of a bulk purchase.  Entry to be made on the Fixed Asset Register showing the method of disposal i.e. sale or destroy and the sales value of the item when sold. |
| **Borrowing** | All | Not authorised |  |
| **Purchase or sale of any freehold property** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Granting any leasehold or tenancy agreement** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Taking up any leasehold or tenancy agreement for more than 3 years** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Staff severance payment** | All | CFO | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Liabilities and write-off bad debts or entering into guarantees, indemnities and letters of comfort** | <£10.00 | Headteacher | Must be recorded with the justification. |
| >£10.00 | CFO | CFO will take appropriate action in accordance with the limits set out in the latest version of the Academy Trust Handbook |
| **Gifts and hospitality** | >£30 | Headteacher/CEO/CFO | A declaration form needs to be completed for any gifts provided or received and logged in the school/trust Gifts and Hospitality Register. |
| **Appointment of staff**  ***(permanent or temporary contract)***   * **in overall staffing budget** * **unbudgeted**   All staff contracts must have the prior authorisation of the CEO/CFO who will consult with the Board of Trustees as required.  **Appointment of staff**  ***(permanent or temporary contract)***   * **in overall staffing budget** * **unbudgeted**   All staff contracts must have the prior authorisation of the CEO/CFO who will consult with the Board of Trustees as required. | Up to senior leadership team | Headteacher with prior approval of the CFO | Staffing structure approved annually when setting budgets.  When seeking approval for a staff contract it should be made clear whether the role:   * is/is not included in the approved staffing structure (pre-approved role or replacement of member of staff) * can be covered within the overall budget * will/will not cause the school to go into deficit   CEO/CFO will consider if the post is affordable. |
| Headteacher & senior leadership team | Board of Trustees  (CFO to advise the trustees on the requirement) | Staffing structure approved annually when setting budgets.  When seeking approval for a staff contract it should be made clear whether the role:   * is/is not included in the approved staffing structure (pre-approved role or replacement of member of staff) * can be covered within the overall budget * will/will not cause the trust to go into deficit   CFO will consider if the post is affordable.  All senior appointments (including temporary staff) must be approved by the Board of Trustees  Must be included in the minutes of the next Board of Trustees' meeting |
| **Temporary cover (supply) and staff overtime hours**   * **in overall staffing budget** * **unbudgeted**   The CFO, CEO & BofD must be made aware of all long-term requirements. | Up to senior leadership team | Headteacher | Overtime and appointments |
| Headteacher & senior leadership team | CFO | CFO will consider affordability  All senior appointments (including temporary staff) must be approved by the Board of Trustees.  Appointments must be included in the minutes of the next Board of Trustees' meeting |
| **Employment contract changes**  ***(permanent or temporary)*** | All | As 'appointment of staff ' above | All contract changes need to be authorised at the appropriate authority level as per the appointment of staff and filed in the staff member's file. |
| **Payroll Processing** | Headteacher | Office manager | Office manager to check monthly payroll and make any necessary changes or adjustments. Monthly payroll and any changes must be authorised and signed off by the headteacher. |

**ONE Academy Trust Scheme of Financial Delegation – Category 3 School**

**(effective 1 Sept 2023)**

Each school will be required to comply with the relevant Scheme of Financial Delegation notified to them by the CEO on behalf of the Board of Trustees.

The Scheme of Financial Delegation should be read in conjunction with the ONEAcademy Trust Financial Management Policy and the latest version of the Academy Trust Handbook. The Scheme of Financial Delegation sets out the financial limits and signatories applicable to various matters and ensures that there are sufficient operational controls in place for all the financial processes within ONEAcademy Trust. Authorisation must be obtained before any contract, agreement, commitment or spend has been made and evidence of such authorisation must be retained. For the avoidance of doubt, any financial powers not mentioned in this document are reserved matters for the Board of Trustees.

**Please note:**

* Orders should be written on the approved purchase order form (requisition) and authorised financially before being processed. If emergency action has to be taken, the purchase order must be brought up-to-date and annotated accordingly as soon as possible.
* All formal contracts (goods or services), irrespective of value, must be authorised and signed by the CFO/CEO
* Any potentially novel or contentious transactions must be brought to the attention of the CFO prior to making any commitment

| **Scheme of Financial Delegation - Category 3 (effective 1 Sept 2023)** | | | |
| --- | --- | --- | --- |
| **Action** | **Criteria and Limits** | **Delegated Financial Authority** | **Notes** |
| **Purchase orders for goods/assets** *(non-salary)*   * **in budget**   *Competition/price comparison or single source where competition is not available or there is appropriate justification not to seek competition* | Up to £500 | Chief Financial Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £500 to £2,000 | Chief Financial Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £2,000 - £5,000 | Chief Financial Officer | 3 written quotations/price comparisons required in most circumstances. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5k - £50,000 | Chief Financial Officer | 3 written quotations required. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained. If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50k | Board of Trustees  (CFO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| **Purchase orders for goods/assets** *(non-salary)*   * **unbudgeted** * **unbudgeted but with offset from another code (virements)**   *Competition/price comparison or single source where competition is not available or there is appropriate justification not to seek competition* | Up to £500 | Chief Financial Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £500 to £2,000 | Chief Financial Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £2,000 - £5,000 | Chief Financial Officer | 3 written quotations/price comparisons required in most circumstances.  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5,000 - £50,000 | Chief Financial Officer | 3 written quotations required.  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50,000 | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees’ meeting. |
| **Ordering of services/service contracts**  *The CFO will consider combining requirements trust-wide to take advantage of economies of scale*. | <£5,000 | Chief Financial Officer | Price comparisons not essential for all purchases but requirement for best value must be considered. Need not accept lowest quotation.  Proof of best value to be noted and evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| £5,000 - £50,000 | Chief Financial Officer | 3 written quotations required. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£50,000 | Board of Trustees  (CEO/CFO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| **Award of contracts**  (licences, leases, services etc.) | Irrespective of value | CEO/CFO to sign.  *All contracts are subject to approval of expenditure at the appropriate delegated financial authority* | All contracts must be pre-authorised by the CFO or CEO before any contractual commitment is made and the contract must be signed by the CFO or CEO (see Academy Trust Handbook for guidance). |
| **Signatories of cheques, BACS payments and bank transfers** | Any | Two signatories | On production of an invoice or receipt and appropriate approval authority to purchase. One signatory must be the budget manager. |
| **Disposal of fixed assets (>£3k)**  **(Fixed Asset Register)** | >£3,000 | CFO | Items may be on the Fixed Asset Register as part of a bulk purchase.  Entry to be made on the Fixed Asset Register showing the method of disposal i.e. sale or destroy and the sales value of the item when sold. |
| **Borrowing** | All | Not authorised |  |
| **Purchase or sale of any freehold property** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Granting any leasehold or tenancy agreement** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Taking up any leasehold or tenancy agreement for more than 3 years** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Staff severance payment** | All | CFO | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Liabilities and write-off bad debts or entering into guarantees, indemnities and letters of comfort** | <£10.00 | Headteacher | Must be recorded with the justification. |
| >£10.00 | CFO | CFO will take appropriate action in accordance with the limits set out in the latest version of the Academy Trust Handbook |
| **Gifts and hospitality** | >£30 | Headteacher/CEO/CFO | A declaration form needs to be completed for any gifts provided or received and logged in the school/trust Gifts and Hospitality Register. |
| **Appointment of staff**  ***(permanent or temporary contract)***   * **in overall staffing budget** * **unbudgeted**   All staff contracts must have the prior authorisation of the CEO/CFO who will consult with the Board of Trustees as required.  **Appointment of staff**  ***(permanent or temporary contract)***   * **in overall staffing budget** * **unbudgeted**   All staff contracts must have the prior authorisation of the CEO/CFO who will consult with the Board of Trustees as required. | Up to senior leadership team | Headteacher with prior approval of the CEO/CFO | Staffing structure approved annually when setting budgets.  When seeking approval for a staff contract it should be made clear whether the role:   * is/is not included in the approved staffing structure (pre-approved role or replacement of member of staff) * can be covered within the overall budget * will/will not cause the school to go into deficit   CEO/CFO will consider if the post is affordable. |
| Headteacher & senior leadership team | Board of Trustees  (CEO/CFO to advise the trustees on the requirement) | Staffing structure approved annually when setting budgets.  When seeking approval for a staff contract it should be made clear whether the role:   * is/is not included in the approved staffing structure (pre-approved role or replacement of member of staff) * can be covered within the overall budget * will/will not cause the trust to go into deficit   CFO/CEO will consider if the post is affordable.  All senior appointments (including temporary staff) must be approved by the Board of Trustees  Must be included in the minutes of the next Board of Trustees' meeting |
| **Temporary cover (supply) and staff overtime hours**   * **in overall staffing budget** * **unbudgeted**   The CFO, CEO & BofD must be made aware of all long-term requirements. | Up to senior leadership team | Headteacher | Overtime and appointments |
| Headteacher & senior leadership team | CFO | CFO will consider affordability  All senior appointments (including temporary staff) must be approved by the Board of Trustees.  Appointments must be included in the minutes of the next Board of Trustees' meeting |
| **Employment contract changes**  ***(permanent or temporary)*** | All | As 'appointment of staff ' above | All contract changes need to be authorised at the appropriate authority level as per the appointment of staff and filed in the staff member's file. |
| **Payroll Processing** | Headteacher | Office manager | Office manager to check monthly payroll and make any necessary changes or adjustments. Monthly payroll and any changes must be authorised and signed off by the headteacher. |

**ONE Academy Trust Scheme of Financial Delegation – Central Team**

**(effective 1 Sept 2023)**

The trust’s central team is required to comply with this Scheme of Financial Delegation for all central team requirements.

The Scheme of Financial Delegation should be read in conjunction with the ONEAcademy Trust Financial Management Policy and the latest version of the Academy Trust Handbook. The Scheme of Financial Delegation sets out the financial limits and signatories applicable to various matters and ensures that there are sufficient operational controls in place for all the financial processes within ONEAcademy Trust. Authorisation must be obtained before any contract, agreement, commitment or spend has been made and evidence of such authorisation must be retained. For the avoidance of doubt any financial powers not mentioned in this document are reserved matters for the Board of Trustees.

**Please note:**

* Orders should be written on the approved purchase order form (requisition) and authorised financially before being processed. If emergency action has to be taken, the purchase order must be brought up-to-date and annotated accordingly as soon as possible.
* All formal contracts (goods or services), irrespective of value, must be authorised and signed by the CFO/CEO.
* Any potentially novel or contentious transactions must be brought to the attention of the CFO prior to making any commitment

| **Scheme of Financial Delegation - Central Team (effective 1 Sept 2023)** | | | |
| --- | --- | --- | --- |
| **Action** | **Criteria and Limits** | **Delegated Financial Authority** | **Notes** |
| **Purchase orders for goods/assets** *(non-salary)*   * **in budget** * **unbudgeted** * **unbudgeted but with offset from another code (virements)**   *Competition/price comparison or single source where competition is not available or there is appropriate justification not to seek competition* | Up to £2,000 | Chief Financial Officer or Chief Executive Officer | Price comparisons are not essential for all purchases but the requirement to obtain best value must be considered. |
| £2,000 - £10,000 | Chief Financial Officer | 3 written quotations/price comparisons are required in most circumstances. Need not accept the lowest quotation but proof of best value must be noted and annotated on the purchase order.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£10k | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | 3 written quotations required. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| >£50k | Board of Trustees  (Chief Financial Officer/CEO to advise the trustees on the requirement) | Must have a *minimum* of 3 written quotations  Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order. Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| **Ordering of services/service contracts**  *The CEO/CFO will consider combining requirements trust-wide to take advantage of economies of scale*. | <£5,000 | Chief Financial Officer | Price comparisons not essential for all purchases but requirement for best value must be considered. Need not accept lowest quotation.  Proof of best value to be noted and evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained. |
| >£5,000 | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | 3 written quotations/price comparisons are required in most circumstances. Need not accept lowest quotation but proof of best value must be noted and annotated on purchase order.  Evidence must be retained.  If single source, justification must be noted on the purchase order and evidence must be retained.  Approval must be included in the minutes of the next Board of Trustees meeting |
| **Award of contracts**  (licences, leases, services etc.) | Irrespective of value | CFO to sign.  *All contracts are subject to approval of expenditure at the appropriate delegated financial authority* | All contracts must be pre-authorised by the CFO or CEO before any contractual commitment is made and the contract must be signed by the CFO or CEO (see Academy Trust Handbook for guidance). |
| **Signatories of cheques, BACS payments and bank transfers** | Any | Two signatories | On production of an invoice or receipt and appropriate approval authority to purchase. One signatory must be the budget manager. |
| **Disposal of fixed assets (>£3k)**  **(Fixed Asset Register)** | >£3,000 | CFO | Items may be on the Fixed Asset Register as part of a bulk purchase.  Entry to be made on the Fixed Asset Register showing the method of disposal i.e. sale or destroy and the sales value of the item when sold. |
| **Borrowing** | All | Not authorised |  |
| **Purchase or sale of any freehold property** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Granting any leasehold or tenancy agreement** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Taking up any leasehold or tenancy agreement for more than 3 years** | Irrespective of value | ESFA approval required | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Staff severance payment** | All | CFO | CFO will seek approval from the ESFA in accordance with the latest Academy Trust Handbook |
| **Liabilities and write-off bad debts or entering into guarantees, indemnities and letters of comfort** | <£10.00 | CEO | Must be recorded with the justification. |
| >£10.00 | CFO | CFO will take appropriate action in accordance with the limits set out in the latest version of the Academy Trust Handbook |
| **Gifts and hospitality** | >£30 | CFO/CEO | A declaration form needs to be completed for any gifts provided or received and logged in the school/trust Gifts and Hospitality Register. |
| **Appointment of central team staff**  ***(permanent or temporary contract)***   * **in overall staffing budget** * **unbudgeted**   All staff contracts must have the prior authorisation of the CEO/CFO who will consult with the Board of Trustees as required. | All central team staff (including CEO, CFO & executive appointments) | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | Staffing structure is approved annually when setting budgets.  When seeking approval for a staff contract it should be made clear whether the role:   * is/is not included in the approved staffing structure (pre-approved role or replacement of member of staff) * can be covered within the overall budget * will/will not cause the trust to go into deficit   CFO/CEO will consider if the post is affordable.  The appointment of the CEO must be discussed with the Regional Schools Commissioner (RSC) prior to recruitment. The CFO must be an employee unless prior approval is given by the ESFA.  All central team appointments must be approved by the Board of Trustees.  Must be included in the minutes of the next Board of Trustees meeting |
| **Temporary cover (supply) and staff overtime hours:**   * **in overall staffing budget** * **unbudgeted**   The CFO, CEO & BofD must be made aware of all long-term requirements. | Central team | CFO/CEO (overtime)  Board of Trustees (appointments) | All central team appointments (including temporary staff) must be approved by the Board of Trustees.  Must be included in the minutes of the next Board of Trustees meeting |
| CEO, CFO & Executive Leadership Team | Board of Trustees  (CFO/CEO to advise the trustees on the requirement) | All executive leadership team appointments (including temporary staff) must be approved by the Board of Trustees. The appointment of the CEO must be discussed with the Regional Schools Commissioner (RSC) prior to recruitment. The CFO must be an employee unless prior approval is given by the ESFA. |
| **Employment contract changes**  ***(permanent or temporary)*** | All | As 'appointment of staff ' above | All contract changes need to be authorised at the appropriate authority level as per the appointment of staff and filed in the staff member's file. |
| **Payroll processing** | Headteacher | Central team payroll processing is delegated to the CFO | Office manager to check monthly payroll and make any necessary changes or adjustments. Monthly payroll and any changes must be authorised and signed off by the headteacher. |