



**COUNTESTHORPE LEYSLAND
COMMUNITY COLLEGE**

**FINANCIAL PROCEDURES HANDBOOK
2019 - 2020**

Policy Reviewed and Adopted by the Governing Board on:

Signed (Chair of Governors):

Date of Next Review:

Responsible Officer:

Introduction

The purpose of this policy is to ensure that Countesthorpe Leysland Community College Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management, as laid out in the Academies Financial Handbook (September 2019 and subsequent editions). It is essential that these systems operate properly to meet the requirements of our funding agreement with the Education Funding Agency (ESFA).

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

The Academies Financial Handbook (September 2019) underpins and sets out the financial requirements for Academy Trusts (ATs).

Organisation

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

The Governing Board (Board of Trustees)

The Board of Trustees of the Academy are primarily responsible for ensuring that the Trust's funds are used only in accordance with the law, the Board's powers under the Funding Agreement and the Academies Financial Handbook (2019). The Governing Board has overall responsibility for the administration of the Academy's finances. The main responsibilities of the Governing Board are prescribed in the Funding Agreement between the Academy and the ESFA and in the Academy's Articles of Association. The main responsibilities include:

- Ensuring that the grant from the ESFA is used only for the purposes intended
- Ensuring that other income streams are accounted according to the Academy's Funding Agreement, and are used only for the purposes intended
- Approval of the annual budget
- Appointment of the Principal
- Appointment of the Principal Finance Officer, in conjunction with the Principal.

The Resources Committee (Finance and Audit Committee)

The Resources Committee is a committee of the Governing Board. The Resources Committee meet five times a year and only when quorate.

The main responsibilities of the Resources Committee are detailed in written terms of reference which have been authorised by the Governing Board and incorporate the responsibilities as set out in the Academies Finance Handbook 2019. The main financial responsibilities include:

- The review and authorisation of the annual budget
- Presentation of the budget to the Full Board of Trustees for approval
- The regular monitoring of actual expenditure and income against budget
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies
- Authorising orders and the award of contracts over £25,000
- Authorising changes to the Academy personnel establishment
- Reviewing the reports of the Responsible Officer and the internal audit on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Governing Board

- Fulfilling the functions of an audit committee as outlined in the Academy Financial Handbook 2019 in order to review the risks associated with the internal financial control of the AT and agree a programme of work to address these risks.

The Principal (AT's Accounting Officer)

The Board of Trustees of the AT has appointed a Principal as Chief Executive who will act as an ex-officio Governor. Within the framework of the Academy development plan as approved by the Governing Board the Principal has overall executive responsibility for the Academy's activities including financial activities. The Principal is the designated Accounting Officer as per the requirement of the Academy Funding Agreement and has the personal responsibilities as outlined within the Academy Financial Handbook (2019). Although much of the financial functions have been delegated to the Principal Finance Officer (CFO)/Business Manager, the Principal still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Board have agreed should be approved by them
- Budget virement of £15,000 or less
- Authorising orders and contracts up to £25,000 in conjunction with the CFO/Business Manager
- Signing cheques and BACs payments in conjunction with the CFO/Business Manager preparation and 2nd authorised signatory.

The Chief Financial Officer

The Chief Financial Officer (CFO) referred to as the Business Manager, works in close collaboration with the Principal through whom he or she is responsible to the Governors. The CFO has direct access to the Governors via the Resources Committee. For the purposes of this document, the functions of the CFO are undertaken as part of the Business Manager remit. The main responsibilities of the CFO are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system
- The management of the Academy's financial position at a strategic and operational level within the framework for financial control determined by the Governing Board and Principal
- The maintenance of effective systems of internal control
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Academy (supported and externally assured by appointed accountants)
- The preparation of monthly management accounts shared with the Resources Committee
- Authorising orders and contracts of £500 or less in conjunction with budget holders
- Organisation of prior authorisation by 2 account signatories for BACs payments, cheques and online payments
- Checking of salary BACs payments sent as a direct payroll submitter
- Ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.

The Responsible Officer

The Responsible Officer (RO) is appointed by the Governing Board and provides Governors with an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the Governing Board with independent assurance that:

- The financial responsibilities of the Governing Board are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained and
- Financial considerations are fully taken into account in reaching decisions.

It has been agreed by the Governing Board that the RO role will be undertaken Leicestershire County Council, Internal Audit Service. The Service Level Agreement states that an internal audit will be

undertaken every year. The Audit reports will be issued to the Resources Committee and Full Governing Board of Trustees.

Other Staff

Other members of staff, primarily the Finance Officer, Administrator Assistants, Leadership Team and all budget cost centre holders, will have some financial responsibilities and these are detailed in the following sections of this manual. Key procedures are also set out in the Appendices. All staff are responsible for achieving Value for Money and this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge. The avoidance of waste, extravagance and prudent and economical administration is paramount. The security of Academy property, for avoiding loss or damage and for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures is essential. A key objective is to achieve Value for Money, not only for the Academy Trust but for taxpayers more generally.

Register of Business Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Academy Trustees and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Academy may purchase goods or services. The register is open to public inspection and is maintained by the Business Manager.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed by the Governing Board or a committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

Accounting system

All the financial transactions of the Academy must be recorded on the SAGE 50 Accounts accounting system. The Academy payroll is administered internally at the College on SAGE Payroll system.

System Access

Entry to SAGE Accounts and Payroll is password restricted and the Business Manager is responsible for implementing a system which ensures that passwords are changed every month.

Access to the component parts of SAGE can also be restricted and Business Manager will set access levels for all members of staff using the system.

Back-up Procedures

The Business Manager is responsible for ensuring that there is an effective back up procedure for the finance system. Data should be copied onto media and the copies stored in a secure place preferably in a fireproof container. SIMS and SAGE are backed up overnight on a daily basis by the Network Manager and a copy of the backup is taken off the premises by the Business Manager.

Two weeks' backup are stored at all times. One week's backup is taken off site and stored by the Business Manager.

A hard copy of the audit trail should be printed each month and should be stored separately from the accounting system.

The Business Manager should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by Governors of the major risks to which the Academy is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

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 (Ordering) and the sales ledger (Invoicing out) are included in the following sections of the manual. All journal transfers must be clearly described and within journal virement limits. Bank transactions input by the Finance Officer and the Admin Assistants should be checked and reconciled by the Business Manager whilst carrying out the monthly reconciliation.

Transaction Reports

The Business Manager will obtain and review system reports to ensure that all transactions are posted correctly to the accounting system. The reports reviewed will include:

- Audit trail reports
- Management accounts summarising expenditure and income against budget at budget holder level
- Monthly trial balance.

Reconciliations

The Finance Officer is responsible for ensuring the following are reconciled each month:

- Sales ledger control account
- Purchase ledger control account
- Bank balances per the cash book to the bank statements.

Any unusual or long outstanding reconciling items must be brought to the attention of the Business Manager.

Financial planning

The Academy prepares both medium term and short-term financial plans.

The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

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

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

Development Plan

The development plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the development plan are matters for the Academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the ESFA.

Each year the Principal will propose a planning cycle and timetable to the Governing Board which allows for a review of past activities, aims and objectives - "did we get it right?" definition or redefinition of aims and objectives – "are the aims still relevant?" development of the plan and associated budgets – "how do we go forward?" implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and feedback into the next planning cycle – "what worked successfully and how can we improve?"

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Principal.

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

For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to lead person. The lead person should monitor performance against the defined success criteria throughout the year and report to the senior leadership team on a termly basis. The senior leadership team will report to the Governing Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Principal, Resources Committee and the Full Governing Board.

The approved budget must be submitted to the ESFA by their deadlines each year and the Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the Academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
- review of other income sources available to the Academy to assess likely level of receipts
- review of past performance against budgets to promote an understanding of the Academy cost base
- identification of potential efficiency savings and review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Business Manager for approval by the Principal, the Resources Committee and the Full Governing Board. Later, a final budget should be approved in the same way. The final budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

Monthly cost centre reports will be prepared by the Finance Officer and shared with budget holders, who do not have electronic access to their cost centre reports. The CFO will monitor overall monthly income and expenditure against the budget profile at a summary level for the Principal and the Finance and Audit Committee.

Any potential overspend against the budget must in the first instance be discussed between the Principal & the CFO.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.

Budget virement of £15,000 or less may be authorised by the Principal. Budget virement over £15,000 must be agreed by the Resources Committee.

Payroll

Staff Appointments

The Full Governing Board has approved a Personnel Committee for the Academy.

The Principal has authority to appoint staff within Countesthorpe Leysland Community College except for Vice Principals, Assistant Principal and the CFO whose appointments must follow consultation with the Governors. The Principal maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, to the CFO immediately so contracts of employment can be amended accordingly. In the Principal's absence, personnel changes can be authorised by the Vice Principal.

Payroll Administration

The monthly Academy payroll is administered internally and staffing contracts are maintained locally on SIMS.net. Staff changes are notified to the Payroll Administrator by the CFO/Business Manager once signed off by the Principal. The Payroll Administrator and the Business Manager have access to a private area on the shared drive. All payroll information and backups are saved in this drive. SIMS.net must be backed up at the end of each day. A media back-up of each monthly payroll must be kept in the safe until the final end of year run has been processed. A back-up of the payroll must be kept off site. Two back-ups of SAGE should be made after the end of year run has been completed and prior to closedown for the new tax year. One back-up should be kept in the safe and another must be kept off site.

New staff can only be added to the payroll with the express approval of the Principal and notified to CFO/Business Manager. New staff must complete all relevant payroll documents issued by the Personnel Assistant. 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.

Salary amendments can only be made with the express approval of the Principal and notified to the CFO/Business Manager.

Staff can only be terminated from the payroll with the express approval of the Principal and notified to the CFO/Business Manager.

Payment for sickness or maternity must be authorised by the CFO/Business Manager in line with the employment contract for the individual.

Where leave of absence is discretionary, payment can only be made with the express approval of the Principal and notified to the CFO/Business Manager.

Staff who are paid on submission of a time-sheet must complete and return their time-sheet to their Line Manager by week ending nearest to 5th of the following month. Failure to do this may result in non-payment of salary by the Academy. In these circumstances, the salary payment may not be paid until the next payroll run in the following month. The manager must then check and sign the time-sheet and return it to the CFO/Business Manager by the 7th of the month, in which payment is to be made. Time-sheets are authorised by the team leaders and the Business Manager.

The CFO/Business Manager is authorised by the Governing Board to make all mandatory changes to the payroll without further authority e.g. Tax, NI and pension contribution rates, tax code changes, attachment of earnings etc.

Payments

After the payroll has been processed but before payments are made, a print of salary payments for each individual should be obtained from the system. The print must be reviewed and authorised by the CFO who will raise any queries with the Payroll Assistant. The CFO/Business Manager has delegated authority to release the payments as a direct submitter on the Academy's banks BACs system.

All Salary payments are made by BACS unless cheque payment has been authorised by the Principal and the CFO.

Electronic payslips are issued to paid employees the day before salary payment (the last working day of the month).

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions. The amounts payable are summarised on a printout and payments for these amounts are prepared by the Payroll Administrator and authorised by the CFO/Business Manager.

After the payroll has been processed the CFO will update SAGE 50 Accounts to reflect the payments by posting to the payroll control and then journaling payments to the appropriate salary cost centres to balance. The monthly payroll will be signed off by the Principal each month and filed in a secure area in the CFO's office.

On an annual basis the CFO must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file of the individual. Teaching staff are issued with Salary Statements at the beginning of each academic year.

Purchasing

The Academy wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

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

Routine Purchasing of £2,500 or less

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A cost centre report detailing actual expenditure against budget will be supplied to each budget holder each month, unless the budget holder has opted to access their cost centre sheets electronically. Budget holders must keep their own records of orders placed but not paid for, they will receive a copy purchase order from the Finance Officer.

A quote or price must always be obtained before any order is placed. Budget holders should ensure that value for money is achieved at all times.

All orders must be prepared using an official order form. Appropriate order requisitions -must be completed with signed authorisation of the cost centre holder before submitting to the Finance Officer for the processing of the official order on the SAGE system. Orders will only be processed if there is adequate budget provision for the department and the order requisition has been signed/ approved by the budget holder. A budget holder can authorise an order to the value of £500 or 20% of the cost centre allocation – (whichever is smaller). The Business Manager will sign all orders up to £500, orders between £501 and £2,500 will be signed by the Snr Assistant Principal. Any orders between £2,501 and £25,000 will need to be approved by the Vice Principal and the Principal.

Orders once committed in SAGE are sent to the supplier by the Finance Officer. A copy of the order is given to the budget holder.

The finance office must make appropriate arrangements for the delivery of goods to the Academy, goods received/opened directly by budget holders must ensure that delivery notes are checked and any discrepancies followed up immediately. On receipt of other goods, the Receptionist must undertake a detailed check of the goods received against the order and make a record of any discrepancies between the goods delivered. All checked goods are then passed to the budget holder or chased for missing items.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality the Receptionist will record this. Any goods on approval that need to be returned will be organised by the budget holder or the Finance Officer.

Once a month the Finance Officer will produce a list of outstanding orders/invoices from SAGE and chase or check have not been paid as non-order invoice or if any outstanding items are not available and cancel any associated commitments.

All invoices should be sent to the Finance Officer who will evidence the following:

- Invoice arithmetically correct
- Invoice authorised for payment by the budget holder for payment as confirmation that goods/ services received
- Goods/services as ordered; prices correct; official order number given.

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

The Finance Officer will input details of payments to be made to the purchase ledger in SAGE and generate the BACs payments or cheques required. The BACs payments must obtain prior approval from two nominated bank signatories prior to sending and cheques must be signed by two of the nominated bank signatories, one of whom must be the Chair of Governors if the amount is more than £10,000. Bacs payments will be authorised online via Bankline or BACs direct submitter by the CFO.

Cheques will be dispatched to suppliers by the Finance Officer. Bacs payments will be notified to suppliers by email remittance and processed on Bankline (NatWest) by the CFO/Business Manager.

Non-order purchases must have the prior approval of the CFO. Non-order purchases must be kept to a minimum and should only take place when it will affect the smooth running of the budget department. The Catering Manager is authorised to make non-order purchases for standard daily/weekly food supply orders.

Orders over £2,500 and up to £25,000

At least three written quotations should be obtained for all orders over £2,500 and up to £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared by budget holders and attached to orders passed to the Finance Officer. This is for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.

The Principal and Vice Principal will counter sign orders for goods between these values.

Orders over £25,000

All goods/services ordered with a value over £25,000 must be subject to formal tendering procedures. Purchases over £156,442 (threshold from 01/01/2010) excluding VAT may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the Academies Financial Handbook. Ordering goods which may potentially be over £25,000 must be discussed with CFO prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

Forms of Tenders

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

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the CFO/Business Manager how best to advertise for supplier's e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender.

Restricted tenders may be appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs
- A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This may be appropriate in specific circumstances:

- The above methods have resulted in either no or unacceptable tenders, only one or very few suppliers are available, extreme urgency exists, additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration may be given to the objective of project overall requirements technical skills required after sales service requirements form of contract.

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

Invitation to Tender

If a restricted tender is to be used then an invitation to tender should be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender may 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

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

Tender Acceptance Procedures

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

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders, either the CFO/Business Manager or the Principal plus a member of the Resources Committee.

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

Tendering Procedures

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

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation of contracts over £25,000 and a report should be prepared for the Resources Committee highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the ESFA, the departments approval must be obtained before the acceptance of a tender.

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

Income

The main sources of income for the Academy are the grants from the ESFA and from Leicestershire County Council. The receipt of these sums is monitored directly by the CFO/Business Manager who is responsible for ensuring that all grants due to the Academy are collected.

The Academy also obtains income from:

- Parental contributions for trips and school meals, the public, mainly for use of facilities ie theatre and sports lettings
- Extended Services activities including nursery and Before and After School Club.

Trips

A lead teacher must be appointed for each trip to take overall responsibility for the trip. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Office.

Students should make payments to the Finance Office via cash, cheque or online. A receipt must be issued for all monies collected via reception (apart from charity donations of £1 or under) and the value of the receipt and the number of the receipt recorded against the student making the payment.

The admin assistant should maintain an up to date record for each student showing the amount paid and the amount outstanding.

Once the trip has been finalised, if there is a credit of £5 or more per student who participated in the trip – monies will be refunded to the parents.

Catering Income

The income received daily by the Catering Department must be reconciled against the till receipts by a Catering Manager, who will then complete a bank paying in slip.

The income is then taken to the main officer for safe custody prior to banking. (Safe limit of £2,500 cash per safe).

The Catering Manager must input the income details from the paying in slip into the Catering cash book, whilst checking this reconciles with the till receipts. Any discrepancies of more than £10 per till must be reported to the CFO/Business Manager immediately.

The College operates a cashless catering system and parents are encouraged to pay online via ParentPay. A float is kept in the Fuel Bar for external adult users, float of £50.

The Bar till has a float of £100 and the safe in the Bar has a float of £300.

Lettings Income

The admin assistant is responsible for maintaining records of bookings of lettings and for identifying the sums due from each organisation. Invoiced income is raised on Accounts receivable on SAGE to the appropriate cost centre. Payments must be made in advance for one-off lettings/ the use of facilities, whereas affiliated groups are charged per half term in advance for payment by end of the letting period invoiced.

The admin assistant is responsible for maintaining the booking schedule and annual affiliation and associated paperwork of the affiliated groups and the receipting of paid invoices from lettings/affiliated hire. The admin assistant is responsible for updating the Premises Officers diary with all lettings.

The admin assistant and CFO/Business Manager will be responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

No debts should be written off without the express approval of the Resources Committee (the ESFA's prior approval is also required if debts to be written off above the value set out in the annual funding letter).

Invoiced income is receipted immediately in SAGE in accounts receivable or by a cash book journal for non-invoiced income, apportioning for VAT where and as appropriate. The income receipted by the admin assistant must be reconciled against the cash sheet and receipt book by the admin assistant, who will then complete a bank paying in slip. Any cash sheet amendments or discrepancies to be brought to the attention of the CFO/Business Manager to initial as authorised.

The income is then kept in a safe prior to banking cash collection by Security.

Once the paying in slip appears on the bank statement, the Finance Officer or Admin Assistant reconcile the amount on the bank statement. Any discrepancies between the paying in slip and the bank statement must be reported to the CFO/Business Manager immediately.

Extended Services Income

All extended services income and expenditure is ring-fenced within their own cost centres. Restricted income from the College budget share and other restricted income streams are not used to support the extended services operations. The extended services activities are run to supplement the wider charitable objectives of the Academy and any surplus from these activities are used to support the Academy including a proportion of College funded staff time that has been used to support the admin and finance of these facilities. The financial viability of these activities is monitored closely by Resources Committee to ensure they remain going concerns.

Nursery places are paid by either LA funded sessions for 3+ children, or parents pay directly or indirectly via Nursery vouchers. Funded sessions are received twice per term from the LA for initial and final funding allocations. The Nursery Manager informs the admin assistant of any parents that are required to be invoiced in advance for any sessions paid for directly and any outstanding payments

are chased up promptly. Where sessions are paid via nursery vouchers, the admin assistant maintains records of which website vouchers are received/ direct debit income info of how credits our accounts etc. and offsets against the appropriate invoice.

Before and After School Club income is invoiced monthly in advance by the admin assistant and receipted in accounts receivable to the appropriate cost centre. Aged debtors are followed up promptly and the Before and After School Club Leader liaises with the admin assistant over sessions requiring to be invoiced.

Family of schools extended services income is held within its own cost centres. Minibus users are invoiced half termly by the admin assistant who reconciles against the minibus booking log.

Custody

Official, pre-numbered Academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in a safe prior to banking.

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Officer and admin assistant are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared weekly during term time and be certified monthly by the CFO/Business Manager. Any discrepancies need to be reported to the CFO/Business Manager immediately.

Cash Management

Bank Accounts

Countesthorpe Leysland Community College operates one current account with NATWEST which is linked to a special interest bearing account. Money is swept from or to the special interest bearing account at the end of each day in order to facilitate a balance of £10,000 in the current account. The account signatories are:

- Suzanne Uprichard - Chair of Governors
- Catherine Aitcheson – Principal
- Damian Thurston – Vice Principal
- Tim Gartside – Vice Principal
- Richard Wall – Governor

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include the amount of the deposit and a reference, such as the number of the receipt, or the name of the debtor.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two authorised signatories (see 8.1). At least one of the signatories must be a Governor if the cheque or BACs is greater than £10,000.

BACs payments must be pre-authorised by two account signatories. At least one of the signatories must be a Governor if the payment is greater than £10,000.

Signatories may not sign a cheque reimbursing themselves.

Administration

The CFO/Business Manager must ensure bank statements are received regularly and that reconciliations are performed promptly. At least monthly, the CFO/Business Manager should check the latest reconciliation to ensure that the bank account reconciles to the Academy's cash book and any adjustments arising are dealt with promptly.

Academy Credit Cards

The Academy operates a Government Procurement Card. The OneCard card holder is:
Catherine Aitcheson – Principal. The Card Limit £10,000 per month.

This card is only to be used when cheque or BACs payments are not possible. It is to remain on site in the safe when not in use and not to be used for cash withdrawals.

Receipts must be retained and matched to monthly statements.

Authorised users of the charge card are the Finance Officer and the CFO/Business Manager.

Petty Cash Accounts

The Academy maintains a petty cash balance of £400 for the office petty cash tin. The maximum payment limit is £50 in cash per person, payments of £51 or more must therefore be made by cheque or BACs. In special circumstances, petty cash expenditure of more than £50 can be made in cash but needs to be authorised by the Principal.

Deposits

The only deposits to petty cash should be from cheques cashed specifically for the purpose or from catering cash prior to banking. The receipt should be recorded on the petty cash sheet with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Payments and Withdrawals

In the interests of security, petty cash payments will normally be limited to £50. Higher value payments should be made by cheque or BACs directly from the Academy bank account. In exceptional circumstances, payments over £51 can be made, only if authorised by the Principal.

Administration

The Finance Officer is responsible for entering all transactions into the petty cash sheet on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Officer to ensure that the cash balance reconciles to supporting documentation. The CFO/Business Manager will sign off all petty cash expenditure on a monthly basis.

Physical Security

Petty cash should be held in a locking cash box which is put in a safe overnight or cash drawers placed in the safe.

Cash Flow Forecasts

The CFO/Business Manager is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day to day operations.

Investments

Investments must be made only in accordance with written procedures approved by the Governing Board.

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.

Fixed assets

Asset register

All items purchased with a value over the Academy's capitalisation limit of £2,500 must be entered in an asset register. The asset register should include the following information:

- Asset description
- Asset number
- Serial number (if available)
- Date of acquisition
- Asset cost
- Source of funding (% of original cost funded from ESFA grant and % funded from other sources) expected useful economic life
- Depreciation
- Current book value
- Location
- Name of member of staff responsible for the asset
- A copy of the asset register is kept electronically.

The Asset Register helps:

- Ensure that staff take responsibility for the safe custody of assets
- Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- To manage the effective utilisation of assets and to plan for their replacement
- Help the external auditors to draw conclusions on the annual accounts and the Academy's financial system and
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

Depreciation

Depreciation on assets is as follows:

- Freehold Buildings 2% straight line
- Motor Vehicles 25% straight line
- Plant & Machinery 15% straight line
- Furniture & Equipment 25% straight line
- Computer Equipment & Software 25% straight line
- No depreciation is provided on freehold land.
- Depreciation on assets in the course of construction is not charged until they are brought into use.

Security of assets

Equipment must be secured by means of physical and other security devices.

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

Disposals

Asset items which are to be disposed of by sale or destruction must be authorised for disposal by the Resources Committee and, where significant, should be sold following competitive tender. The Academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid. If disposals within one financial year (September-August) collectively originally attracted grant of more than £20,000 then the Academy must inform the ESFA.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications

