



# Financial Regulations Manual

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## 1. Introduction

The intent of the Great Academies Education Trust's (GAET) Financial Regulations Manual (FRM) is to provide guidelines for members, trustees and staff to fully understand and accept our obligations under the terms of our Funding Agreement (FA) with the Education and Skills Funding Agency (ESFA) and the Academy Trust Handbook (ATH). We agree to manage the funds in our control, in a transparent and robust way and for the purpose for which they were intended. This policy should be read in conjunction with:-

- The Scheme of Delegation (SoD)
- Whistleblowing Policy
- Reserves Policy
- Gifts and Hospitality Policy
- Investment Policy
- Charging and Remissions Policy

This policy is guided by legislative duties, national guidance including:

- Academy Trust Handbook
- Managing Public Money
- Charities Commission guidance
- Minimum standards of financial management as set out in the DfE/Master Funding Agreement
- Advice and guidance relating to the financial performance of MATs arising from the work of Ofsted, internal audit and external audit providers and other interested parties.

This policy is also guided by the GAET vision and values which can be found in the GAET strategic plan.

All individuals will also embody our values:

- Genuine - mutually trusting, open, honest and reflective.
- Respect(ful) to all.
- Excellent at what they do, striving for excellence and intolerant of mediocrity.
- Achievement focussed - understanding that academic excellence is the goal and high aspirations key to each child achieving their academic potential.
- Together - believing that we can make the biggest difference when we work as a strong team.

## 2. Aims and objectives

### 2.1 Aims

This document has been adopted by Great Academies Education Trust's board, as the basis for the administration and management of finances. The aim of the policy is to create a framework within which individual members of staff, board members and other interested parties, can exercise financial management, probity and stewardship in an efficient and effective way.



This policy ensures that the Trust Board of GAET retains responsibility for the management of the finances of the trust, whilst providing a framework within which the Accounting Officer (AO), the Finance Director and Principals can manage their finances and budget on a day-to-day basis. It is essential that all parties are aware of their roles in the financial arrangement of the trust.

This policy aims to clarify the processes and controls surrounding finance for all academies within GAET. All staff must be familiar with and comply with these controls at all times. If there are any items requiring further clarification, please contact a member of the Finance Department.

These financial policies and procedures will set a clear blueprint for managing the trust's finances to a consistent and professional standard which will allow the trust to achieve the aforementioned vision and values.

## 2.2 Objectives

The objectives of this policy are to -:

- Maintain accounts and prepare reports which show the financial effectiveness of the trust's activities
- Advise and help administrators accomplish the mission of the trust through the best use of financial resources
- Provide for the stewardship of funds.

## 3. Roles and responsibilities

### 3.1 Overview

The board of GAET recognises the importance of clearly defining the roles and responsibilities of its committees, the CEO and other staff. The terms of reference for the board and its committees are laid out in a separate document.

The Scheme of Delegation details the delegated authorities of the Trust Board, its committees, and the executive.

The Chair of the board will take responsibility for the financial control and management of GAET in the extended absence of the CEO.

The board will manage and administer its affairs in accordance with the Nolan Principles of public life which are:

- Openness – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Integrity – this is best described as both straightforward processes and completeness.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Selflessness – Board Members should act solely in the public interest and not in a way that is likely to confer financial benefits, preferential treatment or other advantage, on others.
- Objectivity– In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, decisions will be made on merit.
- Honesty – Board of Trustees have a duty to uphold the law, and to act on all occasions in accordance with the trust placed in them.
- Leadership – those in leadership should promote and support the above Principals by leadership and example, always acting in such a way to preserve public confidence in the Board of Trustees.



## 3.2 CEO/AO's financial responsibilities

The CEO is the Accounting Officer with responsibility for the propriety and regularity of the public finances for which they are answerable. The responsibilities are outlined in the Academy Trust Handbook and include the CEO will ensure that:

- The roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions and administrative processes will, as far as is practicable, be distributed to ensure that key tasks are assigned to separate members of staff and that appropriate systems of internal check exist.
- DfE/MAT Master Funding Agreement, Financial Regulations and Company Law are adhered to.
- The procedures and process as detailed in this document are followed in the operation of the trust's accounting and commitment systems.
- The board of GAET is provided with financial advice.
- Systems are in place to ensure that robust financial control is maintained at all times including procedures in the absence of key staff.
- Appropriate documentation and records of transactions are maintained to specified standards.

## 3.3 Academy Principal financial responsibilities

The CEO has overall executive responsibility for the academies' financial activities.

The Principal has responsibility for:

- Communicating this policy within their academy.
- Ensuring this policy fully adhered to and hold to account instances of non-compliance.
- Agreeing the delegated budget and authorisation responsibility within the academy.
- Monitoring the regular budget reports and acting on overspends or risk.
- Together with academy and trust staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conforming to the requirements of the trust's financial procedures.
- Informing the monthly management accounts by being aware of and explaining the key financial activities occurring within the academy and communicating this to the Finance Director.
- Preparation of budget and forecast plans in conjunction with the Finance Director.
- The maintenance of effective systems of internal control.
- Authorising orders and contracts in conjunction with the Accounting Officer or other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority.

The Principal may delegate some of these responsibilities to academy support staff (typically a business manager) or its teaching leadership team, but overall accountability cannot be delegated and will remain with the Principal.

## 3.4 Finance Director responsibilities

The Finance Director works in close collaboration with the CEO and is responsible to the trustees and members. The main responsibilities of the Finance Director are:

- The management of the trust's financial position at a strategic and operational level.
- The design, implementation and maintenance of effective systems of financial control.



- Submitting grant applications, reports and returns to the DfE, ESFA, the Teacher's Pension Agency, HMRC and other relevant bodies.
- Ensuring that annual accounts are properly presented and adequately supported.
- Overseeing the preparation of monthly management accounts.
- Financial reports for the Trust Board and executive team.
- Authorising orders, payments and the award of contracts within agreed limits.
- Internal checks around departmental systems and controls.
- Preparation of reports to GAET's Finance and Resources Committee and Audit and Risk Committee.
- Assisting academies in development and delivery of financial plans.
- Supporting GAET's board in preparation of trust-wide financial manuals and guidance notes.
- Financial due diligence on new academies looking to join GAET.
- Assisting in the preparation of annual accounts, DfE returns and other financial statements in accordance with the Companies Act and DfE/ESFA requirements.

### 3.5 Separation of duties

In order to reduce the risk of error or intentional manipulation, the Board and the CEO will ensure the separation of those responsibilities or duties which would, if combined, enable one individual to record and process a complete transaction.

Wherever possible the following duties will be separated:

- Authorisation – of a transaction such as a purchase order or payment.
- Execution – the placing of an order, receiving of goods and services.
- Custody – the holding of goods and services.
- Recording – the completion of accounting records.

### 3.6 Staffing of the finance department

The appointment of staff should be made with due regard to the qualifications and capabilities commensurate with their duties. Inevitably, the proper functioning of any system depends on the competence and integrity of those operating it. The qualifications, experience, and personal qualities of those involved with financial arrangements are important features of an effective control system.

Consequently, the board of GAET should establish procedures to ensure that:

- Personnel are competent, suitably qualified and trained to perform at a level commensurate with their responsibilities.
- Training needs and opportunities for staff, particularly for those with financial responsibilities, are reviewed on a regular basis.
- Clear statements of criteria for personnel selection and formal job descriptions are maintained.
- Finance staffing levels are adequate.
- There are effective arrangements in place to deal with the absence of key financial personnel to ensure the effective operation of the finance function and to ensure that financial control is maintained. This may be achieved through a combination of work shadowing, documented financial procedures, specified cover



responsibilities are included in Job Descriptions and that support is sought, as required, from other suitably placed staff across the MAT.

## 3.7 Whistleblowing

GAET believes that staff should be able to raise concerns properly, in confidence and without prejudice to their personal position. Where appropriate, this will include an opportunity to raise concerns.

Details of the process and procedures in place for such concerns are documented in the GAET Whistleblowing Policy.

## 4. Financial Reporting

An effective budget must support GAET's strategic priorities as defined in the strategic plan.

A budget and forecast should be prepared for the immediate following year and at least three succeeding years for approval by the board by no later than July each year. This budget should be developed in conjunction with Principals, the CEO, the Education Director and other key stakeholders to ensure it is appropriate and is aligned with the strategic priorities of both the trust and the academies.

The Finance and Resources Committee should be given sufficient time to interrogate the budget prior to submission to the Trust Board for approval.

The CEO is responsible for ensuring the budget is prepared in sufficient detail to meet ESFA reporting requirements and to enable the effective management of the available funds by the Board of Trustees, which is responsible for ensuring that total forecast expenditure does not exceed the available funds.

To ensure this can be done, responsibility is delegated to the Finance Director with oversight of the CEO, to ensure the following is provided:

- monthly management accounts circulated via GovernorHub to the Trust Board and each LGC, these reports will also be shared with the CEO and Principals
- regular monitoring reports circulated to the Trust Board at every trust board meeting (no less than 4 times per year)

The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lies with budget holders who have access to budget monitoring reporting on the finance system (PS Financials).

Principals are responsible for the oversight of spend by academy staff to ensure this is within delegated budgets.





## 5. Purchasing goods and services

### 5.1 Overview

GAET considers value for money, quality and service when selecting suppliers. For day-to-day supplies, the finance team will consider whether an alternative supplier can provide the goods at a lower cost than the one suggested by staff on the purchase requisition, whilst still maintaining quality and delivering good customer service. It is good practice for individual staff members to also consider this when raising a purchase requisition.

The trust uses a variety of ways to purchase goods and services, however irrespective of the route chosen, prior approval by the appropriate budget holder and approver is required before any commitment is made on behalf of an academy or the trust.

The majority of goods and services will be ordered via the requisition process (and this will predominantly be done using web requisitioning) and the subsequent invoice processed via the purchase ledger.

### 5.2 Purchase requisitions and purchase orders

Members of staff should not place orders to purchase goods or services directly with suppliers without first obtaining a purchase order from the Finance Department. This includes the purchase of online resources, registration for courses, etc. The process is as follows:

- A requisition must first be completed on the online finance system which includes evidence of the assessment of Value for Money for all items over £1,000 net of VAT. This should usually include evidence that three like for like quotes have been sought, or an explanation as to why this has not been possible.
- If the supplier has not been used before then details must first be provided to the Finance Department using the [finance@gaet.co.uk](mailto:finance@gaet.co.uk) e-mail address. The supplier will be sent the new supplier form for completion before being set up on the system. Once set up, a member of the Finance Department will be in touch to confirm that you can now proceed with the web requisition once approved by the appropriate approvers on the online finance system the Finance Department who will raise an official purchase order.
- The budget holder is responsible for checking that VFM has been assessed and that there is sufficient budget remaining BEFORE approving the spend.
- The Finance Department will then e-mail the order to the supplier, or in some cases notify the requisitioner that they are now able to send the order to the supplier.

All approved orders are reviewed by the Finance Department before placing to assess whether the items could be purchased from an alternative supplier at a lower price.

The purchase requisition process must be used for all purchases of goods and services including those which are covered by a contract – this includes trip costs, resources for activity days, etc. If in doubt, please contact the Finance Department for guidance before committing to any costs.

All purchases must be made in accordance with these guides, except in exceptional circumstances where a dispensation may be granted. Dispensations may be granted for the current reasons/areas:

- The goods or services are only available from one source and there is no possibility of the trust's requirements being met in any other way. In such instances, these facts must be noted down on the purchase requisition.
- The goods or supplies are managed by call off orders and as such the rate charged is reviewed for reasonableness at least annually by the person procuring the service. This is likely to include:



- Examination fees
- Supply staff costs
- Catering costs
- Centrally managed costs, which should be reviewed annually or as contracts expire to ensure value for money (VFM), which include:-
  - Rent or business rates
  - Utility costs
  - Telephone bills (landline)
- Where the seeking of tenders and subsequent contract award could cause significant operational difficulties and where any potential savings would be outweighed by those operational issues (which along with a VFM analysis must be documented) and only for use in circumstances to be approved in accordance with the scheme of delegation, under the specific advice and approval of the Director of Finance, CEO or F&R Committee.
- Capital projects (either IT or Estates) which are procured from a list of named suppliers. These suppliers will be reviewed annually by the IT manager or Estates manager and multiple quotes obtained to assess VFM. Projects throughout the year will be reviewed to ensure labour rates and costs for parts are in line with expectation. Projects will still be subject to the approval limits set out in the Scheme of Financial Delegation.

Whilst emergency purchases are allowed flexibility with regards to the “purchasing process”, they MUST comply with the Scheme of Delegation Authority.

All orders must be:-

- Verified against contract/purchase order and invoice information.
- Physically approved by either completing a good receipt note on the finance system, physically signing a hard copy invoice or via emails submitted to [finance@gaet.co.uk](mailto:finance@gaet.co.uk).

## 5.3 Receipt of goods

When the goods are received, they must be checked to ensure that what has been ordered has been delivered. Once checked, the goods must be receipted on the online finance system by the person receiving the goods. Invoices will not be processed until this has been completed.

Staff must reply promptly to ensure that supplier invoices are paid within their payment terms.

## 5.4 Payments in advance

It is vitally important that when considering quotes from suppliers that you consider seriously the payment terms requested by the supplier.

The trust’s standard payment terms are 30 days from the date of the supplier's invoice. The supplier will normally issue the invoice on the date of dispatch or delivery of their goods and services and all invoices should be addressed to the Finance Department, quoting the Purchase Order number that has been issued. The finance team will then process these orders in line with the normal purchasing process.

Having standard payments terms reduces the financial risks to the trust and helps with cash-flow issues. Only in exceptional circumstances are variations to our standard payment terms made.

Authorisation of advance payments exceeding £5,000 or to vary payment terms with a supplier on behalf of the trust can only be sanctioned by the Finance Director.



Some suppliers may request that the trust pays their invoice in advance of the supply of goods or services. Unless the supply is for hotel, conference or travel related expenditure (where payment in advance of the event is commonplace in order to secure a booking) this will need to be approved by the Finance Director. For bespoke equipment, the Finance Director will need to evaluate the request on a case-by-case basis.

When suppliers request advance payment for reasons other than those outlined above, it could indicate that:

- This supplier has not yet set up the trust in their systems as one of their recognised customers. The supplier wishes to receive an advance payment as the trust does not yet have a credit status with them that allows for payment to be made upon receipt of an invoice raised after the supply of goods or services.
- This supplier is having cashflow issues.
- This supplier is in administration and this would present risk to the trust in trading with a company in such a position.

The risk to the trust is making a payment in advance and ultimately not receiving the goods or services or even a refund of monies paid. GAET does not take unnecessary risks with public funds.

Should you receive a quote from a supplier with a request for an advance payment, please refer to the Finance Department, requesting advice or permission to do so.

Such requests may be in the form of wording inserted on quotations or supplier invoices that state 'Advance payment', 'Proforma invoice', 'xx% payment with order', 'Deposit', or 'xx% payment prior to shipping'.

## 5.5 Purchasing cards

The main method of purchasing goods and services for the trust is by placing an order with a supplier and processing the purchase invoice for payment after the goods or service has been received. However, there may be instances where, due to the nature of the supplier, payment by credit card is appropriate. In these instances, approval by the appropriate budget holder must still be obtained before any costs are incurred including the completion of a requisition form.

Any spend which is capital in nature must be approved by the Finance Director in advance.

Examples of goods purchased using a purchasing card include:

- Amazon purchases
- Food technology supplies
- Some online subscriptions
- If purchasing online is cheaper than normal process
- Travel related purchases
- Certain job adverts
- Training courses

The following roles will be issued with cards to facilitate these purchases:

<b>Role</b>	<b>Area</b>	<b>Limit</b>
Principal	Academy	£2,000
Finance Director	Central Team	£2,000
Finance Officer	Central Team	£10,000

Each card has a total spend and individual transaction limit and monthly returns must be completed and reviewed and approved by the Principal and / or finance department. The finance department checks each item on the statement,



attaches a VAT receipt for each item, provides detail of the expenditure and passes the completed return to the cardholder for review and sign off to approve. This will then be posted onto the finance system by an alternative member of the finance department.

Purchasing cards are issued to named individuals and remain their responsibility. They must not be given to other staff to use in their absence, and they are responsible for ensuring that the card is safe and only used for authorised purchases.

All completed card-holder statements must be returned to the Finance Department within one month of receipt. Any cardholders who fail to comply with this deadline on three occasions will have their card removed.

## 5.6 Contracts for goods and services

Contracts which commit the trust to purchase goods or supplies for a period of time must only be signed in accordance with the Financial Scheme of Delegation.

The contracts must be assessed for Value for Money (VfM) in the same way as other purchases.

Contracts for three years or longer must be approved in advance by the Trust Board. The Principal is responsible for ensuring that no contractual arrangements which are 3 years or longer (and over £1,000) are entered into by school staff prior to obtaining Trust Board approval.

## 5.7 Immediate payments

In exceptional circumstances an immediate/faster payment may be required – for example to make a charitable donation following a fundraising activity or to make an urgent payment to a supplier.

As with all trust expenditure, prior approval must be obtained from the appropriate budget holder before any expenses are incurred. To request the payment the member of staff should still follow the usual purchasing process and raise a web requisition with appropriate approvals.

A request should then be made to the Finance Department for an immediate payment (outside of usual BACs runs) and this will be approved by the Finance Director where appropriate.

## 5.8 Petty cash claims

Petty cash can be used for sundry purchases at any primary school within the trust. Any items above £1,000 must be processed through one of the other payment routes. The business manager is responsible for the safe management of cash on site at the school, the accurate reporting of transactions and the monthly reconciliation of cash balances.

The business manager must seek the approval of the Principal for the monthly reconciliation of cash and provide this to the Finance Department after the end of each month. This should include the detail of all transactions made into and out of the cash balances held.

No petty cash is kept on site at any secondary school.

From time to time and in exceptional circumstances cash may be given as income to the secondary schools, this must be immediately declared to the business manager of the school who is responsible for recording the transaction and the safe handling of the cash. The business manager must report on this monthly to the finance department who will arrange for collection and banking of this cash. This cash must not be used for sundry purchases.



## 6. Staff expenses and indirect employee costs

### 6.1 Staff training costs

Before any courses may be booked, approval must be obtained from the relevant line manager. Once the application form has been approved, the applicant must first check that cover is available (if applicable) and that budget is available (from the Principal or business manager) before any commitment is made.

If cover and budget is available, the purchase should follow the normal purchasing procedures.

### 6.2 Staff expense claims

In exceptional circumstances it may be necessary for a staff member to pay for something and be retrospectively reimbursed. In almost every circumstance it should be possible to follow normal purchasing routes, for example use of the purchasing card or obtaining a purchase invoice. Where staff have incurred expenses which could have otherwise been purchased through these routes expense claims will not be approved.

Expense claims should be submitted within two months of the event and accompanied by supporting receipts or other appropriate documentation, including approval by the appropriate budget holder (business manager or Principal). Expenses claimed by Principals will be approved by the CEO, and expenses claimed by the CEO will be approved by the Chair of the trust board. Reimbursement of expenses will only be made for fully substantiated claims.

Expenses for anything other than mileage claims, will be reimbursed via a payment run and will usually be within 2 weeks of receipt of the completed claim form dependent on the timing of the submission and BACS payment runs.

Please note that claims which are not in accordance with these rules may not be paid.

### 6.3 Travel or mileage claims

#### 6.3.1 Mileage claims

As with all expenditure, approval must be obtained from the appropriate budget holder before costs are incurred. When planning a journey, the cheapest form of travel must be used – for long distance journeys (defined as 150 miles or more roundtrip) this will NOT be by car - if staff are uncertain as to which mode of transport is the most cost effective for a particular journey, please contact the Finance Department. There will be instances where, due to the location, timing or duration of a meeting, it is more suitable to drive than use public transport. In these instances, mileage will be reimbursed at the current rates. Where it is appropriate to use public transport but a member of staff chooses to drive instead, reimbursement will be made based on the cheapest mode of transport.

In line with HMRC rules, no claims for journeys from home to place of business are allowed – this includes travel required for weekend working.

Where other business journeys are required, full details of the purpose of the journey must be provided.

The trust policy is to reimburse all mileage at 45p per mile. The mileage rate payable includes an element to defray the cost of insurance, as well as vehicle depreciation, fuel etc.



Mileage claims should be submitted within two months of the event. The mileage claim form must be completed and approved by line manager. The trust reserves the right to verify mileage and will only reimburse the shortest road distance as given by Google Maps if there are any dispute.

Mileage expenses will be paid via payroll for employees and via expense claim for governors, members or trustees.

Please note that claims which are not in accordance with these rules may not be paid.

### 6.3.1 Parking Costs

Parking costs incurred in the course of trust business travel may be claimed via the expenses system.

### 6.3.2 Train Travel

All train travel must be booked at least 14 working days before the date of travel but ideally as far in advance as possible to ensure that costs can be minimised. For all rail journeys, staff travel standard class. Staff may, of course, choose to travel first class public transport if they wish, but they will only be reimbursed for the cost of standard class travel. The trust is only liable for the costs relating to the colleague's authorized travel any accompanying persons are responsible for their own costs.

### 6.3.3 Air Travel

All air travel must be booked by a purchasing card holder and have prior approval from the CEO unless it is travel for a pre-approved school trip in which case it must be approved by the Principal. Staff must contact the Finance Department at least 14 working days before the date of travel but ideally as far in advance as possible to ensure that costs can be minimised. For all air journeys, staff travel standard class. Staff may, of course, choose to travel first class public transport if they wish, but they will only be reimbursed for the cost of standard class travel. The trust is only liable for the costs relating to the colleague's authorized travel any accompanying persons are responsible for their own costs.

### 6.3.4 Taxis

Taxis for staff may only be used in exceptional circumstances and may only be ordered via reception with authorisation by a member of the leadership team – no other staff are authorised to book taxis on behalf of the academies unless this is for pre-approved pupil travel.

### 6.3.5 Fines

Under no circumstances are parking or speeding fines reimbursed

## 6.4 Vehicle insurance

The trust does not provide car insurance for staff using their own vehicles. Staff members are responsible for ensuring they are appropriately insured prior to travel including where they need to travel for work during the course of their normal working hours.

Staff must also ensure that the car is safe and legal to drive.



## 6.5 Minibus usage

Staff must ensure that they abide by normal driving and parking rules and regulations when using any rented or academy owned cars, vans or minibuses. Any penalties incurred by the driver, for example parking fines, whilst using the vehicle are payable by the driver of the vehicle.

Drivers must ensure that the vehicle is returned in the same condition that it was collected in and therefore must inspect the vehicle before handing back the keys. Any incidents must be reported immediately.

Before driving the vehicle, staff must produce a copy of their driving licence for checking. Only staff with D1 on their licence are eligible to drive any vehicle. Those staff who do not have D1 on their licence may only drive a smaller vehicle.

## 6.6 Accommodation and subsistence

In exceptional circumstances there may be a requirement for staff to stay away overnight. Where this is the case the accommodation must be approved in advance by the Principal or Finance Director. Staff must contact the Finance Department with all the relevant details to request the booking. Once the accommodation has been booked, the details will be forwarded to the person requiring accommodation.

NB: Should a member of staff book the accommodation themselves and the cost is higher than the room rate negotiated by the trust, only the cost of the room sourced by the trust will be reimbursed.

If a member of staff is required to stay away overnight, they may be entitled to claim a subsistence rate for the number of nights they are away. This must be approved in advance by the Principal or Finance Director and will be no more than £15 per day. This rate does not include the purchase of any alcohol and receipts must be provided in order to claim this spend. This rate may not be claimed if the member of staff is entitled to meals as part for an approved school trip (e.g., they are accompanying students on a trip and meals are included).

## 6.7 Telephone and mobile costs

Where circumstances occur such that colleagues need to make a business call on their home or mobile telephone, they need to attach the appropriate bill to the Travel and Expenses Claim Form, with the relevant business calls highlighted, so that reimbursement can be made for these calls. 'Top up cards' for Pay as you Go mobile phone services will not be provided, as HM Revenue and Customs rules cannot be met.

Where appropriate staff will be provided with a business mobile phone or SIM card, or an application for use for business calls on their own mobile (at no additional cost). The business mobile phone or SIM card will remain the property of the trust and will be administered by the trust with bills paid by invoice or direct debit directly by the trust. On leaving the organisation the employee must return the mobile phone or SIM card to the trust on or before their last day in work, otherwise the trust reserves the right to deduct this cost from any unpaid wages.

The academy may have some phones which are owned and managed by the academy for use on school trips. These mobile phones and SIM cards also remain the property of the trust and will be administered by the trust with bills paid by invoice, direct debit, or the Pay As You Go SIM card topped up directly by the trust. These phones must be returned to the school once the specific purpose for which they have been used has come to an end.



## 6.8 Access to trust devices

Please refer to the separate ICT Acceptable Use Policy.

On leaving the organisation the employee must return all trust owned devices and equipment to the trust on or before their last day in work, otherwise the trust reserves the right to deduct the cost of these devices from any unpaid wages.

## 6.9 Gifts and hospitality

Please refer to the separate Gifts and Hospitality Policy.

## 6.10 Expenses tax considerations

Claims adhering to the procedures in this policy will be paid without the deduction of income tax. However, it is the claimant's responsibility to ensure payment for any due tax is made.

# 7. Payroll and recruitment

## 7.1 Staff recruitment

Before any staff recruitment may commence, a 'Request to Recruit' form must be completed and approved by the Finance Director. For replacement positions, consideration must be given to the business need for the replacement in light of the changing needs of the trust.

For new positions, there must be a clear business need and sufficient justification provided on the recruitment request form.

Once approved, the form must be forwarded to the HR Department who will action the request.

## 7.2 Overtime payments

Managers must ensure that they avoid their staff working unnecessary overtime. Where overtime is necessary in the academies it should be discussed with the Principal and planned in advance. Central staff must ensure that they obtain approval from their line manager before any overtime is worked.

To ensure that the cost of overtime is reflected in the accounts in a timely manner and therefore published financial reports reflect all the costs incurred by the trust, overtime claim forms must be submitted to HR by the end of the month following the date of working. E.g., overtime claim form for overtime worked on Saturday 24th October must be submitted by 30th November at the latest.

Where a number of staff are required to work on a particular day or for a particular reason, e.g., Saturday classes or summer school, a summary overtime claim form may be used instead of individual claim forms. The form must be





completed with details of all the relevant staff, signed by each of the staff working and approved by the Principal. The same deadlines detailed for ad-hoc payments apply to summary overtime claim forms.

Overtime should be regularly monitored to ensure excessive overtime working is not occurring. As a minimum line managers should carry out the following:

- Monitor overtime level to identify where it could be reduced.
- Identify instances where overtime working becomes unvarying, unnecessary and excessive.
- Monitor all staff who regularly work overtime. Where staff are regularly working in excess of their contracted hours managers must review workload/staffing level to ensure that these are appropriate.

Overtime claimed for a continuous period of 3 months is deemed excessive. However, line managers should apply their own judgement to determine the levels which would be classified as excessive. Each role/department must be assessed based on its own norms and expectations. They may apply a lower threshold level but cannot apply a longer range than 3 continuous months.

## 7.3 Payroll management

Payroll is currently outsourced, and the approval of the Finance & Resources Committee is needed to change any such arrangements. The Trust has a Pay Policy and all changes to pay must be consistent with this. Any variations to this must be raised with the CEO.

The monthly payroll must be approved by the Payroll Officer and the Finance Department prior to payments being made.

All severance payments must be approved by the CEO.

## 7.4 Cash advances

Cash advances are only available in exceptional circumstances and only if authorized by the relevant Principal and by the Finance Director. Requests should be made well in advance of date monies are required to allow for arrangements to be made.

Claimants must state:

- That it is a 'cash advance' request.
- How much is required.
- The purpose for which this cash is required.
- The date by which the cash will be repaid (this should be no more than 6 months unless there are exceptional circumstances).

The maximum amount for cash advances will be no more than £1,000.



## 8. Income and sundry debtors

### 8.1 Overview and invoicing

The main sources of income for GAET are the grants from the ESFA and the Local Authority. The receipt of these funds is monitored by the Finance Director who is responsible for ensuring all grants due to the trust are collected.

Each academy may collect income from parents or the public for a variety of reasons including but not limited to:

- School meals
- Trips and residential visits
- Breakfast & after school club
- Lettings
- Staff meals
- Other miscellaneous income

Further details of how these charges are applied are given in the Charging and Remissions Policy.

Each academy must appoint nominated staff who will be responsible for the day-to-day administration and collection of their designated income and reporting this to the Finance Department.

The trust does not expect any member of staff to build up debt with the trust in any way. Each academy is responsible for ensuring that staff member accounts are not in debt on a monthly basis. All staff are responsible for topping up their own staff accounts, ensuring these remain in a positive balance and that they have sufficient funds before entering into any purchases. The academy must appoint a member of staff to review the reports on a monthly basis and follow up with individual staff who have a negative balance on their account. The staff member will be informed that they are required to top up their account before continuing to access school meals or any other paid for services. In exceptional circumstances the trust may recoup any negative balances through monthly payroll, this will be communicated to the staff member in writing a month in advance in order to allow the staff member to clear the balance.

Where possible, the trust will ensure that the responsibility for determining sums due to GAET is separated from the responsibility for collecting and banking such sums.

Where invoices are to be raised, staff must inform the Finance Department promptly so that this can be done using authorised GAET invoices. The invoice will clearly detail the service or goods provided, the settlement date and the payment required.

Cash and cheques collected will be kept secure until the time of banking or cash collections. Income collected will be banked in its entirety as promptly as possible and will not be used to cash personal cheques or for other payments (other than the official Petty Cash held at the primary schools).

Sums received will be reconciled to the sums banked and to the accounting system to ensure that sums banked are correct.

### 8.2 Debt monitoring

All debts will be monitored at regular monthly intervals, via an “Aged Debtor report” in the accounting system or an appropriate manual record. As a minimum requirement the report will contain the following information:

- Debtors’ name/description
- Amount of Debt



- Period of debt outstanding

For persons who do not pay receive a follow up demand and subsequent follow up and appropriate further action.

The following recommended timescale and actions will be applied in respect of debt monitoring:

Duration Outstanding	Required Action
Day 1 – Debt is raised	Debtor has 30 days to clear the debt
Day 30	If debt is still outstanding, reminder sent to customer. Customer must respond within 7 days
Day 45	If debt is still outstanding a final reminder/pre proceedings letter is sent.
Day 90	If debt is still outstanding, issue proceedings to formally recover the debt.
Day 180	If debt is still outstanding, the amount should be provided against to recognise the low levels of likelihood of payment. Debt should continue to be chased until formally written off in line with the Bad Debt write off policy below.

### 8.3 Bad debt write off

All debts, regardless of age, should still be attempted to be collected, and will remain as a bad debt until it is written off.

The CEO has a write-off limit of up to 1% of total annual income or £45,000 whichever is smaller per single transaction (subject to a max of £250,000). The CEO must formally inform the Board of Trustees at the next meeting.

The CEO and Trust Board will be advised of any debt that exceeds £10,000, so that appropriate debt recovery action can be taken. Before the decision to write off the debt can be made, each case will be considered on its merits and will include consideration of factors such as the value of the debt in relation to the cost of recovery and the likely success of proceedings.

### 8.4 Donations

GAET supports the solicitation for, and acceptance of, external donations, gifts and sponsorship that promote the objects of the trust.

Donations and gifts may be in the form of cash, goods or services. They may be given with or without conditions. Donation means a contribution that voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver. Generally, donations are irrevocable, and, beyond a possible designation of use, the donor does not impose contractual requirements or subsequent reports as a condition of the donation.

Offers of donations made to individual members of staff, governors or trustees should be referred to the Finance Director or Principal in the first instance. The Principal and Finance Director will determine whether the donation is consistent with the GAET's objectives as defined in the Articles of Association. All donations greater than £100 need to be recorded in the donations register.

All donors should be requested, for audit purposes, to put in writing details of their gift, the fact it has no conditions attached (where relevant), their estimation of the value of the gift and when the academy will receive the donation.



Where there are conditions attached, it is unlikely the amounts can be recorded as donations of an unrestricted nature. Also, discounted amounts cannot be treated as charitable donations, but must be shown as a reduction on costs.

For more information about gifts and hospitality please refer to the Gifts and Hospitality Policy.

## 8.4.1 Reasons for Declining Donations

An offer of a donation will be declined if one of the following conditions exist:

- The donation has conditions attached that are inconsistent with GAET's objectives.
- The donation has conditions attached that are inconsistent with GAET's procurement best practice or legislation.
- The donation has conditions attached that are inconsistent with the principle that a donation is a contribution that voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver.
- The source of the donation or its intended purpose are inconsistent with the characteristics of an Academy as laid out in the Funding Agreement or are likely, in the view of the Principal, to draw adverse publicity for the academy or bring it into disrepute.

## 8.4.2 Accounting for Donations

Donations made in cash will be banked in the trust bank account in the first place.

Gifts of cash are the easiest to value. However, a proportion of contributions may be in the form of gifts in kind (i.e., assets). Gifts in kind are to be recognised in the accounting period in which they are receivable. The value placed on gifts in kind will be either a reasonable estimate of their gross value to the academy or (less likely) the amount actually realised as in the case of second-hand goods donated for resale.

Academies may also receive assistance in the form of donated services (e.g., 'time') or facilities. Such incoming resources will be recognised where the benefit to the academy is reasonably quantifiable and measurable. This would usually be limited to donations by an individual or entity as part of their trade or profession. For example, if a local accountancy firm agreed to supply an accountant free of charge for a couple of hours a month, this will be included in the accounts. However, a police officer talking to a group of pupils as part of his/her community liaison role will not be classified as a donation, as this service would always be provided free as part of normal police activities.

In contrast to donations as part of a trade or profession, the contributions of volunteers are excluded from the Statement of Financial Activities, as the value of their contribution cannot be reasonably quantified in financial terms. For example, parents or other volunteers assisting with reading in the classroom would be excluded. However, the exclusion of these contributions may be disclosed in the Trustees' Annual Report if this information is necessary for the reader to gain a better understanding of the academy's activities.

The value placed on those donations, which are included in the Statement of Financial Activities, will be the price the academies estimate they would pay in the open market for the services or facilities.

The valuation of gifts in kind and donations under the above rules may be different from the value placed on the asset, service or facility made by the donor. However, it is the trust's responsibility to account for the gift at a valuation, which they can justify to their auditors.

In many instances obtaining a valuation will be relatively straightforward, or the Trust Board will be able to satisfy itself that the donor's own valuation of the gift is fair and reasonable. However, it is recognised that in some instances



it will be more difficult to obtain a comparable valuation. The Trust Board will consider what evidence they require to enable them to form a view on the valuation of gifts. Listed below are a number of sources of evidence of valuation:

- Comparable quotations from alternative suppliers.
- What the academy already pays for that service/asset.
- Cash realised if the gift were to be sold.
- Experience of trustees or the executive in purchasing similar services or assets.
- What the trust would be prepared to pay for that gift out of the academy budget.

Time spent by governors in attending governing body meetings is part of their responsibility in undertaking their governance role and therefore will not be included as a business contribution. However, if a governor gives additional free time to the academy providing professional advice, outside their role as a governor, this may be accounted for as a donation. Academies should ensure they are clear about what constitutes the work and role of governors before determining whether additional assistance from a governor is classified as a donation.

All donations greater than £100 in value must be recorded in the donations register kept by each Academy. This register should be regularly submitted to the central GAET team.

## 9. Banking arrangements

### 9.1 Overview

The CEO is responsible for ensuring arrangements operated are in accordance with procedures specified by the Academy Trust Handbook and any other relevant regulations.

The trust will have bank accounts as follows:

- Primary bank account for all day-to-day transactions relating to usual activity of the trust.
- An additional bank account for each individual academy for relevant academy level transactions (e.g., trips and catering income).
- Additional bank accounts as required where an additional 'arm' of the trust may require it – for example a trading subsidiary or SCITT.
- Investment accounts for holding surplus balances – to be agreed in advance with the Finance and Resources Committee.

The setting up and opening of all bank accounts will be managed by the Finance Director. No transfer of official funds will be made to any other account without the express authority of the Finance Director.

The opening of any other account should be discussed with the CEO and authorised by the Finance and Resources Committee, or the Trust Board who should set out, in a formal memorandum, the arrangements covering the operation of account, including any transfers between accounts, approval of online payments and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds should also be subject to the same level of control.

The main bank should be advised that the account must not become overdrawn since MATs are prohibited from borrowing to finance a revenue deficit in accordance with the DfE/ Master Funding Agreement.



## 9.2 Deposits

### 9.2.1 Overview

Security companies are used by GAET to ensure safe transit of cash where required regularly. Details of the companies used frequency of visits are as follows:

Area	Security Company	Frequency of Visits
MTS	G4S	Twice a week

The academy must ensure that all cash is ready in sealed bags at the designated collection times. The security firm will not collect any bags that are damaged or look like they have been tampered with. When a Security Officer arrives to collect the cash the member of staff responsible must perform the following checks:

- Check their ID – Every member of the Security Firm carries an authorised collector's card (ACC) and are required to always display their personal identity card.
- Check the Uniform – Every Security Officer will be wearing full uniform including their helmet and body armour with the firm logo clearly visible.
- Obtain a receipt for the bags collected. This must be retained for audit purposes.
- If you are suspicious of the Security Officer in any way, do not hand over any money. Telephone the Security firm directly to have the guard's identity verified. If they are a genuine crew member, they will understand and welcome your due diligence.

The Security Officer will scan the bags and issue you with a receipt which shows the numbers of bags collected and the unique bag reference number of each one. The receipts must be retained and stored in a safe location.

The designated staff member must then complete the internal income form which details the cash collected. The form must be submitted to the Finance Department.

The Finance Department will ensure that every bag collected is banked and any discrepancies will be lodged with the Security Firm.

### 9.2.2 Other cash deposits

Any other cash which is collated by the school must be recorded by the Business Manager and then reported to the Finance Department who will ensure that particulars of any deposit are entered on a copy paying- in slip, counterfoil or listed in a supporting book. The details should include: -

- The amount of the deposit and date of receipt; and
- A reference, such as the number(s) of the receipt(s) or the name of the debtor.

### 9.2.3 Reconciliation of cash collections

The Finance Department should reconcile the bank statements detailing the cash collections to GAET's internal records and the income forms completed by the respective sites. This must be performed at least once a month.

Any differences greater than £10 need to be investigated. In the first instance a review of the internal records and income form submissions must be performed. Any unresolved balances should then be raised with the bank.

Any unresolved balances exceeding £500 must be clearly identified and the reconciliations and flagged to the Finance Director who will then consider these in line with the write-off policies.



## 9.2.4 Storing cash

Cash should only be stored overnight in a safe. It should not be kept in cash boxes, left lying around on desks or in filing cabinets. Cash boxes can be used to store petty cash floats, cash taken at outdoor/fundraising events, but these must be kept in a locked safe overnight.

## 9.2.5 Safe locations

All safes should be located in a secure area and easily accessible for staff to secure the income and they should not be in an area of public access. The safe must be out of view and not located near or visible through windows or doors.

Locations of safes must not be publicised.

## 9.2.6 Safe keys

The access to safe keys should be restricted and kept to the minimum required to allow for operational requirements. Authorised key holders must not hand safe keys to other members of staff.

During working hours keys should be kept in a locked drawer or on the person responsible for the keys and under no circumstances should be left lying around on desks, filing cabinets or in offices. Negligent handling of keys could invalidate GAET's Insurance.

No information relating to the safe or its location should be attached to the keys. The overnight storage of keys should not be kept in the same office as the safe. Keys should be stored in a secure environment, either in a locked drawer/cabinet or a night safe

The loss of keys must be reported immediately to the Finance Director. When staff leave who had access to safe keys, steps should be taken to ensure that the locations of where keys are stored are changed.

## 9.3 Payments and withdrawals

There should be robust controls over all ways in which funds may be drawn from accounts, including such operations as standing orders, direct debit mandates, BACS payments and salary payments.

GAET will implement controls ensuring that:

- There is separation of duties between the authorisation, preparation, and issue of cheques, so that no-one who may sign a cheque may also prepare and issue it. Cheques will only be used in exceptional circumstances and if authorised by the Finance Director.
- Suitable authorised documents for example cheque requisitions exist or are approved by non-signatories (who need not be Board Members) in respect of every cheque signed.
- A minimum of 2 people are authorised to sign cheques. All must be kept up to date with current procedures.

The controls listed above also exist over electronic withdrawals and electronic transfer of funds, including BACS and direct banking links such as telephone banking or computer banking e.g. for payroll purposes or the investment of surplus funds or other transfers of funds between accounts.

Cancelled cheques should be defaced and retained.

If payments are to be made by BACS transfer, GAET must ensure that the details of the receiving bank account are correct and that there are controls in place to guarantee the accuracy and authenticity of transactional information.



## 9.4 Bank reconciliations

Statements must be reviewed, thoroughly checked, and formally reconciled to the accounting system at least monthly. The reconciliation report must be prepared and reviewed by two separate members of the Finance Department. The CEO and the FD will review all bank statements and bank reconciliation reports on a monthly basis and document their approval.

Statements must be checked to ensure:

- All expenditure items – BACS payments, Cheques, Petty Cash withdrawals, Purchasing Card transactions and Online Banking transactions – have been listed.
- There are no incorrect entries, or those that do not apply to this account.
- The entry amounts match the invoices, vouchers, or other transactions.
- That all income and banking has been listed.

Un-presented cheques over 6 months old should be written off.

The reconciliation and any discrepancies are reported by the Finance Director for investigation to the CEO.

## 9.5 Investments

Please refer to the separate Investments Policy.

# 10. Managing conflicts of interest

The trust will maintain a register of interests which will be published annually on the trust and school websites. This register will be maintained in accordance with Companies Law and the Academy Trust Handbook.

This register will include the relevant business and pecuniary interests of:

- Members
- Trustees
- Local governors (who sit on committees of the Trust Board)
- Senior employees

All relevant persons will be required to declare their relevant business and pecuniary interests and any relevant material interests arising from close family relationships. Each person must state any:

- Directorships, parentships and employments with businesses.
- Trusteeships and governorships at other educational institutions and charities
- Relevant material interests arising from close family relationships with:
  - Other members, trustees, or local governors
  - Employees

For each interest you must state the:

- Name and nature of the business.





- Nature of the interest and the date it began.

Please refer to the Academy Trust Handbook for the definition of 'close family relationships'.

If any changes arise, then the Finance Director and Governance and Compliance Officer must be notified as soon as possible so the register can be updated. The interest must be declared in the next meeting.

The register will be maintained on GovernorHub and all relevant persons will be reminded annually to update and reconfirm their interests.

Every meeting will include on the agenda a standing item which asks persons present to declare relevant conflicts of interest for that meeting, including any other business (AOB).

## 11. Related policies

This policy should be read in conjunction with the other following trust policies:

- Reserves Policy
- Charging and Remissions Policy
- Gifts and Hospitality Policy
- Investment Policy
- Educational Visits Policy
- Driving at Work Policy
- Scheme of Delegation (including the Scheme of Financial Delegation)
- HR policies including but not limited to the Pay Policy