



Financial Manual Sentamu Academy Learning Trust

Updated by K Matchett August 2016

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1. Introduction

The purpose of this manual is to ensure that Sentamu Academy Learning Trust maintains and develops systems of financial control which meet the requirements of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education and the financial arm the Educational Funding Agency.

Sentamu Academy Learning Trust must comply with the principles of financial control outlines in the Academies guidance published by the Educational Funding Agency. This manual expands on that and provides detailed information on Sentamu Academy Learning Trust's accounting procedures and systems. The manual should be read by all staff involved with financial systems.

2. Organisation

Sentamu Academy Learning Trust has defined the responsibilities of each person involved in the administration of the Trust's 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 Trust board

The Trust board has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trust board are prescribed in the Funding Agreement between the individual academies and the Department for Education. The main responsibilities include:

- ensuring that grant from the EFA is used only for the purposes intended;
- ensuring resources are allocated effectively to deliver the Trust's vision and long term strategies;
- approval of the annual budget;
- appointment of the Principal and the Accounting Officer
- appointment of the Chief Financial Officer, in conjunction with the Principal.

The Local Governing Committee

Each Academy has a Local Governing Committee who will meet at least once a term. Their powers are prescribed by the scheme of delegation provided by the Trust Board

Their main financial responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- to keep the academy in surplus and to report any substantial variances to budget to the Trust board;
- planned expenditure of devolved capital funding;
- the continual review of the effectiveness of the financial procedures and controls within their academy

The Principal

Within the framework of the Trust's development plan as approved by the Trust board each Principal has overall executive responsibility for the Academy's activities including financial activities. Much of the financial responsibility has been delegated to the Director of Finance but the Principal still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trust board have agreed should be approved by them;
- regular budget review meetings with the Finance Director, key members of SLT and budget holders;
- authorising contracts and expenditure in line with schemes of delegated authority;
- signing cheques/authorising bank payments in line with the bank mandate;

The Director of Finance

The Director of Finance works in close collaboration with each Principal and their Local Governing Committee. The Director of Finance reports directly to the Trust board and the Audit Committee. The main responsibilities of the Director of Finance are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the each academies financial position at a strategic and operational level within the framework for financial control determined by the scheme of delegation;
- 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 each academy;
- the review and presentation of monthly management accounts with commentary for each academy and the Trust;
- authorising orders in line with schemes of delegated authority.
- signing cheques/authorising bank payments in line with the appropriate bank mandate;
- ensuring forms and returns are sent to the EFA in line with the timetable in the EFA guidance;
- preparation and payment of the each academy's monthly payroll;
- administration and payment of all payroll responsibilities;
- ensuring the Trust has adequate audit and insurance provision

The Audit Committee

The Audit Committee provides the Trust board with an independent overview of the Academy's finance position and how it is managing its risk profile.

The committee should meet termly, prior to the Trust board meeting and review the following:

- Internal Audit findings and recommendations
- Internal systems and control
- The academy risk register and its management
- The academy framework for identifying and mitigating risk

They should also:

- meet with and review the effectiveness of the Trust's auditors
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the EFA guidance issued to academies

Other Staff

Other members of staff, primarily the central finance team, the school business managers and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All employees are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

Register of Interests

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

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. 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 governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3. Accounting System

All the financial transactions of the Academy must be recorded on the Sage 50 accounting system. The Sage 50 system is a fully integrated electronic system and is operated by the Finance Department.

System Access

Entry to the Sage 50 system is password restricted.

The system has been configured to allow the Director of Finance to be able to reset the passwords of all users therefore no user's passwords are recorded in the department.

Access to the component parts of the Sage 50 system can also be restricted and the Director of Finance is responsible for setting access levels for all members of staff using the system.

Back-up procedures

The Director of Finance is responsible for ensuring that there are effective back up procedures for the system.

Electronic back-up is taken off site on a daily basis through the IT department back up of all Academy servers.

The Director of Finance 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 purchase ledger and the sales ledger are included in the following sections of the manual.

Journal entries will only be made by the Director of Finance and/or the management accountant. The Director of Finance will review all transaction monthly.

The management account will undertake all balance sheet account reconciliations and will formulate all the month end journals for the primary academies.

Bank transactions are input by the central finance team or the business manager, who reconcile the bank accounts to the nominal ledger, this reconciliation is reviewed by the Director of Finance or the management accountant as part of the month end procedures to enable the 13 week rolling cash flow to be produced.

Reconciliations

The Central Finance team are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all suspense accounts and
- bank balance per the nominal ledger to the bank statement

Any unusual or long outstanding reconciling items must be brought to the attention of the Director of Finance. The Director of Finance will review all reconciliations within month end reporting.

4. Financial Planning

Each academy must prepare 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 Executive Principal of the Trust will develop and propose a Trust development plan, in consultation with the academy Principals, to the Trust board.

At an individual academy level, Principals and the Local Governing Committee must use the development plan to think about the future needs of their academy in terms of staffing, resources and facilities.

This should form a large part of the budget and forecasting process for a rolling three year period and areas where additional resources are needed should be escalated to the Trust board via the Executive Principal

Annual Budget

The annual budget must be prepared by each individual academy through consultation of the appropriate finance staff, the Principal, the Finance Director and the Local Governing Committee.

The process at an individual academy level must be completed in time to meet with the consolidation timetable in order to be approved by the Trust board before submission to the EFA.

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

Balancing the Budget

In addition to preparing a budget, showing month by month expenditure, a three year financial plan should also be prepared.

Any threat to long term plans identified at this stage requires the budget to be reviewed and adjusted accordingly.

The EFA and the Trust board expect all academies to set balanced budget for the next financial year. If deficits are showing in years two and three recovery plans must be made and approved prior to the end of the financial year.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the appropriate member of finance for approval by the Principal and the Local Governing Committee.

Individual budgets will be consolidated into a Trust position and then presented to the Audit Committee for recommendation to the Trust board.

The 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 accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change, leading to a rolling 3 year forecast and current year outturn forming part of the monthly management accounts.

Monitoring and Review

Monthly reports will be prepared by the central finance team for each academy and a consolidated position. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for each Principal and Local Governing Committee.

Where variances are identified, which will exist at the year-end then commentary must be provided by the budget holder and this will be recorded by the Director of Finance.

This will identify where expenditure has been accelerated to bring operational improvements, take advantage of new technologies or for commercial procurement reasons.

Reserves

The Trust has a reserves policy which it reviews annually and is published in the statutory accounts.

5. Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration
- payments

Staff Appointments

Each Local Governing Committee will approve a personnel establishment for their academy. Changes can only be made to this establishment with the express approval in the first instance of the Local Governing Committee who must ensure that adequate budgetary provision exists for any establishment changes.

A Principal has the authority to appoint staff within the authorised establishment, but must do so in reference to the scheme of delegation and involve governors for the recruitment of key roles, prescribed in the document.

Each academy must maintain personnel files for all members of staff which include contracts of employment and variations to roles and responsibilities.

All personnel changes must be within budget and are governed by the scheme of delegation and should be record within the relevant personnel files.

Payroll Administration

Each academy must prepare a monthly submission to the central HR team who will collate all the returns and record them appropriately, before submitting them to the Payroll Manager for processing.

All staff are paid monthly. All changes to the payroll, other than under terms and conditions, must be evidenced in writing by the Principal. In the case of a new starter the HR department will provide the payroll team with set-up details which will include;

- salary;
- bank account details;
- taxation status;
- personal details and
- any deductions or allowances payable

Archbishop Sentamu Academy and Aspire Academy will be paid by the end of 28th of each month.

All Primary Academies will be paid before the end of the last working day of the month.

Should either of these dates fall on a weekend or public holiday, payments will be made on the last working day prior to the actual pay day. These arrangements may be altered with two months notice.

Payments

After the payroll has been processed but before payments are dispatched a print (hard copy or e-mail) of salary payments by individual and showing the amount payable in total should be prepared by the Payroll Manager. The print must be reviewed and authorised by the individual academies. Payroll will then generate a Faster Payment from the payroll software which can only be released by Director of Finance or the Executive Principal.

The Trust's mileage rate is 48.5 per mile, which attracts a taxable element and is therefore paid through the payroll. All other expenses should be dealt with through petty cash or expenses payments. Any amount over £20.00 should be claimed via direct bank payment by submitting an authorised claim for to finance. Small amounts can be claimed through pretty cash. For further guidance see the expenses policy

All salary payments are made by Faster Payments

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.

At the end of each monthly cycle the Payroll Manager must randomly select one employee from each academy and manually check the calculation of their payments.

6. Purchasing

The Trusts wants to achieve the best value for money from all its purchases. The aim is to get what is needed in the correct quality, quantity and time at the best price possible. A large proportion of Trust purchases will be funded with public funds and so there is a need to maintain the integrity of these funds by following the general principles of:

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

Routine Purchasing

Budget holders will be informed of the budget available to them at least two weeks before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder within 2 weeks of the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

All requisitions must be signed in accordance with the scheme of delegated authority which has been prepared to take account of the differing sizes of department, their structure and also to allow different classes of expenditure to have authorisation limits which reflect the size of transactions in such areas.

The requisition will be checked against the scheme of delegated authority by the finance team and for any requisition over £500, unless pre-approved in the budget, a business case must be completed in the appropriate comment box on the requisition.

To ensure accurate financial monitoring within each period all orders placed on behalf of an Academy for the purchase of any goods or service must be placed by a member of the finance team through an official purchase order. Only finance staff and business managers are authorised to directly place an order.

All orders must be made, or confirmed, in writing using an official order form. Orders must have a signed requisition from the appropriate budget holder with

them and will be kept in the finance office to be matched to delivery notes and invoices.

A budget holder or someone given responsibility for a specific fund or reserve of money may reasonably sign off any requisition within their allocation. SLT can sign off requisitions that are charged to central funds, which are checked by the Director of Finance.

Any expenditure which will exceed a budget line and require a budget re-cast, can only be authorised by a Principal or the Director of Finance.

The countersigned order form is then sent to the supplier by the Finance Assistant or Business Manager

If the order takes the department over the original budget an explanation behind the variance will be entered on the requisition.

Once goods have been delivered they will be checked by a member of the finance team who will keep the delivery note and arrange with the caretakers to deliver the goods to the order originator.

All invoices should be sent to the Finance Office and they will be entered onto the accounting software immediately and placed on hold until authorised. In the first instance they will be matched to delivery notes and purchase orders. Should the invoice, delivery note and order agree then the invoice can be passed for payment in the finance team.

If there are any discrepancies, or indeed no delivery note or order, then the invoice will be held in the finance department in a file sorted by department and periodically budget holders will be notified that invoices require approval and they should visit the finance department.

Every two weeks all invoices due for payment and properly authorised will be paid via Faster Payments or cheque run.

A payment run will be generated from the accounting system and all invoices will be attached to the report, as will the Faster Payments list from the bank software or cheque run.

This will be presented to the Director of Finance who will sign all invoices, check them to the payment run and agree the bank print.

When changing bank details in the finance ledger two forms of proof are needed to confirm the change is legitimate. A letter or an e-mail (must be checked to the firm's website to confirm the correct web address and domain) and a verbal confirmation is needed. Name, date and time of the verbal confirmation must be recorded on the hard copy to evidence the change has been confirmed twice.

Once the change has been made in the finance ledger then it must be checked and countersigned by a colleague and then stored electronically.

Exceptions

The following three areas have autonomy over their orders but should operate and record their purchases as per the instructions of the Director of Finance:

1. Catering
2. Exams
3. Fuel cards (there must be a card specific to each vehicle displaying that vehicles registration on it and these cards are managed by the Facilities Manager. The Wildcard is to be kept in the Finance Department and issued when need by Finance)

VAT

The Academy should always, where sufficient record exist or can be obtained, record the full amount of VAT associated to any purchase. If a reliable receipt is not available and the there are questions are the treatment of VAT, the purchase should be recorded in the ledger at gross cost.

Should a purchase of £60 or above not have a VAT invoice then all reasonable efforts should be made to obtain one.

Forms of Tenders

Formal tenders should be sought if a singular purchase is over thirty five thousand pounds or if a contract is being awarded which will be longer than two years.

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

- *Open Tender.* This is where all potential suppliers are invited to tender. The finance department will to decide how to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- *Restricted Tender.* This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

- *Negotiated Tender.* The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - Were 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 should be given to:

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

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

Invitation to Tender

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

An invitation to tender should include the following:

- introduction / background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and
- form of response.

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.

Tender opening procedures

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

Levels of authorisation may be specific to a certain academy and therefore reference to the scheme of delegation will be required in order to approve and award contracts correctly.

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.

Where required by the conditions attached to a specific grant from the EFA, the department's approval must be obtained before the acceptance of a tender.

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

Best Value

The Academy should regularly and periodically check that the approved suppliers are offering the services and goods at the best value possible.

Where the Director of Finance deems it appropriate requisitions should be backed up with evidence that best value has been sought.

Purchases with an expected value of between £2,000 to £5,000 at least 2 quotes

Purchases with an expected value of over £5,000 at least 3 quotes

The Director of Finance will periodically choose to look at the value of supplies that are used for lower valued orders.

A Principal and the Director of Finance have the authority to action a purchase without ensuring best value has been sought, if they deem the need to place order has an operational benefit or urgent need. For example, urgent building works after incident vandalism.

7. Income

The main sources of income for the Trust are grants from the EFA and from local authorities. The receipt of these sums is monitored directly by the Director of Finance who is responsible for ensuring that all grants due to the Trust are collected and properly recorded.

Each Academy also obtains income from:

- students, mainly for trips
- the public, mainly for sports lettings
- Salary recharges
- Private grants
- Misc. income

Trips

A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. 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 team.

Students should make payments at student services. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

The finance team should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a regular basis and the lead teacher is responsible for chasing the outstanding amounts.

Monies held in trust

Any income from members of staff which is not specifically Academy funding but the Academy is holding and/or making the payment off should be receipted upon collection. The receipt should be signed by the employee, a member of finance, dated, narrated and have the full value on it.

Sports lettings

The Director of Finance is responsible for maintaining records of bookings of sports facilities and for identifying the sums due from each organisation.

Details of organisations using the sports facilities should be processed by the Finance Officer who will then produce a sales invoice from the Sage 50 accounting system.

Organisations using the sports facilities should be instructed to send all payments to the Finance Office.

Debtors

Where possible all non-grant funded income should be claimed by an invoice raised through the debtor's ledger.

Once a month a review of the aged debt should be undertaken and action taken to act upon debt which has fallen due in the period. Initially this should be in the form of telephone calls and reminders.

If a charge is still outstanding after two months the debt should be escalated and if appropriate handed to a debt management company.

The Finance Director can write off up to £5000.00 at their discretion and the Trust can write off £45,000 (with Trust board approval). Anything above this must be referred to the EFA.

8. Cash Management

Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists and all receipts are entered in the cash book held in the finance office.

All cash and cheques must be kept in the finance office safe prior to banking. Banking should take place twice weekly and if within the sum due to be deposited there is more than £5000.00 cash, then two members of staff must undertake the banking.

Monies collected must be banked in their entirety in the appropriate bank account. The cash book will be ruled off for each bank deposit showing the total and date banked. This will form the basis of the posting to the accounting system.

Bank Accounts

The opening of all accounts must be authorised by the Trust board who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements.

Payments and withdrawals

All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two of the following authorised signatories:

- Principal;
- Director of Finance;
- SLT
- Business Managers

This provision applies to all accounts, public or private, operated by or on behalf of the Trust board. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

The Director of Finance must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that;

- all bank accounts are reconciled to the Academy's cash book;
- reconciliations are prepared by a Finance Officer or Business Manager
- reconciliations are subject to an independent monthly review carried out by the Director of Finance.
- adjustments arising are dealt with promptly.

Cash Flow Forecasts

The Director of Finance is responsible for preparing cash flow forecasts to ensure that each Academy has sufficient funds available to pay for day to day operations. If significant future movements are predicted, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account to cover potential cash shortages.

Investments

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

The Director of Finance has the authorisation to invest funds at Board approved banks at his own discretion to maximise returns, but is not authorised to make an investment that could potentially lose some or all of the capital invested.

All investments must be recorded in sufficient details 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 description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9. Fixed Assets

Purchase of assets

All assets purchased with a value over £500 must be entered in the asset register at a Primary Academy and £1000 at a secondary Academy.

Asset register

The asset register should include the following information:

- date of acquisition;
- description of the asset including a unique identification mark such as a serial number;
- cost;
- source of funding;
- location of asset;
- expected useful life of asset and
- name of staff member responsible for that asset.

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.

Security of assets

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

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 Governing Body. Inventories of Academy property should be kept up to date and reviewed regularly. Where items are used by the Academy but do not belong to it this should be noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Director of Finance and, where significant, should be sold following competitive tender. The Trust must seek the approval of the EFA in writing if it proposes to dispose of any asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

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

All disposals of land must be agreed in advance with the Secretary of State.

Loan of assets

Items of Trust property must not be removed from Academy premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in to the Trust when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a benefit - 'in kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

Depreciation Policy

1. Buildings 50 years- straight line
2. FFE 5 years – straight line
3. ICT 3 years – straight line
4. Vehicles 4 years – straight line

10. Credit/Debit Card Expenditure

Archbishop Sentamu and Aspire Academy have credit cards which are permitted. The primary academies operate on debit cards.

To use the credit cards staff must follow the ordering procedures contained within the purchasing section of this manual.

At that point a member of the finance team will order and make payment for the goods or services.

The transaction will be recorded on the form held to enable the statement to be checked and all paperwork will be held in the credit card file.

The nominal posting for credit card transactions will be made from this summary at the time payment leaves the Academy bank account. However, the credit summary should be reviewed at the month end and any material purchases accrued into the accounts.

11. Petty Cash Expenditure

For small purchases or for one-off purchases where opening a trade account would lead to a disproportionate amount of administration time then items can be purchased from the Academy petty cash, held in the finance department.

All petty cash purchases must have a voucher completed showing the date, a description of the goods/services, the amount and a receipt attached.

This must be signed by the staff member originating the purchase, together with the budget to be charged.

The vouchers will be posted to the nominal at least every month to enable petty cash expenditure to be included in the monthly management accounts.

12. On-Line Payments

Academies are permitted to shop on-line and create account with on-line retailers. When setting up accounts a check should be made to ensure the company is legitimate and has suitable protection against on-line fraud.

The use of PayPal is also permitted.

Staff using online services should set robust passwords, change them annually and never share them.

13. Staff Benefit Schemes

All employees are entitled to child care schemes and joining this does now require authorisation. Entry to these schemes can be administered by HR and/or payroll.

Salary sacrifice schemes can be entered into if;

- The employee legally qualifies
- Their probationary period has ended
 - 6 months for non-teaching
 - 2 terms for teaching
- the value of the loan cannot exceed £1000 or the employees net pay for one month

The Director of Finance can approve salary sacrifices as long as the total amount loaned by an academy at that point does not exceed £10,000. Any single loan which exceeds £1,000 or takes the total value loaned beyond £10,000 by a single academy must be authorised by the Executive Principal.