

Kentmere Academy and Nursery

Finance Policy



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1. Introduction

- 101 The purpose of this manual is to ensure that Kentmere Academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our Academy Sponsor and the funding agreement with the Education Funding Agency (EFA).
- 102 Kentmere Academy must comply with the principles of financial control outlined in the academies guidance published by the EFA. This manual expands on that and provides detailed information on the academy's accounting procedures and systems. The manual should be read by all staff involved with financial systems.

2. Organisation

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

The Governing Body

- 202 The governing body has overall responsibility for the administration of Kentmere Academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the EFA. The main responsibilities include:
- ensuring that grant from the EFA is used only for the purposes intended;
 - approval of the annual budget
 - appointment of the Headteacher and
 - authorising the award of contracts over £50,000.

The Governing Body recognises that it would be impractical to undertake all the day-to-day activities in discharging its responsibilities and it is necessary to delegate some of its functions through committees and the Headteacher.

The Resource Committee

- 203 The Resource Committee is a committee of the Governing Body. The Resource Committee meets regularly.
- 204 The main responsibilities of the Resource Committee include:-
- the initial review and authorisation of the Annual Budget;
 - the regular monitoring of actual expenditure and income against budget;
 - ensuring the Annual Report and Accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies;
 - agreeing financial policies for Full Governing Body approval
 - authorising the awards of contracts over £50,000;
 - authorising changes to Kentmere Academy personnel establishment and

- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

The Headteacher

205 Within the framework of Kentmere Academy development plan, as approved by the governing body, the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the day-to-day financial responsibility has been delegated to the Business Manager but the Headteacher still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
- authorising expenditure
- signing cheques/authorising payments in conjunction with another authorised signatory.

The Business Manager

206 The Business Manager works in close collaboration with the Headteacher through whom she/he is responsible to the governors. The Business Manager also has direct access to the governors via the Resource Committee. The main responsibilities of the Business Manager are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of Kentmere Academy's financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- signing cheques in conjunction with the Headteacher or other authorised signatory and
- ensuring forms and returns are sent to the EFA in line with the timetable in the EFA guidance.

The Responsible Officer

207 The Responsible Officer (RO) (currently Baker Tilly) is appointed by the governing body and provides governors with an independent oversight of Kentmere Academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that;

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

208 The Responsible Officer (RO) will undertake a regular programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid

down by the governing body. A report of the findings from each visit will be presented to the Resource Committee. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the EFA guidance and agreed with the auditors of the academy.

Other Staff

209 Other members of staff, primarily the school office administrators and Senior Leadership Team, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Kentmere Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Register of Interests

210 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 Kentmere Academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the academy may purchase goods or services. The register is open to public inspection.

211 The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with Kentmere Academy. The disclosures should also include business interests or 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.

212 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 committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3. Accounting System

301 All the financial transactions of Kentmere Academy must be recorded on the Sage 200 accounting system, within the "company" Kentmere Academy. The Sage 200 accounting system is provided and managed by Wardle Academy Trust Finance Department and consists of:

- Nominal ledger,
- Purchase ledger,
- Sales ledger, and
- Cash book

System Access

302 Access to the Sage 200 accounting system controlled by Wardle Academy Trust Finance Manager.

303 Access to the component parts of the Sage 200 accounting system can be restricted and the Wardle Academy Trust's Finance Manager is responsible for setting access levels for all members of staff using the system.

304 Support for the Sage 200 accounting system is currently provided by Viking Management Systems Ltd who would be able to assist with access rights in the unexpected absence of the Wardle Academy Finance Manager.

Back-up Procedures

305 Wardle Academy Trust have responsibility for the back-up of the Sage 200 system, and associated disaster recovery plans.

Transaction Processing

306 All transactions input to the Sage 200 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 this manual. Bank transactions should be input by the Business Manager and the input is checked by means of the bank reconciliation every month, which should be signed off by the Headteacher.

307 Detailed information on the operation of the Sage 200 accounting system can be found within the system and on the Sage website.

Transaction Reports

308 The Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- Supplier and customer detailed reports for the purchase ledger and sales ledger;
- Management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

309 The Business Manager is 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
- petty cash and credit card control accounts.

310 Any unusual or long outstanding reconciling items must be brought to the attention of the Headteacher. The Headteacher will review and sign all reconciliations as evidence of his/her review.

4. Financial Planning

401 The Headteacher, Leadership Team and Business Manager will prepare a draft financial plan for the school for discussion and approval by the Governing Body prior to the start of each financial year.

402 The plan will cover the ensuing financial year and at least the following two financial years.

403 The plan should demonstrate in financial terms how the school intends to use its resources to achieve the aims and objectives stated in the School Development Plan.

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

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

Development Plan

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

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

407 Each year the Headteacher will propose a planning cycle and timetable to the governing body which allows for:

- a review of past activities, aims and objectives – "did we get it right?"
- definition or re-definition of aims and objectives – "are the aims still relevant?"
- development of the plan and associated budgets – "how do we go forward?"
- implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- feed back in to the next planning cycle – "what worked successfully and how can we improve?"

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

- 409 The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following 2 years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 410 For each objective the lead responsibility for ensuring progress is made toward the objective will be assigned to a member of Kentmere Academy's leadership group. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the leadership group on a quarterly basis. The leadership group will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 411 The Headteacher along with considerable input from the Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Governing Body. The approved annual budget must then be imported onto the Sage 200 Accounting System from the Excel based budget build model.
- 412 The approved budget must be submitted to Wardle Academy Trust for inclusion into the consolidated budget to be submitted to the EFA in accordance with the reporting deadlines each year and the Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensure that the submission date is met.
- 413 The annual budget will reflect the best estimate of the resources available to Kentmere 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.
- 414 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 Kentmere Academy to assess likely level of receipts;
 - review of past performance against budgets to promote an understanding of Kentmere Academy's 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

- 415 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets

will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

- 416 Once the different options and scenarios have been considered, a draft budget should be prepared for approval by the Governing Body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 417 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.

Monitoring and Review

- 418 Monthly reports will be prepared by the Business Manager. The reports will detail actual income and expenditure against budget at cost code level and at a summary level for the Headteacher and the Resource Committee.
- 419 Any potential overspend against the budget must in the first instance be discussed with the Headteacher.
- 420 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency.
- 421 The Headteacher is authorised to vire resources between detailed budget cost codes, provided that such virements shall not exceed £5,000 on any item and an aggregate of £50,000 in one financial year; virements in excess of these must have the approval of the Resource Committee.

5. Payroll

Kentmere Academy uses the services of Wardle Academy Trust to process its payroll.

501 The main elements of payroll are:

- staff appointments;
- payroll administration and
- payments.

Staff Appointments

502 The governing body has approved a personnel establishment for Kentmere Academy. Changes can only be made to this establishment with the express approval in the first instance of the Resource Committee who must ensure that adequate budgetary provision exists for any establishment changes.

503 The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Heads and the Business Manager whose appointments must follow consultation with the governors. Personnel files which include contracts of employment are held electronically on a secure drive for access only by the Wardle Trust HR Manager, the Headteacher and the Business Manager. All personnel changes must be notified, in writing, to the Trust HR Manager and the Kentmere Business Manager immediately.

Payroll Administration

504 The payroll for Kentmere staff is administered by Wardle Academy Trust using Sage 50 payroll, and payments are made directly to Kentmere staff by Wardle Academy Trust by BACS via Yorkshire Banks Business Online Service.

505 All staff are paid monthly on the 15th or the last working day before the 15th if it is a weekend or bank holiday.

506 All changes to contracts and personal details, new starters and leavers are notified to the Trust Finance Manager by the HR Manager.

507 Any ad hoc salary adjustments such as for unpaid leave or overtime claims should be authorised by the Headteacher and passed to the Business Manager to send to the Trust Finance Manager for inclusion in the payroll for that month.

Payments

508 Before the payments are released, the Wardle Academy Trust Finance Manager will send a payroll report to the Business Manager for review and authorisation by the Headteacher prior to payments being made.

509 Once the payroll figures are agreed, monies will be transferred from Kentmere Academy to Wardle Academy by BACS via the Lloyds online banking service "Lloydslink". *[as at date of this policy Kentmere are unable to utilise BACS and so Wardle Academy Trust have been deducting the payroll costs from the funding received from the EFA on behalf of Kentmere. BACS however should be in place imminently and we should be able to proceed in this way].*

510 An entry is made into the nominal ledger on Sage 200 in Kentmere Academy's financial records to correctly account for the payroll elements, and the payroll control accounts are reconciled every month

6. Purchasing

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

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy.
- **Accountability**, Kentmere Academy is publicly accountable for its expenditure and the conduct of its affairs;

- **Fairness**, that all those dealt with by the academy are dealt with on a fair and equitable basis.

All goods purchased and ultimately paid for by the academy will become the legal property of the academy.

Routine Purchasing

- 602 Kentmere Academy does not currently adopt a system of budget holders, and the overall budget is monitored by the Headteacher via monthly budget monitoring meetings with the Business Manager. Reports are produced by the Business Manager at each month end detailing actual income and expenditure against budgeted figures, at cost code level, and any significant variances are highlighted and corrective action suggested if required.
- 603 Routine purchase orders must be authorised by the Headteacher. In the first instance a supplier should be chosen from the Academy's regular suppliers, details of which are maintained on the Sage 200 accounting system. A quote or price must always be obtained before any order is placed and the person responsible for placing the order must ensure that the school is obtaining the best value for money. If it is considered that better value for money can be obtained by ordering from a new supplier the reasons for this decision must be discussed and agreed with the Business Manager. For orders with an estimated cost of under £2,000, one verbal quote is sufficient before placing the order.
- 604 Purchase orders will only be raised upon receipt of an internal requisition form which must bear the signature of the person requesting the order, and be authorised by the Headteacher. These will be passed to the Business Manager who will ensure adequate budgetary provision exists before raising an official order on Sage 200. The orders are signed by the Business Manager, or in their absence another of the authorised signatories, but never the same person who signed the order requisition.
- 605 A copy of all orders and requisitions are kept in the Business Managers office.
- 606 The person receiving the goods or services must make careful checks to ensure they are in accordance with the order. The check should be recorded on the delivery note and any discrepancies between the goods delivered and the GRN should be clearly noted and should be discussed with the supplier of the goods without delay.
- 607 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the school office or Business Manager should be notified.
- 608 All invoices should be sent to the Business Manager Office in the first instance. Invoices will be posted directly onto the accounting system and matched against the purchase order. If the invoice does not match exactly to the purchase order it is flagged for further authorisation. Each invoice has a form attached to it on which the following can be evidenced:
- Invoice arithmetically correct;
 - Invoice posted to purchase ledger;
 - Goods/services received;
 - Goods/services as ordered;
 - Prices correct;
 - Invoice authorised for payment;

- Payment authorised;
- VAT treated correctly and
- Payment made.

609 If a budget holder is pursuing a query with the supplier the Business Manager must be informed of the query and periodically kept up to date with the progress. Outstanding orders are monitored by the Business Manager on a regular basis.

610 All invoices are authorised for payment by one of the school signatories (see 803).

611 Once authorised, the invoices will be paid on the next payment run which are completed periodically and no less than once a month, dependent on the volume of invoices and their settlement dates. BACS will be the preferred payment method for suppliers but where no bank details are held, cheques will be raised, signed by authorised signatories, and dispatched to suppliers by the school office. The BACS file will also be authorised by the relevant signatories and released via Lloyds Bank Online “Lloydslink” service. *[at the date of this draft policy we are in the process of trialling BACs for the first time. Subject to its success we will hope to pay the majority of suppliers in this way].*

612 Kentmere Academy maintains a credit card to assist in the purchasing of “on-line” items. All procedures covering approval and payments are the same as for normal purchases. The credit card is kept in a locked cash tin in the school office safe, and is issued in the name of the Headteacher, Mrs Sarah Isberg.

613 **Orders over £2,000 (excluding VAT) but less than £5,000 (excluding VAT)**

At least 3 written quotations should be obtained where sensible and practical.

Orders over £5,000 (excluding VAT) but less than £50,000 (excluding VAT)

614 At least 3 quotations should be obtained for all orders between £5,000 and £50,000 to identify the best source of the goods/services. Verbal quotations should be followed up with written confirmation wherever possible. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and written confirmation of quotes has been received before a purchase decision is made.

If there are exceptional circumstances (see below), the requirement for 3 quotes may be relaxed after consultation with the Headteacher but there should be a written statement explaining the decision. Reasons may include the lack of specialist suppliers, extreme urgency or the justification to return to a current/previous supplier.

Orders over £50,000 (excluding VAT)

615 All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be considered for tendering purposes on a case by case basis. Purchases over £93,738 (threshold from 26/01/06) may fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

Forms of Tenders

616 There are 3 forms of tender procedure: open, restricted and negotiated. 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 budget holder must discuss and agree with the Finance Manager how best 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 Wardle 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:

- 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

617 Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract.

618 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

619 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.

620 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 Stroke 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

621 The invitation to tender should state the date and time by which the completed tender document should be received by Kentmere 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

622 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 – two from the Headteacher, Business Manager, and a member of the Resources Committee

623 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

624 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.

625 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.

626 Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance Committee.

627 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.

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

7. Income

701 The main sources of income for Kentmere Academy are the grants from the EFA, which are paid directly to Wardle Academy Trust who pay these funds over to Kentmere Academy via BACS. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the academy are collected.

702 Kentmere Academy also obtains income from:

- Students, mainly for dinner monies, and trips
- The public, mainly for lettings (Brownies).

Dinner Money

The academy makes a school dinner available to all pupils who wish to take it in accordance with its statutory responsibilities.

The cost of the meal is set in accordance with the Academy's Charging Policy.

Parents are required to pay for school meals on a weekly basis in advance.

Parents are reminded if a payment is not received and debts are chased by the school office. Any sizeable debts are highlighted to the Headteacher.

Trips

- 703 The class teacher must take responsibility for the collection of sums due. The 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 school office.
- 704 Students should make payments at the office or to the class teacher.
- 705 The school office 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 class teacher on a regular basis and the class teacher is responsible for chasing the outstanding amounts. Any outstanding sums should be notified to the Headteacher.

Lettings

- 706 The Headteacher will be responsible for overseeing all lettings of the school facilities. The Business Manager will take day-to-day responsibility for management of lettings, to include invoicing and collecting monies due, in addition to completing the subsidy claim returns to the local authority if applicable. Payments are made in arrears for use of facilities.
- 707 The Business Manager is responsible for raising a sales account and invoice on Sage 200. Details of payments made and outstanding accounts are managed and reviewed on a monthly basis and the Business Manager is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.
- 708 No debts over £100 should be written off without the express approval of the governing body (the EFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).

Custody

- 709 All cash and cheques must be kept in the School Office safe until they have been prepared for banking and input onto Sage 200. Once prepared, all bankings are stored in the School Office safe until they are collected by cash courier once per week, term time. The weekly collections ensure that the insurance limits of the safes are not exceeded.

8. Cash Management

Bank Accounts

- 801 The opening of all accounts must be authorised by the governing body who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such

as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

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

Payments and Withdrawals

- 803 All cheques and other instruments authorising withdrawal from Kentmere Academy bank accounts must bear the signatures of two of the following authorised signatories:
- Headteacher; *Sarah Isberg*
 - Business Manager; *Debbie Ashton*
 - Deputy Head (x2); *Catherine Booth*
Nicola Howard (to be added)
 - Assistant Head (x1); *Hannah Duffy*
 - Finance Manager (Wardle Trust). *Jamie Butterworth*

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

Administration

- 805 The Business Manager 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 Kentmere Academy's cash book on Sage 200;
 - Reconciliations are prepared by the Business Manager;
 - Reconciliations are subject to an independent monthly review carried out by the Headteacher
 - Adjustments arising are dealt with promptly.

Petty Cash

- 806 Kentmere Academy maintains a petty cash balance of £100. The cash is administered by the office staff and is kept in the school office safe. Regular spot checks are carried out by the Business Manager.

Deposits

807 The petty cash is reimbursed from the income collected and banked in the school office.

Payments and Withdrawals

808 Records are kept of all expenditure on numbered slips. Payments are either made directly to reimburse the petty cash or directly to staff if they have purchased goods on behalf of the academy. Cash payments will normally be limited to £20 unless exceptional circumstances apply. Higher value payments should be made by cheque directly from the main bank account as a cash book payment.

Administration

809 The School Office team is responsible for entering all transactions in to the petty cash / cash book records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Business Manager to ensure that the cash balance reconciles to supporting documentation.

Physical Security

810 Petty cash should be held in a locked cash box which is kept in the safe at all times.

Cash Flow Forecasts

811 The Business Manager will be responsible for preparing cash flow forecasts to ensure that Kentmere Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, 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

812 Investments must be made only in accordance with written procedures approved by the governing body.

813 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9. Fixed Assets

Asset Register

901 All items purchased with a value over Kentmere Academy's capitalisation limit must be entered in the asset register. The asset register should include the following information:

- Asset description
- Asset number
- Serial number
- Date of acquisition
- Asset cost
- Source of funding (% of original cost funded from EFA grant and % funded from other sources)
- Expected useful economic life
- Depreciation
- Current book value
- Location
- Name of member of staff responsible for the Asset

902 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 Kentmere Academy's financial system and
- Support insurance claims in the events of fire, theft, vandalism or other disasters.

Assets will be depreciated in line with the Wardle Academy Trust Fixed Asset and Depreciation Policy.

Security of Assets

903 All the items in the register should be permanently and visibly marked as Kentmere 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 Kentmere Academy property should be kept up to date and reviewed regularly. Where items are used by Kentmere Academy but do not belong to it these should be noted.

Disposals

- 904 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following competitive tender. Kentmere Academy must seek the approval of the EFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- 905 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence Kentmere Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.
- 906 Kentmere Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the EFA a proportion of the sale proceeds.
- 907 All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

- 908 Items of Kentmere Academy property must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.
- 909 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 Kentmere Academy’s auditors.

Inventory

[at the date of this policy being drafted the Inventory at Kentmere is not up to date and every effort will be made to rectify this in the first term]

- 910 An inventory will be maintained of all attractive and portable items, with details of make, model, serial number and purchase value. A documented check of the inventory will be undertaken annually against actual items. Items with a purchase value of over £100 that are missing will be reported to the Resources Committee who will include it in its reports to the full Governing Body.
- 911 Safes and secure cupboards must be kept locked, keys removed and held securely by the person designated by the Headteacher. The loss of keys will be reported immediately to the Headteacher.

Signed:



Sarah Isberg (headteacher)

Date: July 2017

Agreed by the Governing Body: July 2017

Review July 2018

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