



Durham &
Newcastle
Diocesan
Learning
Trust

Durham and Newcastle Diocesan Learning Trust (DNDLT)

Company Number 10847279

Finance Policy

"Every child matters and no child is ever left behind..."

**"Let the little children come to me, and do not stop them;
for it is to such as these that the kingdom of God belongs."
Luke 18:15-17**

Date Policy Approved: 7 December 2022

Next Review Date: Annual Review

Version: 10

Approving Body: Trust Board

FINANCE POLICY

1 Introduction

1.1 Vision Statement:

At the heart of our vision is our commitment to ensure all of our schools are places where children and young people develop and thrive academically, socially, culturally and spiritually. The drive for excellence and effectiveness in our schools is paramount, but not merely because the Government says so. The enabling of every child to flourish in their potential as a child of God is a sign and expression of the Kingdom and is at the heart of the Trust's distinctive mission. This vision statement will be taken into account in all of our policies and their implementation.

1.2 The purpose of this policy is to ensure that The Durham and Newcastle Diocesan Learning Trust (the Trust) maintains and develops systems of financial control which conform with the requirements both 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 (DfE).

1.3 The Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE, primarily the Academy Trust Handbook (ATH). This policy expands on that and provides detailed information on The Trust's accounting procedures and systems.

This policy should be read in conjunction with the following Trust policies/procedures and with individual academy financial procedure notes as appropriate.

- Scheme of Delegation
- Assets & Disposal Policy
- Anti-Fraud and Corruption & Bribery Policy
- Whistle-blowing Policy
- Treasury Management Policy
- Budget Monitoring and Setting Procedure

This policy will be regularly reviewed and amendments can only be made following the approval of the Directors.

This policy applies to the Trust and to all individual academies within the Trust.

This policy should be read by all staff involved in financial transactions.

Instances of non-compliance with this policy will be reviewed by the Accounting Officer and may be reported to the Board.

2 Financial Responsibilities

The key financial responsibilities within the Trust are outlined below:

The Board of Directors and finance, audit and risk committee

- 2.1 The Board of Directors has overall responsibility for the administration of The Trust's finances. The Board is responsible for managing the financial affairs to ensure regularity, propriety and value for money, and for ensuring that the Trust's funds are used in accordance with charity law, company law and the funding agreement. The Directors are held to account by the Secretary of State however the Board delegates certain powers to the Accounting Officer. The Board has agreed a Scheme of Delegation detailing the functions and decision making within the Trust.
- 2.2 The Board also delegates certain responsibilities and duties, including financial scrutiny and oversight to a finance, audit and risk committee. Staff employed by the Trust who are also Directors will not sit on the audit committee or vote on any audit matters although may remain in attendance to provide information. The Board has commissioned a programme of internal assurance testing, across all academies in the Trust, to be carried out by independent auditors to support them in their role. The Board also has separate external auditors for annual audit and receives the reports of both external auditors in respect of both internal assurance and external audits and these are scrutinised by the finance, audit and risk committee.
- 2.3 The finance, audit and risk committee will regularly review controls and risks at the Trust's constituent academies and report to the Board of Directors. The Board will ensure information submitted to DfE and ESFA that affects funding is accurate and compliant.

The Academy Councils

- 2.3 The Academy Councils are responsible for financial decision making in line with the approved Scheme of Delegation.

The Accounting Officer

- 2.4 The Trust have appointed the Chief Executive Officer as the Accounting Officer. The Accounting Officer has personal responsibility (that cannot be delegated) for assuring the Board that there is compliance with the Handbook, the Funding Agreement and all relevant aspects of company and charitable law.

The Chief Financial Officer

- 2.5 The Trust have appointed a Chief Financial Officer.

Chief Financial Officer Support

- 2.6 The Trust has a central finance team who support the Chief Finance Officer,

The Trust where appropriate will also commissions external financial consultancy support if required to provide direct support and advice in relation to finance matters in support of the Accounting Officer and Chief Financial Officer in line with the agreed work programme to complete key financial tasks.

The main responsibilities of the Chief Financial Officer (supported by the Finance team and where appropriate financial consultants)) are:

- the establishment and operation of a suitable accounting system;
- the management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Board of Directors;
- implementation and operation of rigorous and robust audits and control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- to ensure the accounting officer and the board are up-to-date with the latest funding changes, and other statutory guidance and to compile appropriate benchmarking reports to support the Trust board in fulfilling its duties.
- oversight of the preparation of monthly and annual management accounts;
- to ensure that the Trust's resources are managed efficiently, ethically and professionally and in line with the Academy Trust Handbook.
- to produce and present comprehensive financial reports to the Board of Directors and relevant sub- committees.

The School Business Managers and other members of staff

2.7 The School Business Managers or Office Managers as relevant within each academy are responsible for supporting the finance team and Chief Financial Officer and operating the financial procedures in line with with this policy. Names and contact details can be located on the individual school websites.

Other members of staff will have some financial responsibilities. All staff 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

2.8 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 Members, Directors, academy councillors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register will also record family relationships within the Trust as required by the ATH. The register is open to public inspection and published on the Trust website.

The existence of a register of business interests does not, of course, detract from the duties of members, directors, academy councillors and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board, academy council or a committee. Conflicts of Interests are a standing item on all agendas. Where an interest has been declared, procedures ensure that the conflict is managed and directors, academy councillors and staff should not attend that part of any committee or other meeting.

Related Party Transactions

2.9 Related party transactions will be subject to prior approval by the Board and will only be undertaken within the not-for-profit regulations within the ATH. The Board will comply with the ESFA reporting and approval requirements under the Academy Trust Handbook in relation to any such transactions

3 Accounting System

3.1 All the financial transactions of The Trust must be recorded in the financial management system (ACCESS). This system consists of

- General Ledger, including Journal transactions
- Purchase Ledger
- Sales Ledger

System Access

3.2 The Accounting Officer and the Chief Financial Officer have responsibility to agree the system, set up and controls in ACCESS and to determine appropriate levels of Access for users of the system.

User Access is controlled through secure user accounts and passwords. It is the responsibility of all users to keep their password secure. Access to the system is password protected with password changes forced regularly. System Access must ensure that there is adequate separation of duties in the process and that users may not initiate and approve transactions.

Back-up Procedures

3.3 It is the contractual responsibility of ACCESS to maintain adequate back-up and disaster recovery procedures for the system.

Transaction Processing

3.4 All journal entries must be documented on the appropriate journal form, and authorised in accordance with the authorisation limits prior to being input to ACCESS.

Reconciliations

3.5 The finance team with support from the CFO 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

All un-reconciled items are reported in an exception report as part of the monthly process.

3.6 The Trust central finance team will prepare the bank reconciliations with support as required. All monthly reconciliations are authorised and signed by the Chief Financial Officer to evidence this.

4 Financial Planning

Medium term financial plan

4.1 The medium term financial plan is prepared as part of the development planning process. The development plan indicates how The Trust'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 Trust 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.

Annual Budget

4.2 The Chief Financial Officer (with support from the financial team) is responsible for preparing and obtaining approval for the annual budget. The budget for each school must be approved by each Academy Head Teacher, the Academy Council and then the Board of Directors.

The approved budget must be submitted to the DfE annually and the Chief Financial Officer (with support from the financial team) is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

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

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
- review of other income sources available to the Trust to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the Trust 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

- 4.3 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 and will consider the necessary levels of reserves.

Medium Term Financial Plan

- 4.4 The Chief Financial Officer (with support from the financial team) is responsible for preparing and updating a three year financial plan allowing the Trust to monitor longer term financial sustainability and highlight in a timely manner any future issues to be addressed.

Monitoring and Review

- 4.5 A detailed budget monitoring report will be prepared termly and presented at an individual academy level to the Academy Council and then at an overall Trust level to the Board.

Any potential under or over spend against the budget must in the first instance be discussed with the Academy Head Teacher.

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 heading or from the contingency. The monitoring report will also contain information on pupil numbers and cash flow to ensure the finance, audit and risk committee have sufficient information to challenge budget projections.

5 Payroll

Staff Appointments

5.1 Staff appointments are made in line with the Scheme of Delegation.

Payroll Administration

5.2 The Trust payroll processing is administered through contractual arrangements with an external payroll provider:-

- The payroll provider will determine monthly payroll timetables for key processing dates.
- New staff appointments and terminations must be notified to the payroll provider by completion of the appropriate form and authorised by the Head Teacher in each academy. The central finance team must also be informed of new staff/variations to staffing for budget monitoring purposes.
- Each academy is responsible for notifying the payroll provider of sickness and other absences during the month. These are authorised by the Head Teacher before they are passed to the provider for processing.
- Payroll providers will provide a detailed report of monthly salary payments to each individual academy and each School Business Manager will complete a check for overall reasonableness, together with a check on starters/leavers and a random spot-check prior to being authorised by the Academy Head Teacher.
- The authorisation of the payroll is then notified to by each academy

Mileage Claims

5.3 Staff claims for mileage are authorised by each Academy Head Teacher and should be submitted using the Trust expenses claim form. Head teacher claims are subject to the approval of the Chair of the Academy Council and claims by the Chief Executive Officer are approved by the Chair of the Board. It is the responsibility of each academy to ensure that claimants have the necessary insurance and vehicle MOT before undertaking business miles.

Payment of salaries

5.4 All net salary payments together with statutory and non-statutory payroll deductions are made by BACS and are the responsibility of the payroll provider as per the contract arrangements, subject to approval of the academy.

5.5 After the payroll has been processed the nominal ledger will be updated by the Trust finance team. Postings will be made both to the payroll control account and to appropriate cost centres. The Trust finance staff should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account. The Trust finance team will prepare the payroll control

account and the CFO will authorise this.

Staff severance payments

- 5.6 Non-contractual payments at the end of employment would only be paid if the Trust had concluded that the payment represented best value for money compared to other options. The business case for such payments would be fully documented in line with ATH and the guidance issued by the ESFA.

The Accounting Officer in conjunction with the Chief Financial Officer and the Chair of Board may approve non contractual payments up to £50,000. All payments will be supported by a full business case and appropriate HR/legal input.

Non-contractual payments over £50,000 require approval in advance from HM Treasury.

6 Purchasing

- 6.1 The Trust wants to achieve the best value for money from all our purchases. A large proportion of 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 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.
- Where a specialist service e.g. architect / project manager, is appointed to act as an agent on behalf of the Trust, the Trust may delegate the procurement process (including invitation to tender, receipt of documents and evaluation of tenders) where assurance of open and transparent procurement principles has been gained in advance regarding the processes involved by the outside agency. For contracts over £50,000 the final decision will be made by the Board (or if relevant any authorised Committee delegated to carry out this task); the agent will prepare a report containing recommendation for appointment, including the scoring process and details of all other submissions.

Authorisation Limits- approval of purchasing.

6.2 Academy Expenditure

School Business Managers/ Office Managers up to £1000. Headteacher up to £15,000, between £15,000 and £50,000 subject to prior approval by the Chief Executive Officer and above £50,000 subject to prior approval by Directors.

6.3 Central MAT Expenditure

The Chief Executive Officer (and designated Chief Finance Officer and Chief Operations Officer) up to £50,000, above £50,000 subject to prior approval of Directors.

6.4 Budget virements

Virements between budget headings are limited to £5000 where these are within the cumulative school budget share. Budget virements over £5000 will need CEO approval. Any Budget virements which would result in a potential cumulative budget overspend require CEO approval and where this cumulative overspend would exceed £5000 Trust Board approval must be obtained.

6.5 Routine purchasing procedures

- Official orders must be created for all purchases other than:-
 - purchasing card transactions,
 - purchases ordered centrally and authorised by the Chief Finance Officer and either the Chief Executive Officer or Chief Operations Officer
 - those purchases which for practical purposes cannot be ordered and processed in the manner below but nevertheless are still subject to internal control processes such as insurance, telephone, photocopying, catering provision, security, school transport, emergency building repairs and utility payments. In the case of these services the terms of the service are negotiated with a supplier and the payment is made against an invoice for which the contract itself forms the basis for agreeing the invoice.

- All other orders must be made, or confirmed, in writing using an official ACCESS order form
- Approved orders, will be recorded in the purchase order module of ACCESS which will allocate an order number. Orders will be despatched by email.
- Incoming deliveries will be despatched to departments accordingly and the goods will be checked against the goods received note. Any discrepancies should be recorded and discussed with the supplier without delay.
- If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy finance staff should be notified.
- All signed goods received notes and invoices should be sent to the Finance staff. Invoice will only be processed for payment if the order, and Invoice all match in terms of value and quantity of goods/services. Any mismatches will be investigated by finance team.

- The Finance staff will clearly mark each invoice as 'goods received' by a member of the finance team and must be signed as approved for payment by a member of the school senior leadership team.

6.6 Supplier Database

Individual supplier databases are used for the schools in the Trust which the CFO can Access along with the central supplier database for the whole of the Multi Academy Trust. It is vital to minimise the possibility of fraud and human error that amendments and additions to the database are only made in accordance with the ACCESS Supplier Amendment Procedure.

6.7 Invoice Payments

Invoices that are entered on ACCESS and have reached their calculated payment date will be picked up in payment runs initiated by the Chief Financial Officer. The finance team and/or the Chief Financial Officer will complete a spot check back to original invoices. The Finance team will prepare aged creditor and debtor reports which will then be signed by the Chief Financial Officer. Payments are generated as electronic bank payments via the banking software and payments are subject to the authorisation and controls detailed in Section 8 of this policy.

6.8 Competitive Purchasing Requirements and Limits

(The value of purchases is calculated as the value, excluding VAT, for the full duration of the contract including any extensions or options)

For the avoidance of doubt, the following expenditure is excluded from formal tendering procedures:

- goods/services where the Trust is not the end user and contributions to the expenditure are made by or on behalf of the end user, for example, school trips (where pupils are the end user).

6.8.1 Purchases/orders up to £2,000.

In purchasing all goods and services, budget holders should ensure that they review the use of existing resources and consider the cost, quality, reliability and availability. Value for money should always be considered but no formal quotes are required for spend under £2,000. Established framework arrangements will be used wherever appropriate, and firm prices must be obtained before commitment to purchase is made.

6.8.2 Purchases/orders from £2,000 to £15,000

Framework agreement or at least three written quotations should be obtained to identify the best source of the goods/services. 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 faxed confirmation of quotes has been received before a purchase decision is made.

6.8.3 Purchase/orders from £15,000 to £50,000

Framework agreement or at least three written quotations should be obtained.

All potential contractors invited to submit quotations shall be provided in all instances with identical information and instructions. Quotations should be evaluation against clear criteria. Full records should be kept of all criteria used for evaluation and decision making. If competitive quotes are not able to be sought, a report will be taken to the Board documenting the reasons why and how value for money has been otherwise assured.

6.8.4 Purchase/orders over £50,000

All goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must utilise a framework agreement or be subject to formal tendering procedures, detailed below and will be managed by the Chief Financial Officer. However, schools will be encouraged to consider the Deals for Schools available on the DfE website or DfE approved framework agreements with support from the Central MAT team.

6.9 EU Procurement Thresholds (from 1 Jan 2022)

Supplies and Services	£213,477
Lighter Touch Services	£633,540
Works	£5,336,937

Procurement above EU Thresholds must be carried out in accordance with the appropriate **EU Procurement Directives**, which the UK enforces through the **Public Contract Regulations 2015**

Existing EU compliant framework agreements will be explored and used where appropriate

For purchases above the threshold a procurement plan identifying the key tasks, responsibilities and authorisation routes must be approved by the Board of Directors before the procurement commences and progress will be monitored and reported to Directors throughout the process. This process is likely to draw on external procurement, technical and legal advice

References

<https://www.gov.uk/guidance/transposing-eu-procurement-directives>

<http://www.legislation.gov.uk/ukxi/2015/102/contents/made>

6.10 Tendering Procedures (Tenders over £50,000 up to EU thresholds)

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The Trust must seek tenders on the most appropriate basis.

Staff will refer to and follow the additional DfE guidance
<https://www.gov.uk/guidance/buying-for-schools>

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Chief Financial Officer how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical.
- **Restricted Tender:** The Trust will normally invite at least four bidders. 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 Trust'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,
 - extending the scope of an existing contract,
 - Where market exploration has shown that only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.
 - where the Diocesan Trustees (owners of the property) impose restrictions on whom they will permit to undertake capital projects for example, architects and construction advisors.

Where a negotiated tender is agreed a non-competitive purchase approval form will be completed and approved by the Trust board setting out the reasons for this.

6.11 Framework Agreements

A framework agreement is: "an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to

establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.” In other words, a framework agreement is a general phrase for agreements with providers that set out terms and conditions under which agreements for specific purchases (known as call-off contracts) can be made throughout the term of the agreement. In most cases a framework agreement will not itself commit either party to purchase or supply, but the procurement to establish a framework agreement is subject to the EU procurement rules.

Each framework agreement is likely to have:

- Details of the products and services available.
- An agreed pricing structure.
- Details of the suppliers.
- Instructions on how to buy.
- An agreed set of terms and conditions.

When using a framework agreement, the trust has two options:

1. Select a supplier direct from a framework agreement
2. Run a ‘mini-competition’ – where suppliers are asked to send a bid and the best one is chosen

The framework agreement will state whether the trust can select a preferred supplier itself or if a mini-competition must be run. If the trust can select a supplier itself, the framework agreement will set out the rules for doing so which the trust will follow.

6.12 Preparation for Tender

Full consideration should be given to:

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

The award criteria which are to be applied in evaluating tenders must be recorded in writing before the tenders are invited and must be stated in the documents sent to suppliers. 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. A tender specification will be prepared and approved by the Board or in the case of urgency the Chair of the Board of Directors in advance of the invitation to tender.

6.13 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;
- selection criteria
- implementation of the project;
- terms and conditions of tender and
- form of response.

In contracts where the financial standing of the supplier is critical the financial status of all candidate contractors will be assessed through a company credit check.

6.14 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by The Trust. 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, unless the Accounting Officer and Chair of Board are satisfied that the tender was posted or dispatched on time but that delivery was prevented by an event beyond the control of the tenderer and that other tenders have not been opened. If the invitation to tender specifies that Tenders can be submitted by email these will be acknowledged but will not be opened until the after the submission date and in line with the Tender Opening Procedures below.

6.15 Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Tenders should be opened in the presence of a Director and the Accounting Officer (or other designated officer) unless the tendering procedure has been delegated to a specialist agent.

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.

6.16 Tendering Evaluation Procedures

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

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

Full records should be kept of all criteria used for evaluation for contracts over £50,000 and a report should be prepared for the Board highlighting the relevant issues and recommending a decision for approval. In the cases of urgency approval may be given by the Chair of the Board of Directors.

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

6.17 Contract terms and conditions

All contracts over £50,000 should be subject to a formal written contract, unless it is determined that the terms of an official order will sufficiently protect the Trust. Legal advice will be sought as necessary. The contract will be signed by the the Accounting Officer.

6.18 Contract Monitoring

All contracts which have a high value or which are key services will be subject to regular review and monitoring with the contractor.

7 Income

Grant Funding

- 7.1 The main sources of income for The Trust are the revenue and capital grants from the ESFA. The receipt of these sums is monitored directly by Chief Financial Officer (with support from the financial team) who is responsible for ensuring that all grants due to The Trust are collected.

Revenue funding is largely driven by pupil numbers. Census returns will be completed and authorised in each academy as follows and an authoisied signed copy will be kept on file:

Completed by: School Business Manager Authorised by: Head Teacher

Applications for any significant additional grant funding, including capital bids, will be subject to approval from the Accounting Officer and the Board.

Other Income

The Trust and individual academies also obtain income from:

- students, mainly for trips and meals and activities
- nursery supervision income
- the public, mainly for sports lettings

Income in the form of cash or cheques (as opposed to via the Parent Pay system) must be recorded on the Trust income recording form.

Residential Trips and other visits

7.2 Each academy must establish procedures to deal with income from trips and visits. These procedures must ensure that;

- A lead teacher is responsible for each trip
- A record of students on each trip and payments made is maintained
- An official receipt is given for all payments received over a de-minimis level of £10

Lettings & Hire of Facilities

7.3 Each academy must establish procedures to deal with income from lettings. These procedures must ensure that;

- Adequate records are maintained of all bookings made
- Payment should be made in advance wherever possible
- Sales Ledger accounts are raised through ACCESS
- Debts will be monitored and promptly chased up
- Approval to write off debts must be obtained from the Board.

Nursery supervision income

7.4 Each academy must establish procedures to deal with income from nursery/childcare provision on site. These procedures must ensure that:

- Adequate records are maintained of all bookings made
- Payment should be made in advance wherever possible
- Income is reconciled against the bookings made
- Any Parent Pay transactions must be recorded promptly in the ACCESS system
- Debts will be monitored and promptly chased up
- Each reconciliation must be documented and signed

School Meals

7.4 School meal payments are collected via cash and, where applicable, via

ParentPay. Each academy must establish procedures to ensure that;

- Payments are adequately monitored and debts chased up.
- Debts up to £50 can be written off at the discretion of the Headteacher
- Income is reconciled against the no of meals provided
- Any Parent Pay transactions must be recorded promptly in the ACCESS system.
- Each reconciliation must be documented and signed.

Ad-hoc cash collection

Cash income may be collected occasionally for events/fundraising etc. In such cases cash will be held securely at all times, counted in the presence of two members of staff, recorded as soon as possible using the Trust income recording form and reconciled to banking.

Custody and Banking- General

7.5 Each academy must establish procedures to deal with income banking. These procedures must ensure that;

- Cash and cheques must be recorded on the Trust income recording form
- All cash and cheques must be kept in the safe prior to banking.
- Safe keyholders are identified and keys are kept safe
- Banking should take place weekly or more frequently if the sums collected exceed the insurance limit on the safe.
- Monies are collected through an externally provided secure collection service.
- Monies collected must be banked in their entirety in the appropriate bank account.
- Two members of staff must verify each banking
- Bankings must be reconciled to source records of income received
- Each banking must be promptly reconciled to the bank account

8 Cash Management

Bank Accounts

8.1 The opening of all accounts must be authorised by the Board of Directors who must set out 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

8.2 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

8.3 Cheques from Trust bank accounts must bear the signatures of two of the following authorised signatories:

Signatories

Chief Executive Officer
Chief Financial Officer
Chief Operations Officer

Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure

Urgent Payments

8.4 If an urgent payment is required this should be notified to the CFO or central finance team marked as urgent with an explanation as to why (for example an overdue invoice or urgent payment to staff member in the event of a payroll mistake).

In this situation the payment will be made as soon as possible via the BACs system using the usual process and will be authorised in line with the processes set out at 8.3 above.

Bank Reconciliation

8.5 The Chief Financial Officer 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 Access Finance system
- adjustments arising are dealt with promptly

Each reconciliation will be completed by the Finance Assistant and authorised by the Chief Financial Officer.

Petty Cash Accounts

8.6 Petty Cash accounts are not in use.

Purchasing Cards.

8.7 The following cards have been approved:-

- School Business Manager/ school office manager (or where there is no School Business Manager the senior administrator) of the school
- Credit limit £1000 per month/£500 per single transaction (except where expressly agreed in writing by the CEO that this can be increased for a particular school due to exceptional circumstances)

8.8 The Trust uses credit cards as an efficient method of procuring travel, accommodation and sundry items. Each academy must establish procedures to deal with purchasing cards. These procedures must ensure that;

- Credit cards must only be used for business (not personal) expenditure
- Cards are stored safely
- Cards are only used for academy business
- Supporting documentation is held for all transactions
- Each statement is reconciled and then authorised independently of the cardholder.
- Records of the reconciliation and approval are maintained and balances cleared before interest accrues.

Cash Flow Forecasts

8.9 The Chief Financial Officer with support from the financial team is responsible for preparing regular cash flow forecasts to ensure that The Trust 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 or to re-profile income and expenditure to cover potential cash shortages.

Investments and Cash Deposits

8.9 Investments and deposits must be made only in accordance with any written procedures approved by the Board of Directors. (Treasury Management Policy)

9 Fixed assets

9.1 This section should be read in conjunction with the Assets & Disposal Policy, as adopted by the Board of Directors, which includes more detailed definitions and procedures.

Asset register

9.2 The Assets Register details all capitalised purchases and 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;
- the external auditors to draw conclusions on the annual accounts and The Trust's financial system and
- to support insurance claims in the event of fire, theft, vandalism or other disasters.

Inventory of Assets

9.3 In addition each Head Teacher will nominate an employee who will be responsible for maintaining a record of all non-capitalised, attractive, portable assets with a value of over £100 will be maintained and security controls operated in order to safeguard the Trust's property.

Security of assets

9.4 All fixed assets recorded in the register are permanently marked as "Property of Durham and Newcastle Diocesan Learning Trust" (or former company name "Durham Diocesan MAT") or the predecessor school, as far as this is practical and assets are recorded in the Every asset management software.

The asset register is to be kept up to date and reviewed regularly. Items used by the Trust but not owned by the Trust should be recorded as such. Physical counts against the register are undertaken annually at or about the end of the financial year. This count is to be performed by someone other than the person responsible for the asset register. Differences between counts and the register are investigated promptly and significant differences are reported to the Board in line with the Scheme of Delegation. Stores and equipment are secured by means of physical and other security devices.

Disposals

9.5 All requests for disposal above limits set out in the Assets and Disposal Policy must be submitted to the Chief Financial Officer for review and then approved by the Board. The best possible value must be obtained in the disposal of assets.

Acceptable methods of disposal are detailed in the Assets and Disposal Policy.

Disposal Limits

9.6 Disposal of land and buildings must be agreed in advance with the Secretary of State.

Loan of Assets

9.7 Items of Trust property must not be removed from the school premises without the authority of the Head Teacher .

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.

Borrowing

9.8 The Trust will seek ESFA prior approval for any borrowing (including any finance lease) where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies.

Capital Projects

9.9 Planning and oversight of capital projects will be carried out by the CFO and /or the CEO in discussion with the relevant school business manager and in line with the budget setting and monitoring procedure, scheme of delegation and relevant DfE frameworks and guidance.

Leasing

9.10 Any lease agreements must be managed and reviewed by the CFO and/ or the CEO in discussion with the relevant school business manager. The Board will seek express ESFA prior approval for any of the following leases:-

- taking up a finance lease on any class of asset for any duration from another party
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party