

Little Way Catholic
Educational Trust

Finance Policy

Version: 2

Approved by: Board *Date:* Feb 2026

Adopted by: LGC *Date:* Feb 2026

Last reviewed on: February 2026

Next review due by: September 2026

Contents

<i>Introduction</i>	5
<i>Financial Planning</i>	5
<i>The Budget Cycle</i>	6
<i>LWCET Budget</i>	6
<i>School Budget</i>	7
<i>Other Government Funding</i>	8
<i>Other Grants and specific funding</i>	8
<i>Virements</i>	8
<i>Revised Budget</i>	8
<i>Budget Forecast Return</i>	9
<i>Monitoring and review (including management accounts)</i>	9
<i>Internal audit</i>	10
<i>Review of regularity</i>	10
<i>Annual accounts</i>	10
<i>Value for money statement</i>	11
<i>External audit arrangements</i>	11
<i>Work undertaken during accounting period</i>	11
<i>Work undertaken for the year end</i>	12
<i>Accounts Return</i>	12
<i>Document retention</i>	12
<i>Accounting system</i>	12
<i>System Access</i>	12
<i>Back-up Procedures</i>	13
<i>Transaction processing</i>	13
<i>Transaction reports</i>	13
<i>Reconciliations</i>	13
<i>Bank Accounts</i>	14
<i>Deposits</i>	14
<i>Payments</i>	14
<i>Reconciliations</i>	15
<i>Multi-Pay Cards</i>	15
<i>BACS Payments</i>	16
<i>Investments</i>	16
<i>Reserves</i>	16

Capital Reserves 17

Staff Appointments 17

Payroll Administration 17

Payments..... 18

Overtime..... 19

Severance payments..... 19

Ex-gratia payments..... 19

ESFA grants 19

Other grants..... 19

Trips..... 20

Catering 20

Lettings 20

Sundry income..... 21

Gift aid 21

Bad debts..... 21

Purchasing..... 22

Routine Purchasing..... 22

Orders 22

Orders over £2,400 but no more than £6,000 (Including VAT) 24

Orders over £6,000 but no more than £12,000 (Including VAT) 24

Orders over £12,000 but no more than £24,000 (Including VAT)..... 24

Orders over £24,000 but no more than £50,000 (Including VAT)..... 24

Orders over £50,000 24

Trading with related parties..... 25

Goods and services for private use 25

Forms of Tenders 25

Framework agreements 26

Preparation for Tender 27

Invitation to Tender 27

Tender Acceptance Procedures 27

Tender Opening Procedures 27

Tendering Procedures..... 28

Insurance 28

Directors/Governors Expenses 28

• costs associated with First Class travel will not be reimbursed 28

Gifts 29

Energy Management 29

Fraud 30

VAT 30

Asset register 30

Security of assets 31

Disposals 31

Loan of Assets 32

Introduction

1. *The purpose of this manual is to ensure that the Little Way Catholic Educational Trust (LWCET) 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 Secretary of State for Education.*
2. *LWCET must comply with the principles of financial control outlined in the Academies Trust Handbook. This manual expands on the Handbook and provides detailed information on LWCET's accounting procedures.*
3. *This manual serves as an aid to the scheme of delegation, providing information on the day-to-day operations and practicalities of LWCET.*
4. *In addition to the information contained in this manual, LWCET has the following finance policies, which are accessible via LWCET's website, or internally.*

Trust-wide policies

- *Directors and Governors Expenses Policy*
- *Investment Policy*
- *Reserves Policy*
- *Staff Expenses Policy*
- *Whistleblowing Policy*

School policies

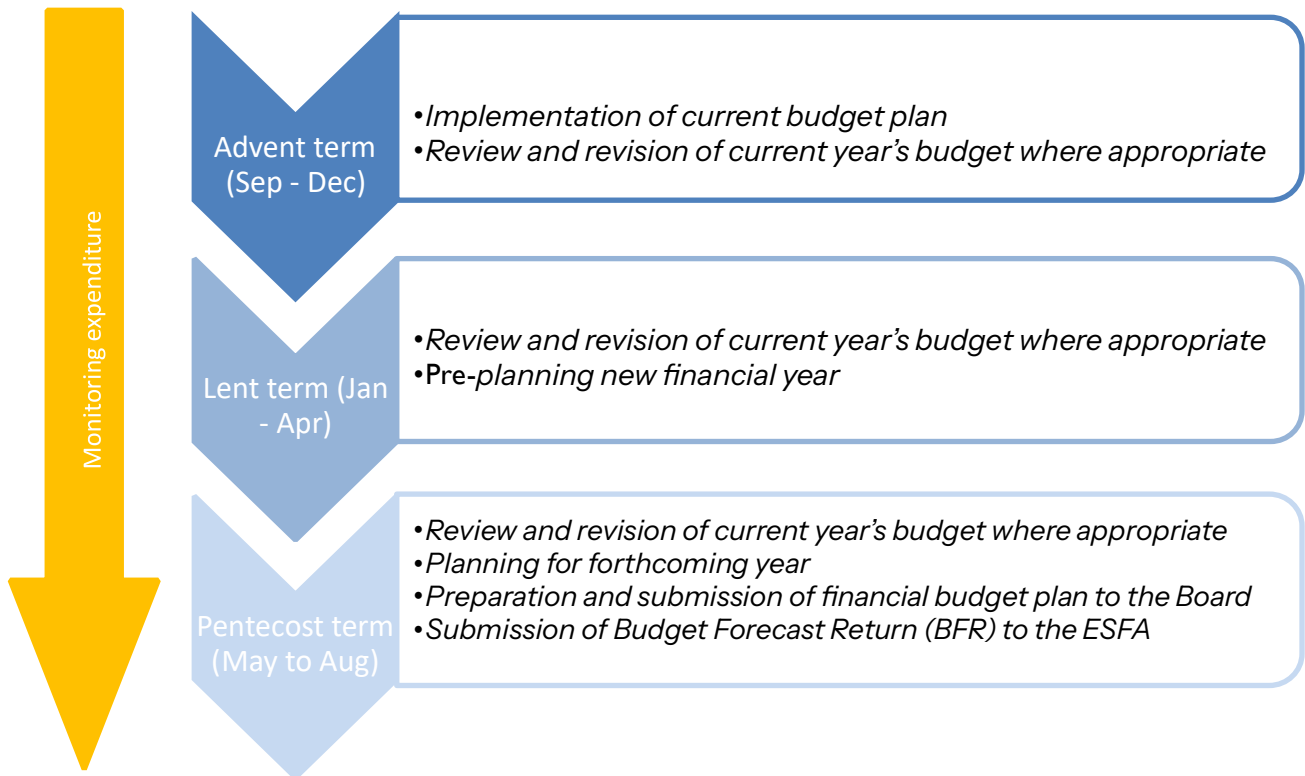
- *Charging and Remissions Policy*
- *Lettings Policy*

Financial Planning

5. *The schools prepare a rolling 5-year budget for the Trust, where the first 3 years are used for decision making.*
6. *The Trust approves each of the school's budget forecasts.*
7. *The schools are expected to set and maintain an in-year balanced budget.*

The Budget Cycle

8. The budget cycle is as follows:



LWCET Budget

9. *LWCET will deduct 7.45% of the school's General Annual Grant (GAG), to fund the Trust's central operations.*
10. *The Chief Financial Officer is responsible for preparing and obtaining approval for the central operations budget. The Chief Executive Officer (CEO), Finance Audit and Risk Committee and the Board must approve the budget.*
11. *The annual budget will reflect the best estimate of the resources available to LWCET for the forthcoming year and will detail how those resources are to be utilised.*
12. *The budgetary planning process will incorporate the following elements:*
 - *Forecast of the likely top slice, calculated using estimated pupil numbers and the national funding formula methodology for schools*
 - *Review of other income streams available to LWCET*
 - *Review of past performance against budget to promote an understanding of LWCETs expenditure*
 - *Identification of potential efficiency savings*

- *Review of LWCETs main expenditure headings, taking into account any expected variations in cost e.g. pay increases, inflation and other anticipated changes*
- *Any funds held in reserve by LWCET*

School Budget

13. *The Central Finance Team (Chief Financial Officer and Finance Staff) will work with each of the schools in preparing their budget. The Chief Executive Officer (CEO), Finance Audit and Risk Committee and the Board must approve the budget*

14. *The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between each schools' curriculum and the budgeted utilisation of resources.*

15. *The budgetary planning process will incorporate multiple of the following elements:*

- *Forecast of the likely number of pupils to estimate the amount of General Annual Grant (updated to reflect the actual allocation when funding statements are issued in March).*
- *Latest estimate of other Education and Skills Funding Agency (ESFA) funding e.g. Pupil Premium, Sports Premium or other specific funds*
- *Latest estimate of Local Authority funding e.g. Early Years Foundation Stage Funding, Universal Free School Meals or other specific funds*
- *Review of other income sources available to the school to assess likely level of receipts.*
- *Review of past performance against budgets to promote an understanding of each schools' expenditure*
- *Identification of potential efficiency savings*
- *Detailed review of each schools' staff, using an integrated curriculum financial planning approach (ICFP)*
- *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*
- *All carry forward balances (not to be used to fund the day-to-day operational activity of the school)*
- *Any unspent grants from the previous financial year*
- *Any funds held in reserve.*

16. *Comparison of estimated income and expenditure will identify any potential surplus or deficit in funding. If shortfalls are identified, opportunities to increase income should be*

explored and expenditure headings will need to be reviewed for areas where savings can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency.

17. *If there is a significant departure from the anticipated budget this will be escalated to the Finance Audit and Risk Committee as part of the monthly management accounts procedure, where a deficit savings recovery plan is put in place.*
18. *The approved budget is then entered onto the finance system at the start of the new financial year.*

Other Government Funding

19. *In addition to GAG funding from ESFA the trust, may be awarded specific funding for other projects. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.*

Other Grants and specific funding

20. *Each School may also be awarded additional grants from time to time relating to specific projects. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.*

Virements

21. *Within each school budget, the Chief Financial Officer is given delegated power to vire from one budget line to another and shall seek approval from the Finance, Audit and Risk Committee retrospectively where the amount exceeds 3% of the annual income/expenditure.*

Revised Budget

22. *The CEO in their role as the Accounting Officer and the Chief Financial Officer in their role as Chief Financial Officer, should carry out monitoring and analysis of the agreed budget on a monthly basis and reports forwarded to the FAR/Board ahead of each meeting.*
23. *Where significant variations to the agreed budget are identified or where a number of substantial virements have been approved by Finance, Audit and Risk Committee and or where significant staff changes have occurred in-year, then a revised budget should be prepared and approved by the Board.*

24. *A Revised budget may be prepared for each school at up to six occasions during the financial year.*

- *Advent Forecast 1 (September)*
- *Advent Forecast 2 (November)*
- *Lent Forecast 1 (January)*
- *Lent Forecast 2 (March)*
- *Pentecost Forecast 1 (May)*
- *Pentecost Forecast 2 (June)*

Budget Forecast Return

25. *The approved budget must be submitted each year by the Chief Financial Officer. The Chief Financial Officer is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.*

Monitoring and review (including management accounts)

26. *The Central Finance Team prepare monthly management reports. The report can include, at a Board level:*

- *Summary dashboard, providing a one-page review of the trust's performance against the agreed budget.*
- *Actual income and expenditure against budget (shown as current month, year to date and remaining)*
- *Summary accounts for each school*
- *KPI Metrics based on the recommended Integrated curriculum and financial planning model*
- *Variances report over 3%*
- *Balance sheet*
- *Cash flow forecast*
- *Aged debtors and Creditors report*

At a school level:

- *Actual income and expenditure against budget (shown as current month, year to date and remaining)*
- *KPI Metrics based on the recommended Integrated curriculum and financial planning model*
- *Summary report for governors (Narrated by Central Finance Team once per term)*
- *Detailed analysis (by nominal code) of income and expenditure against budget*

- *Full transaction details for income and expenditure that can be filtered by period, nominal or cost centre code*
 - *Reserves summary*
 - *Trips accounts*
27. *Any potential overspend against the budget will be discussed with the relevant Head Teacher and reported to the Finance Audit and Risk Committee.*
28. *The reports are sent to the Accounting Officer, Finance Audit and Risk Committee and the Chair of Board.*

Internal audit

29. *Internal auditors are appointed in accordance with the Academies Trust Handbook. Internal Auditors are currently Randall & Payne.*
30. *The CFO and Central Finance Team will work with the Internal auditors to prepare an annual audit schedule that will provide assurance to the CEO (Accounting Officer) and Directors that key risks facing the Trust are adequately managed.*

Review of regularity

31. *The CEO (Accounting Officer) reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity and propriety:*
- *reviews management accounts*
 - *reviews compliance against the scheme of delegation*
 - *reviews transactions for evidence of related party transactions*
 - *value for money practice*
32. *The CEO (Accounting Officer) has delegated the following responsibilities to the Chief Finance Officer.*
- *adherence to tendering policies*
 - *review of transactions, confirming they are all in line with the delegated authorities as set out by the Academies Trust Handbook*

Annual accounts

33. *LWCET must prepare annual audited financial statements for the accounting period to 31 August.*

34. *The accounts are submitted as follows:*

- *by 31 December – to the ESFA*
- *by 31 January – published on LW CET website*
- *by 31 May – to Companies House*

Value for money statement

35. *As part of the annual accounts the CEO, as Accounting Officer, has responsibility for ensuring that LW CET delivers good value in the use of public resources.*
36. *Value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.*
37. *The Chief Financial Officer is responsible for collating the examples of how LW CET has provided value for money during each academic year and where value for money can be improved.*

External audit arrangements

38. *External auditors are appointed in accordance with the Academies Trust Handbook. External Auditors are currently Albert Goodman.*
39. *The Chief Financial Officer is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are met.*

Work undertaken during accounting period

40. *The Chief Financial Officer is responsible for the following tasks, some of which may be delegated to the Central Finance Team to be undertaken during the year to facilitate a smooth audit process:*
- *reviewing the structure of the trial balance*
 - *maintaining a fixed asset register*
 - *monthly depreciation charges*
 - *maintaining income and expenditure records (including filing of invoices)*
 - *reviewing aged debtors for any provisions required*
 - *maintaining a record of related and connected party transactions*
 - *control account reconciliations (bank, charge and credit cards wages, debtors, creditors, VAT etc)*
 - *monitoring & reporting to the Accounting Officer and Board of Directors*

Work undertaken for the year end

46. *The Chief Financial Officer is responsible for the following tasks, some of which may be delegated to the Central Finance Team to be undertaken at the end of the year to facilitate a smooth audit process:*

- *schedule of prepayments and accruals*
- *control account reconciliations (bank, charge and credit cards wages, debtors, creditors, VAT)*
- *stock take and calculating the year end stock value*
- *close down of the purchase ledgers*
- *close down of the Sales ledgers and aged debtors*
- *pension valuations*
- *Pension Audit*

Accounts Return

47. *LWCET must prepare annual accounts return for the accounting period to 31 August, which is submitted to the ESFA by 31 December.*

Document retention

48. *Documents are retained for the following amount of time:*

- *Finance records – current year plus preceding 6 years*
- *Payroll and travel records – current year plus preceding 6 years*

Most documents are now held electronically only, stored in the central SharePoint and Access Finance System.

Accounting system

49. *All the financial transactions of the academy trust must be recorded into Access LWCETs computerised financial information accounting system. This system is maintained daily by the School/Central Finance Team.*

50. *LWCET uses Access and Microsoft Excel for its forecasting tools.*

System Access

51. *Access to the accounting system is password restricted to members of the School/Central Finance Team. School staff and budget holders are granted access to*

certain elements of the accounting system as configured by the Central Finance Team and CFO. The Central Finance Team have write access to Access Budgeting.

Back-up Procedures

52. The Chief Financial Officer is responsible for ensuring that there are effective back up procedures for the system. Data is stored off site on a cloud server and backed up daily to cloud servers.

Transaction processing

53. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual (Including VAT). The assigned authorisation in line with the Board approved financial limits.

- £0-£1200 SBM
- £1201-£2400 Headteacher
- £2401-£12000 Trust Finance Manager
- £12001-£24000 Chief Finance Officer
- £24,000 and above Chief Executive Officer subject to FRA approval

54. All journal entries should be input as a draft form, where the system allows, this will be reviewed and authorised by the Central Finance Team.

55. Bank transactions are exported from the Lloyds Commercial Banking platform by one of Central Finance Team and reconciled to the cashbook.

Transaction reports

56. The Central Finance Team reviews the following system reports to ensure that only regular transactions are posted to the accounting system:

- the nominal ledger
- management accounts summarising expenditure and income against budget
- reports for the payroll, VAT, purchase ledger (Aged Creditors report) and sales ledger (Aged Debtors report) etc.

Reconciliations

57. The Trust Finance Manager is responsible for ensuring the following reconciliations are performed by the Central Finance Team each month, and that any reconciling or balancing amounts are cleared:

- a. sales ledger control account
- b. purchase ledger control account

- c. *payroll control account*
- d. *VAT control account*
- e. *all suspense accounts*
- f. *bank balance per the nominal ledger to the bank statement*
- g. *charge and credit cards*

58. *The Finance Manager signs all reconciliations as evidence of review.*

59. *Any unusual or long outstanding reconciling items are brought to the attention of Chief Financial Officer and dealt with according to the bad debt limits in this manual.*

Bank Accounts

60. *LWCET will operate a single central bank account for all its schools.*

61. *The following procedures must be followed when opening a bank account and operating it:*

- a. *the Chief Financial Officer is responsible for selecting the banking institution and negotiating the terms and conditions.*
- b. *the opening of any new bank accounts must be approved by the CEO and retrospectively reported to the Finance Audit and Risk Committee by the Chief Financial Officer.*
- c. *LWCET will ensure that in the event of changes to key personnel, signatories will be changed immediately, and the bank notified. Any on-line access to banking will also be removed.*
- d. *terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded.*
- e. *LWCET must agree with the bank, that their accounts must not become overdrawn.*
- f. *the Chief Financial Officer must ensure there are sufficient funds to cover the day to day operations of LWCET and its schools.*

Deposits

62. *The Finance Officer is responsible for updating the accounting system (as a minimum, weekly task) for all deposits placed.*

Payments

63. *All payments from LWCET bank account must be approved by two of the following authorised signatories:*

- *Chief Executive Officer*

- Chief Financial Officer
- Finance Manager
- Finance Officer

Reconciliations

64. *The Chief Financial Officer ensures 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 the central finance officer. Finance Manager will cover during periods of absences.*
 - reconciliations are subject to an independent monthly review carried out by the Finance Manager and Chief Financial Officer.*
 - adjustments arising are dealt with promptly.*

Petty Cash

65. *LWCET does not allow the use of petty cash.*

Multi-Pay Cards

66. *The school Multi-Pay Cards are used only when it is not practical to use the purchase order system, or if it is not possible to order from another source.*
67. *Multi-Pay Cards are not for use to simplify the purchase process or negate authorisation limits. Any abuse of Multi-Pay Cards could result in the account being closed and the school no longer having use of a card within the school.*
68. *The cards are kept in the school safe and are only used by the named card holder.*
69. *Each school is limited to a maximum of four cards.*
70. *The VAT receipt for all Multi-pay card purchase must be uploaded within 5 working days of the purchase and will be matched to the Multi-Pay Card Return and recorded against the nominal ledger in Access Finance system by the School Finance Team.*
71. *On a monthly basis the purchase receipts and Multi-Pay Card Return will be reconciled to each entry on the Multi-Pay Card statement. This process will be carried out by the trust central team.*

BACS Payments

72. On receipt of an invoice, the Central/School Finance Team check to ensure:
- an official purchase order has been raised and approved for the purchase
 - the school have receipted delivery of the correct quantity, quality and price
 - it has not been previously paid
 - VAT chargeability on qualifying expenditure is shown
73. If there is a variance to the purchase order of greater than 5%, the invoice will require further approval and will be emailed to the appropriate person for authorisation.
74. Once authorisation has been received, the Central Finance Team will process the invoice for payment and attach evidence of the authorisation to the invoice on Access.
75. The payment run is then prepared by the Finance Officer and shared with the Finance Manager for review and sign off. Using a csv file from Access the Finance Administrator uploads to the bank online payment portal. The payment run is submitted for approval by two account signatories.
76. LWCET is committed to paying suppliers within 30 days of receipt, although it is best practice to pay as received as there is no bank interest benefit for delaying payment. This provides a more accurate cashflow position.

Investments

77. Investments are made in accordance with LWCET's Cash Investment Policy, which is approved annually by the Finance Audit and Risk Committee.
78. All investments are recorded in the central SharePoint folder "Cash Management/Investments" An instance report for the investment portfolio is available through the platform at any time

Reserves

79. Any surplus or deficit funds at the end of the year are held in reserve and notionally earmarked for each school.
80. If a school is anticipating a deficit at the end of any financial year, the Board and the Chief Financial Officer have a responsibility to ensure action is taken at the earliest opportunity to address this issue. The Board must ensure that a recovery plan is submitted and approved by the ESFA if the trust as a whole anticipates a deficit at the end of the financial year, which cannot be covered by reserves.

81. *LWCET undertakes to ensure that each school maintains a contingency reserve equivalent to 12% of total revenue income.*

Capital Reserves

82. *Any surplus funds at the end of the year are held in reserve and carried over to the following year.*

83. *It is the responsibility of the Chief Financial Officer to keep accurate records of the capital funds, especially where grants have been received for capital projects.*

Staff Appointments

84. *The School Business Manager will process new appointments on e-forms and an immediate notification will be sent to the Payroll and Pensions team to ensure they are added to the payroll.*

85. *The School Business Manager will process new appointments and post amendments, including all contractual information. HR will administer 'payroll log' which will be used to ensure all contractual changes are reflected on payroll.*

Payroll Administration

86. *Payroll is administered through the Local Authority Payroll and Pensions Team.*

87. *Payroll for LWCET, including pension administration, is administered through the Local Authority Payroll and Pensions Team. The payroll is processed through the Local Authority Payroll and Pensions Team. Appropriate checking and segregation of input and authorisation of payroll is achieved via Finance and the Payroll and Pensions Team.*

88. *All staff are paid monthly via Lloyds Bank via BACS payment. A personnel record is maintained for each employee on SAPs which records:*

- *personal details*
- *contractual information*
- *employment history*
- *bank account details*

- *salary*
- *taxation status*
- *pension details*
- *any deductions or allowances payable*
- *other legal and relevant details*

89. *Any amendments made by the School Business Manager, or, Payroll and Pensions Team must be checked and authorised prior to the payroll run by the Headteacher. Any amendments made by the Central Finance Officer must be authorised by the Chief Finance Officer or Authorised officer.*
90. *Each school is required to notify either the HR Team, and as appropriate the, Payroll and Pensions Team of all staff sickness and other absences during the month.*
91. *Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee and authorised by the appropriate budget holder and submitted to the payroll and pensions team. In turn this prepared by the HR Team, or, Payroll and Pensions Team and signed off by the Chief Financial Officer and proper record should be maintained for audit trails.*
92. *The HR Team and Payroll and Pensions Team will issue a timetable for payroll processing at the beginning of the financial year, specifying key dates and deadlines.*

Payments

95. *Before salary payments are processed, the SBM must review and check the Payroll Checking Report issued by the Payroll and Pensions Team. Any discrepancies or deviations identified must be reported to the GCC Payroll and Pensions Team immediately.*
96. *All salary payments are made by BACS.*
97. *The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay reconciliation and payments processed for these amounts by BACS.*
98. *The Central Finance Team prepare a reconciliation between the current month's gross salary payments and the monthly payment schedule. If there are any discrepancies these need to be raised and then reviewed by the Chief Financial Officer.*
99. *After the payroll has been processed payroll journals prepared by Central Finance team by using Payroll reports publish by Payroll and Pensions Team and the nominal ledger will be done by Central Finance Team. Postings will be made both to the payroll control accounts and to individual cost centres. The Central Finance Team 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.*

100. Monthly, the School Business Manager, or, Payroll and Pensions Team reconcile the gross pay for each member of staff to ensure it agrees to the contractual information held on the electronic personnel file at the appropriate school.

Salary advances

101. The trust does not award salary advances.

Overtime

102. Overtime is recorded by the individual employee and submitted to the headteacher or Line Manager for authorisation. Timesheets must be submitted to the SBM or Finance officer to process on SAP eforms in line with the published payroll timetable. Overtime payments will be made in 1 month arrears.

103. Claims for overtime should not be submitted prior to work having been undertaken.

104. No payments for work undertaken will be made other than via the payroll system.

Severance payments

105. LW CET is able to self-approve the non-contractual element of severance payments up to £50,000.

106. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.

107. The CEO (Accounting Officer) must sign off and review each business case.

Ex-gratia payments

108. Any ex-gratia payments must be submitted to ESFA for prior approval and made in line with the Academies Trust Handbook.

ESFA grants

109. The main sources of income for LW CET are the grants from the ESFA. The receipt of these sums is monitored directly by the Finance Manager and any variance from the published payment schedule are reported immediately to the Chief Financial Officer who is responsible for ensuring that all grants due to LW CET are collected.

Other grants

110. The receipt of these sums is monitored directly by the Finance Manager and any variance from the published payment schedule are reported immediately to the Chief Financial Officer who is responsible for ensuring that all grants due to the academy are collected.

Trips

111. *Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents. If the school decides to subsidise the school trip, the amount of subsidy must be approved by the School Finance Team in advance of the booking being made.*
112. *A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead member of staff must maintain 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 Finance Team. Significant underpayments for the trip should be reviewed early and a decision made by the school regarding cancellations.*
113. *Students should make payments to the school via ParentPay. A record of all parent payments are recorded on the ParentPay system for all trips.*
114. *School based administration staff should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record will be available to the lead member of staff on request and the lead member of staff is responsible for chasing the outstanding amounts.*

Catering

115. *Meals are booked and paid through ParentPay for pupil and staff meals. If catering is provided by Caterlink (through GCC traded services), all meal payments go through to the GCC bank account.*
116. *Meal debt for pupils and staff should be monitored and addressed by the school.*
117. *Any monies owed to GCC due to meal debt will covered by the school.*

Lettings

119. *The school is responsible for maintaining records of bookings of school facilities and for identifying the sums due from each organisation. Payments for one-off bookings must be made in advance for the use of facilities. Regular bookings will be invoiced one month in arrears.*
120. *Details of organisations using the school facilities will be held by the School Business Manager who will establish a sales ledger account and produce a sales invoice from Access.*

121. *Copies of the organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the letting agreements that are held locally at the relevant school.*

Sundry income

122. *Income from other sources is priced in consultation with the Chief Financial Officer The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay.*

Gift aid

123. *LWCET is able to claim gift aid on donations from individuals.*

124. *To ensure LWCET receives all the monies it is entitled to, the School Finance Team:*

- *reconciles income against records to confirm expected amounts have been received by the donor*
- *ensures the tax reclaimable from HMRC has been obtained and any relevant business use deductions have been made.*

Bad debts

125. *LWCET pursues all monies that have not been paid within 28 days of an invoice being issued, by telephone and or letter.*

- *Parental debts are pursued by the school.*
- *Non-parental debts are pursued by Central Finance Team*

126. *For non-parental debts that remain outstanding for more than 4 months, LWCET may commence legal proceedings through the small claims court to recover the debt.*

127. *If it becomes clear that the debt will not be repaid, the Chief Executive Officer submits a report for approval of write-off.*

128. *The following write-off limits apply:*

- *Up to £500 – CEO (Accounting Officer)*
- *£501 to £1,000 – Finance Audit and Risk Committee*
- *Over £1,000 – Board of Directors*
- *Where stipulated in the Academies Trust Handbook, approval to write off bad debts will be obtained from the ESFA.*

Purchasing

130. *LWCET must achieve value for money on all purchases. A large proportion of our purchases are 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 LWCET.*
- *Accountability, LWCET is publicly accountable for its expenditure and the conduct of its affairs.*
- *Fairness, that all those dealt with by LWCET are dealt on a fair and equitable basis*

Routine Purchasing

131. *Budget Holders will be informed of the budget available to them at least one month 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. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget are available to each Budget Holder*

132. *Routine purchases up to £1,200 (including VAT) can be ordered by Budget Holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the School Finance Team on Access. A quote or price must always be obtained before any order is placed. If the Budget Holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Central Finance Team.*

Orders

Purchase Ordering and Approval Process

133. *All purchase orders must be raised through LWCET's online purchase ordering system (Access Education Finance). Each order is automatically checked to ensure sufficient budget availability and must be authorised in accordance with the Delegated Approval Limits and the Quotation and Tender Requirements outlined in this policy.*

Delegated Approval Limits

- *Up to £1,200 – School Business Manager (Subject to Headteacher Covering Approval)*
- *Up to £2,400 – Headteacher*
- *Over £2,400 up to £12,000 – Finance Manager*
- *Over £12,000 up to £24,000 – Chief Financial Officer*

- Over £24,001 - CEO in conjunction with Finance Audit and Risk Committee (FAR) or Trust Board Directors

134. Approval is recorded in Access, which allocates a Purchase Order number and commits expenditure. The School Finance Team electronically dispatches orders to the supplier using the email functionality.

135. On receipt the school must undertake a detailed check of the goods received and complete the Goods Received Note (GRN) on Access. Discrepancies should be discussed with the supplier of the goods without delay.

136. All invoices should be processed by the School Finance Team. Copies of the invoice and other supporting documents should be scanned and uploaded to Access.

137. Invoices will be matched to the purchase order and invoice details recorded by the School Finance Team.

138. All invoices are paid by BACS (see section above on BACS payments).

Quotation and Tender Requirements

Order Value (Including VAT)	Quotation / Tender Requirement	Recommendation	Authorisation Required
Up to £1,200	Best value to be obtained; quote not mandatory	N/A	School Business Manager (subject to Headteacher covering approval)
Up to £2,400	Best value to be obtained; quote not mandatory	School Business Manager (Optional)	Headteacher or Trust Finance Manager or Chief Financial Officer or Chief Executive Officer
Over £2,400 up to £6,000	Best value to be obtained; alternative quotes recommended where appropriate (no strict requirement).	Headteacher or Budget Holder	Trust Finance Manager or Chief Financial Officer or Chief Executive Officer
Over £6,000 up to £12,000	Minimum of two written quotes required.	Headteacher or Budget Holder	Trust Finance Manager or Chief Financial Officer or Chief Executive Officer
Over £12,000 up to £24,000	Minimum of two written quotes required.	Headteacher or Budget Holder or	Chief Financial Officer or Chief Executive Officer

		<i>Trust Finance Manager</i>	
Over £24,000 up to £50,000	<i>Minimum of three written quotes required. Recommendation by Governing Committee.</i>	<i>Headteacher or Budget Holder or Trust Finance Manager</i>	<i>Chief Financial Officer and Chief Executive Officer and Finance, Risk, Audit committee (FAR)</i>
Over £50,000	<i>Tender process should be considered (minimum of three written quotes) Recommendation by Governing Committee.</i>	<i>Headteacher or Budget Holder or Trust Finance Manager</i>	<i>Chief Financial Officer and Chief Executive Officer and Finance, Risk, Audit committee and Trust Board Directors</i>

Orders over £2,400 but no more than £6,000 (Including VAT)

139. *Best value should be obtained and alternative quotes sought where appropriate. However, there is no absolute requirement to obtain multiple quotes. Orders should be authorised by the Head Teacher or Budget Holder and approved by Trust Finance Manager*

Orders over £6,000 but no more than £12,000 (Including VAT)

140. *Two written quotes must be obtained. Orders should be Recommended by the Head Teacher or Budget Holder and approved by Trust Finance Manager*

Orders over £12,000 but no more than £24,000 (Including VAT)

141. *Two written quotes must be obtained. Orders should be Recommended by the Head Teacher or Budget Holder or Trust Finance Manager and approved by Chief Financial Officer or Chief Executive Officer.*

Orders over £24,000 but no more than £50,000 (Including VAT)

142. *Three written quotes must be obtained. Orders should be recommended by the governing committee and the Head Teacher or Budget Holder or Trust Finance Manager and approved by Chief Financial Officer and Chief Executive Officer and subject to Finance Audit and Risk (FAR) approval.*

Orders over £50,000

143. *A tender process should be considered, with a minimum of three written quotes. Orders should be recommended by the governing committee and the Head Teacher or Budget*

Holder or Trust Finance Manager and approved by Chief Financial Officer and Chief Executive Officer and Finance Audit and Risk (FAR) and Trust Board of Directors.

Official Journal of the European Union

144. *Service contracts over £189,330 (at 1st August 2021) and capital works contracts over £4,733,252 (at 1st August 2021) are to be dealt with in accordance with OJEU. OJEU (<http://www.ojeu.eu/>) updates the procurement thresholds per annum and the most up to date ones can be found on their website:*
<https://www.ojeu.eu/Thresholds.aspx>

Trading with related parties

146. *All Directors, Governors and Staff must complete an annual declaration of their business and non-pecuniary interest. All related parties are added to a Trust-wide register and published on LWCET website.*
147. *LWCET's register of interests must capture relevant business and non-pecuniary interests including:*
- *directorships, partnerships and employments with businesses*
 - *trusteeships and governorships at other educational institutions and charities*
 - *for each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began*
148. *No Director, Governor, Staff member or related individual or organisation uses their connection to LWCET for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to LWCET.*
149. *LWCET must report all transactions with related parties to the ESFA in advance of the transaction taking place, using the ESFA's on-line form.*

Goods and services for private use

150. *No goods ordered or services provided are to include any elements of private use by Directors, Governors and Staff.*

Forms of Tenders

151. *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 budget holder must discuss and agree with the Chief Finance Officer 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 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:*
 - *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.*

Framework agreements

152. *Where possible, the Trust will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, Church Marketplace, Crown Commercial Services or DfE Deals for Schools makes with suppliers. The benefits of frameworks are that they have already been through a competitive tender process and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.*
153. *Depending on the framework chosen, the Trust will either pick the best value supplier from a list or run a mini-competition between listed suppliers. In either case, the Trust will follow the DfE guidance on procurement to ensure good practice. The reasons for the choice of framework, and for the choice of supplier, will be clearly recorded.*

Preparation for Tender

154. *Full consideration should be given to:*

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

155. *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.*

156. *A tender brief must always be prepared and is reviewed by the Chief Financial Officer.*

Invitation to Tender

157. *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.*

158. *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*
- *form of response*
- *dates for decision and work to be delivered*
- *how the tenders will be assessed*

Tender Acceptance Procedures

159. *The invitation to tender should state the date and time by which the completed tender document is received by the academy trust. Tenders are 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 are not accepted.*

Tender Opening Procedures

160. *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:*

- For contracts up to £40,000 – the Budget Holder and a member of the Central Finance Team.
 - For contracts over £40,001 – the Budget Holder and multiple members of the Central Finance Team.
161. A separate record details the names of the firms submitting tenders and the amount tendered. The record is signed by both people present at the tender opening.

Tendering Procedures

162. 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.
163. 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.
164. Full records should be kept of all criteria used for evaluation and for contracts over £40,000 a report should be prepared for the Finance Risk and Audit Committee highlighting the relevant issues and recommending a decision. For contracts under £40,000 the decision and criteria should be reported to the Finance Risk and Audit Committee.

Insurance

165. The Chief Financial Officer reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks and include cover for academy trust property when off the premises.

Directors/Governors Expenses

166. Directors and Local Governors may claim reasonable expenses incurred because of carrying out duties on behalf of LW CET or one of its schools. This includes expenses incurred because of attending meetings of the Board or one of its sub committees, including meetings of a schools Local Governing Body.
167. For the avoidance of doubt, reasonable expenses are defined as:
- the cost of travel relating to meetings and training courses
 - travel and subsistence costs associated with attending national meetings or training events, unless these costs can be claimed from any other source.
 - costs associated with First Class travel will not be reimbursed

168. *Travel using the Directors or Governors own vehicle will be reimbursed as 45p per mile. Other reasonable transport costs (train, taxi, bus) will be reimbursed in full.*
169. *Directors and Governors acknowledge that:*
- *Directors and Governors are not paid an attendance allowance.*
 - *Directors and Governors are not reimbursed for loss of earnings.*
170. *Directors and Governors wishing to make claims under these arrangements, must complete a claims form together with the relevant receipts. The form must be submitted to the School Finance Team within four weeks of the date when the costs were incurred.*
171. *All claims will be submitted to the Chair of the Board or Chair of the Finance Audit and Risk Committee for final approval.*
172. *Claims will be subject to independent audit and may be investigated by the Finance Risk and Audit Committee if they appear excessive or inconsistent.*

Gifts

173. *Ordinarily gifts should be rejected, unless they are of negligible value. However, any gifts or hospitality in excess of £25 are reported to the Headteacher (or in the event of the Headteacher receiving a gift, the CEO) for approval, in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift has the ability to influence purchasing decisions.*
174. *Gifts that have been reported are entered onto the gifts and hospitality register.*

Energy Management

175. *The Site Manager/Caretaker at each school is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis. Meters should be checked before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the Finance Manager immediately.*
176. *The Site Manager/Caretaker ensures that the school's heating system is operated and run as efficiently as possible.*
177. *The Senior Finance Manager/Caretaker ensures that the school is purchasing energy at the most competitive prices available.*
178. *All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).*

Fraud

179. *The trust does not tolerate fraud. Where instances of fraud are found the Chief Financial Officer, CEO or Chair of the Board will notify the ESFA, and keep appropriate records for the incident reported.*

VAT

180. *LWCET is not VAT registered, as such it completes a monthly VAT 126 return to HMRC.*
181. *LWCET maintains VAT records on Access system. All members of the School finance team are responsible for accurately recording the VAT on each financial transaction with proper evidence for audit trails.*
182. *The Finance Manager is responsible for submitting the monthly VAT return to HMRC.*

Asset register

183. *All items purchased with a value over the academy's capitalisation limit of £5,000 must be entered on the fixed asset register with a combination of the following details:*
- *asset description*
 - *asset number*
 - *serial number (where applicable)*
 - *date of acquisition*
 - *purchase cost*
 - *source of funding (% of original cost funded from grant and % funded from other sources)*
 - *expected useful economic life*
 - *depreciation*
 - *current book value*
 - *location*
 - *name of member of staff responsible for the asset*

183a *Depreciation:*

Asset Class	Depreciation Method and rate
<i>Furniture, Fixtures and Fittings</i>	<i>20% straight line</i>
<i>Computer Equipment</i>	<i>33% straight line</i>

184. *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*
- *support insurance claims in the event of fire, theft, vandalism or other disasters*

185. *Examples of items to include on the asset register include:*

- *ICT hardware and software (including licences)*
- *Reprographic equipment – photocopiers, comb binders, laminators*
- *Office equipment – telephones, switchboard, shredders*
- *Furniture*
- *AV equipment – TVs, video/DVD players, projectors, cameras, speakers*
- *Cleaning equipment – vacuum cleaners, polishers*
- *Catering equipment – ovens, fridges, dishwashers, food processors*
- *Technology equipment – sewing machines, craft machinery*
- *Premises equipment – lawn mowers, power tools, generators*
- *Other equipment – musical instruments, PE equipment*
- *Mini buses*
- *Buildings*

Security of assets

186. *All the items in the register are permanently and visibly marked as LWCET's property.*
187. *Equipment is, where possible, stored securely when not in use.*
188. *An annual asset check is undertaken by the Trust Finance Manager. Where discrepancies between the physical check and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Finance Risk and Audit Committee via the Chief Finance Officer.*

Disposals

189. *Items which are to be disposed of by sale or destruction must be authorised for disposal by the Chief Financial Officer/Finance Manager.*
190. *LWCET must seek the approval of the ESFA in writing if it proposes to dispose the freehold of land or buildings or heritage assets.*
191. *LWCET must ensure that the disposal achieves the best price that can be reasonably obtained and maintains the principles of regularity, propriety and value for money.*
192. *All disposals must be retrospectively reported to the Finance Audit and Risk Committee .*

Loan of Assets

193. *Items of school property must not be removed from school premises without the authority of the Headteacher. A record of the loan must be logged and booked back into the school when it is returned.*

194. *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 LW CET's auditors.*