

# **St Thomas Aquinas Catholic Multi-Academy Trust**

## **Financial Procedures and Policies**

**Includes policies for:**

- 1) Investments**
- 2) Debt management**
- 3) Competitive tendering**
- 4) Gifts**
- 5) Anti-fraud, Bribery and Corruption**
- 6) GAG Pooling Appeals**

**Approved by the full Board: 23 September 2024**

**Next formal review: by September 2025**

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## 1.0 Introduction

- 1.1 The purpose of this manual is to ensure that the St Thomas Aquinas Catholic Multi- Academy 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 Secretary of State for Education.
- 1.2 All Trust staff must comply with the principles of financial control outlined in the Academy Trust Handbook. This manual expands on the Handbook and provides detailed information on the Trust's financial procedures and policies. All staff with financial responsibilities, including staff involved in ordering and/or procuring goods and services are required to read and comply with this manual.
- 1.3 Breaches of Trust financial procedures or policies will be reported to the Head teacher. A summary will be reported to the Trust's CEO (Accounting Officer) and Audit and Risk Committee. Serious or repeated breaches could result in disciplinary action being taken.
- 1.4 The terms 'School' and 'Academy' are used throughout this document, which both have the same meaning. The Department for Education (DfE) should be read to include any DfE executive agencies.

### **What's changed since the previous version?**

Section 1.4	Clarified that references to the DfE will include any executive agencies that are part of the DfE.
Throughout	Removed references to the Education Skills and Funding Agency (ESFA) and replaced with the DfE. This is due to the DfE announcing the ESFA will be closing down and all functions transferring to the DfE by March 2025.
Section 6.11	Amended salary advances text to clarify where an advance will be made.
Section 6.12	Amended text on overpayments to update the process of recovery where an employee has left the employment of the Trust.
Section 11.23	Updated the public sector procurement thresholds to latest values.  Removed previous section 11.35 that referred to NRCDES bookshop, as the bookshop no longer is in operation.
Section 11.48	Updated to reflect that finance leases are now permissible in limited circumstances.

## 2.0 Financial Planning

2.1 The Trust prepares a 3-year budget. The budget setting dates will be confirmed each year and will follow the pattern below:

Month	Activity
January to February	Initial budget for following year (and future years) updated with latest data (e.g. pupil numbers, grants, staffing).
March	DfE funding known for following year and actuals updated into the budget plan.
April	Continue to work with Schools for any staffing changes (following resignations) to keep planned budget up-to-date.
May	Draft budgets finalised for the following year and sent to the Finance & Estates Committee for review.
June	Finance & Estates Committee review to challenge budgets.
July/August	Trust Board meets and approves final budgets. Budgets submitted to the DfE (via Budget Forecast Return).
August/Sept	New year budgets uploaded to PS Financials
September to December	Review of prior year outturn, and late staffing changes, and start preparation for following year.

### Budget principles

2.2 The Trust pools all GAG funding, with the following costs included in a pooled budget:

- People costs
- IT Hardware & Common Licences
- Premises & Estates costs
- Main Insurances
- Professional Services
- Marketing & Public Relations

2.3 Each school will have a Local Discretionary Budget (LDB) which is determined after the pooled budget has been set. The LDB will also include specific ringfenced grants, self-financing activities and fundraising.

2.4 The Board must approve the budget prior to it being submitted to the Department for Education (DfE).

2.5 The annual budget will reflect the best estimate of the resources available for the forthcoming year and will detail how those resources are to be utilised.

2.6 The budgetary planning process will incorporate the following elements:

- Forecast of the likely number of pupils to estimate the amount of GAG (updated to reflect the actual allocation when funding statements are issued in March).
- Latest estimate of other DfE funding e.g. Pupil Premium, Sports Premium, Universal Infant Free School Meal Funding or other specific funds
- Latest estimate of Local Authority funding e.g. Nursery Funding, Special Educational Needs Funding
- Review of other income sources available to the School
- Review of past performance against budgets
- Identification of potential efficiency savings

- Review of the School's staff, using a curriculum led financial planning approach
- Review of the main expenditure headings in light of the plans, objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
- Any unspent grants from the previous financial year

- 2.7 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. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need in accordance with the Trust's priorities.
- 2.8 If there is a significant departure from the anticipated budget this will be escalated to the Finance and Estates Committee as part of the monthly management accounts procedure.
- 2.9 The approved budget is entered onto the finance system by the start of the new financial year.

### **Other Government Funding**

- 2.10 In addition to GAG funding from DfE, the Trust may be awarded specific funding for other projects. This funding may be from the Department for Education (DfE) or a Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and (where required) externally audited.

### **Other Grants and specific funding**

- 2.11 In addition to the GAG funding from the DfE and other government funding, the School/Trust may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. 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.
- 2.12 The Central Finance Team is responsible for ensuring that income and expenditure for each grant is recorded accurately.

### **Budget Virements**

- 2.13 The Board will monitor the Trust's income and expenditure against the original budget set. No budget virements are permitted to the original budget unless approved by the Board.
- 2.14 For local management and forecasting purposes, a 'live' budget will be kept that enables budgets to be refreshed based on latest information.

### **Revenue Reserves**

- 2.15 Any surplus funds at the end of the year are held in reserve to be used on Trust priorities (apart from ringfenced grants which will be treated per the grant terms and conditions, and where a school has been fundraising/received specific donations for a project).
- 2.16 The Trust undertakes to ensure that it maintains a contingency reserve equivalent to at least 18 days operating expenditure.

**Capital Reserves**

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

2.18 It is the responsibility of the Finance Director to keep accurate records of the capital funds, especially where grants have been received for capital projects.

**Budget Forecast Return**

2.19 The approved budget must be submitted to the DfE by the deadline set each year. The Finance Director will establish a timetable each year, which allows sufficient time for the approval process and ensures that the submission date is met.

## **3.0 Monitoring and Audit**

### **Monitoring and review (including management accounts)**

- 3.1 The Central Finance Team prepare monthly management accounts. The report will include:
- Actual income and expenditure against budget (for the month and to-date)
  - Balance sheet
  - Cash flow forecast
  - Explanations for material variances
  - Key performance indicators and performance against these
- 3.2 The monthly management accounts are sent to the Accounting Officer, Finance and Estates Committee and the Chair of Board. A copy is also put on 'Trust Governor' that all Board Directors can access. Latest management accounts will be discussed at every Board meeting.

### **Internal Audit**

- 3.3 Internal auditors are appointed in accordance with the Academy Trust Handbook.
- 3.4 The Audit and Risk Committee will work with the Internal auditors to prepare an annual audit schedule that will provide assurance to the Accounting Officer and Directors that the Trust's financial management systems and controls are robust. Internal auditors will be required to produce a summary report at the end of the year that will be submitted to the DfE.

### **Review of Regularity**

- 3.5 Where significant breaches of the Trust financial procedures or policies are identified, a letter/e-mail setting out the breach will be sent to the relevant Head teacher. A summary of breaches will be reported to the Accounting Officer and reported to the Audit and Risk Committee at each meeting.
- 3.6 The Accounting Officer has delegated the following responsibilities to the Finance Director:
- adherence to tendering policies
  - review of transactions, confirming they are all in line with the delegated authorities as set out by the Academy Trust Handbook
- 3.7 The Accounting Officer will complete a checklist annually that reviews regularity to inform the Accounting Officer's statement of regularity in the annual accounts.

### **Annual Accounts**

- 3.8 The Trust must prepare annual audited financial statements for the accounting period to 31 August that comply with the DfE Academies Accounts Direction requirements.
- 3.9 The accounts are submitted in line with DfE requirements or as follows (whichever is later):
- by 31 December - to the DfE
  - by 31 January - published on the Trust's website
  - by 31 May - to Companies House

### **Value for money**

- 3.10 As part of the annual accounts the Accounting Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources.

- 3.11 Value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received. Examples will be collated of how the Trust has provided value for money during each academic year and where value for money can be improved.

#### **External Audit**

- 3.12 External auditors are appointed by the Trust Members in accordance with the Academy Trust Handbook.
- 3.13 The Finance Director 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.
- 3.14 The external Auditor's management letter and any other recommendations will be discussed by the Audit and Risk Committee and an action plan put in place to deal with any issues raised.

#### **Work undertaken during accounting period**

- 3.15 The Central Finance Team is responsible for the following tasks, to be undertaken during the year to facilitate a smooth audit process:
- reviewing the structure of the trial balance
  - maintaining a fixed asset register
  - depreciation charges
  - maintaining income and expenditure records (including filing of invoices)
  - reviewing aged debtors for any provisions required
  - maintaining a record of Local Governors/Trustees' interests, related and connected party transactions
  - control account reconciliations (bank, wages, debtors, creditors)
  - monitoring & reporting to the Accounting Officer and Board of Directors

#### **Work undertaken for the year end**

- 3.16 The Finance Director is responsible for the following tasks, some of which may be delegated to a Finance Manager, to be undertaken at the end of the year to facilitate a smooth audit process:
- schedule of prepayments and accruals
  - control account reconciliations (bank, wages, debtors, creditors, VAT)
  - close down of the purchase ledgers
  - close down of the Sales ledgers and aged debtors
  - pension valuations
  - Pension Audit

#### **Accounts Return**

- 3.17 The Trust must prepare an annual accounts return for the accounting period to 31 August, which is submitted to the Trust by the set deadline.

#### **Document Retention**

- 3.18 Documents are retained electronically for the following amount of time:
- Finance records – current year plus preceding 6 years
  - Payroll and travel records – current year plus preceding 6 years



### **Accounting System**

- 3.19 All the financial transactions of the Trust must be recorded into PS Financials (the Trust's computerised financial accounting system). This system is maintained daily by the Central Finance Team.
- 3.20 PS Financials comprises the following modules:
- PS Accounting
  - PS Online (for raising purchase orders)

### **System Access**

- 3.21 Access to the accounting system is password restricted to members of the Central Finance Team. School staff and budget holders are granted access to PS Online.

### **Back-up Procedures**

- 3.22 PS Financials data is stored off site on a cloud server and backed up daily to multiple cloud servers.

### **Transaction processing**

- 3.23 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.
- 3.24 All journal entries are authorised by the Finance Officer, Finance Manager or Finance Director.
- 3.25 Bank transactions are imported from the Lloyds Commercial Banking platform by the Finance Officer or Finance Manager and reconciled to the cashbook.

### **Transaction reports**

- 3.26 The Central Finance Team review the following system reports to ensure that only regular transactions are posted to the accounting system:
- management accounts summarising expenditure and income against budget
  - reports for the payroll, purchase ledger and sales ledger

### **Reconciliations**

- 3.27 The Finance Manager is responsible for ensuring the following reconciliations are performed by each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account
  - purchase ledger control account
  - payroll control account
  - VAT control account
  - all suspense accounts
  - bank balance per the nominal ledger to the bank statement
- 3.28 The bank reconciliation is signed by the Finance Director or Finance Manager as evidence of review. Any unusual or long outstanding reconciling items are brought to the attention of Finance Director and dealt with according to the bad debt limits in this manual.

## **4.0 Cash Management and Payments**

### **Bank Accounts**

- 4.1 The Trust will operate a single central bank account for all its Schools, unless it is agreed by the Board to have additional accounts. Lloyds Bank is currently used by the Trust.
- 4.2 Subject to the provisions in the Investment Policy, the Finance Director has delegated authority to open higher interest accounts that are linked to the current account. Opening accounts with a different bank/financial institution will require approval from the Board.
- 4.3 The following procedures must be followed when opening a bank account and operating it:
- the Finance Director is responsible for selecting the banking institution and negotiating the terms and conditions
  - the opening of any new bank accounts must be approved by the Board
  - the Finance Director 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. The Accounting Officer will ensure this takes place where the Finance Director changes).
  - Bank signatories will be agreed by the Accounting Officer and Finance Director
  - the Trust will not have any overdraft facility
  - the Trust must ensure there are sufficient funds to cover day to day operations
  - blank cheques must not be signed
  - no cheques may be drawn for cash unless expressly authorised by the Finance Director.

### **Deposits**

- 4.4 Schools are responsible for paying their cash and cheques into the Trust's bank account. Deposits can be made at a Lloyds Business Banking Hub or via security courier. Small deposits can be made at any branch of Lloyds.

### **Process for Deposits using a Security Courier**

- 4.5 Notes, coins and cheques are processed separately and must be placed in their own security courier outer bag; ie all cheques in one bag, all notes (and small oddments of coin) in another and bulk coin in a third. Each bag will need its own paying-in slip (BGC).
- 4.6 Place cheques, add-list, pre-printed paying-in slip (BGC) and Customer Identification Ticket in the security courier outer bag and arrange for it to be addressed to BULK CHEQUE PROCESSING and sent to the address on the Customer Identification Ticket.
- 4.7 Place cash and the pre-printed paying-in slip (BGC) in the security courier outer bag and arrange for it to be addressed to 'Notes' address. All notes and any coins which do not make up a full bag of coin can be put together in the bag for the Cash Processing Centre.
- 4.8 Place coins and the pre-printed paying-in slip (BGC) in the security courier outer bag and arrange for it to be addressed to 'Coins' address. Only full bags of coin can be sent to this address. Each outer bag will need its own paying in slip. For example, if you have £1,000 in £1s after a non-uniform day, this should be sent in 2 bags of £500 in £1s with each bag having its own paying in slip.
- 4.9 Any discrepancies will be managed by the Central Finance Team.

### **Lloyds Bank Stationery**

- 4.10 A stock of paying in books (BGCs), multidenominational coin bags and Lloyds Customer Identification Ticket (for cheques) will be held by the Central Finance Team. The Outer Bags should be requested from the security courier company.

### **Addresses for cash and notes:**

Notes	Coventry Cash, Stonebridge Highway Industrial Estate, Rowley Drive, Coventry, CV3 4FG
Coins	Coventry Coin, Unit 1, Blackburn Road Industrial Estate, Longford Road, Coventry, CV6 6LQ
Cheques – (see address on Customer Identification Ticket)	LBG ICS Scheme, Intelligent Processing Solutions Limited, Blaise Pascal House, 100 Pavilion Drive, Brackmills, Northampton, NN4 7YP

- 4.11 Coins, notes and cheques must be placed in separate bags with a paying in slip in each bag as they will be processed separately, this includes coin outer bags.
- 4.12 Schools must scan the completed paying in slip and submit electronically with the Income Banking Record spreadsheet (that identifies the nominal code / cost centre) to the Central Finance Team within 5 working days of cash/cheques being banked.
- 4.13 The Central Finance Team is responsible for updating the accounting system for all deposits placed.

### **Payments**

- 4.14 All payments from the Trust bank account must be approved by two of the following authorised signatories:
- Accounting Officer
  - Finance Director
  - Finance Manager
  - Finance Business Partner
  - Business Services Director

### **Reconciliations**

- 4.15 The Central Finance Team ensures bank statements are received regularly and that reconciliations are performed at least monthly. Reconciliation procedures must ensure that:
- All bank accounts are reconciled to the Trust's cash book
  - reconciliations are reviewed and signed off each month by a Finance Manager or Finance Director
  - adjustments arising are dealt with promptly

### **Multi-Pay Cards**

- 4.16 Multi-Pay Cards are to be used only when it is not practical to use the purchase order system, or if it is not possible to order from another source. The standard card limit will be agreed with each card holder.
- 4.17 Cards must only be used for official School business. No personal purchases are permitted. Alcohol must never be purchased. Gifts for staff must never be purchased. Irregular card use will result in cards being de-activated, the card holder required to repay the irregular expenditure and possible disciplinary action.

- 4.18 The cards must be treated in the same way as personal credit/debit cards (e.g. stored in purse/wallet) or stored in a safe and only used by the named card holder. Card holders must comply with the card issuers terms and conditions.
- 4.19 A log must be maintained that shows the date of transactions, the supplier, what the card has been used for, the amount spent, the cost centre and nominal codes to be charged. The log will need to be signed off by the card holder and then reviewed and approved by the Head teacher (where the Head teacher is the card holder, it must be reviewed and approved by someone else, for example the Deputy Head, Office Manager, or central team Manager/Director). VAT receipts for all purchases must be submitted with the log.
- 4.20 The log must be submitted electronically with scanned receipts by the 5th working day of the month (or other deadline notified by the central finance team). Card holders must retain the scanned electronic file and hard copy receipts for 12 months. The central finance team will retain the electronic copy of the log and receipts for 7 years.
- 4.21 On a monthly basis the purchase receipts will be reconciled to each entry on the Multi-pay card statement.
- 4.22 Multi-pay cards must not be used for withdrawing cash unless explicit permission is sought in advance from the Central Finance Team. Personal loyalty points or rewards must not intentionally be collected on any official Trust purchases.
- 4.23 Lost cards must be reported as soon as possible to the Central Finance Team.
- 4.24 The card balance will be automatically paid in full each month.
- 4.25 Card holders will be required to sign an annual declaration agreeing to these terms of using the card.

#### **Fuel / Corporate cards**

- 4.26 A multi-pay card may not be appropriate in some circumstances. Instead, a bespoke fuel or specialised corporate card can be used. Where these are used, the central finance team must approve the card and have access to on-line account(s) where available.
- 4.27 Receipts should be scanned and submitted to the central finance team each month. The central finance team will reconcile receipts to the statement(s)/invoice(s) and enter transactions to the finance system.

#### **BACS Payments**

- 4.28 On receipt of an invoice, the 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
  - funds are available in the relevant budget
  - VAT chargeability on qualifying expenditure is shown
- 4.29 If there is a variance to the purchase order of greater than 5%, the invoice will require re-approval.

- 4.30 Once authorisation has been received, the finance team will process the invoice for payment and attach evidence of the authorisation to the invoice on PS Financials (unless captured as part of the PS Purchasing workflow).
- 4.31 The payment run is then prepared using PS Financials and immediately uploaded to the bank's online payment portal.
- 4.32 The bank account details are then checked on the Bank portal for:
- any new supplier payments
  - any payments over £5,000
  - 5 other payments, chosen at random
  - all staff expenses
- 4.33 Once checks have been undertaken, the payment run is submitted for approval by two account signatories.

#### **VAT**

- 4.34 The Trust is VAT registered. VAT is recovered on Trust non-business expenditure, per the provisions in the Finance Act 2011 (VAT Act 33B) and reclaimed electronically from HMRC each month. VAT is added to sales invoices where appropriate.
- 4.35 A partial exemption calculation will be undertaken (due to the Trust making both taxable and exempt supplies) and applied to the HMRC claim.
- 4.36 The Trust maintains VAT records on PS Financials. All members of the Central Finance Team are responsible for accurately recording the VAT on each financial transaction.
- 4.37 The Finance Officer is responsible for preparing the monthly VAT return for review by the Finance Manager.

## 5.0 Investment Policy

- 5.1 The purpose of the Investments Policy is to set out the processes by which Trustees will meet their duties under the Academy's Articles of Association and Academy Trust Handbook issued by the DfE to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.
- 5.2 The Academy's Articles (5Cm) gives Trustees the power "to deposit or invest any funds of the Company not immediately required for the furtherance of its Objects (but to invest only after obtaining such advice from a financial expert as the Directors consider necessary and having regard to the suitability of investments and the need for diversification)."
- 5.3 The Finance Director is responsible for producing cash flow forecasts as a basis for recommending investment decisions that comply with this policy and for providing sufficient management information to the Finance and Estates Committee so it can review and monitor investment performance.
- 5.4 The investment objectives are:
- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
  - Only invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn.
  - By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.
- 5.5 Professional advice will be sought before any investment decision is taken (other than when investing in deposit accounts where there is no risk of capital being reduced due to adverse investment conditions). Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.
- 5.6 For selection, the proposed institution will be subject to some due diligence. This could be by way of assessing a credit rating (where available), length of time the institution has been operating and/or reviewing key ratios that apply to the banking sector (e.g. ratio of loans to deposits, ratio of total capital to regulatory capital).
- 5.7 To manage the risk of default, deposits should be spread by only using Prudential Regulation Authority (PRA) banking institutions who are authorised by the Bank of England by having the Financial Conduct Authority (FCA) £85,000 protection.
- 5.8 Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the Finance Director. The cash flow forecasts will take account of the annual budget and spending plans approved by the Trust Board and updated on a monthly basis.
- 5.9 A sufficient balance must be held in the current account so that the Trust's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

- 5.10 Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Trust.
- 5.11 Investments that are judged to be novel, contentious and/or repercussive will require DfE prior approval.
- 5.12 The Trust has authorised signatories, two of which are required to sign instructions to the deposit taking institution.
- 5.13 The Finance Director will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance and Estates Committee at appropriate intervals, depending on the terms of the investments.

## **6.0 Payroll**

### **Staff Appointments**

- 6.1 All new temporary or permanent appointments (and supply/agency in lieu of an employed contract) must be entered onto the Trust's recruitment system and have relevant Executive Team prior approval.
- 6.2 The HR Team will process new appointments and update the Trust's HR and Payroll system and a 'change log' (or equivalent) that is used by the payroll team to action new appointments. The log (or equivalent) will also be used to update the budget planning software by the Central Finance Team.

### **Payroll Administration**

- 6.3 Payroll is administered through the Trust's Payroll and Pensions Team. The Payroll and Pensions Team provide a payroll function to the three Trusts across the Nottingham Roman Catholic Diocese. This is on the basis of shared cost rather than a bought-in service.
- 6.4 All staff will be paid monthly through the Trust's HR and Payroll system and no payments for salary will be made outside of payroll. A personnel record is maintained for each employee on the HR and Payroll system 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
- 6.5 Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee via the HR and Payroll system (or separate form where the system facility is not in use). The school authorises overtime on the HR & Payroll system (or where not in use, a summary form is completed with total claims per person, including the reason and that budget is available. The form is approved in school before being submitted to payroll for processing. HR and Finance are copied in for awareness.)

### **Payroll payments**

- 6.6 Before payments are processed, system generated reports will be reviewed and checked for reasonableness by the Trust's HR and/or Central Finance Team. Payroll will be signed off each month by the Finance Director unless delegated to another Trust official.
- 6.7 All salary payments are made by BACS.
- 6.8 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.
- 6.9 After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control accounts and to individual cost centres. The Central Finance Team will review the payroll control account each month to ensure the correct amount has been posted.



- 6.10 Payroll data is uploaded to the Trust's budget planning software by the Central Finance Team to compare budgeted costs to actual. Variances will be investigated.

### **Salary advances**

- 6.11 Advances to salary will only be agreed when an error has been made by the Trust calculating substantive pay. Advances will not be made for overtime or additional hours worked with payments being made on the next available pay run. If, however, overtime or additional hours were submitted and approved per Trust processes and deadlines but not paid, a salary advance can be requested. Salary advances will be fully recovered from the next available pay. All advances must be approved by the HR Manager and Finance Manager or Finance Director. A log of salary advances is kept by the Finance Manager to ensure that advances are repaid.

### **Salary overpayments**

- 6.12 Where a member of staff has been overpaid, every effort must be made to correct payroll records and recover the overpayment from the member of staff. As soon as an overpayment has been identified the following actions should be taken:

#### **Existing and on-going member of staff:**

- HR to notify the employee of overpayment and that payroll records will be corrected at the next available opportunity. By default, the salary overpayment will be recovered in full at the next available opportunity.
- Where recovering the overpayment at the next available opportunity would cause financial hardship, a salary advance can be provided and repaid over an agreed period of time (per salary advances above).

#### **Ex-member of staff**

- HR/Payroll to notify Finance the reason for and amount of the overpayment.
- Finance to notify the ex-employee of the overpayment and request repayment via invoice.
- The Trust's debt process should be followed where debts are not paid.
- Finance to notify payroll when overpaid amounts have been received so pension/PAYE records can be updated (if not already done).

### **Severance payments**

- 6.13 Severance payments may be paid to employees, outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. Severance payments must not be made to staff with poor performance. The Trust is able to self-approve the non-contractual element of severance payments up to £50,000.
- 6.14 Where the non-contractual element is £50,000 or more, prior approval from DfE must be sought.
- 6.15 The staff severance form must be completed for all payments to record the amount of payment, how amounts have been calculated, reason and process followed.

### **Ex- gratia payments**

- 6.16 Any ex-gratia payments must be submitted to DfE for prior approval and made in line with the Academy Trust Handbook.

## **7.0 Income and Gift aid**

### **Grants**

- 7.1 The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored by the Central Finance Team and any variance from the published payment schedule are investigated to ensure that all grants due to the Trust are collected.

### **Other Cash/Cheque Income**

- 7.2 Cash must be counted by 2 people, and receipts provided (except for fundraising events). It must be banked intact (i.e. no deductions made to pay expenses). Records must be maintained and signed off by the person counting the cash and an independent verifier.
- 7.3 All cheques and cash must be banked regularly to ensure the maximum cash held at any point in time is less than £5,000.
- 7.4 Disbursements must not be made from cash received. Paying-in slips must state the deposit amount and a reference to the receipt/debtor etc. A copy of the paying in slip with the income log must be submitted electronically to the Central Finance Team within 5 working days of the income being banked.
- 7.5 Change must never be given when payment is made by cheque.

### **Gift aid**

- 7.6 The Trust is able to claim gift aid on qualifying donations from individuals. Gift aid will be credited to the School that received the donation. Schools must ask donors to complete a Gift aid declaration form and for this to be submitted to the Central Finance Team.
- 7.7 To ensure the Trust receives all the monies it is entitled to, the Central 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.
- 7.8 The Central Finance Team will maintain a log of eligible donations and the Gift aid claimed. Claims will not be made until confirmation of receipt of the donation has been received.

## **8.0 Trips and 'Optional Extras'**

### **Trips**

- 8.1 Trips should be run at cost price, although allowance can be made for administrative costs. If a trip has an underspend after taking into account all costs, the balance can be put towards subsidising other trips assuming parents have been notified of this in advance. Schools can subsidise relevant trips either by use of grants (if permitted by grant terms and conditions) or the local discretionary budget.
- 8.2 A form that sets out details of the trip must be completed and submitted to the Central Finance Team. There are two forms – one for trips within the UK and another for overseas.
- 8.3 On receipt of the form, the Central Finance Team will set up a trip record on PS Financials to capture all associated income and expenditure and budgets will be entered. Where income is received in advance or deposits for trips paid in advance, these will be recorded on the balance sheet and released to the trip account in the month of the trip.
- 8.4 A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.

### **Non-curriculum-related Trips**

- 8.5 If a trip has no educational value and not part of the national curriculum, then a mandatory charge can be made to cover all the costs being incurred.

### **Charges & Remissions**

- 8.6 Please refer to the separate policy for Charges and Remissions.

## 9.0 Lettings

- 9.1 All lettings should comply with the Trust's Premises Hire Policy. Where it is agreed that School premises can be hired out to a third party, the Trust's Central Finance Team will raise a formal invoice on behalf of the School. The invoice request form should be completed with enough notice to enable the hirer to make an advance payment 10 days before the date of hire (unless alternative payment terms have been agreed). If payment is not confirmed by the due date, the hirer will be contacted to check if payment has been made, and if payment is not confirmed the letting should be cancelled. An example letter is included in Annex 1 to send to hirers.

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### Lettings process:

1. School completes form to raise an invoice, to include the date of letting.
  2. Central Finance Team raises invoice making clear when the invoice is due to be paid by.
  3. Central Finance Team to check if payment has been received by due date.
  4. If payment has not been received, the Central Finance Team will contact the hirer to check if payment has been made. If payment cannot be verified, the school will be notified and advised to cancel the letting.
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- 9.2 For short-notice lettings, the hirer should be asked to pay the appropriate fee by via on-line bank transfer in advance of using the school premises (quoting the School's 3 letter pre-fix). Or a formal invoice could be raised with immediate payment terms cited.
- 9.3 For regular on-going lettings, payment arrangements need to be agreed on a case-by-case basis. For example, the hirer could set up a regular standing order. The principle of advance payment still stands, and if payment in advance is not received the letting should be cancelled.
- 9.4 The Trust has a direct debit facility through Go Cardless and card payment facilities through Stripe. This is the preferred method to collect payments for lettings and will be promoted as such. Where there is agreement to collect lettings income via Direct Debit, the central finance team will generate the direct debit request which will automatically inform the individual/organisation of the amount that will be collected and by when.
- 9.5 Where a direct debt facility has been agreed the risks of non-payment are less and, in these circumstances, payment can be collected after the letting or per other agreed terms. Direct Debits are covered by the Direct Debit Guarantee.

## **10.0 Debt Management and Policy**

- 10.1 The Trust will always pursue recovery of amounts owed to it and will only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor, the trust's insurers, or the risk protection arrangement, and should be satisfied there is no feasible alternative the policy and procedures for debt collection.
- 10.2 There are two types of debt chasing:
- Central Finance Team – will chase automatically where a formal invoice has been raised on PS Financials.
  - School – will initially chase where a formal invoice has not been raised. For example, parental debts for meals/clubs. Debt chasing can be escalated to the Central Finance Team if necessary.
- 10.3 Where voluntary contributions have been requested for a trip or activity, Schools can send out polite reminders but need to bear in mind there is no obligation for voluntary contributions to be paid. Parents must not be made to feel pressured into paying voluntary contributions. Schools must not chase such contributions as though they are debts, and the processes set out here will not apply. Schools should make clear at the outset what will happen if insufficient voluntary contributions are made (for example the activity or trip cancelled).
- 10.4 The Trust may use the small claims court to recover debts owed where our chasing process has been exhausted. This includes all types of debt including school meals, trips, before and after school clubs, sale of uniforms/equipment and hire of premises.
- 10.5 For parental debts, parents and carers should be aware that when there is an outstanding debt at school, access to other services e.g., before and after school activity clubs could be removed until the debt is cleared (at Head teacher discretion).

### **Lettings**

- 10.6 If lettings are paid in advance, or via Direct Debit, debts should not arise. However, in cases where a letting has taken place and a debt remains, the debt collection process will be followed (annex 2)

### **School meals**

- 10.7 Children should not normally be provided with a school lunch unless it is paid for in advance (except for those children entitled to Free School Meals and/or Universal Free School Meals).
- 10.8 If a parent or carer genuinely forgets to pay, the school may grant a debt allowance of up to one week (at Head teacher discretion). However, this debt must be paid by the end of the week or at latest on the Monday of the following week. All future meals must be paid for in advance before any more meals are provided.
- 10.9 If the debt is not cleared, parents and carers must provide a packed lunch or make arrangements for a home lunch. In a case when a debt payment is not received nor a packed lunch provided, the school office should phone the parent or carer asking them to come to school with the money/pay via cashless systems, provide sandwiches before lunch time or collect their child(ren) for a home lunch.

10.10 If parents and carers make no attempt to clear the debt or provide a packed lunch for their child(ren), the Head teacher (or delegated official) should make contact one final time to seek resolution/understanding of the issue before stating the debts have been referred to the Trust's central team that could lead to a debt case being lodged with the small claims court.

10.11 The Head teacher has discretion to override or extend the debt process if there are sufficient mitigating circumstances.

### **School trips**

10.12 Where a trip is taking place during the school day for educational or curriculum purposes, there is no obligation for parents to pay, and therefore debts must not be chased. Schools can request voluntary contributions and send polite reminders, but ultimately if insufficient voluntary contributions are made a decision would need to be taken to subsidise the trip from School funds or to cancel it. Board and lodgings fees can be chased for overnight trips, with the exception of parents entitled to certain benefits.

10.13 If per the Charging & Remissions Policy a charge can be made, parents can be sent reminder letters and the debt process followed.

### **Optional Extra's**

10.14 Parents and carers who are having trouble paying for a chargeable service offered by the school should inform the school office immediately. In most circumstances a payment plan can be agreed to help parents clear their debt to the school as soon as possible. Large debts left unpaid should be escalated to the Trust to consider small court claim proceedings.

### **Small claims court / further action**

10.15 If the School/Trust is informed (via an electronic service) that a debt is in 'breathing space', all action to pursue the debt must cease immediately and the [regulations](#) on breathing space will be adhered to.

10.16 At least 14 days' notice will be formally given to those owing money before court action is instigated.

10.17 If a debt is owed by a Trust employee, the employee's contract of employment will be reviewed and where possible amounts owed deducted from their salary.

10.18 The small claims court can be used to request payment for monies owed up to £10,000. A form needs to be completed in order for the claim to be considered by the court and there are fees that will need to be paid. If the case is 'won' the fees might be able to be claimed back.

Claim amount	Fee (as at 12.9.24)
Up to £300	£35
£300.01 to £500	£50
£500.01 to £1,000	£70
£1,000.01 to £1,500	£80
£1,500.01 to £3,000	£115
£3,000.01 to £5,000	£205
£5,000.01 to £10,000	£455

10.19 Interest can also be claimed, and the Central Finance Team will calculate this. School or Trust representatives might have to go to a court hearing if the other person or business (the 'defendant') denies owing the money and we disagree with their response.

10.20 We can request the court to order the business or person who owes money to pay if they:

- do not respond to our claim
- admit they owe the School but do not pay

10.21 If payment is still not made, the Trust can ask the court to take further steps to collect the money - for example, by using bailiffs. Careful consideration would need to be taken before this action is instigated.

#### **Bad Debts / Write-off**

10.22 Where the debt process has been exhausted and it becomes clear a debt will not be paid, a bad debt will arise and it will need to be written off. The following write-off limits apply:

<b>Debt write-off amount</b>	<b>Delegated decision maker</b>
£0 - £500	Finance Director
£501 - £1,000	Accounting Officer
£1,001 - £5,000	Finance and Estates Committee
£5,001 - £44,999	Board of Directors
£45,000 and above	Education and Skills Funding Agency

## 11.0 Competitive Tendering Policy

11.1 The Trust is committed to ensuring that:

- Trust funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook;
- Trust funds are used in a way that commands broad public support;
- Value for money (economy, efficiency and effectiveness) is achieved;
- Directors fulfil their duties and responsibilities as charitable Trustees and company directors

11.2 The Trust 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 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

11.3 Orders must always be placed on PS Purchasing where a Purchase Order number is generated and the required quotes and approvals are captured. Those placing orders need to clearly state whether they wish PS Purchasing to automatically send the order to the supplier, or whether they will send the order themselves (quoting the Purchase Order number).

11.4 Where the purchase order is not automatically sent, the order originator **must** ensure that approval has been given before placing the order.

11.5 There are some exceptions to placing orders onto PS Purchasing. Examples (non-exhaustive) are:

Example	Comment
Catering costs	If it is impractical to place an order in a timely manner to not disrupt daily school meals
Energy costs	It is impractical to place orders for energy and water
Leases	Leases have a specific approval and set up process and therefore do not also require a Purchase Order number (as often leases are for multiple-years)
Direct debits	Where a direct debit has been set up (for example refuse collection) it is likely to be impractical to place orders.

11.6 Orders must not be placed when using the Multi-pay card, or claiming via expenses.

11.7 Where a Purchase Order has not been raised, invoices will need to be manually approved in line with the thresholds set out in this policy.

11.8 On receipt of goods/service the School must undertake a check of the goods received and complete the Goods Received Note (GRN) on PS Purchasing. Discrepancies should be discussed with the supplier of the goods without delay.

11.9 All invoices should be sent directly to the Central Finance Team to reduce payment delays. Invoices received by Schools should be scanned and submitted to the Central Finance Team without delay. Do not retain invoices where there are problems. Where there is a problem with the invoice/goods/service,



please discuss with the Central Finance team as invoices can be put 'in dispute' which prevents payment until the dispute has been resolved.

11.10 Invoices will be matched to the purchase order and invoice details recorded by the Finance Team into PS Purchasing.

11.11 All invoices are paid by BACS (unless a supplier will not accept this method of payment, in which case a cheque can be written).

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

### **Roles and responsibilities**

11.13 Board of Directors (Trustees):

- Spending decisions represent value for money;
- The Trust's funds are used in a way that commands broad public support;
- Relevant professional advice (such as an external auditor) is used, where appropriate;
- Goods or services provided by individuals or organisations connected to the Trust are provided at no more than cost;
- Nobody connected to the Trust, directly or indirectly, uses their connection to the Trust for personal gain;
- Where any Trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) show that they had no influence on the decision.

11.14 Chief Financial Officer (Finance Director)

- Ensuring appropriate financial governance and risk management arrangements are in place;
- Inspecting the business declaration of interests registers for conflicts in procurement;
- Procurement compliance and oversight.

11.15 Business Services Director

- Overseeing best value in procurement;
- Overseeing and supporting competitive tendering and framework agreements for high value purchases;
- Managing Trust procurement for schools where best value can be obtained via group purchases.

11.16 Head Teacher and School based staff

- Ensuring that the purchase thresholds and procurement processes detailed in this policy are followed by budget holders;
- Ensuring that orders are raised on the financial management system where it is appropriate for a commitment to be recorded;
- Ensuring that best value is obtained when procuring goods and services

### **Purchase thresholds**

11.17 When determining thresholds, the value over the life of the contract or for the full scope of works must be used. Where a contractor is required to attend site with less than 48 hours' notice to deal with an urgent health and safety matter, a verbal price for any call out and hourly charges (if appropriate) must be agreed between the School and the supplier.

- 11.18 Recurrent stock orders for cleaning, paper, curriculum and office supplies should be placed with suppliers where the Trust has agreed ongoing annual discounts, for example ESPO.
- 11.19 Budget holders must check affordability from delegated budgets before goods are purchased and seek advice from the Central Finance Team if needed. A check can be made at the time of ordering by clicking on the 'check budget' function in PS Purchasing.
- 11.20 A warning will be displayed if a purchase order is raised where there is insufficient budget. If staff ignore the warning without first consulting with the Central Finance Team, the system security may be increased to prevent orders being placed where there is insufficient budget.
- 11.21 Proposed purchases of any value that could be novel, contentious or deemed an irregular use of public funds must be referred to the Finance Director for prior approval. Alcohol must not be purchased. Gifts for staff must not be purchased.
- 11.22 Purchases of any value with a related or connected party will require additional authorisation from the Central Finance Team.

#### **UK Public Contracts Regulations Thresholds (correct as at 12 September 2024)**

- 11.23 If it is estimated that the cost of a contract is above the UK Public Contracts Regulations thresholds in the table below, the Government's Find a Tender service will be used (unless procuring through an approved public sector buying organisation/framework, who will comply with these regulations).

<b>Procurement type</b>	<b>Threshold (inclusive of VAT)</b>
Works contracts	£5,372,609
Goods and services contracts	£214,904

#### **Framework agreements**

- 11.24 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 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.
- 11.25 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 recorded on the procurement compliance form.

## Procurement Authorisation Thresholds

11.26 The table below outlines the value of purchases/contracts and the **cumulative** authorisation required. For example, a purchase order valued at £10,500 would require the Head teacher/delegated budget manager **and** the Central finance team manager **and** the Finance Director to approve.

Value	Quotes	Comment	Authorisation required
£0 - £2,000*	1	Best value should be obtained and alternative quotes sought where appropriate. However, there is no absolute requirement to obtain multiple quotes.	1. Head teacher or delegated budget manager
£2,001 - £5,000	1	Best value should be obtained and alternative quotes sought where appropriate. However, there is no absolute requirement to obtain multiple quotes.	1. Head teacher or delegated budget manager 2. Central finance team manager
£5,001 - £10,000	2	Two written quotes must be obtained.	1. Head teacher or delegated budget manager 2. Central finance team manager
£10,001 - £20,000	2	Two written quotes must be obtained.	1. Head teacher or delegated budget manager 2. Central finance team manager 3. Finance Director
£20,001 - £40,000	3	Three written quotes must be obtained.	1. Head teacher or delegated budget manager 2. Central finance team manager 3. Finance Director
£40,001 - £50,000	3	A tender process must be followed, with a minimum of three written quotes.	1. Head teacher or delegated budget manager 2. Central finance team manager 3. Finance Director
Over £50,001	3	A tender process must be followed, with a minimum of three written quotes.	1. Head teacher or delegated budget manager 2. Central finance team manager 3. Finance Director 4. Trust Board Director

\*Schools can determine whether to delegate some responsibility for lower-value purchases to another budget holder. For example, the Office Manager could approve up to £1,000 and the Head teacher also approves for expenditure between £1,001 - £2,000.

11.27 Where an individual contract exceeds the tender threshold and a tender process not followed, an explanation will be included on the procurement compliance form.

## Orders up to £40,000

11.28 In the first instance a supplier should be chosen from the list of approved suppliers listed on PS Purchasing. 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 a new supplier form must be completed and submitted to the Central Finance Team.

## **Amazon / Ebay / Costco**

11.29 There are some suppliers which don't easily fit into our procurement rules. Examples are listed below.

<b>Supplier</b>	<b>Comment</b>
Amazon.co.uk	The Trust has a business account with Amazon.co.uk. Staff must not make purchases via personal accounts as they may not be re-imbursed (unless exceptional circumstances apply).
Ebay	The Trust does not currently have a business account. Please discuss making a purchase from Ebay with the Central Finance Team to find an acceptable purchase method.
Costco	Trade memberships should be applied for, and not personal individual membership.

## **Procurement / Tender Exceptions**

11.30 There will be occasions where it is not practical or beneficial to run a full tender process despite the threshold being exceeded. Examples include (non-exhaustive):

- specialist software / software (or other goods/service) that meets the specific needs of the School/Trust and only provided by one supplier
- when schools are being gradually moved to a single supplier for a contract
- when contracts are agreed at individual school level, and individually below the tender threshold

11.31 Where an individual contract exceeds the tender threshold and a tender process not followed, an explanation will be included on the procurement compliance form.

11.32 The approval table in section 11.26 does not apply for payroll payments or payments to HMRC or pensions providers, as these are covered via separate authorisation rules.

11.33 Some trips are provided by specific travel companies that specialise in Catholic or school trips, or from trusted suppliers who have passed previous risk assessments. It is therefore it is not always practical or desirable to obtain multiple quotes. In these circumstances, justification will need to be provided for not obtaining quotes in line with the policy.

11.34 Some building improvements are staged over a period of time based on affordability. In these cases, it may be preferential to use the same supplier throughout (who will also then use same materials) rather than obtaining fresh quotes each time. Again, justification will need to be provided for not obtaining quotes in line with the policy.

11.35 Purchases from the Nottingham Catholic Youth Service are deemed a related party transaction and are subject to a competitive tendering process/open and fair procurement. However, the Youth Service and the associated Briars Residential Centre for school trips is bespoke for the Nottingham Catholic Diocese. There are no other similar centres or service within the Diocese. As such, it is not possible to run a competitive tendering process/obtain alternative quotes. Purchases of any value from the Youth Service are exempt from the tendering/alternative quotes requirement.

## **High value orders over £40,000**

11.36 The Trust's Business Services Director is responsible for the procurement of all construction works and non-construction service contracts of over £40,000 (unless alternative arrangements have been agreed).

11.37 The Trust will make high-value purchases without a framework only in rare circumstances. When this does happen, we will use the process below.

	Task	Further information
A	Create a specification	a specification document will set out what suppliers need to understand what we are looking to buy, including the quality, quantity and delivery date
B	Assess the market	we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers
C	UK Public Sector Thresholds	Review whether UK public sector procurement thresholds will be met.
D	Develop a service level agreement (SLA) if appropriate	an SLA sets out the standards of service expected from a supplier. Some suppliers may have their own SLAs, which the Trust will consider using on a case-by-case basis
E	Develop a contract	a contract will include terms and conditions, a contract management plan and an exit strategy
F	Reduce the number of bids	to reduce the number of bids the Trust needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire
G	Establish how quotes will be assessed	we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification, and is the most economically advantageous tender that best combines cost and quality
H	Create a timeline for the tender process	this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract
I	Prepare an invitation to tender	<p>this should include:</p> <ul style="list-style-type: none"> <li>• A covering letter with a timeline for the process</li> <li>• Instructions on how suppliers can ask clarification questions and submit their tender</li> <li>• The specification</li> <li>• A pricing schedule</li> <li>• Any SLA requirements</li> <li>• The contract's terms and conditions</li> <li>• Contract management requirements</li> <li>• Award criteria, including the scoring system and any weightings</li> <li>• If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services</li> </ul>

	Task	Further information
J	Advertise the contract	the contract will be advertised where suppliers are likely to look, such as: <ul style="list-style-type: none"> <li>Find a Tender – this is a requirement if the contract is over the UK public sector procurement threshold</li> <li>Local or national newspapers</li> <li>Education publications or websites and trade magazines</li> </ul>
K	Run the tender process	provide clarifications where required
L	Evaluate tender responses	at least 2 people will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept
M	Notify suppliers	award the contract
N	Finalise contract	advertise the award if the contract was advertised in Find a Tender
O	Abandoning the tender process	on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible.

### Procurement compliance

11.38 For orders over £5,001, the procurement compliance form must be completed and submitted to the Central Finance Team with the chosen quote. There is no requirement to submit other quotes, but these must be retained for audit purposes per the document retention policy.

11.39 The procurement compliance form will enable justification to be provided where alternative quotes were not obtained in line with this policy.

### New suppliers

11.40 Where a new supplier is requested, the Central Trust team will:

	Task	Responsibility
1	Check there are no other suitable suppliers already available	Purchaser to review
2	Check the supplier exists and review publicly available information on the supplier from Companies House / Charity Commission. For example, reviewing latest accounts to understand financial strength.	Finance Asst / Officer
3	Review customer ratings on sites such as 'Trustpilot' to check there are not significant concerns raised by other purchasers	Finance Asst / Officer
4	Reach a conclusion as to whether the supplier becomes approved for use within the Trust.	Finance Asst / Officer
If conclusion is to set the supplier up, the following tasks are undertaken		
5	Bank details supplied are verified	Finance Asst / Officer
6	Tax status is checked for any supplier that does not have a company/charity number or Unique Taxpayer Reference number (UTR).	Finance Asst / Officer

	Task	Responsibility
	For suppliers that fail the above tests, the <a href="#">‘HMRC employment status for tax’</a> assessment must be completed to determine the tax status and whether they should be paid via payroll.	
7	If applicable, VAT status is checked (check VAT number)	Finance Asst / Officer
8	Supplier set up on PS Financials (assuming all tests above completed). The Finance Assistant/Officer is not permitted to set up a new supplier unless the process above has been followed.	Finance Asst / Officer
9	School notified that supplier is now available for use	Central Finance Team

### Trading with related parties

11.41 All Directors and Local Governors must declare their business and pecuniary interests on Trust Governor. Staff must declare (each year) their business and pecuniary interests on a separate online form. Member, Director, Local Governor and Accounting Officer’s interests are published on the Trust’s website.

11.42 The Trust must pay no more than ‘cost’ for goods or services provided to it by related or connected parties (‘services’ do not include services provided under a contract of employment).

11.43 The Trust must ensure that any transaction with a connected individual/organisation is:

- properly procured through an open and fair process,
- Supported by a statement of assurance from that individual or organisation that their charges do not exceed the cost of the goods or services,
- On the basis of an open book agreement including a requirement for the supplier to clearly demonstrate, if request, that their charges do not exceed the cost of supply.

11.44 The Trust’s register of interests must capture relevant business and non- pecuniary interests including:

- directorships, partnerships and employments with businesses
- Trusteeships and Local 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

11.45 No Director, Governor, Staff member or related individual or organisation is permitted to use their connection to the Trust 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 the Trust.

11.46 The Trust must report all transactions with related parties to the DfE in advance of the transaction taking place, using the DfE’s on-line form.

11.47 Fundraising (where money has been raised externally by pupils/staff/parents) for related charities (e.g. CAFOD) are outside the scope of the DfE advance declaration process.

### Leasing

11.48 All leases must be assessed by the Central Finance Team prior to signing. The Finance Director (or nominated delegate) must sign lease agreements. Finance leases are permitted in limited circumstances, and the Finance Director must be consulted if a finance lease is being considered. Professional advice will be sought for complex lease arrangements.

11.49 Frameworks (such as Crown Commercial Services, Public Sector Buying Organisations, Church Marketplace) must be considered for any lease as these could represent better value for money and consistency across the Trust.

11.50 A Trust lease log will be maintained that records all leases and future commitments.

11.51 To set up a new\* lease, the following process must be followed:

	Task	Responsibility
A	New lease form completed that captures the key requirements for the lease. Form submitted to the Business Services Director.	School
B	Frameworks considered, quotes obtained and a lease vs buy assessment undertaken (not required for photocopier leases)	Business Services Director
C	A check to make sure the finance provider for the lease is a member of the FLA	Business Services Director
D	Lease paperwork assessed and tested to make sure it is not a Finance Lease	Central Finance Team
E	Lease signed	Finance Director
F	Supplier set up, direct debits arranged	Central Finance Team
G	Lease log updated	Central Finance Team

\*(not required for rolling leases / leases that are renewed on the same terms with the same company)

## Contracts

11.52 The Trust may secure the provision of some services or arrangements under formal contracting arrangements. These contracts may be for a period of more than one year but apply for a maximum of five years and may relate to potential expenditure commitments and income streams arising. Maintenance agreements, leasing or rental agreements shall also be covered by such contract definition. Signature of such agreements/arrangements must include the Finance Director (or nominated delegate).

11.53 The Business Services Director is required to ensure that formal tender arrangements are applied at least every five years, unless it can be clearly demonstrated that:

- a the supply and/or service is still appropriate to the Trust's needs and
- b that relevant market testing has revealed no material financial penalty for not pursuing formal tender arrangements and
- c that a change in supplier would necessitate a material capital or other investment (e.g. purchases of specific ICT equipment or implementation/consultancy services.)

OR

- d that the supply is demonstrably only available from one specialist supplier
- e where it is impractical to award a variation to works that an existing supplier is contracted for.

11.54 New contracts must be recorded on the Trust's contracts log, and a copy of the contract stored electronically.



11.55 Those negotiating contract arrangements must declare any potential or actual conflict of interest (including operational arrangements) to the Finance Director and must not be involved in the contract decision.

#### **Insurance**

11.56 The Trust will use the DfE's Risk Protection Arrangement for its core insurance cover. However, commercial alternatives will be periodically reviewed.

11.57 Specialist insurance (for example: Minibuses, trips, staff absence) not covered in the Trust's standard insurance arrangements can be obtained on an individual School basis. Where it is clear several Schools require the same insurance, the Trust will look to group insurance to reduce costs.

## **12.0 Expenses (for claiming back Trust business related expenditure)**

### **Staff re-imbursements**

- 12.1 All purchases must be made via purchase order or multi-pay card where possible and re-imbursement of staff should not be the norm. Where it is not practical to make a purchase via purchase order or multi-pay card, staff can be re-imbursed for purchases up to £20. Re-imbursements above £20 will need to be agreed in advance by the Central Finance Team.
- 12.2 Personal loyalty points or rewards must not intentionally be collected on any official Trust purchases.
- 12.3 A claim form must be completed and authorised by the Head teacher prior to being submitted to the Central Finance Team (with VAT receipts) within 1 month of the expenditure being incurred. Where the Head teacher is the claimant, someone else in the School will need to approve the claim (for example, a Deputy head, or Office Manager). The Central Finance Team will review the claim for regularity and compliance with these procedures prior to inputting onto PS Financials for payment.

### **Staff Travel and Subsistence Expenses**

- 12.4 The Trust has a separate policy for reclaiming travel, subsistence and other expenses.

### **Directors/Local Governors Expenses**

- 12.5 St Thomas Aquinas Catholic Multi-Academy Trust acknowledges the role of Directors and Local Governors in maintaining the strong Catholic ethos, setting the strategic direction and monitoring the performance of the Trust. Although the role is voluntary, the Trust has a facility for Directors and Local Governors to be reimbursed for expenditure which they may incur in the course of their duties.
- 12.6 The expenses which may be claimed are summarised below:
- Travel expenses
  - Subsistence expenses
  - Childcare and baby-sitting expenses
  - Governor assistance
  - Miscellaneous expenses
- 12.7 All claims submitted for payment must be supported by a valid receipt.
- 12.8 The following is a list of activities that the Trust has deemed an 'Approved Duty' for the purpose of claiming expenses under this policy:
- Properly convened meetings of the Trust and Local Governing Bodies
  - Other duties designated by the Trust or Local Governing Body, e.g. acting as a member of a panel convened for recruitment, disciplinary, pay or other approved reason
  - Attendance at a meeting or conference approved by the Local Governing Body
  - Local Governors' formal visits to the School will qualify.
- 12.9 It should be noted that casual visits to the Trust Schools by any Director or Governor will not qualify for payment under this policy.

## 13.0 Gifts Policy

### Gifts (receiving)

- 13.1 Ordinarily gifts should be rejected, unless they are of negligible value. However, any gifts or hospitality in excess of £25 must be reported to the Central Finance Team using the [online form](#). This is particularly important where the person receiving the gift has the ability to influence purchasing decisions.

### Gifts (giving)

- 13.2 The Academy Trust Handbook references gifts in section 5.32:

5.32	... When making gifts, the trust must ensure the value is reasonable, is within its scheme of delegation, the decision is documented, and achieves propriety and regularity in the use of public funds.
Propriety	Dealing with expenditure and receipts in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance.
Regularity	Dealing with income and expenditure in accordance with legislation, the funding agreement, the handbook, and the trust's internal procedures. This includes spending public money for the purposes intended by Parliament.

### Staff Gifts (giving)

- 13.3 Trust funds must not be used for any gifts for staff. 'Trust funds' includes any money that flows through the official Trust accounts / bank account. Schools are not permitted to have 'school fund', 'private' bank accounts or equivalent.
- 13.4 School staff could choose to have a voluntary scheme in place where contributions are made on an ad-hoc or regular basis to a separate staff fund. This fund must not be under the control of the School or Trust and careful consideration needs to be given to ensure staff are clear that it is not a School fund (and there are no lines of responsibility to the School's management or Trust).
- 13.5 If a fund (as described above) is set up, and staff are clear what they are contributing towards, then the public sector rules do not apply and gifts/flowers/cards etc. can be purchased from the fund.
- 13.6 Equally, the rules do not apply to funds such as "parents and friends' associations" / "parent and teacher associations". These are usually administered by volunteers and are not under the control of the School or Trust. If the association rules permit, they would be able to use their funds for the giving of gifts.
- 13.7 Schools must be very careful and be completely transparent to distinguish between funds that are for the school (and therefore must be paid into the Trust's bank account) and those raised by staff for a staff fund or associations fund raising. If money that donors expect to have been given to the school is paid into a separate bank account, it could lead to serious allegations of fraud or theft with potential police action.

### Volunteer Gifts (giving)

- 13.8 The Trust Board recognises the valuable work volunteers undertake within Trust Schools. Token gifts are permitted for people or groups who have undertaken voluntary work in a School. The decision to provide

a gift would be made by the Head teacher, who must ensure there is local discretionary budget available for the gift.

13.9 The Academy Trust Handbook does not provide an amount as to what is 'reasonable' for gifts. The Board have agreed that token gifts must not exceed £25 in value, and must be recorded on a central register via an on-line form ([volunteer gift declaration](#)).

13.10 When determining the type of gift to purchase, Head teachers must consider wider public perception. Suitable gifts could include paying to present a piece of work undertaken by students (e.g. framing some art) or a gift voucher. Alcoholic gifts must never be given.

13.11 There are sometimes occasions where a school may want to give a gift to a volunteer / charity in lieu of fees that exceeds £25. An example is a volunteer music group giving an all-school performance. To get a group might ordinarily cost over £100, and in this instance a higher gift may be warranted. Head teachers must take advice from the Trust's CEO or Finance Director before making any gifts greater than £25.

### **Student Rewards**

13.12 Student reward vouchers / gift cards are permitted. When making purchases, the purchase documentation must clearly show they are student rewards. Full records must be kept as to which students receive a gift voucher / gift card and may be requested by internal audit, external audit or the central finance team. Any unused vouchers or cards must be securely retained in a safe and can be used for future student rewards.

### **Monitoring**

13.13 The central finance team will be monitoring all expenditure that appears to be a gift and will query where insufficient information has been provided as to what the expenditure is for, or where the [volunteer gift declaration](#) has not been completed. Where expenditure takes place that does not comply with this policy and guidance, the individual responsible will be required to re-pay costs incurred to the Trust.

## 14.0 Anti-Fraud, Bribery and Corruption Policy

- 14.1 Fraud, bribery, corruption, or other dishonesty, would adversely affect the Trust's reputation and put at risk its ability to achieve its objectives by diverting resources from the provision of education for the students.
- 14.2 The purpose of this policy is to confirm the Trust's commitment to preventing and detecting fraud, bribery and corruption.
- 14.3 The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:
- False representation
  - Failure to disclose information where there is a legal duty to do so
  - Abuse of position
- 14.4 The Act also created four new offences of:
- Possession of articles for use in fraud
  - Making or supplying articles for use in fraud
  - Obtaining services dishonestly
  - Participating in fraudulent business
- 14.5 Definitions of Fraud, Theft, Bribe and Corruption are:

Term	Definition
Fraud	The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain. [The Chartered Institute of Public Finance and Accountancy (CIPFA)]
Theft	A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it. [1968 Theft Act]
Bribe	A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity. [The Chartered Institute of Public Finance and Accountancy (CIPFA)]
Corruption	The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers.

- 14.6 There are various Bribery offences, including offering or accepting a bribe (Sections 1 and 2 of the Bribery Act 2010), bribing or attempting to bribe a foreign official (Section 6) and being a commercial organisation failing to prevent bribery (Section 7). While the Trust is not a 'commercial organisation' for its normal activities, it is still considered appropriate for it to have regard to Guidance relating to the Bribery Act.
- 14.7 The term "fraud" is used throughout this policy. For the purposes of this document the term also includes theft, bribery and corruption.
- 14.8 The Trust expects all Directors, Local Governors, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. The seven principles are:

- **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- **Integrity** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties
- **Selflessness** - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends
- **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit
- **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
- **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
- **Leadership** - Holders of public office should promote and support these principles by leadership and example.

## Responsibility

14.9 The Trust aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses.

14.10 The Trust is responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Trust's interests are safeguarded, including its reputation.

14.11 Risk is managed through the existence and application of appropriate policies and procedures. The wide range of procedures in place to minimise the risk of fraud constitute a major part of the system of Internal Control, which is designed to ensure the Trust and Schools conduct business properly and effectively and completes its transactions fully, accurately, and properly.

14.12 The responsibility for anti-fraud arrangements is widely dispersed. Directors have to give clear support to the arrangements. The Executive Team, Head Teacher and Local Governing Bodies must provide strong leadership by advocating the Trust's arrangements and supporting strong action when these are ignored.

14.13 The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the Trust's policy can be undermined by a culture that does not apply the public standards and supporting procedures routinely on a day-to-day basis.

14.14 Maintaining appropriate arrangements, continually advocating them, and taking robust action where they are not applied all help to build the right underpinning culture.

## Key Procedures and Controls

14.15 The following key procedures and controls operate within the Trust:

- The Trust has an effective Anti-Fraud, Bribery and Corruption Policy, and maintains a culture that will not tolerate fraud, bribery or corruption;
- Directors, Local Governors and employees comply with respective Codes of Conduct;

- Risk Management procedures are in place;
- A Register of Interests is maintained to enable Directors, Local Governors and employees to record any financial or non-financial interests that may bring about conflict with the Trust's interests;
- A Register of Gifts and Hospitality is maintained to enable Directors, Local Governors and employees to record gifts and hospitality either received, or offered and declined, from contractors and suppliers;
- Confidential Reporting (Whistle blowing) procedures are in place;
- Suitable and enforced financial and contract procedure rules are in place;
- There are robust recruitment and selection procedures;
- There are clear and active disciplinary arrangements;
- Sanctions are pursued against those who commit fraud, bribery and corruption.

14.16 The Trust maintains a continuous overview of its arrangements for managing the risk of fraud. A regular review of the Policy is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.

14.17 The Trust expects that the individuals and organisations with which it deals (e.g. partners, suppliers, contractors, and service providers) will act with integrity and without thought or actions involving fraud, bribery and corruption. Where relevant, the Trust will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

14.18 In assessing the effectiveness of its arrangements, the Trust will monitor the extent to which:

- key personnel are trained in detecting and investigating fraud,
- identified incidents are investigated,
- perpetrators are robustly dealt with,
- the Executive responds to identified weaknesses in its systems and controls,
- there is any trend in incidents experienced,
- perpetrators are prosecuted,
- recovery of losses is sought.

## **Audit**

14.19 The Audit and Risk Committee and internal audit procedures are a key element of the Trust's control system. Internal audit carries out a risk-based series of audits designed to assess the Trust's identification and management of fraud risks. The external audit team provides an independent appraisal of the integrity of all internal control systems.

14.20 External and Internal Auditors will plan and conduct their work so that they will have a reasonable expectation of detecting material financial irregularities including fraud and breach of the Financial Regulations. However, neither external nor internal audit are required to search specifically for irregularities and fraud and their audit should not therefore be relied upon to disclose them.

## **Raising concerns**

14.21 It is the responsibility of the Directors, Accounting Officer, Head Teacher and employees to prevent and help detect fraud, bribery and corruption. In high-risk areas specific controls aimed at preventing and detecting frauds will be in place.

- 14.22 Local Governors, the Accounting Officer and Finance Director have a duty to inform the Board of Trustees and the Audit and Risk Committee of any potential fraud, bribes, corruption or other suspected irregularities.
- 14.23 The Finance Director will ensure that a log is maintained of all reported incidents within the Trust which will be reported to the Directors. Any incidents above £5,000 will be reported to the DfE.
- 14.24 A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer also has the responsibility to report all findings to the Audit and Risk Committee.
- 14.25 It is often the alertness of employees and the public that enables frauds to be detected. In accordance with the Whistleblowing Policy, any member of staff with any concerns about the Trust or its Schools' activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible in certain circumstances. In these cases, contact should be made with the Chair of the Trust or the Audit and Risk Committee; the Accounting Officer or the Finance Director as appropriate. Concerns may also be raised with the Trust's External Auditor.
- 14.26 All concerns, reported by whatever method, will be treated in confidence and will be reviewed and investigated by the person deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concern raised, that concerns are investigated by the Trust, internal audit or in the case of very serious concerns, the External Auditor, DfE or the Police.



## 15.0 Fixed Assets

### Asset register

15.1 All items purchased with a value over the Trust's capitalisation threshold of £5,000 (and meet the definition to be capitalised) must be entered on the fixed asset register with the following details (where applicable):

- asset description
- 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

15.2 Assets purchased that are under the capitalisation value should still be recorded on an asset log at each School. Maintaining a log 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
- support insurance claims in the event of fire, theft, vandalism or other disasters

15.3 Examples of items to include on the asset log include:

- ICT hardware and software
- Reprographic equipment, for example photocopiers, comb binders, laminators
- Office equipment, for example telephones, switchboard, shredders
- Furniture
- AV equipment, for example TVs, projectors, cameras, speakers
- Cleaning equipment, for example vacuum cleaners, polishers
- Catering equipment, for example ovens, fridges, dishwashers, food processors
- Technology equipment, including sewing machines, craft machinery
- Premises equipment, for example lawn mowers, power tools, generators
- Other equipment for example musical instruments, PE equipment

### Security of assets

15.4 All the items in the register should (where practical) be permanently and visibly marked as the Trust's property.

15.5 Equipment should (where possible) be stored securely when not in use.

15.6 Physical assets may be checked as part of periodic or focussed internal audit arrangements.

### Disposals

15.7 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Director, and in the first instance check that there is not a need for the asset elsewhere in the Trust.

- 15.8 The Trust must seek the approval of the DfE in writing if it proposes to dispose the freehold of land or buildings or heritage assets.
- 15.9 The Trust must ensure that the disposal achieves the best price than can be reasonably obtained and maintains the principles of regularity, propriety, and value for money. Particular care should be given if employees purchase assets to ensure that the best price is being obtained.
- 15.10 Ebay can be used to dispose of assets. The Central Finance Team will need to arrange a business account before assets can be disposed of using Ebay and agree a minimum selling price based on the asset value.

#### **Loan of Assets**

- 15.11 Items belonging to the Trust are for Trust business use only and must not be loaned out for non-Trust business unless approved by the Head teacher.
- 15.12 Where approval is given, a log must be kept that shows the asset being loaned and record when it has been returned.
- 15.13 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 External Auditors.

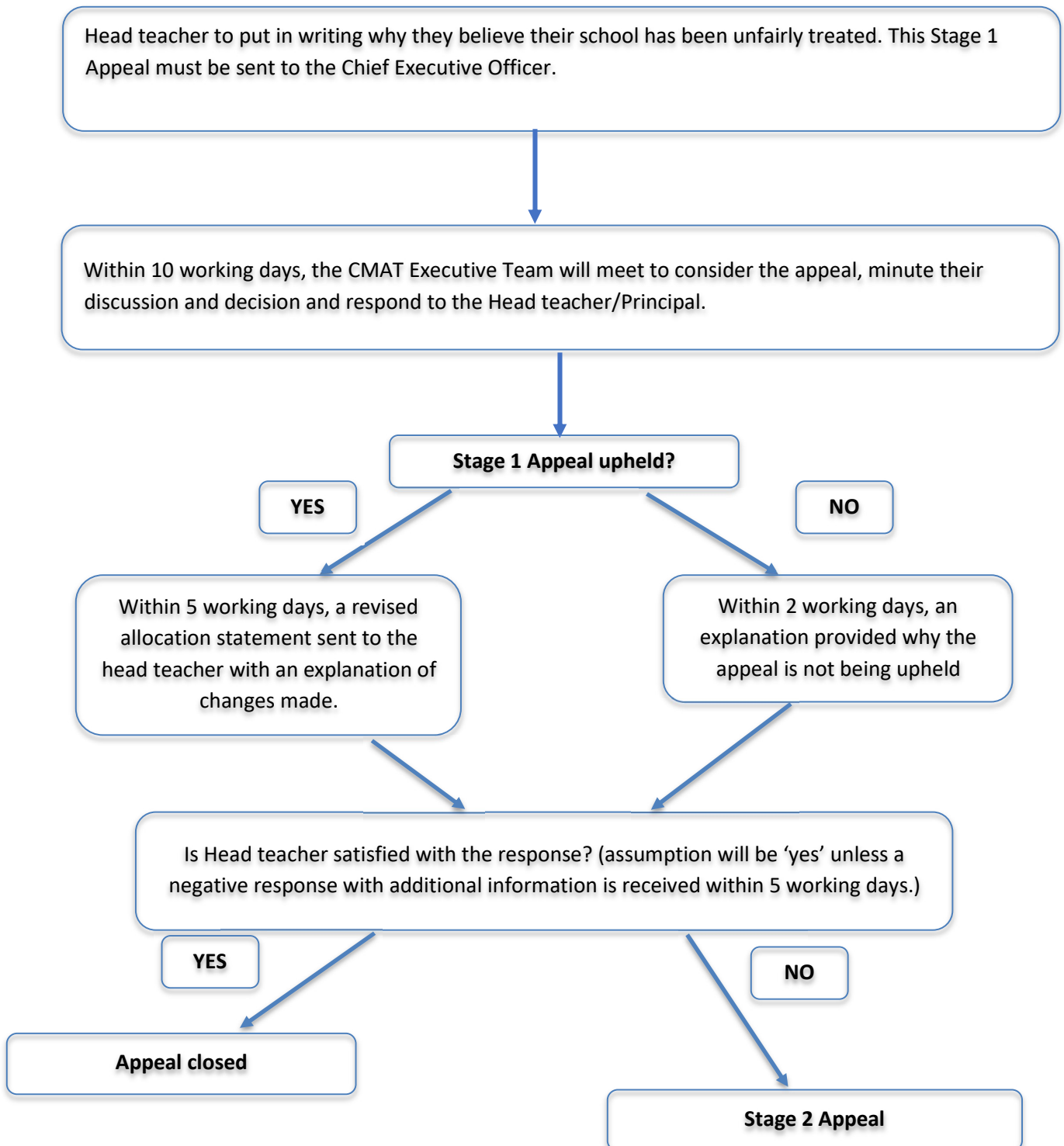
## **16.0 GAG Pooling Appeals**

- 16.1 The Trust will operate its GAG pooling arrangement openly and transparently, using nationally recognised and promoted benchmarks and metrics. In the unlikely event a Head teacher / Principal believes the funding/resource allocation has resulted in unfair treatment of their school, an appeal can be made.
- 16.2 Although not a requirement, it is hoped a formal appeal would only be made after informal discussions have failed to resolve issues. Any informal discussion will be between the Head teacher/Principal, the Chief Executive Officer and the Finance Director.
- 16.3 Should the informal discussion not reach a satisfactory conclusion, the formal appeal will be heard in (up to) three stages:
  - 16.3.1 at Stage 1 the Head teacher/Principal's appeal will be formally considered by the CMAT Executive Team; if this does not resolve the appeal:
  - 16.3.2 Stage 2 will be considered by the CMAT Trust Board (delegated to a committee thereof); if this does not resolve the appeal:
  - 16.3.3 Stage 3 will involve the Head teacher/Principal appealing directly to the DfFE, whose decision will be final. NB the DfE will not, in most cases, consider an appeal unless it has been through Stages 1 and 2 first. See 'Appeals Process' flowchart in below.

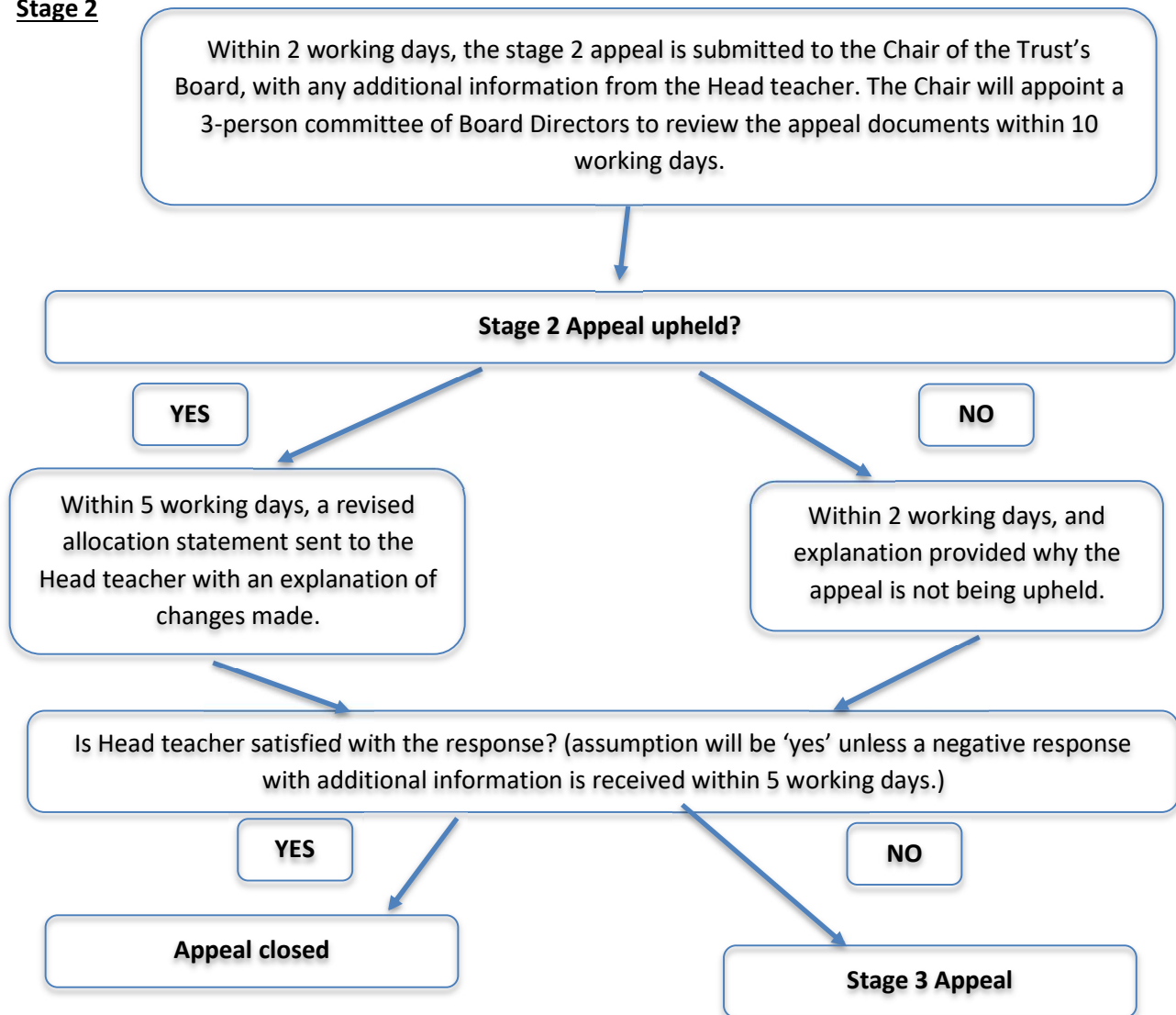
## GAG Pooling Appeals Flowchart

If informal discussions have not resolved concerns, the following process must be followed:

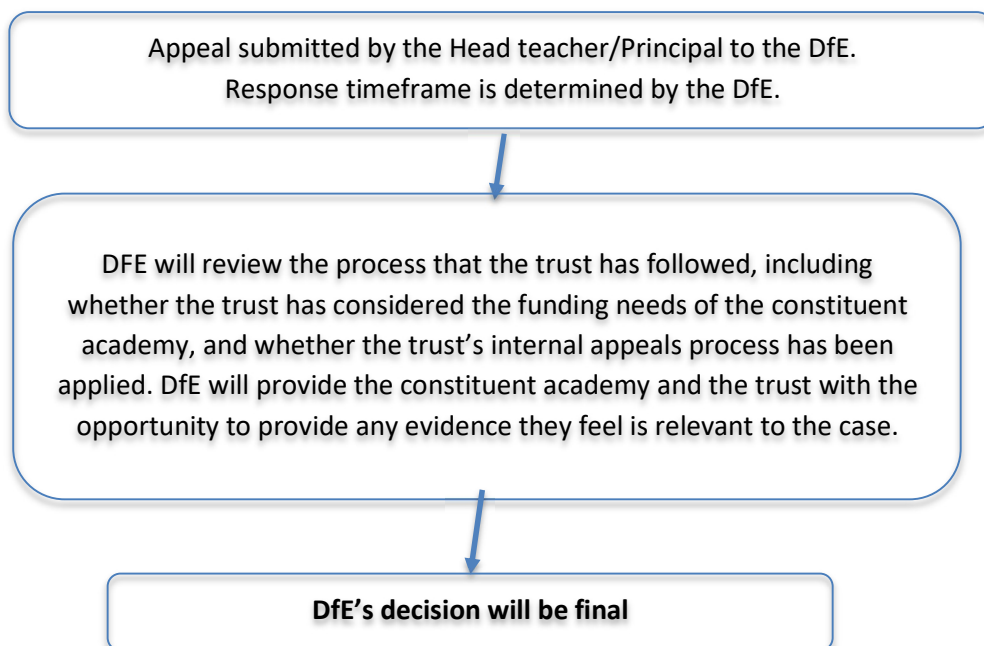
### Stage 1



## Stage 2



## Stage 3



## Annex 1 – Debt Letters

**NOTE: These are example letters that will need to be put onto relevant letter headed paper and tweaked for individual circumstances / re-worded depending on circumstances. For example, if parents owe money for trips, meals and clubs then one combined letter could be sent.**

### Central finance team – Stage 2 letter

Dear xxxxxxxxxxxxxxxx

OVERDUE ACCOUNT - INVOICE NUMBER(S): XXXX [include amounts and due dates].

According to our records, we have not received payment for the invoice(s) above. Please can you arrange to make payment by [insert date – no more than 5 working days]. If you believe payment has been made or if you have any queries, please contact me on [insert phone number] to discuss.

Yours sincerely

xxxxxxxxxxxx

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### Central finance team – Stage 3 letter

Dear xxxxxxxxxxxxxxxx

OVERDUE ACCOUNT - INVOICE NUMBER(S): XXXX [include amounts and due dates].

Further to my letter dated [enter date], our records still indicate we have not received payment for the invoice(s) above. If we have not had any response after 14 days [state date], we will start small claims court action to recover the debt owed. If you believe payment has been made, please telephone me urgently on [xxxxxx] to discuss.

Yours Sincerely,

Xxxxxxxxxxxxxxxx

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### Letter to cancel a letting

Dear xxxxxxxxxxxxxxxx

#### HIRE OF SCHOOL BUILDING CANCELLATION

The school hire of premises policy requires advance payment before any lettings take place. Unfortunately, I have been notified by my Trust's central finance team that payment does not appear to have received for your upcoming hire on [insert date]. If you believe you have paid, please can you urgently contact our central finance team on [xxxxxxx] quoting [invoice number]. If confirmation of payment is not received by [insert date in advance of letting] we will automatically cancel your booking.

Yours sincerely

Xxxxxxxxxxxxxxxx

**Stage 3 - School meals legal action referral letter – please do not send unless you’ve discussed with the Finance Director.**

Dear xxx

Re: School meals outstanding balance £xxx

Despite our previous requests for school meals payment, the amount owing remains outstanding. If you believe payment has been made, please contact the school office urgently. If payment is not received by [insert date – 5 working days], I will be passing details of amounts owing to our Multi-Academy Trust who will provide 14 days’ notice for you to respond before they start legal proceedings.

Unless debts are cleared and advance payment made, please can you send a packed-lunch with your child each day, or arrange to pick them up to have lunch at home.

I trust that such action will not prove necessary and look forward to receiving your payment in settlement of your account.

[set out how payment can be made – e.g. via cashless / cash to school]

Yours sincerely

Xxxxx

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**Stage 3 - School trips (non-curriculum) legal action referral letter – please do not send unless you’ve discussed with the Finance Director.**

Dear xxx

Re: School trip balance outstanding £xxx

Despite our previous payment requests for the trip to [xxxxxxxxxxx], the amount owing remains outstanding. If you believe payment has been made, please can you contact the school office urgently. If payment is not received by [insert date – 5 working days’ notice], I will be passing details of amounts owing to our Multi-Academy Trust who will provide 14 days’ notice for you to respond before they start legal proceedings.

Your child(ren) may also not be permitted to join any future non-curriculum paid-for trips or attend any other paid-for activities (such as before/after school clubs) unless full payment is received in advance.

I trust that such action will not prove necessary and look forward to receiving your payment.

[set out how payment can be made – e.g. via cash less / cash to school]

Yours sincerely

Xxxxx

**Stage 3 - School clubs / music tuition legal action referral letter – please do not send unless you’ve discussed with the Finance Director.**

Dear xxx

Re: [xxx club / music tuition] balance outstanding £xxx

Despite our previous payment requests for your child(ren) attending the [xxxxx club] / having music tuition, the amount owing remains outstanding. If payment is not received by [insert date – 5 working days], I will be passing details of amounts owing to our Multi-Academy Trust who will provide 14 days’ notice for you to respond before they start legal proceedings.

Your child(ren) may also not be permitted to join any future paid-for trips or attend any other paid-for activities (such as before/after school clubs) unless full payment is received in advance.

Please can you ensure you do not drop your child(ren) off at school before [enter time] and pick them up by [enter time].

We trust that such action will not prove necessary and look forward to receiving your payment in settlement of your account.

[set out how payment can be made – e.g. via cash less / cash to school]

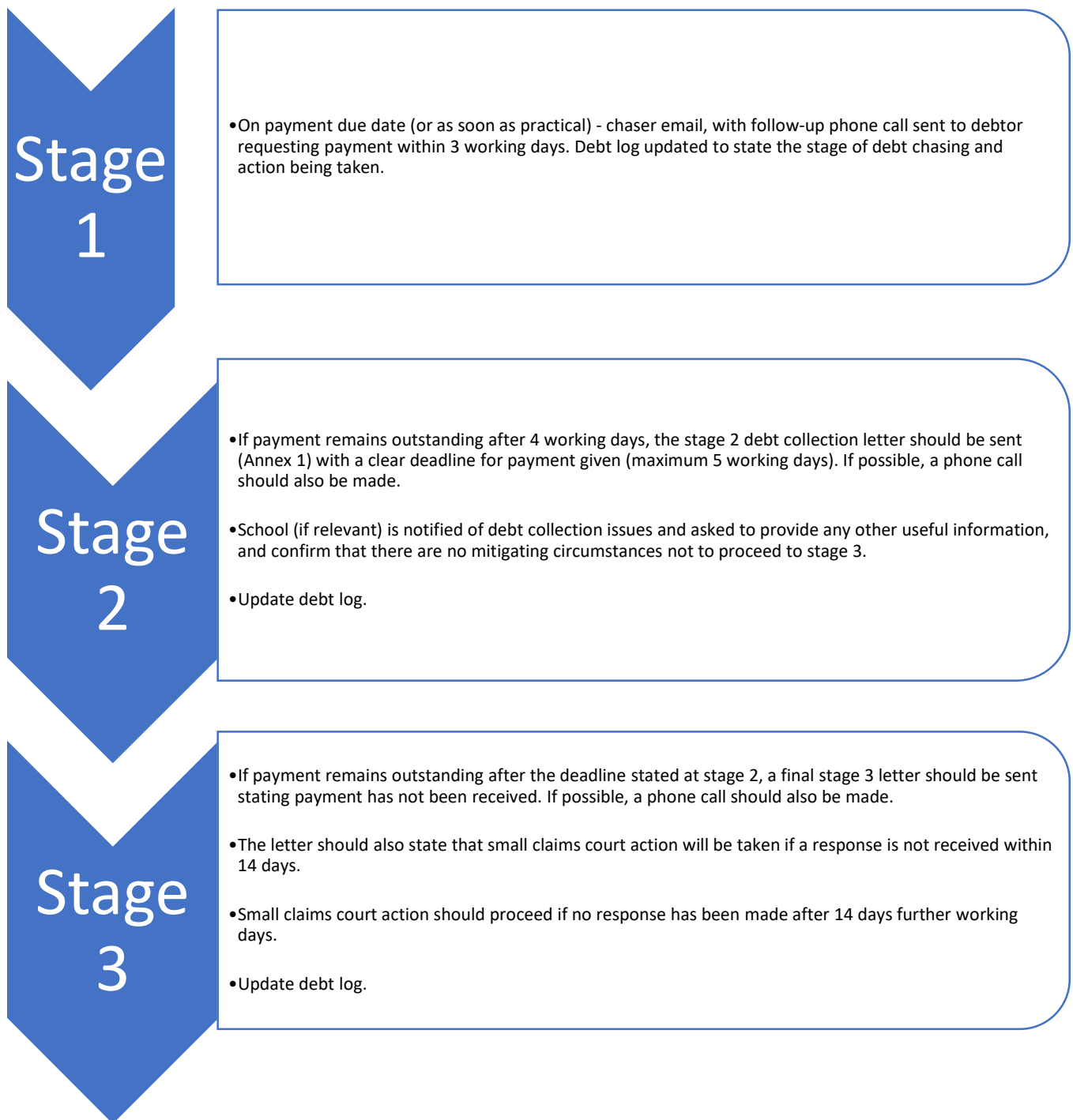
Yours sincerely

Xxxxx



## Annex 2 - Debt Collection Process

(where an invoice has been raised by the central finance team)



## Annex 3 – School meals/trips/clubs debt escalation

