

Finance Policy

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Purpose

The purpose of this policy and procedures is to ensure that the Dartmoor Multi Academy Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of Dartmoor Multi Academy Trust's Funding Agreement with the Secretary of State for Education, through the Education Funding and Skills Agency (ESFA)

The School's must comply with the principles of financial control outlined in the academies guidance published by the Department for Education (DfE). This policy expands on that and provides detailed information on the School's accounting procedures. It should be read by all staff involved with financial systems and accountability.

This policy applies to the financial administration across the whole Multi Academy Trust.

The policy also covers other finance related policies such as depreciation, reserves, tendering and investments.

1 Organisation

The Multi Academy Trust has defined the responsibilities of each person involved in the administration of the School's finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff.

Trustees

The Trustees will manage their affairs in accordance with the high standards detailed in "Guidance on Codes of Practice for Board Members of Public Bodies" and in line with the seven principles of public life:

Selflessness

Holders of public office should take decisions solely in terms of 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.

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 merits.

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.

Openness

Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

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.

1.1 Managing School Finances

The Trustees have overall responsibility for strategic management of the School's finances. The main responsibilities of the Trustees are prescribed in the Funding Agreement between the Multi Academy Trust and the Secretary of State for Education. The main responsibilities include:

- Agree the long-term financial objectives for the Trust.
- Ensure the grant from the ESFA is used for the purposes intended.
- Compliance with the ESFA Academies Finance Handbook.
- Approval of the annual budget and any material changes.
- Approval of changes to the personnel establishment.
- Ensure a Scheme of Delegation is in place.
- Ensure assets are managed.
- Ensure accurate accounting records are maintained.

- Ensure the budget monitoring statements are a true and accurate record on income and expenditure.
- Approval of the annual accounts.
- Initial review and recommendation of the annual budget's and any material changes.
- Regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity SORP and the DfE guidance issued to academies.
- Authorising the award of contracts/tenders over the specified limits.
- Recommendation of changes to the personnel establishment.
- To recommend the annual budget plan and monitor income and expenditure against budget.

1.2 Audit Committee

The main purpose of the audit committee is to ensure the security of the school's finances, assets and staff by:

- Recommending the appointment of External Auditors.
- Appointment of Internal Auditors.
- Receiving reports from the Internal Auditor on the financial management of the school, in particular, to consider the controls and security of the systems in use.
- Receiving the opinion of the External Auditor on the financial accounts, in particular, the statement that forms part of the Annual Report.

1.3 The Chief Executive Officer (CEO)

The Chief Executive Officer has overall executive responsibility for the Multi Academy Trust. The Headteacher/Executive Headteacher retains responsibilities for:

- Approving new staff appointments within the authorised establishment.
- Authorising orders and contracts within the approval limits shown in the Financial Scheme of Delegation
- Authorising payments within the approval limits shown in the Financial Scheme of Delegation
- Monitoring regular budget reports with the CFOO and acting on any overspends or risks

The funding agreement identified the Chief Executive Officer as the Accounting Officer who is personally responsible to the Trustees for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Ensuring value for money
- Efficient and effective use of available resources; and
- The day-to-day organisation, staffing and management of the Trust

The Accounting Officer has the duty to take action if the Trustees or Chair of Trustees is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Trust Board, details sent to the Permanent Secretary and the Trust's external auditors.

The Accounting Officer may delegate or appoint others to assist in these responsibilities.

1.4 Chief Financial and Operations Officer (CFOO)

The Chief Financial Officer has responsibility for:

- ensuring forms and returns are sent to the DfE/ESFA in line with their reporting deadlines - see Appendix 2 Financial Reporting Timetable
- submitting grant applications and reports to all relevant bodies as detailed in the timetable laid out in Appendix 2 Financial Reporting Timetable
- The overall performance of the finance function, including all finance personnel in the Trust
- The strategic leadership and direction of the finance service across the Trust, ensuring a customer led approach, support for academy-based teams and the training of new academies joining the Trust.

1.5 Director of Finance (DOF)

The Director of Finance works in collaboration with the CFOO, the School Finance Leads, with the Headteacher's and Executive Headteachers, through whom he or she is responsible to the Local Stakeholder Boards. The Director of Finance also has direct access to the Local Stakeholder Board Resources Committee. The main responsibilities of the Director of Finance are:

- the day-to-day management of financial issues including the establishment and operation of a suitable accounting system.
- the management of the School's financial position at a strategic and operational level
- the maintenance of effective systems of internal control, in line with the Trusts policies and procedures
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the School
- the preparation of monthly management accounts.
- authorising orders and the award of contracts within the approval limits shown in the Financial Scheme of Delegation
- authorising payments within the approval limits shown in the Financial Scheme of Delegation

1.6 Principals, Head Teachers and Executive Head Teachers

The Principals, Head Teachers and Executive Head Teachers, prepare budgets for school in accordance with school improvement priorities and take to Local Stakeholder Boards (LSB). Advice on preparation of their budgets sought from the CFOO and the Director of Finance. They have financial responsibility and accountability in their respective schools and clusters.

1.7 Other Staff

Other members of staff, primarily the Schools Finance Leads, and Personnel Officers, the Finance and Personnel Administrators, the Finance Assistants, Support and Leadership Team and budget holders, will have some financial responsibilities and these are detailed in the Financial Scheme of Delegation. All staff are responsible for the security of the school's property, for avoiding loss or damage, for ensuring economy and efficiency in the

use of resources and for conformity with the requirements of the Multi Academy Trusts financial procedures.

1.8 Register of Interests

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

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation. The disclosures should also include business interests of relatives such as a parent, spouse, child, business partner and close family members. A full definition is available in the Academies Financial Handbook.

The existence of a register of business interests does not, of course, detract from the duties of Trustees, Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, Trustees, Governors and staff should not attend that part of any committee or other meeting.

The Trust must publish on their website relevant business and pecuniary interests of members, trustees, local stakeholder board members and accounting officers. The Trust has discretion over the publication of interests of other individuals named on the register.

1.9 Internal Scrutiny

Internal Auditors are appointed by the Audit Committee and provide Trustees with an independent oversight of the Multi Academy Trust's financial and non-financial affairs. The main duties of Internal Audit are to provide the Trustees with independent assurance that:

- the financial responsibilities of the Trustees are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained in each school within the Multi Academy Trust
- financial considerations are fully taken into account in reaching decisions

A programme of checks will be agreed with the Trustees and financial reviews will be carried out in order to provide the Trustees and indirectly the Department for Education with the required assurance.

Programmes of internal scrutiny must focus on:

- Evaluating the suitability of, and level of compliance with, financial and nonfinancial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed
- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust
- Ensuring all categories of risk are being adequately identified, reported and managed.

A report of the findings from each visit will be provided to the Audit Committee and are made available to external auditors to review as part of their annual external audit procedures.

1.10 Audit arrangements

External auditors must be appointed in accordance with the Academies Financial Handbook.

2 Financial Planning

The Multi Academy Trusts and the individual Schools Annual Plan contributes to the framework for the annual budget and the long-term financial planning. The budget is a detailed statement of the expected resources available to the Multi Academy Trust and individual Schools and the planned use of those resources for the following year and the following four years.

The budgetary process is described in more detail below.

2.1 Audit arrangements

The CFOO, Director of Finance and School Finance Leads are responsible for working with the Headteacher/Executive Headteacher and others to prepare a five-year budget plan for consideration by the Trust Board by the deadlines as detailed in Appendix 2

The Director of Finance is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The budget will reflect the best estimate of the resources available to the School's for the forthcoming year and will detail how those resources are to be utilised. There will be a clear link between the School Development Plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of students to estimate the amount of General Annual Grant (GAG) receivable.
- review of other income sources available to assess likely level of receipts.
- review of past performance against budgets to promote an understanding of the School cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the School Improvement Plan objectives and the

expected variations in cost e.g., pay increases, inflation and other anticipated changes.

2.2 Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or deficits in funding. If deficits are identified, opportunities to increase income should be explored if necessary and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Budgets will be reviewed by the Chief Financial and Operations Officer and areas for savings will be identified for the Headteacher/Executive Headteacher to take action as appropriate.

2.3 Finalising the Budget

Once the different options and scenarios have been considered, the draft budget should be submitted with a statement of assumptions to the Trust Board for approval. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

2.4 Budget management, monitoring and review

For each School budget a monthly report will be prepared and made available by the Director of Finance. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for Headteachers/Executive Headteachers, Local Stakeholder Board Resources Committee and the Chief Financial and Operations Officer.

The Headteachers/Executive Headteachers may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the School as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the Headteachers/Executive Headteachers who are responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspend against the budget must in the first instance be discussed with the Director of Finance, who must then inform the Chief Financial and Operations Officer.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate.

The Trust Board will continually monitor the quality of the financial information presented to ensure that what is provided remains appropriate, particularly in terms of the timing, level of detail and narrative.

If a budget overspend is forecast, it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised by the appropriate person detailed in the Financial Scheme of Delegation.

3 Accounting system

All the financial transactions of the Trust must be recorded in the accounting system. The Accounting system is operated by the Finance team and includes the following key elements:

- Income
- Purchasing
- Payments
- Payroll
- Assets

- Bank Accounts
- Liabilities

Detailed information on the operation of the accounting system can be found in the user manuals held at the Central office.

3.1 Administration

There will be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records will be stored for 7 years in accordance with the Companies Act. Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.

Authorisation and supervisory controls will ensure transactions are properly recorded or that errors are identified. All records will be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

3.2 Access Rights

The Chief Financial and Operations Officer and Director of Finance are responsible for setting access levels for all members of staff using the system. Access rights within the accounting system are defined for each user with a unique ID and password.

3.3 Backup Procedures

The finance system is a cloud-based system backed up by the software provider.

4 Payroll

The main elements of the payroll system are:

- staff appointments & departures
- payroll administration
- payments

4.1 Staff Appointments and Departures

The Chief Executive Officer with the senior leadership team review and agree annually, the MAT staffing structure in line with the school improvement plans. The CEO ensures that, where practical, the duties of authorising appointments, making changes to individual's conditions or terminating the employment of staff are separated from the duties of processing claims.

4.2 Payroll Administration

Payroll is administered through the Trust's internal payroll department.

All Payroll transactions relating to School staff permanent or casual will be processed through the payroll system. Payments for employment will not be made to staff through any other mechanism.

All personnel files are stored securely. Only the CEO, CFOO, Headteacher/Executive Headteacher, Director of Finance and HR Manager have access to staff files, but individuals can request to see their own files in line with data protection policies.

The HR Manager is responsible for keeping the staff personnel database up to date.

4.3 Payments and Monitoring of the Payroll

The monthly payroll reports must be reviewed and authorised together with authority to release payment by the Chief Financial and Operations Officer.

All salary payments are made by BACS.

The Payroll Manager will undertake a monthly reconciliation of current months and previous month's gross salary and investigate any variances.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are paid monthly via BACS from the Trusts bank account to the employees (25th of the month) and pension agencies TPA and LGPS (7th of the following month) and to HM Revenue & Customs (19th of following month).

After the payroll has been processed the accounting system will be updated to record the transaction. Postings will be made both to the payroll control account and to individual cost centres. The Finance Administrator (or appropriate person) will review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

Each year the Payroll Manager (or appropriate person) will check each member of staff's gross pay against the payroll system to the contract of employment.

4.4 Severance Payments

The Trust has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 gross (i.e., before income tax or other deductions).

Where the trust is considering a non-statutory/non-contractual payment of £50,000 or more, (gross, before deductions), ESFA's prior approval must be obtained before making any binding offer to staff.

The Trust should demonstrate value for money by applying the same scrutiny to a payment under £50,000 as those over £50,000 and have a justified business case. Settlements must not be accepted unless satisfying the conditions in the Academies Financial Handbook and in the ESFA's guidance and submission template.

The Accounting Officer must sign off and review each business case

4.5 Ex-gratia payments

Ex gratia payments are another type of transaction going beyond statutory or contractual cover, or administrative rules. Annex 4.13 of Managing Public Money provides examples, including payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

Ex gratia transactions must always be referred to ESFA for prior approval. HM Treasury approval may also be needed.

5 Purchasing and payments

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

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

The Director of Finance will ensure that there is a clear separation of duties within the finance team, such that one individual is not able to process a complete transaction.

The purchase of alcohol is not permitted, except where it is to be used in religious services.

5.1 Orders for Goods and Services

Official orders will be raised using the Trust's accounting system on receipt of a requisition form signed by those authorised as detailed in Appendix 1. All Purchases must be carried out in line with the authorisation limits detailed in Appendix 1.

Where the value of an order is over the level detailed in section 5.2 the procedures detailed must be followed and the documentation attached. Any quotes received must be attached to the requisition to be transferred to the order input into the accounting system. Orders will be raised only if the VFM documentation is present and correct.

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable or the purchase is urgent (e.g., emergency works) and with prior approval from the Director of Finance or CFOO. In such cases, a written confirmation order will be raised as soon as possible, normally within 24 hours.

5.2 Invoices and Payments

Invoices will only be processed and paid where a valid purchase order is stated on the supplier invoice.

Valid invoices will be paid when the budget holder has marked that goods or services have been received and are of the quality expected. Any discrepancies must be notified to the Finance team for appropriate action to be taken.

All invoices should be sent electronically by email to the finance@dartmoormat.org.uk email address.

At least two different people must be involved in the process of agreeing invoices and authorising payment.

5.3 VFM Procurement Procedures & Authorisation Limits

Purchases must be carried out in line with the authorisation limits detailed in Appendices 1 and 2.

The Trust has a responsibility in achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration. In order to achieve value for money in this way, all orders are subject to the rules concerning quotes and tenders below except where the market has already been competitively tested by a third party, or where a single action tender is appropriate, and complies with the relevant procurement legislation e.g., Crown Commercial Service, CPC, framework agreement, broker, or Local Authority there is no requirement to seek additional quotations or tender submissions.

Where an order is below the EU Threshold and Trustees believe it is in the best interest of the Multi Academy Trust to appoint a supplier through a single action tender the reasons and methodology for reaching that decision must be clearly documented.

Value for money must also be considered in a way to ensure that time and resources are not wasted in investigating minor areas where few improvements can be achieved, or minor savings made at the expense of resource allocated to more important or valuable areas.

5.4 Preferred Supplier List

A periodical (normally annual) exercise is carried out to add suppliers to the Trust's preferred suppliers list. A supplier can be added to the list if it satisfies a number of criteria in obtaining value for money such as, price, quality of goods/service, availability of goods, technical expertise, location, after sales service etc. The use of the preferred supplier list can negate the need for obtaining quotes. The preferred supplier list is maintained and defined by the central finance team.

5.5 Forms of Tenders

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

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Chief Financial Officer how best to advertise for suppliers e.g., general press, trade journals, or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods is such that only specific suppliers can be expected to supply the School's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

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

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

5.5.1 Preparation for Tender

Full consideration should be given to:

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

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

5.5.2 Invitation to Tender

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

An invitation to tender should include the following:

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

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers

Other Considerations

- Pre sales demonstrations

- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

5.5.3 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

5.5.4 Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening and recording of tenders. A record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

5.5.5 Tender Evaluation Procedures

The evaluation process should follow the procedure detailed above. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

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

Full records should be kept of all criteria used for evaluation and a verbal report should be made to the Trust Resources Committee highlighting the relevant issues and advising the decision.

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

The accepted tender should be the one that is economically most advantageous unless it can be demonstrated that is not the best option for the Trust. All parties should then be informed of the decision.

Wherever possible payments will be made by BACS, but cheques will be issued if this is not an option.

The Finance Officer will ensure that cheques are sent out with the required numbers of signature and that all controlled stationery is recorded and stored in a locked cupboard.

All cheques and cash are to be stored in the safe and the keys held within a locked cabinet.

5.6 Payments to Individuals

Payments can be made to individuals on production of an invoice. An enquiry must be carried out on the individual on the HMRC, off payroll working rules site (IR35) and a reference number obtained before services are procured. The link is:

6 Income

The main sources of income for the Multi Academy Trust are the grants from the ESFA and other outside agencies and funding from the Local Authority. The receipt of these sums is monitored directly by the Director of Finance and Chief Financial and Operations Officer who are responsible for ensuring that all grants due to the Schools within the Multi Academy Trust are collected.

The Schools also obtains income from:

- Students and parents, mainly for trips, school meals, nursery fees, uniforms, etc
- the public, mainly for lettings

6.1 Trips/Activities

A leader must be appointed for each trip. The trip leader must prepare a costing sheet giving an estimate of income and expenditure for the number of students going on the trip and there must be evidence to show that there is no intention to make a profit. Where possible, the trip leader must advise the Finance team which students are participating in the trip to enable entry on the online payment system. A template form is available from the Central team.

The Finance team will maintain an up-to-date record for each trip on the online payment system showing the amount paid and the amount outstanding. This record should be sent to the trip leader and they are responsible for chasing any outstanding amounts if applicable.

6.2 Lettings

The policy for lettings and charging of premises is contained in a separate document. The Policy and charges will be reviewed annually and approved by Trust Board.

The Lettings Administrator is responsible for maintaining records of bookings for facilities and notifying the Finance Team the amount due from each organisation to enable entry on the sales ledger on the School accounting system. Wherever possible payments will be collected in advance.

6.3 Debtors

Debts may be written off in accordance with the Funding Agreement and as detailed in the annual funding letter. The Finance Team will be responsible for chasing outstanding debts. Please see separate Debt Recovery Policy.

6.4 Custody

All parent/student income should be received through the Trust's cashless payment systems.

All monies must be banked, in their entirety, in the appropriate bank account. The Finance Administrators/Schools Leads are responsible for preparing reconciliations between the

sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking.

7 Cash Management

7.1 Bank Accounts

The opening of all accounts must be authorised by the Trust Board who must set out the arrangements covering the operation of accounts in the Financial Scheme of Delegation. This should include any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

7.2 Deposits

Particulars of any deposit must be entered in the accounting system with supporting paperwork. The details will include:

- the amount of the deposit
- a reference, such as the number of the receipt or the name of the debtor.

7.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from Trusts bank accounts must bear the signatures in line bank mandate.

7.4 Bank Reconciliations

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

- all bank accounts are reconciled to the Trust's accounting system
- reconciliations are prepared by the Finance Team
- reconciliations are subject to an independent monthly review carried out by the Director of Finance
- adjustments arising are dealt with promptly.

7.5 Petty Cash Accounts

Petty cash is not permitted to be held within schools. All income should be received through the Trusts cashless payment systems and all payments must be made in accordance with section 5 Purchasing and payments.

7.6 Student Visits

When it is necessary for staff to have access to money during a School visit every effort will be made to minimise the amount of cash being carried. Pre-paid charge cards can be made available therefore. Authorisation for pre-paid charge cards to be taken may be given by the Headteacher/Executive Headteacher or the Director of Finance. The amount authorised will be consistent with the budget previously approved for the visit.

7.7 Cash Flow Forecasts

The Director of Finance is responsible for preparing cash flow forecasts to ensure that the Multi Academy Trust has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

7.8 Investments

Investments must be made only in accordance with procedures approved by the Trust Board. The Multi Academy Trust has approval to invest any surplus funds on a suitable bank money market dependant on market rates and at the discretion of the Chief Financial and Operations Officer.

Please see separate Investment policy.

8 Fixed assets

8.1 Asset register

All items purchased with a value or an aggregate value over £1,000 (the Multi Academy Trusts capitalisation limit) must be entered in an asset register. The aggregate value is for assets which put are on above £250 in value and hence put on the inventories list and have been bought as multiple items (e.g., a multiple asset purchase where individually the items are less than the £1,000 threshold). The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from ESFA grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of the member of staff responsible for the asset

The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets.
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse.
- to manage the effective utilisation of assets and to plan for their replacement.
- help the external auditors to draw conclusions on the annual accounts and the Multi Academy Trusts financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

8.2 Security of assets

Stores and equipment must be secured by means of physical and other security devices.

All the items in the register should normally be permanently and visibly marked as the School's property and there will be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register will be investigated promptly. Inventories of School property will be kept up to date and reviewed regularly. Where items are used by the School but do not belong to it this will be noted.

8.3 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher/Executive Headteacher and, where significant, should be sold following competitive tender or open auction.

Academy trusts must obtain prior approval from ESFA for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

Other than land, buildings and heritage assets, trusts can dispose of other fixed asset without ESFA's approval subject to achieving the best price that can reasonably be obtained, and maintaining the principles of regularity, propriety and value for money.

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

Other goods with an open market value of less than £250 may be considered for disposal direct to staff and transactions must be authorised in advance by the CFOO. Consideration should be given to ensuring the item is equally available for all staff to purchase and the highest bid in excess of market value should be the offer that is accepted. Where disposal of property to staff is agreed then it must be at true open market value as verified by the Director of Finance and where the property is genuinely no longer required by the Trust.

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

8.4 Loan of Assets

Items of School property must not be removed from School premises without the authority of the appropriate Team Leader/Line Manager. A record of the loan must be recorded in a loan book and booked back in School when it is returned.

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

8.5 Inventories

A central record of all portable items having a value of £250 or more will be kept by the School's. Items of less than £250 whose attractiveness and portability makes them liable to unauthorised use or removal will also be recorded.

A complete inventory check will be carried out periodically.

9 Depreciation Policy

Dartmoor Multi Academy Trust will depreciate fixed assets in line with recognised accounting standards, academy best practice and DFE guidelines. Any changes to the depreciation accounting must be approved by the Trust Board.

Assets will be depreciated for a full year in the year of purchase irrespective of the stage in the year they are acquired, and assets will not be depreciated in the year of disposal.

Depreciation is provided for at the following annual rates in order to write off each asset over its estimated useful life:

- Freehold/Leasehold buildings – Shorter of 50 years or useful economic life.
- Freehold Land - not depreciated
- Leasehold Land – shorter of 125 years or the term of the lease
- Furniture and equipment – 5 years straight line
- Plant and equipment – 5 years straight line
- Motor vehicles – 25% reducing balance
- Computer equipment – 3 years straight line
- Intangible Fixed assets - Software licences longer than twelve months - 5 years or useful economic life (each asset will be considered individually) – straight line

10 School Companies Policy

Dartmoor Multi Academy Trust will not form any companies, subsidiaries or joint ventures without the approval of the Trust Board.

11 Donations Policy

Dartmoor Multi Academy Trust welcomes offers of donations of all sizes, whether in connection with specific campaigns or to add to the Multi Academy Trust's reserves as these enable the Multi Academy Trust's continuing development over the long term.

Donations must be freely given with no expectation of anything in return other than due thanks and recognition. Dartmoor Multi Academy Trust are pleased to accept lawful donations which are given in good faith and which are compatible with the Trust's aims, values and strategic objectives. As the Trust values and safeguards its autonomy, integrity and reputation, Dartmoor Multi Academy Trust do not accept donations when a condition of acceptance would compromise these fundamental principles.

12 Reserves Policy

The Dartmoor Multi Academy Trust plans to spend the majority of its revenue income each year on the students in its care.

The level of reserves will be kept under review by the Trustees and reflect the assessment of the predominant risks to the Trust.

The reserves policy is meant to ensure that the Multi Academy Trust's core activities can be maintained during a period of unforeseen difficulty. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to funds earmarked for future capital projects. In-year reserves are to cover costs and other commitments and to meet unexpected emergencies such as urgent maintenance. Reserves are also required to protect the ongoing operation of the Trust whilst the effect of funding changes and fluctuations in roll are managed.

Trustees recognise that there is a significant pension deficit for the Local Government Pension Scheme (LGPS) fund which is accounted for in the restricted fund. However, there is no likelihood that an immediate liability for this amount will crystallise. The deficit position of the pension scheme would generally result in a cash flow effect in the form of an increase in employers' pension contributions over a period of years. The academy trust has revisited its current budget and ascertained how pension costs may affect budgets in the future. On the basis that increased pension contributions will be met from the academy trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust because of recognising the deficit.

Reserve funds will normally be held on deposit in an interest-bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the Trust Board.

13 VAT

The Trust is registered for VAT. VAT Claims will be made in accordance with HMRC guidelines. The Chief Financial and Operations Officer is responsible for ensuring this is carried out correctly.

14 Anti-fraud Policy (in conjunction with the Trust's Whistleblowing Policy)

Fraud includes all irregularities which could normally be described as theft, deception, fraud, corruption, or impropriety. The prevention of fraud and the protection of the school's assets is the responsibility of every member of staff. Suspicions should be reported as described in the Whistleblowing policy. Occurrences of fraud will be reported to the Chair of the Trust Resources Committee and the Trust Audit Committee. If fraud is confirmed, then the Trust Audit committee after seeking advice from the Trust's internal auditors will review the circumstances to ensure preventative action is taken to reduce the chance of a reoccurrence.

The Trust and individual school management have responsibility for the prevention, detection and investigation of irregularities. The Trust's internal audit service assists by examining and evaluating the adequacy and effectiveness of the actions taken to fulfil this obligation.

Irregularities include:

- fraud, which includes the misappropriation of money and property
- corruption
- financial malpractice
- embezzlement
- serious mal administration
- unethical practices that are not necessarily criminal

All members of staff have a duty to comply with the Trust's regulations and to behave honestly and with integrity.

The Trust's whistle blowing policy encourages staff to voice any reasonably held suspicion as part of an effective anti-fraud culture.

This whistle blowing policy sets out the Trust procedure and informs staff of their rights and obligations under the Public Interest Disclosure Act 1998.

The Trust incorporates recommendations made by the internal audit service to strengthen the School financial and operational systems of control.

14.1 Action

All actual or suspected incidents should be reported immediately to the Chief Executive Officer (unless the Chief Executive Officer is suspected, in which case it will be reported directly to the Chair of Trustees) and Chair of Trustees Resources Committee. The Chief Executive Officer will make any initial enquiries considered necessary to clarify the situation. The Chair of Trust Audit Committee will also be informed by the Chief Executive Officer.

The Chief Executive Officer/Chair of Trustees Resources Committee will decide the action to be taken including the need to commission special investigations and the resource implications. They will follow the Trust's conduct policy in relation to allegations of fraud involving a member of staff.

The circumstances in which the School must inform the funding body about actual or suspected frauds are detailed in the ESFA Academy Finance Handbook. The Chief Executive Officer is responsible for informing the funding body of any such incidents.

14.2 Recovery of loss

The amount of any loss should be quantified, and repayment of losses sought in all cases. Where the loss is substantial legal advice should be obtained without delay.

15 Giving of Gifts Policy

The Trust recognises that there will be times when it is appropriate for the Trust or a school to show appreciation or condolences by way of a small gift. These gifts must be authorised by the Accounting Officer. The value will not exceed £40.00 and will not include the purchase of alcohol.

16 Appendix 1 – Authorisation Limits for Purchasing

16.1 Ordering and Invoicing of Budgeted Items

| Group | Placing an order | Authorising an order (1 signature, up to £X) | Authorisation of invoice for payment (1 signature, up to £X) | Notes |
|--------------------------------------|------------------|--|--|-------|
| Heads of School | ∞ | 500 | NA | |
| Budget Holders | ∞ | 500 | NA | |
| Executive Headteachers (Primaries) | ∞ | 5,000 | NA | |
| Executive Headteachers (Secondaries) | ∞ | 10,000 | 10,000 | |
| Director of Finance | ∞ | 10,000 | 10,000 | |
| CFOO/Vice CEO | ∞ | 50,000 | 50,000 | * |
| CEO/Accounting Officer | ∞ | 50,000 | 50,000 | * |
| Chair of Trustees | ∞ | 50,000 | NA | * |
| Board of Trustees | ∞ | Over 250,000 | NA | |

* Purchases over £50,000 must be authorised by 2 signatories in the Tier 4 category.

NB Executive Headteachers and above can authorise all orders for catering provision and exam fees regardless of value.

NB All instances where entering into a contract or lease for more than one year must be referred to the CFOO.

NB These authorisation limits apply to all purchases regardless of payment method.

NB When entering into a contract, the value of the order should be for the total contract amount as opposed to the periodical payment amount.

16.2 Non-order Invoices

It is not always necessary to raise an order for a purchase. Due to their nature, the following purchases do not require purchase orders:

- Utilities bills (Gas, Electricity, Water etc).
- Emergency works (must be referred to central premises team).
- Cycle and Tech scheme orders (in built authorisation at time of purchase).
- Childcare vouchers (in built authorisation at time of purchase).
- Catering provisions (not required due to nature)
- Exam fees (not required due to nature)
- Lease arrangements (an order for the total value of the lease is required at commencement only need one at the start of the lease)
- Agency staff (in built authorisation at time of purchase).

All other purchases must have an authorised purchase order raised on the accounting system before the goods and services have been received and before the goods and services have been invoiced.

16.3 Budget check facility

At the ordering stage, the accounting software has built in budget checking. It is the responsibility of the staff member making the order and the staff member authorising to have due regard for the level of funds available within the budget line at the time of ordering. Any order that would exceed the available budget must be discussed with the CFOO or Director of Finance before authorisation.

16.4 Bank payments

All bank payments are authorised on the Bank website and must be authorised by 2 bank signatories

Bank signatories are (but not limited to):

- CEO
- Vice CEO
- CFOO
- Director of Finance
- Payroll Manager
- Director of Estates & Facilities

16.5 Procurement card payments

Purchases made with the procurement card (as opposed to BACS) are subject to the same authorisation limits stated in 1.1 and follow the same authorisation process.

Procurement Cards are held by:

- Vice CEO
- CFOO

16.6 Gifts

The Accounting Officer can authorise gifts up to £40 on a case-by-case basis. All proposals to purchase gifts must be referred to the Accounting Officer for review before an order is placed. Further guidance can be found in the Gifts and Hospitality Policy.

17 Appendix 2 – Value for Money Limits (Quotes and Tendering)

17.1 Value for Money Procedures

| Value of Order (£, net) | VFM Procedure |
|-------------------------|--|
| Below 1,000 | Consideration to be given to obtaining best value (this can be reference to catalogue price lists or online prices, verbal/telephone quotes, email quotes, availability, quality, lack of alternatives etc). Detailed narrative on requisition form is adequate. |
| 1,001 to 25,000 | Requires two written quotes (telephone quotes acceptable with email confirmation when below £10,000). Written details of quotations obtained should be prepared and attached to requisition for audit purposes. |
| 25,001 to 50,000 | A minimum of three formal quotations to be obtained in writing by a specified date and time, based on a written specification. Evidence to be attached to the requisition. |
| Over 50,000 | Goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to tendering procedures as detailed below. |

NB Value for money procedures may also be satisfied by using suppliers on the preferred suppliers list. See section 5.4.

17.2 Formal Tendering Procedures

Tenders over £50,000 - the Trustees will review the tender scope and specification before it goes out to bidders, either at a meeting or by email. The Trust Resources committee decide at this point whether they wish to delegate the authority to accept the Tender to the CEO and CFOO, who could award the contract to the best value contractor only, or if they wished to convene a meeting of the Trust Resources committee to award the contract. This decision would be based on the level of risk involved.

Utility tenders - authority to accept these is delegated to the CEO and CFOO who are authorised to award the contract to the best value supplier only.

Tenders over the OJEU Threshold – Guidance on the OJEU thresholds is given in the Academies Financial Handbook.