

# Pickwick Academy Trust



## Financial Procedures Manual

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## Introduction

The purpose of this manual is to ensure that the Trust maintains and develops systems of financial control which comply with the requirements of propriety and 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.

Pickwick Academy Trust delegate financial scrutiny and oversight to the Finance, Resources and Risk Committee.

The Trust must comply with the principles of financial control outlined in the guidance published by the Department for Education (DfE) in the Academy Trust Handbook (2025) and the trust Scheme of Delegation – Appendix 1. This manual expands on these documents and provides detailed information on the accounting procedures of the Trust. The manual should be read by all staff involved with financial management such as budget setting, budget management and purchasing, including all members of the Executive Team, Central Team and the Senior Leadership Team at each school.

## Trust Strategic Plan, Trust Development Plan and Annual Budget

### Trust Strategic Plan and Development Plan

The Board must have in place a Strategic Plan which sets out the future aims and objectives for the trust and its schools and how that will be achieved over a five -year period.

The strategic plan is broken down into an annual Trust Development Plan which sets clear targets in respect of the following areas:

- Standards and School Improvement
- Leadership and Personnel
- Governance
- Finance, Operations and Sustainability

The Trust Development Plan is developed by the CEO in conjunction with the Executive Team and agreed by the Board. Progress against targets is reviewed each term and reported to the Board. It is also used to assist schools in formulating their own School Development Plan and developing their budgets.

### Annual Budget

The annual budgeting process, for the financial year to 31 August, starts early each calendar year. The Head of Finance will devise and issue, following agreement by the CFOO, a timetable and the key assumptions which each school must comply with in order to present a consolidated plan to the Finance, Resources and Risk Committee and Trust Board for approval, before sending it to the DfE in their desired format by their specified deadline in August.

The annual budget is constructed using the following information that must be based on realistic assumptions:

- The aims and objectives set out in the School Development Plan.
- Forecasted income, including grant and other income such as income from lettings, and catering. Pupil Numbers used to formulate planned future grant income must be based on realistic assumptions to allow accurate strategic and operational planning.
- Information gained from school benchmarking and resource management, including elements of Integrated Curriculum Financial Planning and Trust KPI's.

- Forecasted staffing costs, based on the budgeting software staff salary calculator and taking into account known appointments, grade changes, retirements and rates of pay and pension.
- Forecasted general expenditure based on service level agreements and likely cost trends.
- Information provided by the latest Building Condition Survey for each school site and associated costed three-year individual school maintenance plan.
- Information on IT equipment replacement and development based on an IT equipment audit and IT 3-year strategic plan.
- The identification of potential savings.
- Lessons learnt from previous years.
- The allocation of curriculum budgets to classes, using a transparent formula to allocate funds equitably in line with need and school priorities.
- Managing planned levels of unspent balances – ensuring that the resulting annual surplus or deficit is in line with plans to recover from an overall deficit position, or build up unspent balances to fund future development plans, if approved by the Trust.

Each school is expected to set a balanced zero position budget for approval. The only exception to this is if a plan is in place to repay a deficit reserves position or to increase the level of school reserves to the amount required by the trust reserve policy.

The Trust Board must set a balanced budget. If necessary, it can draw on any reserves from previous years and also provide for the carry forward of reserves at the year end to provide for contingencies and to support future developments. The reserve policy of the trust requires 5% of the budgeted total income of the trust to be held for these purposes.

The Trust Board must formally minute its approval of the budget before submission of the forecast return (3 year) to the DfE. It must also advise the DfE within 14 calendar days of its meeting if it is proposing to set a deficit budget for the current financial year, which it cannot address after taking into account unspent funds from previous years.

School and individual budget holders, if applicable, should be notified of their budget one month before the start of the financial year.

The trust has adopted the DfE Chart of Accounts. Nominal codes used for the budget and all financial transactions must be in line with these requirements and a separate spreadsheet listing all codes with supporting information to assist is available in the R drive R:\1. Pickwick Documentation\Financial Procedures Manual. This will provide better information to the auditors and enable more accurate comparisons to be made across trust schools, both internally and for benchmarking purposes across the sector.

Delegated responsibility for budget setting is shown Appendix 1 – Financial Scheme of Delegation.

## **Management Accounts**

The Head of Finance will produce a timetable which each school must comply with in order to produce consolidated monthly management account information for review.

Key financial performance indicators have been selected and will be reported on at regular intervals.

The Academy's budget management report displays the following information in columnar format:

- The actual income or spend in the period
- The budgeted income or spend in the period
- The variance between the actuals and the budget for the period
- The actual income or spend to date
- The budgeted income or spend to date
- The variance between the actuals and the budget for the period
- The full budget for the year
- The latest forecast position at year end
- The variance between the budget and the forecast year end position Forecast vs prior month forecast
- Comments to provide clarity on variances

Significant end-of-year variations must be supported with explanations and action being taken to ensure the overall end of year planned position will be achieved or be sufficient enough to advise trustees of concerns.

Each school must also submit information relating to the items listed on the Monthly Control Sheet (attached as Appendix 2) to the Head of Finance which will show the position on items such as employee salaries variances and the reconciliation of balance sheet accounts. This will help to ensure that the management accounts are based on up-to-date information and will also highlight any areas of concern for discussion such as outstanding Debtor invoices. **Any discrepancies or outstanding items on any control account must be investigated by the Finance Manager and resolved or a note provided against such items with a date for resolution**, prior to submission of information to the Headteacher, Central Team Finance Manager and Head of Finance.

Meetings are held on a regular basis over the course of the financial year between the Head of Finance and Headteacher, Finance Manager and Director of Education/ CFOO if deemed necessary, following the submission of the monthly Budget management reports to the trust. These meetings provide the opportunity to review the information provided and discuss any variances to the agreed budget figures along with any specific challenges that the schools may be facing, for example staff recruitment or the financing of new Health and Safety requirements.

Following these meetings, the management accounts for Pickwick Academy Trust are consolidated and reviewed by the CFOO. Once complete they are provided to the next meeting of the Finance Committee and added to the GovernorHub website for all trustees and members to access. A copy will be emailed separately to the Chair of Trustees in accordance with the Academy Trust Handbook, and to the Chair of the Finance, Resources and Risk Committee.

The Finance, Resource and Risk Committee reviews the reports at each meeting on behalf of the Board and should ensure sufficient rigour and scrutiny in the budget management process to understand and address variances between the budget that has been set and actual income and expenditure in order to maintain financial viability. Key information from the reports is subsequently provided to the Board by the Chair of the committee at the next Board meeting to enable any further questions to be asked.

Budget holders should receive regular reports showing budgeted expenditure, actual expenditure on an accrual's basis, if relevant, and including commitments.

Finance Managers should work with those responsible at school level for Pupil Premium, Service Premium and PE and Sport Premium on a regular basis to ensure that they are aware of the priorities and have allocated the associated costs correctly, both in the accounts and the required reports. Spend of these ringfenced grants should be completed in year where at all possible to ensure that the current pupils benefit from the funding.

## **Accruals**

Other Creditors, Accrued Income and Deferred income are required to be completed at the end of August to comply with DfE reporting requirements.

Prepayments can be completed on a monthly basis for ease and annotated on the control sheet.

Other Creditors – This should be used for items relating to supplies and services received in August or earlier where the amount is confirmed, e.g., invoices received after the cut off or dated September, or purchase orders where the goods and services have been received in year but an invoice is yet to be received **AND** for items where the amount is an estimate, for example utility bills.

Accrued Income – this should be used for items not billed as a sales order at the end of the year or for grants awaited from the DfE that relate to the year, for example Pupil Premium.

Deferred income – this should be used for any income that has been received that relates to the following year, for example Universal Infant Free School Meals.

All accruals should have a clear description and paperwork available on request to provide audit trail and justify calculation.

All journals **MUST** have narrative which clearly explains the reason for the entry.

Delegated responsibility for the production of management accounts is shown in Appendix 1.

## **Cash flow**

The Head of Finance is responsible for reviewing a weekly (if deemed necessary depending on investment strategy) and monthly cash flow forecast prepared by the Central Team Finance Manager, based on information from all schools to ensure that the Academy Trust has sufficient funds available to pay for day-to-day operations.

In the event of the cash flow forecast identifying future overdrawn cash situations steps will be taken to defer and/or reduce future expenditure requirements.

If significant surplus balances can be foreseen, steps maybe taken to invest the extra funds, in line with the trust Investment Policy, ensuring that security of funds takes precedence over revenue maximisation.

## **Computerised accounting system**

Pickwick Academy Trust has a Business Continuity Plan and Cyber Response Plan which includes the actions that an Academy Trust would take in the event of loss of accounting facilities or financial data. This links to the Trust Risk

Register, a regular assessment made by the Exec Team and School Leadership Teams and presented to the Board of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

The Trust's accounting system is computerised and cloud based. A contract for usage of the latest version, support, including back up is in place.

Access to the system is restricted to the Trust's employees and those authorised by the CFOO/ Head of Finance for example, Internal Assurance providers and External Auditors. The system is now accessed by a multi factor authentication system which requires a password, which is changed on a 3 monthly basis following a prompt from Access, and a passcode which is sent to a user's mobile phone. Passwords are only known by the relevant member of staff. Passwords are changed immediately if an employee is aware that an unauthorised person has learnt their password.

Individual Logins are linked to levels of access which determine what functions the user is able to access.

Six-monthly reviews are carried out by the Head of Finance to ensure that access rights and levels of access are still relevant to the responsibilities of individual users. Access for staff who are no longer employed by the Academy trust is removed as soon as the staff member leaves.

The Trust has several GDPR policies to support compliance alongside an external Data Protection Officer.

## **Transaction processing and document control**

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink and initialled. The use of correcting fluid or the erasure of information is not acceptable. All accounting records including invoices, delivery notes, bank statements etc. are retained either in hard copy, or as an attachment on the finance system, for six years, plus the current year, in a secure area, in accordance with the Trust document retention policy that is issued by IRMS (Information and Records Management Society).

On conversion to the Trust all local school bank accounts, including school fund accounts, will close and funds will move to the central Trust Bank Account.

Trust income is classed as either:

- Unrestricted – For the purpose set out as the object in the Trust Articles of Association – ‘to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum’.
- Restricted – specific conditions attached, for example grant conditions of spend (Pupil Premium), capital or donor specific purposes
  
- **VAT on Income**

All transactions relating to income must have a VAT code added to enable the trust to correctly calculate and report to the HMRC its Business/Non-Business Apportionment each period.

Detailed guidance is provided in Appendix 16 and a list of all ledger codes and an additional VAT information sheet to be found on the R drive - R:\1. Pickwick Documentation\Financial Procedures Manual.

## **Grant Income**

Grant income relating to the annual budget allocation for the school will be paid by the DfE by way of direct credit at the beginning of each month into the trust bank account. The Finance Manager for Pickwick Academy Trust must check the trust bank statement to ensure payments are received, and will complete the necessary journal to record the income into their accounts.

Other grant income will be received according to the DfE grant payment timetable and will include items such as Pupil Premium (paid quarterly), sports premium (paid twice a year), Universal Infant Free School Meals (annually in advance) and the devolved formula capital grant (paid annually).

The Trust now meets the eligibility criteria for School Condition Allocation (SCA), a capital grant provided by the DfE. Details of how this funding is administered can be found in the School Condition Allocation policy.

The Local Authority will also pay grant income to support those children who are looked after or who require an Educational Healthcare Plan alongside other amounts relating to additional grants or funds for Free School Meal vouchers, for example.

All amounts received must be checked by school Finance Managers to the amounts expected from the DfE/ LA, as detailed in the relevant paperwork/ online allocation spreadsheet and any variances queried with the appropriate authority immediately.

The entries on the bank statement will be used to process transactions in the accounting system against appropriate ledger codes using Fund Code 1 – restricted, Fund Code 2 - unrestricted or Fund Code 3 if it is for capital expenditure.

Information regarding current pupil numbers and the corresponding grant income will be provided to the Finance, Risk and Resources committee three times a year alongside a comparison against budgeted figures to enable discussions regarding the impact of change on revenue projections to take place.

## **Cash income**

Finance Managers and Finance Assistants are responsible for complying with the requirements set out below on cash banking.

All Schools should request that any payments to the trust are made by BACS or Arbor to support our endeavours to be a cashless organisation. Parents should be supported, where possible, to use the Arbor option or equivalent school payment system.

### *Fund-raising events*

Records are maintained for each school fund-raising event, in sufficient detail to identify gross receipts and how they have arisen, and all costs incurred.

For all events for which there is ticket income or gate money, reasonableness checks are carried out by the School Finance Manager to ensure the takings equate to the number of tickets issued multiplied by the price per ticket.

Similar records are maintained for sponsored events.

Cash must be counted and verified by two people. Cash must be banked as soon as possible.

Expenses or any form of expenditure must NOT be paid from income prior to banking. These must be authorised as a separate transaction as an expense claim or via an order form.

Money raised by fund raising for the school or other donations received must be allocated to Fund code 02 – unrestricted funds unless it is for a specific project in which case Fund code 01 –restricted funds, must be applied. In the case of a capital donation Fund code 03 must be used along with the relevant nominal code.

Funds raised by the PTA/ Friends Association must be dealt with in accordance with their procedures and must not be paid into the trust bank account, unless an activity, such as the sale of Christmas cards, has been set up on Arbor to allow for easier payment.

### **Letting of Academy facilities**

Any school-based lettings are the responsibility of the Headteacher.

Any discussion regarding potential long-term commitments to a letting or a licence to occupy an area of the school must be discussed with and approved by the CFOO.

All lettings are subject to a letting agreement, setting out the terms and conditions of the school letting, including the agreed charge and payment requirements.

The charge should be in accordance with the charging policy approved alongside the **Trust** Lettings Policy. **Free use and charges below economic cost are not permitted.**

- All hiring of school equipment and facilities is recorded on the letting planner kept by the Facilities manager or Admin Officer at the school or in a lettings or main school diary.
- The lettings diary and the letting planner are reviewed by the Finance Manager on a monthly basis or notification is provided by the school Facilities Manager or Admin Officer to ensure that all lettings have been invoiced by the School Finance Assistant.
- When a letting is booked the hirer completes a hire form and is provided with the lettings policy for the school and the terms and conditions relating to the letting, including payment arrangements
- Any cheque or cash receipts made at the time of booking are recorded in the cash book as detailed above; otherwise, a sales invoice should be raised as soon as possible by the Finance Assistant, as directed by the Finance Manager on the accounting system. The invoice should request immediate payment and by BACS payment method wherever possible.
- The school must ensure that relevant insurance is in place for each letting as part of information required when the completed hire form is presented.

## School trips

Letters are sent to parents/ carers, as far in advance as possible, to request voluntary contributions in respect of the majority of school trips and payment for board and lodgings on a residential trip, in line with the school Charging and Remissions policy.

Payments should be made by parents/ carers via the Arbor or equivalent online payment system. Cash and cheque payments should be dissuaded and parents supported to use the online system however should this pose a real problem any received into the school should be recorded in the cash book, a receipt provided, and then be passed to the finance team for banking. Details of the payment must also be added to the income received in Arbor for the relevant trip.

It is the responsibility of the person who has costed the trip; usually the Admin Officer in each school, or the TPA's at Corsham Primary School; to prompt parents where appropriate by sending reminders. The class teacher should ensure that sufficient income is shown as being received on the Arbor system to enable the trip to go ahead (TPA's, Admin or Finance staff can support with this). A report from the Arbor system showing the income received must be provided to the Headteacher along with details of the total cost (a sample form is provided in Appendix 6). The / Headteacher **MUST** then sign the paperwork to allow the trip to go ahead when they are satisfied. This should be completed in advance of the trip date and a decision provided to the relevant teacher as soon as possible.

Income from payments made directly to school or via Arbor should be allocated to the Parental contribution nominal code on the finance system using a different analysis code for each trip and fund code 1 – restricted funds. Expenditure for school trips/ events or residential should be allocated to the correct nominal code and analysis code and fund code 1 – restricted funds.

The Finance Manager will then be able to monitor income and expenditure and provide detailed reports for each trip to the Headteacher, Head of Finance, CFOO or Finance Committee **termly (three times per year).**

## Standing Orders

Contracts may be in place for regular lettings and monthly or quarterly payments made by standing order and the income received will show on bank statements. The Finance Manager must ensure such payments are received in accordance with the contract and ensure the income is posted onto the accounting system to the correct ledger code.

## Sales Invoices

Schools and the Central Team may provide services to other organisations at agreed rates and agreed payment dates. Arrangements must be approved in advance by the Headteacher/ Professional Development Director/ CEO. Invoices should be raised on the accounting system and a copy will be emailed to the debtor.

Each school can use its own sales invoice request form to ask the finance team to raise an invoice on the accounting system.

Please complete the form in appendix 12 'Request for the set-up of a new customer' prior to raising a sales invoice, and forward it to the Central Team Finance Manager for input.

The debtor will be asked to make payment by BACs transfer and receipt of funds will be recorded in the accounting system.

Delegated limits for raising sales invoices are set in Appendix 1.

## **Aged Debtors**

An aged debtor report must be run at the end of every month by the Finance Manager with any issues highlighted, investigated and a reason provided along with a date for resolution. The report must be agreed to the balance sheet and signed by the Headteacher.

## **Bad Debts**

Each school must take steps to ensure all monies due are paid on time. If payment is delayed passed the agreed payment timeframe, the debtor should be contacted and the reason for late payment established, for example if the invoice is being disputed. This should be completed by the Finance Assistant. Following resolution of any issues if payment is not forthcoming within the following week, a letter must be issued asking for immediate payment. The Finance Assistant must then advise the Finance Manager of the problem and they will decide on the next steps along with the Headteacher and Head of Finance or CFOO if necessary.

Debts must always be pursued and the trust will only consider writing off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtors, the trust's insurers, or the risk protection arrangement, and should be satisfied that there is no feasible alternative. In the event of non-payment and the likelihood of the debt being uncollectable the debt may be written off in accordance with the Scheme of Delegation. Write offs must be authorised in accordance with the information in Appendix 1, subject to the limits provided in the Academy Trust Handbook, and recorded on the finance system.

All write offs must be reported to or approved by the Finance, Resources and Risk Committee in accordance with the Financial Scheme of Delegation.

Further services must not be provided to organisations which have had debts written off.

## **Cash banking**

Schools should request payment by BACS wherever possible however any cash and cheques must be locked in a secure place prior to banking to safeguard against loss or theft.

Ideally cash and cheques should be banked as soon as possible but at least weekly and steps taken to bank large amounts of cash or high valued cheques more frequently.

All cash and cheques should be recorded on the bank paying-in slips in sufficient detail to identify the source and reconcile to the cash book.

Cash above the insured value, as stipulated in the Academies Risk Protection Arrangement information, must not be stored on the premises overnight.

## **Staffing and Payroll**

The Scheme of Delegation and Appendix 1 show who has responsibility for the appointment of staff. They must have procedures in place to:

- Ensure that appointments made follow the Pickwick Academy Trust Recruitment Policy, especially with regard to safer recruitment.
- Ensure personnel are competent, suitably qualified and trained to a level consistent with their responsibilities.
- Provide clear statements of criteria for personnel selection.

- Provide formal job descriptions.
- Ensure that the cost of all appointments, re-gradings and any other changes in conditions of service of staff can be met within the resources available to the Academy.
- Each Headteacher must have access to a list of staff employed by the Trust who work at their school which provides information regarding their current grade, hours and weeks worked and whether they are in a pension scheme or not. This must be checked and updated regularly to support the annual budget and as part of the monthly budget re-forecasting.
- Any staffing changes which have an impact on the annual budget must be supported by a completed Internal Amendment or Staff Recruitment Authorisation form which quantifies the impact and confirms that resources to fund the change are available. The form also requires the impact on the following financial year to be calculated. Approval must be sought from the Head of Finance or CFOO prior to recruitment or changes to current contracts.

Each school must keep employee contract information up to date. A separate file for each employee should be stored in a secure place and should contain the following information:

- Copies of employment contracts for each role
- Interview information, application form and copies of Qualifications, if relevant.
- A copy of the successful candidate form which confirms that the following are in place:
  - Copy of starter form, ID, Right to work check, prohibition and s.128 checks (if applicable to post), Online Screening checks, Disqualification form, References, Driving declaration, DBS Check.
- A copy of the induction checklist
- Confirmation of a successful probationary period.
- Copies of any letters to confirm contract amendments
- Copies of an annual salary statement
- Information regarding any personal issues, sickness, time off etc, in accordance with trust policy on data retention

Access to personnel files is restricted to the CEO, Director of Education, Headteacher, HR Consultants, CFOO, Head of Finance, Finance Managers, Admin Officer, Head of HR and HR Officer.

Personnel files will be periodically checked by the Head of HR as part of a compliance and support visit.

Contracts will be periodically checked by the CFOO and auditors.

The Trust uses the services of a payroll bureau and the contract between the Academy trust and the agent includes:

- The responsibilities of the Academy and the payroll bureau.
- The responsibility for making returns to HMRC and the dates by which these returns should be made.
- The responsibility for making returns to Teachers Pensions and the Local Government Pension service.
- Details of ownership of programs and data files.
- Responsibilities for the control and accuracy of data.
- Details of authorised signatories for payroll amendments.
- Back up provisions.
- A schedule of reports to be sent to the Academy for financial and personnel monitoring purposes.
- An agreement as to the response time and costs that will be charged for any additional data or reports required by the Academy.
- Provision for access for Trust staff and auditors.

## **Executive Pay**

Any changes to the salary of a Headteacher, Director of Education, Professional Development Director or CFOO must be authorised by the CEO and any changes to the CEO's salary must be authorised by the Chair of Trustees. This must follow a robust evidence-based process, as part of an appraisal, recruitment process or job evaluation and be a reasonable and defensible reflection of the individual's role and responsibility. An individual must not be involved in deciding their remuneration. The Board must discharge its responsibilities with reference to the Academy Trust Handbook in relation to:

- process – the procedure is agreed by the board in advance and documented
- independence – decisions reflect independent and objective scrutiny, avoiding conflicts of interest
- robust decision making – factors in determining pay and benefits are clear
- proportionality – pay and benefits represent good value for money and are defensible relative to the public sector market
- commercial interests – ensure that the board is sighted on broader business interest held and that payments made do not undermine transparency for pay disclosure
- documentation – the rationale is recorded and retained
- a basic presumption that executive pay and benefits should not increase at a faster than that of teachers
- the understanding that inappropriate pay and benefits can be challenged by the DfE.

The trust will follow guidance in the Academy Trust Handbook regarding the publication of executive pay on its website. This will be completed following the completion of the annual accounts each year.

## **Monthly Payroll Process**

On a monthly basis the Finance Manager, Finance Assistant or Admin Officer for each school notifies the payroll bureau of staffing changes, contract amendments and one-off additions such as sickness and overtime.

These changes must be recorded in writing on standard forms and those that have a financial implication are authorised by the Headteacher, Director of Education, Professional Development Director, CFOO or CEO, as budget holders, depending on the change required, prior to submission to the payroll bureau.

Sickness may be authorised by the school Finance Manager or Line Manager of the employee.

From this information the payroll bureau produces a draft payroll costing analysis for each School. The Finance Manager and Headteacher will check and confirm that this represents the correct payment to employees for that month and inform the payroll Bureau of any changes or approve the report. The Headteacher must sign the draft document to confirm that payment is authorised.

The Payroll Bureau provides several payroll reports to each school and a combined summary report is provided to the Central Team Finance Manager in order for the Payroll payment journals to be processed on the central bank account. These must be retained for audit and reconciliation requirements.

Payments are made as follows:

- Net payments to staff, including overtime and expenses, by BACS, to employees of the Trust
- Income Tax and National Insurance to HMRC
- Pensions payments to the pension authorities
- Other payments which come directly from salaries, for example Trade Unions or Court orders

An additional payment is collected from schools to pay for the apprenticeship levy, details of which are provided by the payroll bureau to the trust

The payroll arrangements of all senior employees must be exclusively dealt with by the Payroll Bureau. No individual paid on the Trust payroll is treated as 'self-employed' without the clearance of HMRC.

Once payments are made, payroll expenditure journals must be processed and the payroll control account reconciled and agreed with the balance sheet by the school Finance Manager. The outstanding balance at the end of each period should equal the HMRC payment which is paid in the following month. Any other items should be investigated and cleared, or a note of action taken placed against them, prior to submission to the Headteacher for authorisation.

Payroll reports and payments made will be checked and verified as part of the External Audit and may also be checked by the CFOO and/ or Internal Assurance service as part of a compliance timetable.

### **Failure of the payroll payment process**

Monthly salary payments are transmitted via the payroll agent. The transmission to bank takes place at least three working days before the payment date. Therefore, the Academy should be aware of any difficulties at least three working days in advance, thus minimising risk.

The Academy trusts bank has been consulted regarding a possible failure to the payroll system or the usual method of transmission. In the event that pay details could not be transmitted to the bank via the usual system, the payroll database would be emailed directly to the bank and the content checked via telephone. The bank would arrange payments directly.

In the event of total IT failure at the Academy trust, payments would be discussed directly by telephone with the payroll agent.

### **Purchasing**

The Trust has delegated the majority of purchasing decisions to each school who must make their buying decisions in accordance with trust procedures (please see page 18 and appendix 9 for more detail) and with the principles of best value taking account of:

- Probity – it must demonstrate that there is no corruption or gain involved in contractual arrangements.
- Accountability – the Trust is accountable for the use of public money and its affairs.
- Fairness – those who deal with the Trust are dealt with on a fair and equitable basis. Divisible contracts are prohibited.
- Impact on the Carbon Footprint of the school/ Trust.

Confirmation must be provided that the purchase is in line with the approved budget for their school. This is achieved by completing the information on the Purchase Requisition Form (Appendix 3) that accompanies the majority of orders.

Also, where appropriate, the health and safety competence of contractors is assessed and only known contractors or those registered with their professional or trade association are employed to carry out major work at trust schools. Trust Contractor Guidelines are in place to support with this. Please request a copy or assistance if unsure.

**Larger** contracts such as IT Support, Catering, Cleaning, Grounds Maintenance, Communications and Utilities will be awarded following a Trust tendering process, if appropriate, on behalf of all eligible schools. This will always be the baseline position for those with a cost over the period of the contract of £40,000 or more but could be less depending on the service in question.

Procurement by tender of some services with a total cost in excess of £40,000 may not be appropriate. This may cover procurement of software and IT purchases, for example. Should this be the case, three quotes must be obtained.

**The trust seeks to procure on a trust wide basis wherever possible. Please seek advice from the CFOO prior to entering into a contract for services.**

Professional procurement advice will be obtained where appropriate, for example utilising the services provided by the Schools Buying Club or DfE Get Help Buying for Schools. If this route is chosen then the procurement process that they recommend will be followed instead of the tendering process detailed below.

## **Purchasing Limits**

This is defined in the Scheme of Delegation and also in Appendix 1.

## **Regular suppliers**

Suppliers are selected on the basis of their capacity to provide quality, quantity, service, timely delivery and price competitiveness. Volume discounts and credit terms are taken into account.

Suppliers are selected from:

- Trade journals
- Supplier catalogues and mailshots
- Information from other schools and academy trusts
- Information provided by the DfE

As stated above, the trust will review suppliers when contracts expire in its strategy to obtain one supplier per service across the school sites, for example Cleaning and Grounds Maintenance.

Requests for the set-up of new suppliers must be made by completing the form at Appendix 10 which is submitted to the Central Team Finance Manager along with a copy of an invoice or official document from the company containing bank details. The trust Finance Manager updates the finance system, signs the form and returns it to the Head of Finance who checks information has been entered correctly and signs the form. Any changes to bank details of current suppliers **must** be checked by a phone call to the company using a legitimate phone number.

## **Quotations**

Care should be taken to ensure that quotes are based on supplying the same quantity and quality of services or goods in order for a true comparison to be made. Normally the lowest priced quotation should be accepted. However, if there is a good reason not to accept the lowest price the reason must be recorded in writing on the Purchase Order. Supporting documentation should be attached with the purchase order onto the Finance System.

## Tendering

All relevant purchases with a value of £40,000 or more will be put out to formal tender. Please refer to the Trust Procurement and Competitive Tendering Policy for details of the process and evaluation method.

## Ordering of Goods and Services

Purchase orders **MUST** be used for all goods and services except for the following:

- Utilities
- Photocopier usage
- Agreed contracts
- Supply teachers, unless a long-term arrangement
- In house catering supplies
- Job Advertisements at Dorset and Wiltshire Council
- DBS Checks at Wiltshire Council or Dorset Council
- Items relating to school trips that are already costed on the trip approval form (Appendix 6)

**Payments or delivery may be delayed if the required process is not followed correctly. Please ask your Finance Assistant/ Finance Manager for support.**

The process is as follows:

### Purchase Requisition Form Completion

The purchase process for trust procurement is online as part of the Accounts software package in place. A flowchart is provided in Appendix 9.

Standard requisition forms are in place and attached as Appendix 3. Schools may use modified versions.

- The budget holder raises and signs a requisition form setting out the goods or services required and attaches appropriate documentation such as written quotes if relevant. **This must be done within a sufficiently long timescale to enable the process to be completed before the goods are required. A minimum value of £10 applies to each Purchase Requisition.**
- **Please remember to look locally for goods – Futurform, Local book shops, for example and also trust suppliers who may offer a discount.**
- Please note that Amazon are not always the cheapest or the most environmentally friendly as each package maybe delivered separately, packing can be excessive, each item will come with a separate invoice that requires entry and VAT cannot always be claimed, making it more expensive than a local supplier.
- The items requested on the requisition form are added to the Finance System by the Admin Assistant, Admin Officer, Facilities Manager or Finance Assistant. These can also be input directly to the Finance System by those with appropriate access, removing the need for a paper requisition form.
- The Finance Manager approves the purchase requisition on the finance system following a check of the budget and this then moves to become a purchase order.

## Purchase orders

- The purchase order is authorised online in line within the purchase limits on the scheme of delegation. The Finance system is set up to allocate tasks to specific roles and to provide levels of authorisation to specific transactions where necessary, in line with the trust Financial Scheme of Delegation (see Appendix 1).
- The purchase order is printed at school level if required to await receipt of goods or services.

## Receipt of goods

- All goods received are delivered to the budget holder or administrative assistant who carries out a prima facie check against the purchase order to ensure that the delivery is complete.
- If the delivery is only partly fulfilling an order, the budget holder or administrative assistant notifies the finance assistant who maintains a record of this.
- If a delivery note has been received the budget holder or administrative assistant should confirm the delivery is complete or incomplete by writing, signing and dating the position on the delivery note which should then be sent to the finance section.
- If no delivery note is received from the company, confirmation of receipt should be obtained via email and held on the finance system with the invoice.
- The Finance Assistant follows up any shortages or defective items with the supplier.

## Purchase invoices

- On receipt the invoice is matched to the purchase order and delivery note and posted to the system by the Finance Assistant.
- The invoice is then approved on line as provided for in the Scheme of Delegation, as shown in Appendix 1.

## Payment of invoices

Payment of invoices should be made in accordance with the supplier's terms and conditions. Invoices should be paid in time for the due date but not before. If no due date is provided then the default is 30 days from the invoice date.

If discounts are available for earlier payment, then the finance department may take advantage of this.

The accounting system is used to pay the invoice by BACS or, in exceptional circumstances, to record a payment by cheque – see below.

## Supplier Bank Details

Changes of bank account details for existing suppliers must be made by completing the form at Appendix 11 which is submitted to the Central Team Finance Manager along with a copy of an invoice or official document from the company containing bank details. The Central Team Finance Manager updates the finance system, signs the form and provides it to the Head of Finance who checks information has been entered correctly and signs the form. Completed forms are held at the trust offices.

**On provision of a change of bank details from a supplier via letter or email the Finance Assistant must contact the supplier on a known phone number (not the one shown on the form) to obtain direct confirmation of the change and sign the form to confirm that this has occurred before any changes are made.**

## **BACS Payments**

Supplier invoices are only paid once authorised on the finance system by the appropriate person. The Central Team Finance Manager will select all invoices for all schools that are due for payment onto a BACS payment cycle.

The accounting system generates a remittance advice which is emailed to the supplier.

BACS runs must be signed by two of the following people - the CFOO, the Central Team Finance Manager or the Head of Finance, following generation of the BACS report and a review of invoices contained therein by the Head of Finance/ CFOO.

BACS payment runs are completed every Monday or the next working day, unless it is an emergency payment.

BACS payments are completed using the Online Banking system and approved by 2 authorised users, as stated in the banking policy.

Invoice, order form and delivery note documentation is held on the finance system to assist with BACS payment checking and approval.

## **Direct Debits**

Direct debit usage is limited to utilities and contracts.

Copies of invoices such as utilities which vary in cost must be checked to confirm usage/ quantity, added to the system and approved by the Finance Manager/ Headteacher in accordance with the Financial Scheme of Delegation.

If the direct debit consists of a contract with the same monthly amount, these can be added by the Finance Assistant and approved by the Finance Manager for that setting.

## **Credit notes**

Credit notes should be entered onto the accounting system for authorisation in line with the Scheme of Delegation. A copy must be uploaded to the finance system as evidence for an audit trail.

## **Aged Creditors**

An aged creditor report must be run at the end of every month by the Finance Manager. Any issues must be highlighted and a reason provided along with a date for resolution. The report must be agreed to the balance sheet and signed by the Headteacher. Completion of this must be noted on the monthly return form, an example of which is shown in Appendix 2.

## **Charge and Trade Cards**

Purchases can be made by charge card where favourable terms such as price can be obtained compared to the receipt of an invoice after the goods or services have been supplied or in circumstances where an invoice cannot be provided prior to purchase, for example train tickets.

A Purchase Requisition form must be completed and authorised in line with the Scheme of Delegation prior to using the charge or trade card. An example of the form to be used for Charge card/ Online purchases is shown in Appendix 4.

**All purchases via the internet must be made using a school charge card and an online account in the name of the school.**

Authorised users vary at each setting and may include roles such as the Director of Education, Headteacher/ Headteacher, Deputies and Finance manager as named users of cards. The CFOO and CEO are the named users of the Chargecards for the central team and the Professional Development Director is the named user of the card used for training events. Purchases are restricted to a maximum of £5,000 per card with a temporary increase up to £10,000 permitted if required for the Summer FSM voucher purchase.

Procurement rules as detailed in the Scheme of Delegation must be adhered to in the same way as a normal invoice

purchase.

Cards must be retained in a secure place and used only by the authorised user following correct authorisation of a Chargecard purchase order prior to purchase.

The card statement must be reconciled against receipts and invoices to ensure all documentation is held, then paid in full by direct debit.

The finance team will then enter the details into the accounting system using the appropriate card payment function and entries will be made to the ledger codes as set out on the requisition sheets. Copies of receipts or invoices and accompanying approved requisition forms will be uploaded to the system alongside the card statement.

## Petty cash

A decision has been made not to hold Petty Cash in trust schools. Any remaining balances must be paid back into the main trust bank account.

## Staff Expenses

It is acknowledged that staff members will incur expenditure on behalf of the school at some point. Full details of expenses that may be claimed can be found under the Pickwick Travel, Subsistence and Personal Expenses Policy.

**It is important to note that purchases of gifts, including alcohol, for any reason, including as a thank you to a staff member, visitor or volunteer must NOT be processed through official trust funds.**

In order for relevant expenditure to be reimbursed the following procedures should be followed:

All business travel claims and parking costs must be processed through the payroll department following the completion of a travel expenses form. A copy of this form can be obtained from the Admin Officer or Finance Manager at the school or by accessing the correct folder of the 'R' Drive - R:\1. Pickwick Documentation\Financial Procedures Manual.

The form must be approved by the Headteacher/ Director of Education or CFOO prior to being given to the Finance Assistant for processing.

Store receipts must be submitted alongside a completed staff claim form which has been approved in line with the Scheme of Delegation. (see appendix 13).

Expenses incurred by a member of the SLT at your school or the Exec team **must be authorised** by another member of the same team (SLT or Exec) or by one of the Board of Trustees.

**Online purchases must NOT be made unless via an account in the school's name whilst using a school chargecard and will not be reimbursed under any circumstances.**

**Personal Amazon, Ebay and any other personal online accounts must not be used and will not be reimbursed.**

## Catering Arrangements for Staff

A small sum of money can be allocated to a school's budget to provide food for staff should they have to stay late for parents' evenings or a particular late meeting. This does not cover work completed in a normal school day, for example TD days or for attendance at Local Governance Committee meetings and should be reasonable in cost.

## Internal Charging and Transfers

It is important to ensure that income already accounted for by one school from an external provider is not double counted if moved between schools. The internal transfer should be agreed via email between the two relevant Finance Managers, with additional Headteacher approval if >£500.

The attached schedule (Appendix 7) provides information and examples and appendix 8 provides a sample request form.

Please seek support from the Head of Finance/ CFOO if you are unsure.

## **Bank Accounts**

Only the Trust Board can authorise the opening of Trust bank accounts. The closure of a Trust bank account must be authorised by the Director of Education (if for a school), CEO or CFOO.

A single Trust bank account is in place for all schools and the central team.

Where cash flow statements identify surplus funds are likely to be present in current accounts then transfers may be made to deposit accounts to increase interest earned in line with the Trust investment policy.

All chequebooks and other banking stationery must be kept in a locked cupboard or filing cabinet. All bank statements are filed sequentially alongside monthly reconciliation paperwork.

## **Bank reconciliations**

All bank accounts must be reconciled on a monthly basis by the Finance Assistant for the trust central team, with assistance from the Finance teams at each school where necessary. The Finance Assistant who performs the reconciliation must sign the bank reconciliation report.

The CFOO should be provided with the following reports for review along with the bank statement:

Bank reconciliation statement

Bank reconciliation report – reconciled items

Bank reconciliation report – unreconciled items

And should sign the bank reconciliation statement as evidence of review. Completion of this must be noted on the monthly return form, an example of which is in Appendix 2.

Any variances or items outstanding for over a month must be investigated and a note provided on reconciliation paperwork.

## **Gift Aid Scheme**

### *The gift aid scheme*

To ensure that the charity receives all the money to which it is entitled, the Finance Manager of the recipient school, if the gift aid scheme applies:

- Makes regular checks against records to ensure that expected amounts have been received from the donor.
- Ensures that in the case of gift aid donations from individuals, the tax reclaimable has been obtained from HMRC.
- Is careful not to over-claim tax repayments.

## **Investments**

The Board of Trustees may invest to further their trust's charitable aims, but **must** ensure that investment risk is properly managed. When considering making an investment the Board **must**:

- Act in accordance with the investment policy to manage, control and track their financial exposure, and ensure

value for money

- act within their powers to invest as set out in their articles of association
- exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser
- ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- ensure that all investment decisions are in the best interests of the trust and command broad public support
- review the trust's investments and investment policy regularly

The board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. DfE's prior approval **must** be obtained for investment transactions which are novel, contentious and/or repercussive.

Bank interest must be coded as VAT Exempt.

## **Fixed assets**

### **Asset register**

The Finance Manager for each school maintains the asset register and provides details when requested to the Central Team Finance Manager/Head of Finance/ CFOO who hold the master version for the Trust. The Academy trust includes details of all assets with a cost equal to greater than £2,000 and 'attractive' items below that value, in the asset register. Attractive items tend to be things such as iPad, Laptops and other IT hardware. The register records:

- Asset description
- Serial number (if applicable)
- Date of acquisition
- Asset cost
- Source of funding
- Expected useful economic life
- Initial Cost
- Location
- Name of member of staff responsible for the asset
- Asset number (per security label)

**Items used by the Academy trust but owned by others are included, with a note of ownership. Leased items are identified as such with the termination date of the lease.**

Capital item purchases must be coded to capital nominal codes using fund code 3.

The Central Team Finance Manager checks that the asset register at each setting has been updated to ensure additions and disposals have been correctly entered and that it correlates with the records in the accounting system. Items listed will be added to the main trust asset register by the Central Team Finance Manager to enable the calculation of depreciation at the end of each period as part of the month and year end process.

Details of any assets removed from the school site are recorded in a loan book or file and a form completed by the person borrowing the asset which acknowledges their responsibilities - see appendix 14

The length of time the asset will be off site is recorded together with the appropriate authority. The appropriate authoriser is the Finance Manager. The finance office checks that assets will be insured before they are removed from the school. No assets are removed from the school for a time period which would unreasonably deny the school use of those assets.

Assets are security marked with pre-numbered labels, where possible, and an annual check of a sample of assets must be made in the summer term by the Finance Manager. Any discrepancies are investigated and reported to the Headteacher who informs the CFOO of the loss and any known reason for this. The insurers are notified as appropriate.

## **Disposal of assets**

All disposals and write-offs of assets are authorised by the CFOO up to a current Net Book Value limit of £10,000. Asset disposal with a total Net Book Value of above £10,000 will be approved by the Finance, Resources and Risk Committee. If the trust is disposing of a freehold of land or buildings or heritage assets, in which case prior approval must be obtained from the DfE.

A reasonable attempt must be made to sell assets which are no longer required by the school if they are deemed to still have a sale value.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy trust would need to ensure licences for software programmes have been legally transferred to a new owner.

Details of the process to be followed for the disposal of IT Equipment can be found in appendix 16. Certificates of destruction must be obtained from the trust approved destruction company.

The following records are kept for disposals using the Fixed Asset Disposal form (Appendix 15):

- The item disposed of.
- The date of disposal.
- The method of disposal.
- The proceeds of sale or how disposed of if scrapped.
- The person authorising the disposal.

No item is sold, leased or hired to a third party without the approval of the CFOO.

## **Losses**

All losses are reported to the Finance Manager and subsequently the Head of Finance and CFOO. The finance manager informs the police if the loss is a result of burglary or theft and the insurance company (Risk Protection Arrangement) is informed at the same time. Action is taken immediately to prevent further loss.

The Finance Manager must maintain a record of losses and insurance monies received. The Finance, Resources and Risk Committee and Board are informed of all losses.

## **Leasing**

There are two types of lease:

- Operating leases: these do not represent borrowing
- Finance leases: these are a form of borrowing

Trusts do not require DfE's approval for leases other than the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and 5.34 of Academy Trust Handbook 2024.
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

Pickwick Academy Trust ensure that any lease arrangement maintains the principles of value for money, regularity and propriety, whether or not DfE's prior approval is required. The trust will seek advice from their professional financial adviser and/or external auditor if they are in any doubt over whether a lease involves an element of borrowing.

**The Finance, Resources and Risk Committee is responsible for approving all leasing arrangements and ensuring that finance leases are not entered into. Leasing arrangements will be reported to the board as part of feedback from the committee meeting.**

No leased item is disposed of without the express permission of the leasing company. This includes sale, part exchange, scrapping, writing-off, donating, re-leasing, subletting or any other form of disposal.

## **Borrowing**

Borrowing is not allowed without the prior approval of the Board and where necessary the DfE. **School Charge and Trade cards must only be used for academy business and balances cleared before interest accrues.**

## **Severance payments**

All severance payments need to be approved by the Board and should only be considered after taking HR advice and referring to the detailed guidance in the latest version of the Academy Trust Handbook. In some instances, the prior approval of the DfE is required.

## **Novel, contentious and repercussive transactions and Ex gratia payments**

These must always be referred to the DfE for prior approval. The DfE in turn may refer the transaction to the HM Treasury and so the trust will allow sufficient time for proposals to be considered.

## **Compensation payments**

Should the trust consider making such a payment it will seek legal advice, ensure value for money and comply with the rules on financial limits as detailed in the latest Academy Trust Handbook.

## Gifts provided by School or Trust

Please refer to the Pickwick Academy Trust Gifts and Hospitality Policy for detailed guidance.

**Payment for flowers or gifts for staff, visitors or volunteers in any circumstance must NOT come from official funds.**

## Related Party Transactions

Related Party Transactions are financial transactions that are entered into with:

- **a member, trustee, local governor or senior employee (typically members of the SLT);**
- **a close family member or a member of the same household;**
- an organisation that they are in business partnership with
- a company in which one of the above owns more than 20% of share capital or can exercise more than 20% of votes
- any other organisation that is controlled by the above
- an individual or organisation who has the right to appoint members or trustees to the trust and anyone connected to them
- the sponsor of the trust or any body connected to them

**In order to comply with the rules regarding related party transactions, to avoid conflicts of interest, all members, trustees, local governors and senior employees must not accept benefits from third parties, and must declare interest in proposed transactions or arrangements.**

- All members, trustees, local governors and senior employees must complete the register of interests.
  - Declarations of Interest are a standing item on the agenda of every Board and Committee meeting.
  - The register of interests for the Board is published on the Pickwick Academy Trust website and each individual school will publish their own version on their website.
- No member, trustee, local governor, employee or related individual or organisation must use their connection to the trust for personal gain, including preferential payment terms
- There must be no payments to trustees unless permitted by the articles or by authority from the Charity Commission, and they comply with any relevant agreement with the Secretary of State. Consideration will be given to payments made to business entities who employee the trustee, are owned by the trustee, or in which the trustee holds a controlling interest
- The approval of the Charity Commission must be obtained where the trust believes that a significant advantage exists in paying a trustee to act as trustee
- Payments provided to persons as detailed in the Academy Trust Handbook must satisfy the 'at cost' Requirements for the element that is over £2,500 in a financial year.
- All contracts and other agreements with related parties must be reported to the DfE in advance of the contract or agreement commencing or being renewed, using the DfE's related party online form.
- Prior approval from the DfE for contracts and other agreements agreed on or after 1 September 2023 must be obtained where the agreement exceeds £40,000 in the same financial year.

**School staff MUST ensure that they liaise with their Finance Manager prior to entering into a financial transaction with a related party listed on the register of interests for their school/ the trust.**

**Finance Managers must:**

- **ensure that any new suppliers with a related party interest are recorded as such on the Access finance system to ensure a warning is displayed in process of transaction**
- **advise the Head of Finance or CFOO of any proposed transactions with a related party in order to ensure proper procurement process has been followed and the transaction logged with the DfE prior to going ahead.**

## External Auditors

Pickwick Academy Trust has appointed an external auditor to certify that their accounts present a true and fair view of the trust's financial performance and position.

Submission of accounts to the DfE and Companies House along with the need to publish accounts on the trust website is completed within the dates set by the Academy Trust Handbook.

## Internal Assurance

Pickwick Academy Trust combines its Audit Committee with the Finance, Resources and Risk Committee which meets six times a year. Employees attend the committee in order to provide information and participate in discussions.

The trust has a responsibility to ensure regularity, propriety and value for money in the organisations activities and reduce the risk of fraud and theft. In order to ensure that this being achieved the following are in place:

- A contract for Internal Assurance services is held.
- The Finance, Resources and Risk Committee will identify on a risk-basis the areas it will review each year, modifying checks accordingly.
- The Finance, Resources and Risk Committee will take account of recommendations from the trust's external auditors in their management letter, recommendations from the Internal Assurance provider and previous internal assurance reports, the trust risk register, Charities Commission Checklist and DfE reviews to agree a programme of work. This includes verification that information submitted to the DfE that affects funding, including pupil numbers and claims is accurate and compliant with funding criteria.
- The Finance, Resource and Risk Committee consider the Internal Assurance reports and progress made in addressing recommendations alongside reports from other assurance activities that may be undertaken by the DfE and other bodies.
- The report will be made available to the Local Governance Committee, Headteacher and Finance manager, where appropriate. The Local Governance Committee must consider the report and minute what action and timescales it intends to take to address any discrepancies. The report and minutes will be considered by the Board.
- The CFOO may also conduct additional internal audit checks during the financial year on topics raised by the Risk Register, Internal Assurance report or the Charities Commission Checklist.
- The CFOO, with support from the Head of Finance, Finance managers and schools will self-assess the Trust against the 'musts' which are outlined in the Academy Trust Handbook on an annual basis. A written note of the assessment must be made, including any required action. A copy of the report will be made available to the Finance, Resources and Risk Committee and the Board and will be submitted to the DfE in accordance with their requirements

Submission of an annual summary of areas reviewed, key findings, recommendations and conclusions must be submitted to the DfE by 31<sup>st</sup> December along with the audited accounts.

## **Fraud**

The adoption of the systems of financial controls and internal checks in this Financial Procedures Manual will minimise the risk of fraud and irregularities. However, appropriate action will be taken were fraud or irregularity is suspected and the position reported to the Board.

Any instances of fraud exceeding £5,000 individually or £5,000 cumulatively in any financial year must be reported to the DfE as soon as possible. Any unusual or systematic fraud, regardless of value, must also be reported along with the following information:

- Full details of the event(s) with dates,
- The financial values of the loss,
- Measures taken to prevent recurrence,
- Whether the matter was reported to the police and why if not,
- Whether insurance cover or the RPA have offset any of the loss.

Please refer to the trust Anti- Fraud Policy and Checklist for detailed procedures to follow should fraud be suspected.

## **Cybercrime**

The following four conditions from the RPA regarding Cyber Security must be complied with:

1. Offline Back-ups are completed in line with RPA requirements
2. All employees, trustees and governors with access to the trust IT systems undertake NCSC Cyber Security Training on an annual basis. Compliance with training requirements is recorded on the Single Central Register at each school.
3. All schools are registered with Police Cyber Alarm.
4. A Cyber Response Plan is in place at each school.

The trust must obtain permission from the DfE to pay any cyber ransom demands.

## **Whistleblowing (Freedom to Speak Up)**

Whistleblowing is the term which is used to mean the reporting of individuals that it is felt are doing something wrong or illegal.

Please refer to the Pickwick Academy Trust Whistleblowing Policy for further details.

If you have a concern, please direct it to the following named guardians:

Central Team –CEO

School Staff Members –Headteacher

If regarding the Headteacher – Chair of Governors, local Governance Committee

If regarding the CEO - Chair of Trustees



## Appendix 1

### FINANCIAL SCHEME OF DELEGATION

This information should be read in conjunction the DfE Academy Trust Handbook

#### Budgeting and Reporting

| Role                             | Value                             | Delegated Authority                        | Method  | Review Period |
|----------------------------------|-----------------------------------|--|---|---------------|
| Budget setting process           |                                   | CEO, and CFOO                              | CFOO and Head of Finance agree timetable and provide detail regarding assumptions to enable compilation.  | Annual        |
|                                  |                                   | Director of Education and Headteacher      | Draft a budget which supports the school Development Plan and meets the KPIs and any other targets that have been set by the Trust Board  | Annual        |
|                                  |                                   | CFOO and Head of Finance                   | Meet with Director of Education, Headteacher and Finance Manager to review budget.  | Annual        |
|                                  |                                   | Finance, Resources and Risk Committee      | To review budget and make recommendations to the Board  | Annual        |
|                                  |                                   | Trust Board.                               | Approve budget for submission to the DfE and for the Finance Committee to use to manage school performance.   | Annual        |
| Budget holders' responsibilities | As per the individual budgets set | Headteacher, SLT and other budget holders. | Budget monitoring is the responsibility of the budget holder and must not be overspent at any time during the year unless through prior agreement from the appropriate authorisation level. | As required   |

| Role                        | Value | Delegated Authority  | Method   | Review Period                                     |
|-----------------------------|-------|--|--|---|
| Monthly Management Accounts |       | Headteacher with support from Director of Education and Finance Manager                                    | Summary of Management Accounts to be reported to LGC. Monthly control sheet items to be submitted to the Head of Finance. Monthly meetings with Finance Manager, Headteacher and Director of Education when required. Regular meetings with the Head of Finance and attendance by CFOO where required.<br><br>Consolidated reports for Finance, Resources and Risk committee and Trust Board | Monthly management accounts from October onwards. |
| DfE Reporting               |       | Head of Finance, CFOO, Chief Executive Officer/Accounting Officer in conjunction with the Trust's Auditors | An annual Financial Reporting Timetable will be released by the DfE dates and requirements will be included on this timetable.   | As necessary to ensure compliance                 |

### Income

| Role                                       | Value               | Delegated Authority   | Method   | Review Period |
|--|---------------------|---|--|---------------|
| Collection and receipt of cash and cheques | Any                 | School Finance Manager or delegated administration assistant. | Cash and cheques must be receipted by the person with delegated authority and recorded in the appropriate ledger. All on site cash and cheques must be locked in the safe until banking. | As required   |
| Sales invoices                             | Up to £15,000       | CFOO, Head of Finance, Finance Manager and Finance Assistants | All sales invoices must be processed through the financial management system, and issued in a timely manner.   | As required   |
|  | £15,001 to £100,000 | Headteacher or Equivalent, Head of Finance, CFOO, CEO         | CEO, Headteacher, Head of Finance, CFOO to authorise the issuing of sales invoices above £15,001, and then as above.   | As required   |
|  | Over £100,000       | Finance, Resources and Risk Committee.                        | Finance, Resources and Risk committee to approve the issuing of sales invoices above £100,000, and then as above.  | As required   |

|   |   |  |  |                    |
|---|---|--|--|--------------------|
| <p>Writing off debts and losses<br/>Entering into guarantees, indemnities or letters of comfort *</p> <p>(Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust should secure value for money the appraising the proposal through a cost/ benefit assessment)</p> | <p>Under £1,000</p>   | <p>CFOO</p>  | <p>Report provided to CFOO by Headteacher for authorisation</p> <p>Necessary entries made in accounts.</p> <p>Organisation no longer used</p> <p>Reported to Finance, Resources and Risk Committee</p>   | <p>As required</p> |
|   | <p>£1,000 and over subject to limits in DfE Academy Trust Handbook -</p> <p>(1% of total annual income or £45,000 (whichever is smaller) per single transaction.</p> <p>2.5% of annual income cumulatively (max 250k) or 5% (max 250k) if timely audited accounts submitted. n.b. the amounts for write-offs are before successful claims from an insurer or the RPA. Total annual income is defined as grant income as disclosed in the trust's last audited accounts)</p> | <p>CFOO and Finance, Resources and Risk Committee</p>                | <p>Report provided to CFOO and Finance, Resources and Risk Committee</p> <p>Necessary entries made in accounts.</p> <p>Organisation no longer used</p> <p>Reported to Board</p>  | <p>As required</p> |
| <p>Banking of cash and cheques</p>  | <p>Any</p>  | <p>School Finance Manager or delegated Administration Assistant.</p> | <p>Cash and cheques should be banked at least weekly and sufficient detail must be placed on the paying-in-slip to identify the source and enable posting to the correct GL account.</p> <p>Banking of cash should be checked and agreed by another member of staff before being banked and should relate back to receipts issued.</p> <p>Cash above the insured value, as stipulated by the Academies Risk Protection Arrangement must not be stored on the premises overnight.</p> | <p>As required</p> |

|                                 |  |  |   |         |
|---------------------------------|--|--|---|---------|
|                                 |  |  | No expenses must be paid out of cash prior to banking.  |         |
| Reconciliation of bank accounts |  | Finance Assistant – Trust Central Team | Bank accounts should be reconciled at least on a monthly basis by someone other than the person doing the banking. Bank reconciliations should then be signed and dated by the person completing the reconciliation and the Headteacher/ CFOO as authoriser, and filed.<br><br>Any unreconciled items of over a month old must be investigated. | Monthly |

### Purchases and Payments

| Role            | Value              | Delegated Authority  | Method  | Review Period |
|-----------------|--------------------|--|---|---------------|
| Purchase orders | Up to £5,000       | CEO, CFOO, Director of Education, Headteacher, Professional Development Director, Deputy Head, Head of Finance | Orders should be placed with regular supplier where possible. Orders should be entered as a purchase requisition on the financial management system and authorised by the school finance manager before order is approved by the Head and placed with supplier. | As necessary  |
|                 | £5,001 to £20,000  | CEO, Director of Education, Headteacher, CFOO, Professional Development Director                               | As above however three written quotes must be provided or reason to accept one supplier written on the purchase order.  | As necessary  |
|                 | £20,001 to £40,000 | CEO, CFOO  | As above however minimum three written quotes must be provided.   | As necessary  |

| <b>Role</b>      | <b>Value</b>   | <b>Delegated Authority</b>   | <b>Method</b>  | <b>Review Period</b> |
|------------------|--|--|--|----------------------|
|                  | Over £40,000   | Finance Committee, by way of recommendation from the CEO, CFOO or Director of Education  | Formal tendering process, including advertising on the Find a Tender service if appropriate.<br><br>OR<br><br>Three quotes if tender process not suitable<br><br>Online approval process above must be followed.   | As necessary         |
| Invoice Approval | Up to £5,000   | Approval required from either the CEO, CFOO, Director of Education, Headteacher, Professional Development Director, Deputy Head or Head of Finance |  |                      |
|                  | £5,001 to £20,000  | Approval required from either the CEO, CFOO, Director of Education, Headteacher or Professional Development Director                               | Individual payments to any supplier to the value of £20,000 need to be approved online by those with delegated authority, following approval of purchase requisition by Finance Manager and completion of a purchase order, apart from those invoices listed on page 19.   | As necessary         |
|                  | £20,001 and above  | CEO or CFOO to approve online.   | Individual payments to any supplier to the value of £20,000 need to be approved online by CEO or CFOO, following approval of purchase requisition by Finance Manager and completion of a purchase order.   | As necessary         |
| Charge Card      | Limited to £5k with temporary increase up to £10k for summer FSM voucher purchase permitted if required. | Director of Education, Headteacher, School Finance Manager, CFOO, Professional Development Director, CEO, Deputy Head, Admin Officer               | Must be kept in the safe or other suitably secure place when not in use. All transactions must be supported by a signed purchase order prior to the transaction and a receipt. Orders should only be placed by the card holder. Authorisation of the credit card statement should be checked by someone other than the person who places the orders, in most cases the Headteacher or CFOO. Balance on card statement must be cleared by direct debit before interest accrues. | Monthly              |

| <b>Role</b>  | <b>Value</b>                                  | <b>Delegated Authority</b>   | <b>Method</b>  | <b>Review Period</b> |
|--|---|--|--|----------------------|
| Standing orders  | As per limits for regular invoices.           | Finance Manager/ Headteacher to approve if a contract or utility once usage/ quantity has been confirmed | Use limited to utilities and contracts.  | As necessary         |
| Loan/ Overdraft  | Any   | Trust Board<br>DfE approval required   | Report completed by CEO/ CFOO for Finance Committee to recommend to Board following DfE Approval | As necessary         |
| Entering into an Operating Lease                                     | Any   | Trust Board  | Report completed by CEO/ CFOO for Finance Committee to approve and advise Board                  | As required          |
| Entering into a Finance Lease  | Any   | Trust Board  | Report completed by CEO/ CFOO for Finance Committee to recommend to Board                        | As required          |
| Granting any leasehold on land or buildings *                        | Any   | Trust Board<br>DfE approval required   | Report completed by CEO/ CFOO for Finance Committee to recommend to Board following DfE Approval | Annual               |
| Taking up any leasehold on land or buildings for seven years or more | Any   | Trust Board<br>DfE approval required   | Report completed by CEO/ CFOO for Finance Committee to recommend to Board following DfE Approval | Annual               |
| Novel, contentious and repercussive transactions                     | Any   | Trust Board<br>DfE approval required   | Report completed by CEO/ CFOO for Finance Committee to recommend to Board following DfE Approval | Annual               |
| Related Party Transactions   | Up to £40,000                                 | Finance, Resources and Risk Committee<br>DfE notification required                                       | Report to the Finance Committee and notification to DfE  | As required          |
|  | Over £40,000 in one transaction or cumulative | Trust Board<br>DfE approval required   | Report to the Finance Committee and approval received from the DfE                               | As required          |

## Wages and Salaries

| <b>Role</b>             | <b>Value</b>                 | <b>Delegated Authority</b>  | <b>Method</b>   | <b>Review Period</b> |
|-------------------------|------------------------------|---|---|----------------------|
| Appointment of Staff    | Up to senior leadership team | Headteacher and Director of Education   | Follow trust recruitment policy   | Annual               |
|                         | Senior leadership team       | Headteacher in consultation with the Chief Executive Officer and Director of Education.                                     | Follow trust recruitment policy   | Annual               |
|                         | Headteacher                  | Trust Board on the recommendation of the Chief Executive Officer [following recommendation of the Head Appointments Panel]. | Follow trust recruitment policy   | Annual               |
|                         | Executive team               | Trust Board on recommendation of the Chief Executive Officer  | Follow trust recruitment policy   | Annual               |
|                         | Chief Executive Officer      | Trust Board on recommendation of the appointment panel  | Follow trust recruitment policy   | Annual               |
| Payroll Processing      |                              | Finance Manager and Headteacher or CFOO for Central team  | Finance Manager to check monthly draft payroll report and make any necessary changes or adjustments. Monthly payroll, overtime and any other changes must be authorised and signed off on by the Headteacher or CFOO for central team payroll. Sickness may be approved by the Finance Manager, Payroll reports and payments made may be checked and agreed by the CFOO and Internal Assurance service as part of the Internal Audit Requirement. | Monthly              |
| Contracts of employment |                              | School Finance Manager or delegated administration officer or assistant.  | All employee contracts need to be kept up to-date. Any contract changes need to be authorised by the appropriate authority level as per (Appointment of staff) authority and the CFOO/ CEO and filed in the staff member's file. These contracts will be periodically checked by the CFOO and the auditors.   | As required          |

|  |  |  |  |             |
|--|--|--|--|-------------|
| Ex gratia payments*                          | Any  | Trust Board<br>DfE prior approval required                   | Report completed by CEO/ CFOO for Finance Committee to recommend to Board following DfE Approval   |             |
| Special Severance and Compensation Payments* | Non-Statutory/ Non-Contractual Element Below £50,000   | Trust Board on recommendation of the Chief Executive Officer | Report provided to the Board by the Finance, Resources and Risk Committee following HR advice and referral to the Academy Trust Handbook<br><br>Disclose in audited accounts | As required |
|  | Non-Statutory/ Non-Contractual Element £50,000 or above  | Trust Board<br>DfE prior approval required                   | Report completed by CEO/ CFOO for Finance Committee to recommend to Board following DfE Approval   | As required |
|  | Exit package including Special Staff severance payment is at or above £100,000 and/or<br><br>The employee earns over £150,000. |  |  |             |

## Assets

| <b>Role</b>  | <b>Value</b>                       | <b>Delegated Authority</b>                 | <b>Method</b>   | <b>Review Period</b> |
|--|------------------------------------|--|---|----------------------|
| Fixed asset register                                   | £2,000 and above                   | Finance manager                            | All assets to the value of £2,000 and above, either individually or as a group will need to be recorded in the asset register.  | Annual               |
| Purchase or sale of any freehold land or buildings*    | Any                                | Trust Board<br>DfE prior approval required | On recommendation of the Chief Executive Officer  | Annual               |
| Disposal of heritage assets*                           | Any                                | Trust Board<br>DfE prior approval required | On recommendation of the Chief Executive Officer  | Annual               |
| Disposal or write off of assets – not land or building | Net Book Value - £10,000 and below | CFOO                                       | Schedule of assets for disposal provided to the CFOO for approval. Report provided to the Finance, Resources and Risk Committee | As required          |
| Disposal or write off of assets – not land or building | Net Book Value - £10,000 and below | Finance, Resources and Risk Committee      | Schedule of assets for disposal provided to the Finance, Resources and Risk Committee for approval                              | As required          |

\*The academy trust must disclose aggregate figures for transactions of any amount, and separate disclosure for individual transactions above £5,000 in its audited accounts. Special payments of staff severance of any value must be disclosed in total and individually.

**SHEET**

**MONTHLY  
CONTROL**



**SCHOOL:**

**MONTH ENDING:**

| DESCRIPTION  | Working Day     | SIGNED AND DATED |
|--|-----------------|------------------|
| Bank Account postings – Weekly   |                 |                  |
| Draft Payroll Reports received for checking – approx. 10 <sup>th</sup> of the month<br>- Please ensure that the draft report is authorised by your Headteacher |                 |                  |
| Credit Card Statement relating to XXX-month input to Access  |                 |                  |
| Salary journals input into HCSS using final payroll report   |                 |                  |
| Creditor invoices received have been input into Access   |                 |                  |
| Bank account Posting – final few days completed  | WD1 (by Midday) |                  |
| Bank Account Reconciled by Trust Finance Assistant   | WD1             |                  |
| Sales invoices raised and input into Access  | WD1             |                  |
| Access aged creditor report agrees with creditors sum in balance sheet   | WD2/3           |                  |
| Access aged debtor report agrees with debtors sum in balance sheet   | WD2/3           |                  |
| Fixed asset additions in balance sheet agreed as correct and fixed asset register updated  | WD2/3           |                  |
| Payroll Reconciliation sheet & Payroll control account reconciliation completed  | WD2/3           |                  |
| Monthly VAT return submitted by Trust Finance Manager  | WD4             |                  |
| Balance Sheet Reconciliations, Payroll Reconciliation sheet & Fixed Asset Register submitted to Head of Finance  | WD4             |                  |
| Salary monitoring report completed, ready to use for updating management report staffing forecast  | WD6             |                  |

|   |       |  |
|---|-------|--|
| Draft management report for Headteacher has been prepared                                 | WD6/7 |  |
| Management report signed off by Headteacher   |       |  |
| Final management report submitted to Head of Finance, along with salary monitoring report | WD10  |  |
| Lock latest month forecast in finance system  |       |  |
| School trip income and expenditure reviewed   |       |  |
| Depreciation postings completed – Head of Finance   |       |  |



## Appendix 4

### Online/ Charge or Trade Card Purchase Requisition form

School Name.....

| Date   | Cost Centre<br>(office use) | G/L Code<br>(office use) | Fund Code<br>(office use) | Analysis Code         | Budget Allocated | Available Spend |
|--|-----------------------------|--------------------------|---------------------------|-----------------------|------------------|-----------------|
| I have checked that there is provision in my budget for the items listed |                             |                          |                           | Signed:               |                  |                 |
| Supplier:  |                             |                          |                           | Special Instructions: |                  |                 |

**PLEASE MAKE SURE THAT YOU HAVE ENOUGH IN YOUR BUDGET TO COVER THIS BEFORE PLACING ORDER. THANK YOU**

| Product Code | Brief Description | Price per Unit | Quantity | Cost     |
|--------------|-------------------|----------------|----------|----------|
|              |                   |                |          |          |
|              |                   |                |          |          |
|              |                   |                |          |          |
|              |                   |                |          |          |
|              |                   |                |          |          |
|              |                   |                |          |          |
|              |                   |                |          |          |
|              |                   |                |          |          |
|              | <b>TOTAL</b>      | <b>0</b>       |          | <b>0</b> |

**Appendix 5**

**Long Term Agency Recruitment Authorisation Form**

**Pickwick Academy Trust**

School: .....

**Agency Staff**

| Date   | Cost Centre<br>(office use) | G/L Code<br>(office use) | Fund Code<br>(office use) | Analysis Code         | Budget Allocated | Available Spend |
|--|-----------------------------|--------------------------|---------------------------|-----------------------|------------------|-----------------|
| I have checked that there is provision in the budget for the agency appointment listed below |                             |                          |                           | Signed:               |                  |                 |
| Supplier:  |                             |                          |                           | Special Instructions: |                  |                 |

**PLEASE MAKE SURE THAT YOU HAVE ENOUGH IN YOUR BUDGET TO COVER THIS BEFORE PLACING ORDER. THANK YOU**

| Supplier  | Description | Price per Unit | Hours    | Cost   |
|---|-------------|----------------|----------|--------|
|   |             |                |          |        |
|   |             |                |          | Income |
| If the agency appointment is supported by additional income please describe this below: |             |                |          |        |
|   |             |                | Net cost |        |

## Appendix 6 -School Trip Authorisation Form



### SCHOOL TRIP/ INTERNAL EVENT CHECKLIST

|  |  |
|--|--|
| <b>TOPIC</b>                                     |  |
| <b>YEAR GROUP/ CLASS</b>                         |  |
| <b>NUMBER OF CHILDREN</b>                        |  |
| <b>TRIP DESTINATION/ SUPPLIER</b>                |  |
| <b>PREFERRED TERM/DATE</b>                       |  |
| <b>TIME TO LEAVE SCHOOL</b>                      |  |
| <b>TIME TO LEAVE VENUE<br/>RETURN TO SCHOOL</b>  |  |
| <b>WORKSHOPS/SESSIONS REQUIRED</b>               |  |
| <b>LUNCH TIME ARRANGEMENTS</b>                   |  |
| <b>COST OF ACTIVITY<br/>PER CHILD</b>            |  |
| <b>PUPIL/ADULT RATIO<br/>(FREE PLACES)</b>       |  |
| <b>COST OF EXTRA ADULTS<br/>(IF REQUIRED)</b>    |  |
| <b>COACH SIZE REQUIRED<br/>(NUMBER OF SEATS)</b> |  |
| <b>COST OF COACH<br/>COACH COMPANY</b>           |  |

|  |   |
|--|---|
| <b>OVERALL COST OF EDUCATIONAL VISIT (NUMBER OF CHILDREN X<br/>COST PER CHILD PLUS ADDITIONAL WORKSHOP COSTS (minus VAT is<br/>applicable)</b> | £ |
| <b>TRANSPORT COSTS</b>   | £ |
| <b>OVERALL TOTAL</b>   | £ |
| <b>COST TO PARENTS<br/>(OVERALL TOTAL DIVIDED BY NUMBER OF CHILDREN ATTENDING)</b>   | £ |
| <b>AMOUNT RECEIVED</b>   | £ |
| <b>DATE</b>  |   |
| <b>SIGNED APPROVAL FOR TRIP TO GO AHEAD REQUIRED –<br/>HEADTEACHER</b>   |   |

## Appendix 7 - Internal Charging within Access Finance

### Background

Each school and the Trust central team has its own accounting database which is a self-contained entity following the double entry accounting principle and able to provide information on Income and Expenditure, and the Balance Sheet. A common Chart of Accounts is in place to accommodate consolidated reporting.

### Internal Charging

**Internal charging must not be shown as income.**

#### Example 1 (Charges between Schools)

School A charges School B for teaching support £5,000

| School A Accounts   |           | School B Accounts     |           |
|---------------------|-----------|-----------------------|-----------|
| Invoice Raised      |           | Invoice paid via BACS |           |
| Teaching support    | £5,000 Cr | Teaching Support      | £5,000 Dr |
| Debtors control     | £5,000 Dr | Creditors control     | £5,000 Cr |
| From Bank Statement |           | From Bank Statement   |           |
| Bank account        | £5,000 Dr | Bank account          | £5,000 Cr |
| Debtors control     | £5,000 Cr | Creditors control     | £5,000 Dr |

#### Example 2 (Charges from Trust central team for central contracts such as Staff Absence Insurance)

Invoice for £1,000 paid from TRUST bank account and charged to TRUST Access database. In this example, Staff Absence Insurance.

| TRUST Accounts              |           | School A Accounts            |         |
|-----------------------------|-----------|------------------------------|---------|
| Insurance invoice paid      |           |                              |         |
| TRUST Insurance ledger code | £1,000 Dr |                              |         |
| Bank Account                | £1,000 Cr |                              |         |
| Invoice raised School A     |           | Invoice paid via BACS.       |         |
| TRUST Insurance ledger code | £250 CR   | School Insurance ledger code | £250 Dr |
| Debtors control             | £250 Dr   | Creditors control            | £250 Cr |
| From Bank Statement         |           | From Bank Statement          |         |
| Bank account                | £250 Dr   | Bank account                 | £250 Cr |
| Debtors control             | £250 Cr   | Creditors control            | £250 Dr |

|                                |                               |
|--------------------------------|-------------------------------|
| Repeated for school B, C and D | Repeated at school B, C and D |
|--------------------------------|-------------------------------|

This could also be completed via Intercompany accounts as follows:

| TRUST Accounts                     |           | School A Accounts                      |           |
|------------------------------------|-----------|--|-----------|
| Insurance invoice paid             |           |  |           |
| Central Team Insurance ledger code | £1,000 Dr |  |           |
| Bank Account                       | £1,000 Cr |  |           |
| Central Team Insurance ledger code | £1,000 CR | School Insurance ledger code           | £1,000 Dr |
| Intercompany Account for School A  | £1,000 Dr | Intercompany account with Central Team | £1,000 Cr |

Intercompany Accounts must balance at the end of each period.

## Appendix 8

### Intercompany Recharge Request Form



|  |         |
|--|---------|
| Name of School requesting recharge                             |         |
| Name of School receiving recharge                              |         |
| Reason for recharge  |         |
| Amount of recharge or narrative if amount will vary            |         |
| Frequency of recharge  |         |
| Approved by Finance Manager – recharging school                |         |
| Confirmation that charge is accounted for in the school budget | Yes/ No |
| Approved by Finance Manager – receiving school                 |         |
| Name   |         |
| Date   |         |
|  |         |
| Ledger Code for recharge                                       |         |
| Ledger Code for Intercompany account                           |         |

## Appendix 9

### Procurement Process Flowchart

Staff Member completes Requisition Form and sends to Finance Assistant or gives to Admin Assistant so that it can be added to Access. Alternatively Admin Assistant/Facilities Manager input directly to Access Purchase Requisition (procurement limits and requirements for 3 quotes or a tender approach must be followed – please see page 16 and appendix 1 for more information)



Finance Manager checks that there is budget available and approves purchase requisition or contacts Head to discuss.



Head to approve Purchase Order (anything over £20,000 limit must be approved by CEO/CFOO)



Purchase Order sent to Company



Goods/ Service received (Delivery note or email received from recipient to confirm delivery)



Invoice received and input onto finance system for approval by Head (anything over £20,000 limit must be approved by CEO or CFOO)

## Appendix 10

|  |                     |
|--|---------------------|
| <b>TO: HEAD OF FINANCE</b>   |                     |
| <b>REQUEST FOR NEW SUPPLIER</b>  |                     |
| Name   |                     |
| Address  |                     |
| Telephone  |                     |
| Email address for Purchase Order   |                     |
| Email address for Remittance   |                     |
| VAT Registration Number  |                     |
| Bank   |                     |
| Bank Address   |                     |
| Bank Account Details –<br>Account Name   |                     |
| Sort Code  |                     |
| Account Number   |                     |
| Payment terms (days)   |                     |
| Supplier letter/Email attached/Copy<br>Invoice attached  |                     |
| <b>Contractor Guidelines checklist<br/>completed (if applicable)</b>   |                     |
| <b>Standalone Academy or school that<br/>is part of a Multi Academy Trust<br/>(Counter Parties)</b>                                  | Yes/No              |
| <b>Has a member of staff/ governors<br/>or trustees declared an interest the<br/>in the company?<br/>(Related party transaction)</b> | Yes/No              |
| Finance Assistant has contacted the<br>company on a verified telephone<br>number to confirm the change                               | Signature and dated |
| Details checked by PAT Finance<br>Manager and entered onto finance<br>system   | Signature and dated |
| Checked by CFOO/ Head of Finance   | Signature and dated |

## Appendix 11

|   |                     |
|---|---------------------|
| <b>TO: HEAD OF FINANCE</b>  |                     |
| <b>REQUEST TO CHANGE EXISTING SUPPLIER BANK DETAILS</b>   |                     |
| Name  |                     |
| Address   |                     |
| Telephone   |                     |
| Email address for Purchase Order  |                     |
| Email address for Remittance  |                     |
| VAT Registration Number   |                     |
| Bank  |                     |
| Bank Address  |                     |
| Bank Account Details – Account Name   |                     |
| Sort Code   |                     |
| Account Number  |                     |
| Payment Terms (days)  |                     |
| Supplier letter/Email/ Copy invoice attached  |                     |
| Finance Assistant has contacted the company on a verified telephone number to. confirm the change | Signature and dated |
| Details checked by TRUST Finance Manager and entered onto finance system.                         | Signature and dated |
| Checked by Head of Finance  | Signature and dated |

## Appendix 12

|  |                     |
|--|---------------------|
| <b>TO: HEAD OF FINANCE</b>   |                     |
| <b>REQUEST FOR NEW CUSTOMER</b>  |                     |
| Name   |                     |
| Address  |                     |
| Telephone  |                     |
| Email address for Invoice  |                     |
| Letter/Email attached  |                     |
| Details checked by TRUST Finance Manager and entered onto finance system | Signature and dated |
| Checked by Head of Finance   | Signature and dated |

**Appendix 13**



**STAFF CLAIM FORM**

School/ Organisation/ Social Fund.....

Staff Name.....

| DETAILS      | BUDGET | CURRENT<br>BALANCE £ | AMOUNT<br>£ |
|--------------|--------|----------------------|-------------|
|              |        |                      |             |
|              |        |                      |             |
|              |        |                      |             |
|              |        |                      |             |
|              |        |                      |             |
|              |        |                      |             |
|              |        |                      |             |
|              |        |                      |             |
|              |        |                      |             |
| <b>TOTAL</b> |        |                      |             |

Account Name: .....

Sort Code: .....

Account Number: .....

Personal email address: .....

I CONFIRM THAT THIS CLAIM IS ACCURATE, SUPPORTED BY RECEIPTS AND INCURRED ON BEHALF OF THE SCHOOL/ ORGANISATION.

SIGNED..... DATE.....

AUTHORISED.....

DATE.....NAME.....



**LOAN OF EQUIPMENT**

School .....

**ITEMS ON LOAN**

---

---

Loans are made on the understanding that any breakages or losses are covered by the borrower.

Date of Loan .....

Date of Expected Return .....

Name of Borrower: .....

Signature.....

Address.....

Telephone Number

Authorised by.....

Printed Name .....



**DISPOSAL OF FIXED ASSET**

School .....

**ASSET DETAILS**

Asset Description .....

Asset Number .....

Date of Disposal .....

Authorised by.....

Printed Name .....

Job Title.....

**METHOD OF DISPOSAL**

- Scrapped       Part Exchanged       Merged with another asset  
 Transferred       Sold

If merged please provide asset number .....

If transferred, please give name of school.....

If sold, please give further details:

Sales Invoice No. .... Agreed price.....

## Appendix 16

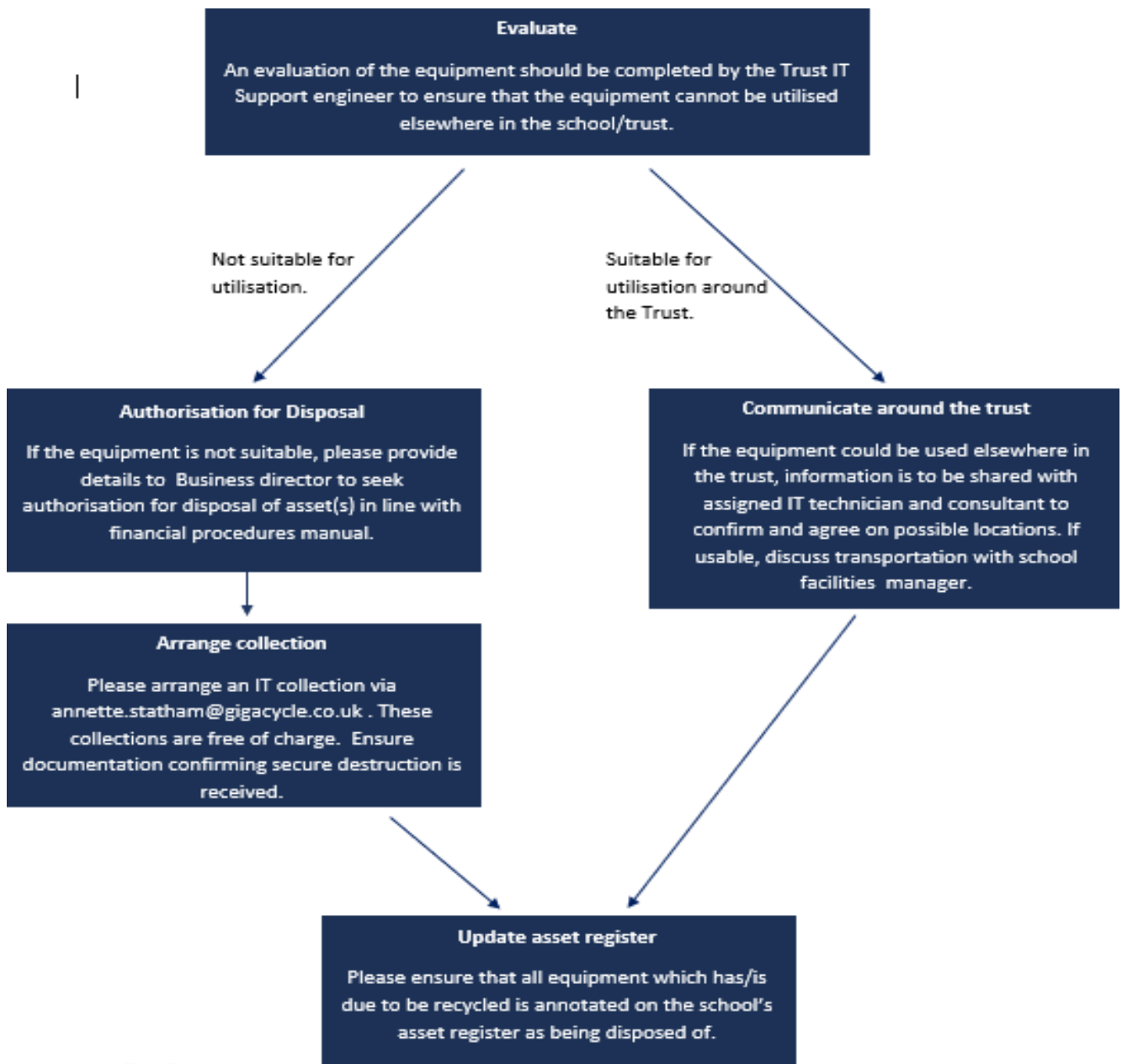


# Pickwick Academy Trust IT Recycling Process

## 1. Introduction

The document is to provide step-by-step flow for the recycling of old IT Equipment within schools. This process should be followed to ensure the safe and suitable disposal of equipment.

## 2. Process



## Appendix 17

### VAT Guidance

The below highlights the main areas to consider when determining whether VAT should be charged or reclaimed on transactions.

**Input VAT** = VAT on purchases made by the Academy Trust (goods / services coming **IN**)

**Output VAT** = VAT on sales made by the Academy Trust (goods / services going **OUT**)

#### VAT Types of Supply

VAT is generally recoverable on taxable business activities. There are 5 types of supply:

**Zero Rate** VAT is chargeable at 0%, and input VAT is recoverable on purchases related to the zero-rated supply.

For example: Food, books, newspapers and construction of certain buildings

**Standard rate** Output VAT is chargeable at 20%, and input VAT is recoverable on purchases related to the standard rated supply.

For example: Computers and office equipment

**Reduced Rate** Output VAT is chargeable at 5%, and input VAT is recoverable on purchases related to the reduced rated supply.

For example: Energy saving materials and domestic fuel

**Exempt** No output tax is payable, but no input VAT is recoverable on purchases related to the exempt supply (subject to other taxable supplies and de-minimis limits).

For example: Insurance, education (by way of business) and land

**Outside the scope** No output or input VAT is payable under any circumstance.

A transaction is outside the scope if it is:

- made by someone who is not a taxable person;
- not made in the course or furtherance of business;
- potentially subject to other taxes.

For example: Wages payments and fees fixed by law (congestion charge, MOT

The examples given are only indications of a general supply. VAT legislation is quite specific about how the law applies to individual items.

The trust finance system 'Access' has applied the following VAT codes to the supplies above:

|    |                         |
|----|-------------------------|
| 0  | Zero Rated              |
| 1  | Standard Rated          |
| 2  | Reduced (Lower) Rate 5% |
| 9  | Exempt                  |
| 10 | Outside the Scope       |

To support with VAT calculations, we also have:

|   |                     |
|---|---------------------|
| 4 | Non-Business Income |
| 5 | Internal Transfers  |

Output VAT may only be charged by an academy trust if it is registered for VAT.

Pickwick Academy Trust is registered for VAT – our VAT registration number is 110782149.

Input VAT may only be recovered where:

- it has been correctly charged;
- the supply has been made to the trust or its schools
- the required evidence is retained (for example the invoice)

### **Non-Business Input VAT**

State Education is typically a non-business activity as here is no charge for the education provided, therefore no taxable supply is made. VAT would not normally therefore be recoverable however the Finance Act 2011 allows academies to reclaim the VAT on the provision of non-business education.

Therefore, all VAT incurred on goods and services purchased which are used in connection with the education taught can be reclaimed. VAT can also be recovered on purchases and acquisitions which are used for any other non-business activities.

There is no defined list of what is business activity but if a business chose to provide taxable supplies with a view to making a profit it is likely to be a business activity. For a school in an Academy Trust an example maybe a room letting.

A full list of GL codes and their associated VAT code can be found on the R drive:

R:\1. Pickwick Documentation\Financial Procedures Manual.

### **Treatment of Income for VAT Purposes**

**Government Funding, e.g. Grants, Pupil Premium** - Classed as non-business and outside the scope of the VAT return.

**Other Income Streams e.g. lettings of buildings** – require further investigation as they may fall into many categories.

### **Closely Related Supplies**

‘Closely related’ refers only to goods and services that are:

- for the direct use of the pupil AND
- necessary for delivering the education to that person.

This may include consumables, catering, transport and school trips.  
They are classified as non-business and input VAT can be reclaimed on the costs.

## **Common Areas to affect our Schools**

### **Catering**

**School Meals for pupils** – closely related to Education and considered non-Business Income. Income must be coded as income and non-business for VAT purposes.

**Catering Invoices for those who Outsource the Catering Service** – schools must recognise the full income and expenditure rather than the net amount. Contractors should be charging VAT on their sales as it is a business activity.

**Staff Duty Meals** – No VAT if there is no charge.

#### **Staff Meals (Income from Staff and Visitors)**

Income from Staff and Visitors for school meals is a standard rated supply and the full income per meal must be recognised. Staff must be charged the cost of the meal plus VAT.

### **Educational Trips**

These are closely related to education and should be considered as non-Business for VAT purposes and coded as such.

### **Sales of Uniform**

These are treated as Zero-rated.

### **Sales of Stationery, Books and Book bags etc, Book Fairs and PTA Purchases**

Book Bags are considered closely related – Non-Business

Year books – zero rated

Christmas cards – standard rated, unless part of a book, then zero rated.

Book Fair – please contact the Head of Finance if the school is looking to host a book fair as some items maybe Vatable and the commission received is standard rated.

Purchases on Behalf of PTA and subsequent recharge of cost – If the school is completing this purchase on behalf of the PTA and not the school the recharge must include the VAT paid on the purchase. There is therefore no benefit in performing the transaction on behalf of the PTA.

Items purchased using donations from PTA for use by school – classified as an Educational purpose and input VAT is recoverable.

### **Photography Commission**

Where commission is paid to the school the income is standard rated.

Depending on agreement, schools should recognise VAT on top of the commission as standard rated or within the commission as 1/6 of the income.

A self-billing agreement should be put in place for the chosen provider – please seek guidance from the Head of Finance.

### **Assisted Instrument Purchase Scheme**

If a musical instrument is sold at or below cost, the income should be coded as non-Business.

Input VAT on the purchase is recoverable.

## VAT on Lettings

### Non-sports facilities

The letting of non-sports facilities (e.g. classrooms, school hall etc.) is exempt for VAT, when the let is of a simple room and no additional facilities are utilised, even if let for playing a sport (this includes dance). This is not dependent on the length of let or a series of lettings.

If the facilities of the let are the primary purpose of the letting, for example an IT suite for Excel training sessions, VAT would be chargeable at the standard rate.

If small elements of equipment are supplied with the room, these are considered ancillary to the supply and Standard rated. VAT may be chargeable if catering facilities are hired.

If the hire is provided with refreshments such as a buffet, the catering element would be treated as a separate Standard rated supply and Output VAT charged (any VAT on associated purchases would be recoverable).

If such non-sports facilities are provided with sports equipment such as racquets and nets, to the extent that the inclusion of sports equipment means you are essentially supplying sports facilities, the supply may be standard rated unless it is small number of additional pieces of equipment, subject to the rules below.

### Long Term Lets – Utilities Charge

Charges for Utilities are exempt unless the property has a separate meter which provides usage. VAT should then be charged at the appropriate rate (5%).

### Sports Facilities

The letting of sports facilities is subject to VAT at the prevailing rate, however there are a number of exceptions, in the following situations the let's would be exempt:

- When the let is for a period of 24 hours or more and exclusive access is provided.
  - Where facilities are let for a series of sessions, subject to the following rules:
    - The series consists of 10 or more sessions
    - Each session is for the same sport or activity
    - Each Session is in the same place
    - The interval for each session is between 1 (24 hours in between) and 14 days
    - The series is to be paid for as a whole and there is written evidence to the fact. This must include evidence that payment is to be made in full whether or not the right to use the facility for any specific session is actually exercised. Provision for a refund given by the provider in the event of the unforeseen non-availability of their facility would not affect this condition.
- OR
- **the facilities are let out to a school, club, association or an organisation representing affiliated clubs or constituent associations, such as a local league.**
  - the person that the facilities are let to has exclusive use of them during the sessions

### Solar Panel Income

There are potentially two different sorts of export income for solar panels:

- Generation Tariff - Outside the Scope
- Export Tariff – Standard Rate as payment for a supply of electricity sold back to the supplier for resale to others.

**Please seek further guidance**

### School Clubs

Breakfast and After School Clubs are related to the supply of education and therefore non-Business. Input VAT is fully recoverable on purchases.

Holiday club income is exempt as classified as a 'Welfare Service'.

### Nursery Income

Income for the Government and Local Authority is non-business.

Income from parents is exempt as classified as a 'Welfare Service'. VAT is recoverable subject to partial exemption rules which will be calculated as part of each VAT return by the trust Central Finance Manager.

### **PGCE Students**

If a school receives funding for a PGCE student, this should be classified as non-Business, unless the student is paying the school themselves, in which case it would be Exempt income.

### **Supplies of Staff to Schools/ Organisations outside the Trust**

If support staff work complete work on behalf of the trust for another school, the supply should be Standard Rated.

If members of the Exec Team or Senior Leadership team complete work outside the organisation as consultants, this would also be classified as Standard rated.

A supply of a teacher is exempt, unless the normal salary rate or lower is charged and they are directed by the other eligible body, in which case it would be non-business.

The provision of other Education Services, for example Mentoring, Training, OFSTED or Moderation would be VAT Exempt.

Mileage and accommodation charges are considered ancillary and will follow the main supply.

**Please ask the CFOO or Head of Finance for guidance if you are unsure of the treatment of any VAT transaction.**

## Appendix 18

### Pickwick Academy Trust Financial Procedures Manual 2025 Summary of Changes

#### General

- Replacement of 'ESFA' with 'DfE' in all sections.
- Replacement of 'School money' with 'Arbor' in all sections

#### Page 9 – Transaction processing and document control

- Reference to Corsham Social Fund Account removed, as bank account is now closed

#### Page 10 – Grant income

- Reference to School Condition Allocation (SCA) Policy included

#### Page 10 – Cash income

- Postal receipts paragraph and reference to cheques in the section title removed

#### Page 11 – Letting of Academy facilities

- Replacement of 'Local Governance Committee' with 'Trust' in reference to the Lettings policy

#### Page 12 – School trips

- Trip reports to be provided 'termly' instead of 'when required'

#### Page 18 – Tendering

- 'Tendering Process' and 'Tender Evaluation' sections removed due to the new Procurement and Competitive Tendering Policy, which supersedes this

#### Page 20 – Cheque payment

- Cheque payment section removed, as no longer a method of payment used by the Trust

#### Page 21 – Staff Expenses

- Addition of 'gifts, including' and 'visitor' to first paragraph
- Social Fund section removed as no longer operated via separate bank account

#### Page 22 – Bank accounts

- Removal of 'Private funds, for example Corsham Primary School Social Fund, should be managed under a separate bank account'

#### Page 26 – Gifts provided by School or Trust

- Addition of 'visitors or volunteers'

#### Page 27 – Internal Assurance

- Removal of Charities Commission CC8 checklist paragraph

#### Appendix 1

- Removal of Director of Education from 'Purchases and Payments' – Purchase orders £20,001 to £40,000 delegated authority to align with Invoice Approval section delegated authority list

#### Appendix 15

- Addition of Fixed Asset Disposal Form