



EDITH STEIN **CATHOLIC ACADEMY TRUST**

FINANCE **(including Bad Debt and Charges & Remissions)** **POLICY**

APPROVED BY TRUSTEES	September 2021
COMMENTED ON BY LOCAL GOVERNING BODIES / LOCAL GOVERNING BODY SUB COMMITTEES	September 2021
DATE LAST REVIEWED	August 2021
MEMBER OF STAFF RESPONSIBLE	Chief Financial Officer
STATUTORY / NON-STATUTORY	Statutory



Policy Amendments

Version Date	Section / Page	Amendments
December 2020	Finance Policy 10.1	Inclusion of a summary of the levels of equipment costs to be capitalised.
December 2020	Bad Debt Policy 2.2	Initial period for chasing a debt changed to 30 Days
December 2019	All (as applicable)	Date changes
December 2019	13.1	Change to Paragraph Title: <i><u>Payment of Expenses</u></i> <i>Reimbursements under £25 will be paid by cash (no longer cheque). Reimbursements over £25 will be paid via BACS</i>
December 2019	19.3	Cash Expenses Payments <i>All payments for trips are recorded daily via Scopay and official receipts are issued for cash payments</i>
August 2021	Whole Document	Changes to reflect that this is now a trust level policy covering all school within the trust. Differentials have been made in financial delegations for trust official. Secondary and primary schools.

FINANCIAL POLICY STATEMENT

1.0 Aims

This document is to be adopted by the Local Governing Bodies of all academy schools within the Edith Stein Catholic Academy Trust (ESCAT) as the basis for the stewardship and management of finances delegated to it by the ESCAT Directors. The aim of the policy is to create a framework within which individual members of staff, Governors, Directors and other interested parties, can exercise financial management in an efficient and effective way in accordance with the financial practices and procedures laid down by the DfE and ESFA.

2.0 Overall Financial Management

2.1 The Company Directors of the ESCAT are also its trustees. This policy refers to them as trustees, in recognition of the charitable status of the trust. Trustees will manage their affairs in accordance with high standards of Public Sector and Charitable Trust administration, based on the seven principles of public life, which are:-

- a. Selflessness - Holders of public office should act solely in terms of the public interest.
- b. Integrity - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- c. Objectivity - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- d. Accountability - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- e. Openness - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- f. Honesty - Holders of public office should be truthful.
- g. Leadership - Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2.2 Trustees will have regard to:-

- a. The required standards of financial management as set out in the ESFA Academy Trust Handbook also known as the Academies Financial Handbook.
- b. The ESCAT Manual of Financial Practice and Procedure, approved by the ESCAT Board of Directors, which sets out the financial relationship between the ESFA and each academy school in the trust. It contains requirements relating to financial management and associated issues but in no way supersedes the requirements set out in the latest version of the ESFA Academy Trust Handbook or the funding agreement between the DfE and the ESCAT.
- c. Advice and guidance relating to the financial performance of academy schools arising from the work of the Catholic Diocese of Portsmouth, OFSTED, the ESFA, the ESCAT's appointed auditor and other interested parties.
- d. Letters to the Trust's Accounting Officer from the ESFA's Accounting Officer must be discussed by the ESCAT board with action taken to strengthen the trust's systems.

- e. The appointment of the external auditor and internal scrutineer for the Trust in accordance with the Academy Trust Handbook
- f. Ensuring that the central overhead costs of running the trust and any centralised services provided are identified and charged fairly to each individual academy school within the trust.
- g. Ensuring that their decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities.
- h. Ensuring that novel, contentious and/or repercussive transactions must always be referred to ESFA for explicit prior authorisation.
- i. The delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 gross (i.e. before income tax or other deductions). Where the trust is considering a non-statutory/non-contractual payment of £50,000 or more, (gross, before deductions), ESFA's prior approval must be obtained before the trust makes any binding settlement offer to staff.

2.3 In accordance with individual academy school needs and priorities as laid out in the individual School's Development Plan and Strategy and Vision Document, the following arrangements have been approved in relation to the funding delegated from the ESFA in accordance with the Funding Agreement made between the DfE and ESCAT.

2.4 ESCAT will decide how to spend the budget allocated via the ESFA subject to:-

- a. Any conditions included by the DfE or ESFA in either the Funding Agreement or annual statement of funding;
- b. The budget must be spent only for the purposes of the academy schools;

2.5 Authority has been delegated from the ESCAT as laid out in the following roles and responsibilities:-

a. LGB - Governors Business and Collaboration (or equivalent) Committee in each academy school

The Business and Collaboration (or equivalent) Committee's responsibilities include the following:-

- (1) Ensuring that each academy school operates within the financial regulations
- (2) The recommendation of the annual budget to the local governing body and ESCAT and approval of the revised budget in accordance with delegated authority from the ESCAT;
- (3) To ensure that the trust's Manual of Finance Practice and Procedure complies with the latest guidance given by the ESFA in the Academies Trust Handbook, the Companies Act 2006, the Charity Commission's Statement of Recommended Practice (the SORP) – Accounting and Reporting by Charities 2015 and any relevant requirements under 'Financial Reporting Standards' (FRSs) or 'Statements of Standard Accounting Practice' (SSAPs).
- (4) The regular monitoring of actual income and expenditure against the revenue budget and revised budget forecast for the year;
- (5) Ensuring capital funds and all other sources of income are spent in accordance with the trust's and individual academy school's policies and ethos and within the guidelines set out by the DfE and the Diocese;
- (6) To ensure annual accounts are prepared in line with the requirements set out by the ESFA's Academies Accounting Direction, the Companies Act 2006 and the Charity Commission's Statement of Recommended Practice (the SORP) – Accounting and Reporting by Charities 2015.
- (7) To work with the Internal Scrutineer to ensure the financial responsibilities of the Trustees of ESCAT are being properly discharged and that resources are being managed in an efficient, economical and effective manner.

- (8) To work with the Internal Scrutineer to ensure sound systems of internal financial control are maintained and that financial considerations are fully taken into account in reaching decisions
- (9) To agree a programme of checks to be carried out by the Internal Scrutineer and to receive their report, feedback to Trustees and act upon any recommendations made.
- (10) Ensuring all financial procedures and reporting deadlines are met in accordance with ESFA deadlines
- (11) Ensuring best value is achieved;
- (12) Ensuring the school makes sufficient financial provision to facilitate the safeguarding of all pupils;
- (13) Review of policies and documents as laid down in the Committee's Terms of Reference.

b. Chief Executive Officer

The Chief Executive Officer (CEO) acts as the Academy Trust's Accounting Officer and has responsibility for:-

- (1) The management of effective systems of internal controls in his/her role of accounting officer as stipulated in the funding agreement;
- (2) The management of the overall Trust's financial position at a strategic and operational level;
- (3) Budget virements under £50,000 may be authorised by the CEO and be reported at the next Board of Directors meeting. For virements between £50,000 and £100,000 approval is required in advance from the appropriate Local Governing Body (LGB) and to be reported at the next Board of Directors meeting and virements of £100,000 or more approval is required in advance from the ESCAT Directors or in cases of urgency by 3 delegated directors via email, to include the Chair of the Board of Directors.
- (4) Purchases up to the value of £100,000 may be authorised by the CEO. Expenditure over this amount requires approval from the appropriate LGB in advance or as above in cases of urgency.

The CEO ensures that the Board of Directors are provided with financial advice, that adequate and proper accounts are prepared and maintained as required by ESCAT, statutory regulations and the ESFA. However, much of this financial management is delegated by the CEO to the Chief Financial Officer (CFO).

c. Headteacher/Head of School (Secondary)

The Headteacher /Head of School for each secondary academy school in the trust has responsibility for:-

- (1) The day-to-day management of effective systems of internal controls in their academy school as stipulated in the funding agreement;
- (2) The management of the individual school's financial position at an operational level;
- (3) Budget virements under £25,000 may be authorised by the Headteacher and be reported at the next Business and Collaboration (or equivalent) meeting.
- (4) For virements between £25,000 and £50,000 approval is required in advance from the CEO and Business and Collaboration (or equivalent) Committee and to be reported at the next Local Governing Body meeting
- (5) For virements between £50,000 and £100,000 approval is required in advance from the CEO and LGB or in cases of urgency by 3 delegated governors via email, to include Chair of Business and Collaboration (or equivalent) and Chair of Governors.
- (4) Purchases up to the value of £50,000 may be authorised by the Headteacher. Expenditure over this amount requires approval from the LGB in advance or as above in cases of urgency.

The Headteacher ensures that the Local Governing Body are provided with financial advice, that adequate and proper accounts are prepared and maintained as required by ESCAT, statutory regulations and the ESFA. However, much of this financial management is delegated by the Headteacher to the Director of Business and Finance/School Business Manager.

d. Headteacher/Head of School (Primary)

The Headteacher /Head of School for each secondary academy school in the trust has responsibility for:-

- (1) The day-to-day management of effective systems of internal controls in his/her academy school as stipulated in the funding agreement;
- (2) The management of the individual school's financial position at an operational level;
- (3) Budget virements under £10,000 may be authorised by the Headteacher and be reported at the next Business and Collaboration (or equivalent) meeting.
- (4) For virements between £10,000 and £25,000 approval is required in advance from the CEO and Business and Collaboration (or equivalent) Committee and to be reported at the next Local Governing Body meeting
- (5) For virements of £25,000 or more approval is required in advance from the LGB or in cases of urgency by 3 delegated governors via email, to include Chair of Business and Collaboration (or equivalent) and Chair of Governors.
- (4) Purchases up to the value of £25,000 may be authorised by the Headteacher. Expenditure over this amount requires approval from the LGB in advance or as above in cases of urgency.

The Headteacher ensures that the Local Governing Body are provided with financial advice, that adequate and proper accounts are prepared and maintained as required by ESCAT, statutory regulations and the ESFA. However, much of this financial management is delegated by the Headteacher to the School Business/ Finance Manager.

e. Chief Financial Officer

The Chief Financial Officer (CFO) is directly responsible to the CEO for all financial matters and is responsible for ensuring the day-to-day running of school finances complies with the Manual of Financial Practice and Procedure and all statutory accounting and audit guidelines.

The main duties of the Chief Financial Officer are as follows although some of these tasks will be delegated to the Director of Business and Finance/School Business Manager/Finance Manager:-

- (1) In consultation with the CEO and Headteachers preparation of a realistic and balanced budget for all trust activity.
- (2) Propose revisions of the budget if necessary, in response to significant or unforeseen developments.
- (3) In conjunction with CEO and Headteachers ensure that the trust and academy schools have a strategic financial plan which is realistically linked to the School Development Plans
- (4) Use the agreed budget to actively monitor and control performance to achieve value for money
- (5) Monitor income and expenditure on a monthly basis and provide up to date and accurate financial information for the CEO and the ESCAT Board of Directors. Identify the causes of significant variance and take the appropriate corrective action promptly.
- (6) Ensure all financial procedures and records are kept in accordance with the guidelines laid down in the Academy Trust Handbook, the Accounting Direction Document issued by the ESFA, the trusts Manual of Financial Practice and Procedure and all statutory accounting and audit requirements.

- (7) Ensure the effective and efficient running of the centralised trust finance function.
- (8) Oversee and develop the use of all financial systems as appropriate.
- (9) Authorise expenditure up to the value of £15,000.
- (10) Ensure all donated funds are accounted for in accordance with financial regulations and that funds are used in an appropriate manner.
- (11) To negotiate, manage and monitor contracts, tenders and agreements for the provision of support services across the trust.
- (12) To ensure the trust complies with ESFA and UK guidelines when seeking quotations for goods and services. ie: any substantial (over £5,000) order will require 3 quotes up to the value of £25,000. Orders between £25,000 and £100,000 will require 3 tenders and orders over £100,000 will require 5 tenders to be sought.
- (13) Identify additional finance required to fund the trust's proposed activities, seek and make use of specialist financial expertise.
- (14) Ensure staff salaries are paid correctly and on time.
- (20) Oversee the role of Head of IT and Technical Support to ensure all data stored on the trust's computer network meets the requirements of the Data Protection Act, incorporating the General Data Protection Regulations (GDPR), ensuring it is kept confidential in respect of pupil records and the school's finances. Ensure that staff only have access to these records at an appropriate level according to their individual responsibilities within the trust or individual academy school. Use of the IRIS Financials financial system, on line banking systems and approved HR systems ensures security via restricted access and also ensures separation of duties guidelines are complied with.
- (21) The timely submission of governance and budget information to the ESFA, Companies House and other authorities as required.

f. Director of Business and Finance/School Business Manager/Finance Manager

The Director of Business and Finance/School Business Manager/Finance Manager (collectively known as the Finance Lead) as appropriate in each academy school is directly responsible to the Headteacher for all financial matters and is responsible for ensuring the day-to-day running of school finances complies with the trust's Manual of Financial Practice and Procedure and all statutory accounting and audit guidelines.

The main duties of the Finance Lead are as follows:-

- (1) In consultation with the Headteacher and SLT preparation of a realistic and balanced budget for school activity.
- (2) Propose revisions of the budget if necessary, in response to significant or unforeseen developments.
- (3) In conjunction with SLT ensure that the school has a strategic financial plan which is realistically linked to the School Development Plan
- (4) Use the agreed budget to actively monitor and control performance to achieve value for money
- (5) Monitor income and expenditure on a monthly basis and provide up to date and accurate financial information for the Headteacher, SLT, Business and Collaboration (or equivalent) Committee, Local Governing Body and the ESCAT Board of Directors. Identify the causes of significant variance and take the appropriate corrective action promptly.
- (6) Ensure budget holders are provided with regular and accurate budget monitoring reports and that any queries raised are dealt with correctly.
- (7) Ensure all financial procedures and records are kept in accordance with the guidelines laid down in the Academies Trust Handbook, the Accounting Direction Document issued by the ESFA, the trust's Manual of Financial Practice and Procedure and all statutory accounting and audit requirements.
- (8) Ensure all purchase orders from budget holders are appropriately approved
- (9) Ensure the effective and efficient running of the school level finance function on a day-to-day basis to include overseeing the administration of petty cash, online payments and

- signing of cheques In accordance with the bank mandate requiring 2 signatures on all cheques and for online payments.
- (10) Oversee all income collection and ensure best practice is achieved. Oversee the use of all financial systems as appropriate.
 - (11) Ensure all invoices issued by the school whether for letting or other services are issued via IRIS Financials and that regular debt recovery reports are run and actioned in accordance with the Debt Recovery Policy.
 - (12) Authorise expenditure up to the value of £10,000 in secondary schools and £5,000 in primary schools
 - (13) Oversee the delegation of the Departmental Budgets to Support Managers.
 - (14) Ensure all donated funds are accounted for in accordance with financial regulations and that funds are used in an appropriate manor.
 - (15) In consultation with the CFO negotiate, manage and monitor contracts, tenders and agreements for the provision of support services and energy supplies.
 - (16) To ensure the school complies with ESFA and UK guidelines when seeking quotations for goods and services. ie: any substantial (over £5,000) order will require 3 quotes up to the value of £25,000. Orders between £25,000 and £100,000 will require 3 tenders and orders over £100,000 will require 5 tenders to be sought.
 - (17) Identify additional finance required to fund the school's proposed activities, seek and make use of specialist financial expertise. Maximise income through letting of school facilities within the ethos of the school.
 - (18) Oversight of the school inventory
 - (19) Ensure information relating to staff salaries are passed to the trust's payroll team in a timely manner. Ensure sickness and holiday records are maintained accurately and prepare monthly monitoring reports for approval by Headteacher.
 - (20) Assist the CFO in the timely submission of governance and budget information to the ESFA, Companies House and other authorities as required.

g. Transfer of responsibility

In the absence of key personnel in the financial chain (consisting of the Chair of Governors, Chair of Business and Collaboration (or equivalent), Headteacher, Finance Lead) all staff are aware of the processes to ensure the continuity of the school functions.

3.0 Effective operation of the Finance Function

- 3.1 The CEO holds the position of Accounting Officer for the trust and is responsible to the Trustees of the ESCAT for ensuring the effective operation of the trust's finance function.
- 3.2 Each Headteacher/Head of School is responsible to the Governors of the appropriate Local Governing Body for ensuring the effective operation of their academy school's finance function. The Headteacher will ensure that:-
 - a. The roles of each member of staff are clearly defined and the duties of Staff concerned with financial transactions will as far as is practicable be distributed to ensure that key tasks are assigned to separate members of staff and the appropriate systems of internal checks exist;
 - b. All relevant Financial Regulations and Instructions are adhered to;
 - c. Systems are in place to ensure that financial control is maintained at all times including procedures in the absence of key staff;
 - d. The appropriate documentation and records are maintained to specified standards. Only authorised staff will be permitted access to these records and documents.

4.0 The School Planning Process

- 4.1 The Trustees and Governors recognise the importance of long term planning and are jointly accountable with SLTs for the production the school's strategy documentation and

implementation of a School Development Plan which will form the basis of the school's strategic financial management.

5.0 Budget Management

- 5.1 The Board of Directors are responsible for the strategic management of school budgets within the Trust. In conjunction with the Headteachers and CFO the central budget of the trust will be drawn up to cover the overhead cost of running the trust and any centralised services provided to the schools within the trust. These overhead or centralised services will be charged using the most appropriate measurement criteria such as number of pupils or number of staff.
- 5.2 The Headteacher and Finance Lead of each academy school are responsible, in consultation with the CEO and CFO, for ensuring the preparation of the Annual Budget in sufficient detail to conform with ESFA requirements and to enable the effective management of the available funds by the ESCAT which is responsible for ensuring that total forecast expenditure does not exceed the total available funds. Regular monitoring of individual academy school budgets is the responsibility of the Finance Lead who will provide management accounts and cash flow forecasts for the CFO, Business and Collaboration (or equivalent) Committee of the Local Governing Body and a finance report on variances and actions to be taken.
- 5.3 It is essential that reports produced are accurate as far as is reasonably possible. The Headteacher is responsible for ensuring that quality controls are in place so that reports are of a sound standard. Staff responsible for the production of the financial reports must ensure that they take steps to guarantee the reliability of the information.
- 5.4 The Headteacher may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the academy school as a whole. Delegated budget holders within the academy school will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are to be accountable to the Headteacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored.
- 5.5 Trustees, Governors and the Headteacher will periodically review the provision of financial information to ensure that what is provided remains appropriate particularly in terms of its timing, level of detail and narrative information.

6.0 Insurance

- 6.1 The CEO and CFO in consultation with each Headteacher and Business and Collaboration (or equivalent) Committee will review the insurance needs of each academy school annually (to include employer's liability and public liability) and make recommendations to the ESCAT where appropriate to ensure that specific insurance arrangements are sufficient and obtain best value. Following the approval of the ESCAT, each Headteacher will ensure the agreed arrangements are in place.
- 6.2 The Headteacher will be responsible for ensuring the Trustees/Governors are made aware of all new risks and all incidents which may give rise to an insurance claim (e.g. accident, theft, etc) are reported immediately to the insurers, the Authority or their agent.

7.0 Computer Systems

- 7.1 The Trustees recognise the importance of protecting computerised financial management systems and the data held within them. The Headteacher will ensure that the school is registered in accordance with the Data Protection Act 2018.

- 7.2 The Headteacher will ensure that effective backup procedures are in place.
- 7.3 Access to school management computer systems will be limited to authorised staff. These staff will use passwords which should not be disclosed and should be changed regularly.
- 7.4 Only authorised software will be used to prevent the import of computer viruses. Staff will only have access to those modules appropriate to their duties.

8.0 Purchasing

- 8.1 The ESCAT and Local Governing Bodies aim to achieve best value for money from all its purchases. To this end individual academy schools are to inform the CFO of any plans to purchase goods, services or equipment which if bought centrally by the trust may provide better value for money for all schools within the Trust. This should be done in sufficient time for the Board of Directors to approve such purchases that fall out with the financial levels of delegation of individual schools.
- 8.2 The CFO and Finance leads are responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services in accordance with financial regulations. A formally approved review of 'Value for Money' statement will be approved on an annual basis by the ESCAT and incorporated into the Governance Statement of the Annual Report and Financial Statements published on the trust website by 31st January each year.

9.0 Delegated Authorities

- 9.1 A list of delegated authorities will be held as an appendix to this policy and will be approved by the ESCAT and reviewed annually.

10.0 Capitalisation

- 10.1 The level of capitalisation shall be agreed by the ESCAT and is included in the Manual of Financial Practice and Procedure. In summary, for IT Equipment and all Furniture the level of cost for capitalisation will be £1,200 and £2,500 for all other types of equipment, including vehicles if purchased outright by an academy school. Where additional equipment costs for projects such as replacement theatre lighting or annual laptop replacements are incurred, it is the full value of the cost of replacement equipment that will be capitalised. The depreciation method will be straight line over 3 to 5 years depending on the expected normal 'life expectancy' usage of the asset.

11.0 Orders for Goods and Services

- 11.1 Orders will be raised on a receipt of an official purchase order form signed by the relevant Budget Holder. Orders made via the telephone and internet ordering must comply with the guidelines set out in the trust's financial procedures for procurement card use including the requirement to have an authorised purchase order.
 - a. Orders up to the value of £5,000 may be authorised by the Finance Lead in a Primary Academy School
 - b. Orders up to the value of £10,000 may be authorised by the Finance Lead in a Secondary Academy School
 - c. Orders up to the value of £15,000 may be authorised by the Chief Financial Officer.

- d. Orders up to the value of £25,000 may be authorised by the Headteacher in a Primary School.
- e. Orders up to the value of £50,000 may be authorised by the Headteacher in a Secondary School.
- f. Orders up to the value of £100,000 may be authorised by the CEO.
- g. Orders in excess of £25,000 in a Primary School and £50,000 in a Secondary School will be referred to the appropriate LGB for approval
- h. Orders in excess of £100,000 will be referred to the ESCAT for approval
- i. Orders will be filed in the finance office and retained for 6 years.

12.0 Payments

- 12.1 Prior to payment, goods received will be checked against the relevant delivery notes before distribution to the department. Delivery notes will be passed to the finance office to be goods receipted and matched to the invoices. All payments are processed through IRIS Financials and will be paid either via BACS or by cheque under dual signature control.
- 12.2 All invoices must be paid within the 30 day school payment policy and discounts will be taken for quick payment where possible.
- 12.3 A payment reference number is written onto each invoice and invoices are filed with delivery notes and copies of orders in alphabetical order and kept for 6 years plus current year.

13.0 Payments of Expenses

- 13.1 Reimbursements up to a maximum of £25 including VAT can be made by cash, via the petty cash account, excluding pay, travel, meals and accommodation. All requests for reimbursements must be accompanied by VAT receipts and appropriately authorised. The Finance Lead will ultimately be responsible for the administration and reconciliation of the petty cash account although this task may be delegated to the Finance Team Leader. For amounts over £25 reimbursement will be made via BACS and will be part of the monthly programmed payment cycle.

14.0 Procedures on debtor accounts and write-offs

- 14.1 All debt recovery and write offs will be administered in accordance with the Bad Debt Policy of the trust and all actions will be noted in the minutes at the following appropriate Governors meeting. The Bad Debt Policy forms an appendix to this document (see Enclosure 1) and will be reviewed annually.

15.0 Personnel and Payroll

- 15.1 The Headteacher will, where possible, allocate duties to ensure that an appropriate division of duties exists in all the areas of completing, checking and authorising of all documents and claims relating to appointments/terminations of employment and expenses. All documents and claims relating to these areas will be prepared by the HR Manager and authorised by the appropriate Headteacher or a member of the Senior Leadership Team.

16.0 Pay and Payroll Services

- 16.1 The Board of Directors will decide the level of annual inflationary salary increases to be adopted across all schools within the Trust.

- 16.2 Payroll services will be processed only through the approved payroll system and administered by the HR Manager in liaison with the CFO. Payments for employment will not be made to staff or visiting lecturers etc. through any other mechanism.

17.0 Security of Stocks and Other Property

- 17.1 The Headteacher is responsible for systems to provide for the safe custody of cash, the security of other property and for stock control in their academy school.
- 17.2 The Headteacher will ensure that inventories are maintained in accordance with good practice as detailed in the trust's Manual of Financial Practice and Procedure. Inventories will be checked at least annually and any discrepancy shall be investigated. Discrepancies over the amount of £500 shall be reported to the Business and Collaboration (or equivalent) Committee of the appropriate Governing Body.
- 17.3 Safes and similar storage facilities will be kept locked and keys removed to be held by the key holder who will be nominated by the Headteacher. Normally key holders will carry keys on their person and keys must not be left on the premises overnight except in another safe. A list of key holders will be maintained by each academy school and loss of any keys must be reported to the Headteacher.

18.0 Delegated authority to authorise asset disposals

- 18.1 Surplus portable assets financed from funding delegated to the school can be disposed of following written authorisation by the CFO that such items are no longer required. Items may be sold and the income retained by the academy school. Individual items expected to realise income over £500 will be reported to and approval for disposal sought from the appropriate Business and Collaboration (or equivalent) Committee.

19.0 Income and Banking Arrangements

- 19.1 The Finance Lead for each academy school is responsible for ensuring that all arrangements for income collection are operated in accordance with procedures specified by financial regulations as detailed by the ESFA and where possible, the Finance Lead will ensure the responsibility for determining sums due to the academy school is separated from the responsibility for collecting and banking such items.
- 19.2. Invoices due to the academy school will be raised promptly via IRIS Financials.
- 19.3 All payments for trips are recorded daily via Scopay and an official receipt will be issued for all cash payments. Amounts collected both in cash and cheques through the finance office will be held in the academy school safe until banked. Cash up to a limit of £5,000 may be held in the safe and will be banked at least fortnightly as appropriate.

20.0 Signing arrangements for bank accounts

- 20.1 There must be a minimum availability of four signatories. These are to include the Chair of Board of Governors, CEO, Headteacher, Deputy Head, CFO and Finance Lead as approved by the ESCAT and Local Governing Body. All cheques must be signed by two signatories.
- 20.2 Access to online banking is restricted to the Headteacher, CFO and Finance Lead with a clear line of authorisation needed for BACS payments. Transfers between school accounts may be

made by the Finance Lead and administration of the accounts is the responsibility of the Finance Lead. The Headteacher and Finance Lead are the primary contacts for all BACS transactions.

21.0 Charging and Remission Fees

- 21.1 The trustees will determine charging and remission policies annually on the basis of recommendations put forward by the individual LGBs and Headteachers. The policy forms an enclosure to this document (see Enclosure 2) and as such must be approved by the ESCAT.

22.0 Governors Fund

- 22.1 The Governors' School Development fund, along with the Friends and Parents Association Funds or equivalents in each academy school are to be treated as restricted funds with monies used under the direction of each Local Governing Body.

23.0 Objectives

- 23.1 The objectives of the Governors' School Development Fund or equivalent is to enable each academy school to function financially with funds not normally allocated by the ESFA. This includes income received from a variety of proper sources together with payments made for the purchase of educational goods, for staff and pupil welfare and for the provision of services outside the scope of the budget share.
- 23.2 The Local Governing Body is responsible for the Governors' School Development Fund. Although these funds are not public money, the principles of sound financial management outlined in this policy apply equally. This requires the proper minuting of all decisions taken by the Local Governing Body.
- 23.3 The objectives of the Governors' School Development Fund must be approved by the Local Governing Body.
- 23.4 Each academy school will ensure that there is a secure and efficient system for the custody and control of the Governors' School Development Fund. The fund will be administered on behalf of the Local Governing Body by the Headteacher.

24.0 Governors' Expenses

- 24.1 The policy relating to Trustees and Governors' Expenses will be approved annually and if payable will be in accordance with the Local Authority Scheme, noting that:
- a. Trustees and Governors are not remunerated for being appointed as a Trustee or Governor.
 - b. Trustees and Governors are not able to claim expenses for carrying out their duties as a Trustee or Governor, unless this has previously been agreed with by the Chair of the Board of Directors or appropriate Chair of Governors.
- 24.2. Trustees and Governors allowance policy and goods and services for private use is such that:
- a. The trust and individual academy schools will avoid practices such as obtaining goods and services that may include an element of private use for trustees, governors or staff. Trustees, Governors and staff will also avoid accepting excessive hospitality, entertainment, or other services from existing or prospective suppliers.

24.3 Policy on gratuities and honoraria – Gifts and Hospitality

- a. The ESCAT is committed to the values of probity and accountability. Guidelines for Directors/Governors and staff regarding the acceptance of gifts and hospitality are laid out in the Gifts and Hospitality Policy and a register of declarations will be maintained by the Finance Lead of each academy school..

25.0 Register of Pecuniary Interests

- 25.1 A register will be maintained by the Governance Professional (Clerk). All Trustees and Governors will be asked to update their entries at the first meeting in the Autumn Term and school staff with a financial responsibility will be requested to renew theirs in September of each year. The file will be held by the Finance Lead and details will be published on the trust and academy school websites.

26.0 Trips and Visits

- 26.1 Any concessions granted by Tour Operators must be shared equally between payment participants. Each academy school will follow the trusts Charging and Remissions Policy regarding the request from parents for voluntary contributions for trip and visits. Financial assistance will be made available to eligible parents.

27.0 Training

- 27.1 Training will be provided as appropriate to enable all staff with financial responsibility to carry out their duties effectively.

28.0 Audit Procedures

- 28.1 The ESCAT will engage professional and fully qualified auditors to perform the necessary audits to comply with all statutory audit requirements. The ESCAT will appoint and work with the Internal Scrutineer to ensure internal scrutiny checks are made in accordance with the guidance from the ESFA in the Academy Trust Handbook and Accounts Direction.

Signed:

Dated:

Chair of Board of Directors

Annex A: List of Delegated Authorities

Enclosures:

1. Bad Debt Policy
2. Charging and Remissions Policy

ANNEX A

A1.0 LIST OF DELEGATED AUTHORITIES AS AT SEPTEMBER 2021

A1.1 The Edith Stein Catholic Academy Trust (ESCAT) delegates functions to each Local Governing Body (LGB) in accordance with the Scheme of Delegation.

A1.2 **The following finance related policies and documents will be approved by the ESCAT (Responsibility for Inspection and Scrutiny shown in brackets):**

Finance – including Bad Debt, Charging and Remissions (B&C)

Pay Policy – Teaching Staff (LGB)

Pay Policy – Support Staff (LGB)

Teaching Staff Appraisal (LGB)

Performance Management – Support Staff (LGB)

Redundancy (LGB)

Approval of Budget (B&C and LGB)

Risk Management (LGB)

Reports and Statements to be published in the Annual Report and Financial Statements (LGB)

Manual of Financial Practice and Procedure (B&C)

Changes to the AoA/MoU or delegations to the LGB

A1.3 The ESCAT will appoint the external auditors and internal scrutineers for the trust

A1.4 **Each LGB is delegated to approve the following finance related policies and documents (Responsibility for Inspection and Scrutiny shown in brackets):**

Approval of development plan (SLT)

Emergency Response Plan (inc Critical Incident Recovery (B&C)

Gifts and Hospitality (B&C)

Headteachers Discretionary Fund (B&C)

Pupil Premium Statement (T&L)

Staffing (T&L)

A1.5 **Each LGB delegates the following as shown:**

Headteacher Performance Sub-Committee

- Headteacher's objectives and annual performance review

Staff Salaries Sub-Committee

- Individual staff salaries and TLR payments

A1.6 **Each Business and Collaboration (or equivalent) Committee is delegated to approve the following finance related policies:**

Terms and Conditions of Hire (SLT)

A1.7 **Budget Virements**

Trust Level

- The CEO may approve Budget virements under £50,000 which will then be reported at the next Board of Directors meeting.
- For virements between £50,000 and £100,000 approval is required in advance from the appropriate Local Governing Body (LGB) and to be reported at the next Board of Directors meeting
- For virements of £100,000 or more approval is required in advance from the ESCAT Directors or in cases of urgency by 3 delegated directors via email, to include the Chair of the Board of Directors.

Secondary Academy School Level

- A Headteacher (Secondary) may approve budget virements under £25,000 which will then be reported at the next Business and Collaboration (or equivalent) meeting.
- For virements between £25,000 and £50,000 approval is required in advance from the CEO and Business and Collaboration (or equivalent) Committee and to be reported at the next Local Governing Body meeting
- For virements between £50,000 and £100,000 approval is required in advance from the CEO and LGB or in cases of urgency by 3 delegated governors via email, to include Chair of Business and Collaboration (or equivalent) and Chair of Governors.

Primary Academy School Level

- A Headteacher (Primary) may approve budget virements under £10,000 which will then be reported to the next Business and Collaboration (or equivalent) committee meeting
- For virements between £10,000 and £25,000 approval is required in advance from the CEO and Business and Collaboration (or equivalent) Committee and to be reported at the next Local Governing Body meeting
- For virements of £25,000 or more approval is required in advance from the LGB or in cases of urgency by 3 delegated governors via email, to include Chair of Business and Collaboration (or equivalent) and Chair of Governors.

A1.8 Orders and Contracts

- Orders up to the value of £5,000 may be authorised by the Finance Lead in a Primary Academy School
- Orders up to the value of £10,000 may be authorised by the Finance Lead in a Secondary Academy School
- Orders up to the value of £15,000 may be authorised by the Chief Financial Officer.
- Orders up to the value of £25,000 may be authorised by the Headteacher in a Primary School.
- Orders up to the value of £50,000 may be authorised by the Headteacher in a Secondary School.
- Orders up to the value of £100,000 may be authorised by the CEO.
- Orders in excess of £25,000 in a Primary School and £50,000 in a Secondary School will be referred to the appropriate LGB for approval
- Orders in excess of £100,000 will be referred to the ESCAT for approval
- All purchase orders must be signed by the budget holder to which they are costed. Their delegated budgets are agreed by the LGB at a level which is commensurate with student numbers, curriculum changes and operational issues and will change every year. They have delegated authority to spend these budgets within the financial year.

To ensure best value all significant orders between £5,000 and £25,000 will require 3 quotes. Orders between £25,000 and £100,000 will require 3 tenders. Orders over £100,000 require 5 tenders

A1.9 Spare

A1.10 Expenses

- Travel expenses may be authorised by the Finance Lead within the financial limits of orders and contracts of delegated authority and will be paid via salary
- Claims made via Petty Cash must be authorised by the budget holder and must not exceed £25 (claims over £25 will be refunded by BACS transfer or cheque)
- Claims over £25 must be authorised by the Finance Lead

A1.11 **Asset Disposal**

- The Finance lead and Headteacher must jointly authorise disposal of assets up to £5000 in Secondary and £2,000 in Primary academy schools
- The LGB via the Business and Collaboration (or equivalent) Committee can authorise the disposal of assets realising a value of between £5,000 - £25,000
- Disposal of assets with a value of over £25,000 must be referred to ESCAT

A1.12 **Bad Debts**

- The Headteacher may write-off debts up to a maximum of £200 per debtor, up to a cumulative maximum of £1000 per financial year.
- The Business and Collaboration (or equivalent) Committee may write-off debts up to maximum of £2,000 per debtor, up to a cumulative maximum of £10,000 per financial year.
- Debts of £2,000 and above per debtor shall be referred to the Local Governing Body

A1.13 **Payments/Banking**

- All cheques drawn on bank accounts will be signed by any 2 of the signatories as per the current bank mandate
- All online BACS transfers must be authorised by Finance Lead via the authorised online banking system and signed by one other bank account signatory.
- Salaries will be prepared by the in house or outsourced payroll provider and authorised for payment by the CFO or Finance Lead and appropriate Headteacher.
- The ESCAT Finance and Deputy Finance Manager have delegated authority to transfer funds between the authorised bank Current and Deposit accounts in order to maintain cash flow whilst maximising the opportunity to gain interest.
- The Finance Manager and Deputy Finance Manager may withdraw cash either via cheque or bank card to the value of £250 per day up to a maximum of £1,000 in any one month.

In the absence of key personnel in the financial chain (consisting of the Chair of Governors, Chair of Business and Collaboration (or equivalent), Headteacher, Finance Lead) all staff are to be aware of the processes to ensure the continuity of the school functions.



EDITH STEIN **CATHOLIC ACADEMY TRUST**

BAD DEBT POLICY

APPROVED BY TRUSTEES	September 2021
SCRUTINISED BY LOCAL GOVERNING BODY / LOCAL GOVERNING BODY SUB COMMITTEE	September 2021
DATE LAST REVIEWED	August 2021
MEMBER OF STAFF RESPONSIBLE	Chief Financial Officer
STATUTORY / NON-STATUTORY	Non-Statutory



1.0 Definitions

Debtor shall be read as anybody, organisation, person or event which owes monies to the trust or individual academy school within the Edith Stein Catholic Academy Trust (ESCAT) (The Trust).

School shall be read as any individual academy school within the ESCAT.

Trip shall be read as any School trip, not including an educational visit.

2.0 Procedures

- 2.1 Bad debts experienced by any School will be subject to the Trust's bad debt policy detailed in this document.
- 2.2 If an invoice is outstanding after a 30 day payment period, a reminder for the debt shall be sent to the debtor by the Finance Office.
- 2.3 If the invoice is outstanding 7 days after the reminder has been sent, a final demand shall be issued which will be drafted by the Finance Office and signed by the Finance Lead, CFO, Headteacher or CEO as appropriate.
- 2.4 If the invoice is still outstanding 14 days after the final demand has been issued and is material (i.e. over £100), a [court claim for money](#) will be made through the 'small claims court'.
- 2.5 The Trust or School reserves the right to collate a debtor's bad-debt and consider the said bad debts as one bad-debt. Equally if a credit is owed to a Parent for a trip or activity the school reserves the right to offset any debt owed to the school before a payment is made to the Parent.
- 2.6 Any reminder or final demand is subject to a late payment administration fee which may be issued up to a maximum value of £10, depending on the circumstances. If the case is subsequently forwarded to HM Courts and Tribunals Service using the Money Claim Online facility the School reserves the right to add a claim of interest to the outstanding amount of the equivalent of 8% annual interest charge and the court fee which is incremental based on the value of the claim.
- 2.7 In the event of a cheque being returned due to lack of funds the school reserves the right to charge an administration fee of £10 to cover bank charges and the extra costs incurred in requesting the payment again. Future payments can be requested to be made in cash or via online banking and if payment is not forthcoming the school reserves the right to act in accordance with 2.8 below.
- 2.8 In the instance of transport or trip, the School reserves the right to refuse a debtor and/or their child the right of carriage and/or place on the trip.
- 2.9 For invoices regarding transport the period of notice is the same as those outlined in paragraphs 2, 3 and 4 of this policy.
- 2.10 The School operates a waiting list policy for transportation and trips and as such there is no guarantee that a debtor who is refused carriage shall be entitled to reclaim their place after their debts have cleared.
- 2.11 In the instance of music tuition, the School reserves the right to refuse a debtor and/or their child the right of music tuition.

- 2.12 The School operates a waiting list policy for music tuition and as such there is no guarantee that a debtor who is refused music tuition shall be entitled to reclaim their place after their debts have cleared.
- 2.13 In certain situations, in accordance with the school's finance policy the school can write off bad debts if they are considered irretrievable in accordance with this policy. It should be noted that the Governors will use all reasonable methods to recover bad debts including the use of HM Courts and Tribunal Service or debt factoring agencies.
- 2.14 Any approval for debt cancellation may be referred to the CFO via the Finance Lead and is dependent on the value of the debt as follows:
- a. The Headteacher may write-off debts up to a maximum of £200 per debtor, up to a cumulative maximum of £1000 per financial year.
 - b. The Business and Collaboration (or equivalent) Committee may write-off debts up to maximum of £2,000 per debtor, up to a cumulative maximum of £10,000 per financial year.
 - c. Debts of £2,000 and above per debtor shall be referred to the Local Governing Body

In all cases all decisions will be minuted and explanatory records, with reasons for write offs, will be signed and stored securely.

- 2.15 Provision for bad debt will be made in the balance sheet at the appropriate level and where necessary.

Signed:

Date:

Chair of Board of Directors



EDITH STEIN **CATHOLIC ACADEMY TRUST**

CHARGING AND REMISSIONS POLICY

APPROVED BY TRUSTEES	September 2021
SCRUTINISED BY LOCAL GOVERNING BODY / LOCAL GOVERNING BODY SUB COMMITTEE	September 2021
DATE LAST REVIEWED	August 2021
MEMBER OF STAFF RESPONSIBLE	Chief Financial Officer
STATUTORY / NON-STATUTORY	Statutory



1.0 Introduction

- 1.1 The Edith Stein Catholic Academy Trust (ESCAT) (The Trust) recognises the valuable contribution that the wide range of additional activities, including clubs, trips and residential experiences can make towards our students' spiritual, personal and social education. This is key in meeting the mission of each individual academy school.
- 1.2 The Trust aims to promote and provide such activities both as part of a broad and balanced curriculum for the students of each academy school and as additional optional activities.

2.0 Definition

- 2.1 In the light of the Education Reform Act 1988, the Trust is required to publish their Charging and Remissions Policy.
- 2.2 The Act clearly outlines the activities for which an academy school may make a charge and therefore the Trust reserves the right to make a charge for following activities organised by a School within the Trust

3.0 Activities in School Hours (*See Note Below)

- 3.1 The board and lodging element of the following residential courses:
 - Sixth Form residential Field Trips for example Geography and Biology
 - Sixth Form, Year 11 and Year 10 Residential Visits
 - Year 9 Camp
 - Year 8 to St Aignan
 - Year 6 Residential
 - Any other similar residential course
- 3.2 The full cost to each student of the following activities deemed to be optional extras taking place outside school

NB: Trips such as a ski trip and Study Trips to Europe fall outside school hours, but is also organised by a third party (i.e. a tour operator). These trips are not affected by the Act's requirements and the full charge may be made by the third party.

4.0 Voluntary Contributions

- 4.1 In the case of activities deemed to take place during school hours, where the Trust may only make a charge for the board and lodging element or no charge at all in the case of a day trip – then voluntary contributions may be requested.
- 4.2 The Trust would wish to emphasise that there is no obligation for the parents to contribute and that no student would be omitted from the activity because his/her parents are unwilling or unable to contribute. **However the Trust would wish to make it equally clear that activities such as but not limited to those listed below would not take place if parents were reluctant to support them through voluntary contributions:**
 - Year 5/6 Residential week
 - Year 9 Camp

- St Aignan
- All Activities in Challenge Week
- Other Residential Visits

5.0 What is meant by inside or outside school hours?

5.1 When an activity takes place partly during and partly outside school hours, the following method is used for calculating whether, according to the Law, the activity is deemed to take place during or outside school hours.

- **Non-Residential Activity:** Where more than 50% of the time spent on the activity falls during school hours, the activity is deemed to have taken place inside school hours, e.g. Day trip to Cherbourg.
- **Residential Activity:** A trip which starts at noon on Wednesday and finishes late on Sunday (9 half day sessions including 5 school sessions) is deemed to take place during school hours.
- A trip which takes place on Thursday lunchtime and finishes on Sunday evening (7 half day sessions including 3 school sessions) is deemed to take place outside school hours. (Parents are reminded that there are 2 school sessions per day: am and pm)

6.0 Individual Instrumental Tuition

6.1 Parents requiring instrumental tuition for their children will be required to make a contribution to the overall cost. Under The Charges for Music Tuition (England) Regulations 2007 students who are looked-after are entitled to instrumental and vocal tuition without charge. The Trust is resolved to ensure that Musical Tuition continues within schools, however the cost of tuition to each school has to be sustainable. The Trust reserves the right to make reasonable adjustments to the charges for tuition to ensure the service is sustainable.

7.0 Charging in Kind

7.1 The cost of materials, ingredients, equipment (or the provision of them by parents) for the following subjects:

- Food Technology
- Design Technology
- Art & Design.

7.2 The Trust may charge for ingredients and materials or require them to be provided if the parents have indicated or it is understood in advance that they wish to own the finished product.

8.0 Examination Fees

8.1 GCSE / KS4 qualification and GCE / KS5 qualification initial registration and entry exam fees are paid by the school. Students re-sitting GCSE papers by following a year's course during Year 12, and students returning to repeat their A2 level studies in 'Year 14' will have their registration and entry exam fees paid by the school.

8.2 Where an external candidate has not been prepared for a prescribed public examination by the school, the Trust may make a charge for the cost of entering the student

- 8.3 The Trust may also make a charge for students sitting non-prescribed examinations whether or not prepared by the school. Examples include:
- Entrance fees for re-sits where the decision to re-sit is not supported by the subject Department in question.
 - Entrance fees for a subject a student is studying elsewhere.
- 8.4 Reimbursement will be sought from candidates who fail to sit an exam or meet the necessary coursework requirements. This will be pursued in writing to the candidate and their parent/carer.

9.0 Copies of Pupil Records

- 9.1 In accordance with the guidance under the Data Protection Act and under the Education (Pupil Information) (England) Regulations 2005 copies of pupil's records may be requested, either by a pupil or by their parent or guardian through a Subject Access Request (SAR).

10.0 Additional Tuition

- 10.1 Occasionally during the year, a school may engage the services of professional groups to enrich and extend the opportunities available to pupils. This could involve twilight, holiday or Saturday sessions. These sessions are non-compulsory and families will be asked to cover the costs. If the school deems these to be an integral part of the curriculum relevant to a particular scheme of work they will offer this opportunity to all appropriate pupils and may ask for parental contributions.

11.0 Education at other establishments

- 11.1 The Trust recognises that parents and carers have a responsibility to arrange transport to and from school for their children. In certain circumstances Parents/Carers may apply directly to the LA for subsidised school transport. On occasions opportunities exist for students to seek provision elsewhere for example, 14-19 curriculum or increased flexibility programme. In these cases the liability for the cost of transport remains with the parents/carers.

12.0 Breakages

- 12.1 The Trust may ask parents to pay the cost of breakages to equipment, neglect or vandalism of books, furniture or the fabric of the building where it is reasonable to say that the breakage occurred as a result of vandalism and/or malicious or negligent behaviour.

13.0 Remissions

- 13.1 Where the parents of a student are in receipt of Income Support or Family Credit, the Trust will remit in full the cost of board and lodging for any residential activity for a pupil if the activity is deemed to take place within school hours and where it forms part of the syllabus for a prescribed public examination or the National Curriculum.
- 13.2 However, in the case of a chargeable activity, the Trust will invite parents to apply in confidence for the remission of charges in part or in full. Authorisation of remission will be made by the appropriate Headteacher in consultation with their Chair of Governors.

14.0 Text Book Deposits

- 14.1 Students studying in years 12 and 13 are required to pay a deposit for the text books they choose to use whilst studying at A level. Books will be issued once the deposit of £30 has been paid and will be refunded when the books are returned in a good condition. The deposits will be administered by the Sixth Form Admin team in liaison with the Finance Office and the Head of Sixth Form has the right to refuse the return of any deposit where damage to books has occurred making them unusable.

15.0 Lockers

- 15.1 Students may be allocated a locker on joining in Year 7 for use throughout Key Stage 3 (years 7, 8 and 9) and will be required to pay a charge for the use of the locker. The charge will be used to contribute towards the cost of upkeep of the lockers and normal wear and tear replacements. In Key Stage 4 (Years 10 and 11) pupils will have the option of the use of a locker for which a charge will be made. All students will be required to return their locker key or padlock and key at the end of KS3 or KS4 as appropriate. In the event of a key being lost the Trust reserves the right to make a charge for a replacement key.

16.0 Bus Passes

- 16.1 Students living within the postcode areas of PO7 (Hambledon and Denmead area) may purchase, via Oaklands Catholic School, an annual bus pass for the 654 service which is a private contract bus service. The Trust reserves the right to charge parents the full cost of this pass except where students are entitled to subsidised travel from the Local Authority.