



## St Chad's Academies Trust Financial Regulations - Academies

This document is to be adhered to in conjunction with the Education Funding Agency's current Financial Handbook and is designed to provide clarity and guidance regarding the delegations applied to Trustees, Academy Committee Members and staff as follows;

Role title	Reference
Business Manager (for the purposes of this document the term Business Manager refers to the finance lead in the academy)	<b>BM</b>
Principal of the Academy	<b>Pr</b>
Vice Principal	<b>VP</b>
Senior Leadership Team	<b>SLT</b>
Local Academy Committee (for the purposes of this document the term LAC also pertains to any sub committees the LAC has delegated authority to)	<b>LAC</b>
Chair of Local Academy Committee	<b>CoLAC</b>
Diocese Property Adviser	<b>DPA</b>
SCAT Financial Accounting Officer	<b>FAO</b>
SCAT HR Officer	<b>HRO</b>
SCAT Head of Operations	<b>HO</b>
SCAT Chief Executive Officer	<b>CEO</b>
MAT Trust Board	<b>MTB</b>
Education Funding Agency	<b>EFA</b>

**The below guidance notes apply to all following delegated authority levels.**

1. No authority is delegated when the normal delegated authority has registered a pecuniary or other interest (as determined through the Register of Interest declarations).
2. No authority is delegated where the decision would mean the academy or Trust would fail to stay within its budget as approved by the Trust Board
3. Expenditure rules must not be circumnavigated (either deliberately or unintentionally) through split invoicing, splitting contracts, etc. which may exceed an individual's set limit
4. As per the EFA Proper and Regular Use of Public Funds Regulations, public funds must only be used for the purposes as intended by Parliament. It is the Principal's responsibility to ensure that all expenditure is incurred in accordance with underlying grant conditions.
5. The use of unrestricted funding must be agreed by the Trust in line with the Scheme of Delegation and Financial Regulations.
6. Under no circumstances are academy funds be used for personal use. All expenses must be claimed for via the payroll process and must be approved in accordance with the Trusts Financial Regulations.
7. There may be occasions where the Chair of the Local Academy Committee may be required to take a decision on behalf of the Board in a time scale which prevents awaiting the next Board meeting. In these cases, the Chair will consult with the Chief Executive and a follow up Board report will be required for the next Board meeting.
8. There may be occasions where the Principal is unavailable to perform the roles designated in the required timescale; on these occasions the Vice Principal assumes the role of the Principal. Where VPs form part of the segregation of duty, the VP's duties should be passed to another appropriate member of SLT. Where there is no Vice Principal, the duties should be passed to another appropriate member of SLT.
9. Any staffing matters should be discussed with the Academy's delegated HR support (as provided by the Trust) prior to taking any action. The Head of Operations should also be informed.
10. Capital works must be agreed by the Trust's appointed Property Adviser. Structural changes to the property require Diocesan Trustees consent and should be directed to the Diocesan Property Adviser. Changes to the decoration of the building will require Trust approval and should be directed to the Diocesan Property Adviser.
11. On occasions where the Chair of the Local Academy Committee may be required to take a decision on behalf of the Local Academy Committee and Trust consent is required and where a time imperative precludes awaiting the next Local Academy Committee meeting, the Chair of the LAC will consult with the CEO to take Chair's Action . The CoLAC will need to report to the next LAC meeting and ensure action is appropriately recorded in the minutes.

12. Finance Officers should operate within an approved system which assures segregation of duty. This system should be documented in the academy's financial procedures folder and communicated to the HO. For small academies where Business Manager and Finance Assistant roles are combined, the Principal or an appropriate member of the SLT should be nominated to approve orders within the appropriate delegated authority level. For small academies where this is not practicable, the CECET Financial Accounting Officer should be included in the system of segregation.
13. Trust approval must be sought for any new staffing appointments. The target for all Academies is that staffing costs do not exceed 76% of total income.

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**1. Ordering Goods and Services (raising requisitions). Purchase Order Requisitions should be raised for ALL Academy purchases by the Finance Dept in line with the below**

Value	Delegated Authority	Guidance notes
Up to £1,000	BM	Evidence should be retained to demonstrate Value for Money has been achieved (e.g. price comparison)
Over £1,000 to £5,000	BM and Pr	Written or verbal quotes should be obtained from at least three different suppliers and details retained on file.
Over £5,000 to £20,000	BM, Pr, LAC	Obtain at least 3 written quotes from suitable suppliers, using the full tender procedure if appropriate. Details to be retained on file.
Over £20,000 to £50,000	BM, Pr, LAC , - CEO	Obtain at least 3 written quotes from suitable suppliers, using the full tender procedure if appropriate. Report to HO. Details to be retained on file.
Over £50,000	BM, Pr, LAC, HO, CEO and MTB	Formal tendering process To be carried out and evidence retained to support procurement.
Over £100,000	BM, Pr, LAC, HO, CEO and MTB	Formal tendering process including advertising in OJEU (if over the OJEU* threshold).
Authority to accept other than lowest quote up to £20,000	BM, Pr, LAC	Obtain quotes as above. Value for Money must be demonstrated. Details to be retained on file including evidence of authorisation..
Authority to accept other than lowest quote over £20,000	BM, Pr, LAC, HO	Obtain a minimum of three quotes as above. Value for Money must be demonstrated. Details to be retained on file including evidence of authorisation..
Authority to accept other than lowest tender	BM, Pr, LAC HO, CEO	Value for Money must be demonstrated. Details to be retained on file including evidence of authorisation.
Supplier set up and validation	BM / FAO	BM to approve and ensure there is an appropriate segregation of duty in the academy regarding set up and validation of suppliers. All new suppliers and changes to supplier details should be reviewed by the FAO during monthly visits.

\* OJEU – Official Journal of the European Union – established public procurement rules which apply throughout the European Union and pertain to any public purchases above the defines thresholds.

## 2. Journals

Value	Delegated Authority	Guidance notes
Any	BMFAO	Preparation and initial input to be undertaken by BM. All journals to be reviewed and authorised by Trust Finance Team member during monthly visit.

## 3. Raising invoices to collect income

Value	Delegated Authority	Guidance
Up to £5,000	BM	
£5,000 to £10,000	BM plus PR	
Over £10,000	As above plus LGB	

## 4. Signatories for cheques, BACS payment authorisations and other bank transfers

Value	Delegated Authority	Guidance
Up to £25,000	<i>Academy based;</i> BM, VP, Pr, nominated member/s of LAC <i>CECET HQ based;</i> HO, CEO	Any two independent with delegated responsibility to authorise
Over £25,000	<i>Academy based;</i> BM, VP, Pr, nominated member/s of LAC <i>CECET HQ based;</i> HO, CEO	Any one Academy based authorisation/signature PLUS any one HQ based authorisation/signature OR Any two HQ based authorisations/signatures

## 5. Bank Mandates

Role	Delegated Authority	Guidance
Management of Bank Mandates	BM, Pr, HO, CEO,	BM to report to HO any required changes to mandates. HO to approve and arrange all changes. If an authorised signatory leaves employment, BM to initialise removal of signatory from bank mandate and, where possible, the appointment of replacement to coincide with leaving date of the employee.

## 6. Petty Cash

Value	Delegated Authority	Guidance
Limit of up to £250** cash held on site overnight. (**amount of cash must be in accordance with individual academy insurance policy)	BM to maintain full records and ensure segregation of duty. Pr overall responsibility. Approval from HO for balances greater than £250.00	Cash only to be distributed on receipt of proof of purchase. No single payment of more than £50.00; single transactions must not be split. Items of a value over £50.00 should be made via the academy debit or charge card.

## 7. Managing cash

Value	Delegated Authority	Guidance
Cashing cheques - up to £200 per cheque	Signatories as per above (see section 6)	Cheques should only be cashed for petty cash purposes. 2x staff members to go to bank where possible (FAO can assist with this where necessary). Banking should never be done to a set pattern.
Cash collected on site - to be counted and locked away in line with academy's insurance policy.	BM to maintain full records of cash collected/received and receipts provided. BM to ensure segregation of duties regarding counting and checking of cash (if BM has no admin support, Pr, VP or appropriate member of SLT to check and sign). FAO can assist where required.	Cash collection service to be introduced if financially beneficial for the academy. OR where possible 2x staff members to go to bank (FAO can assist with this where necessary). Banking should never be done to a set pattern. Cash to be kept in a secure safe in line with academy insurance policy.

## 8. Expenses

Value	Delegated Authority	Guidance
Less than £50.00	BM	Expenses should be claimed monthly, as per the academy expenses policy and VAT (where appropriate) receipts should be provided in all cases except for mileage claims. All expenses require two signatories; one to show checks have been carried out and second to authorise payment. Trust's expenses form to be used.
Greater than £50.00	Pr (or VP if Pr unavailable)	As above
Principal's expenses	CoAC (or HO/CEO if CoAC not available)	As above

## 9. Charge Cards

Role	Delegated Authority	Guidance
Operation of Charge Cards – overall limit of £2,000k monthly	BM, VP, Pr, designated member of SLT	Up to 3 cards to be assigned as deemed appropriate by the academy with an overall group limit of £2k monthly. Minimum individual card allowance is £500. Incurs a bank charge of £32 per year per card.
Authorisation of Charge Card spend	BM, Pr, FAO, CoAC (or CEO)	Charge card purchases should be authorised in exactly the same way as purchase ordered transactions. Monthly monitoring by BM and records of monthly transactions retained. Principal to sign off monthly transactions for academy staff. Where a Principal has a charge card, CoAC to sign off monthly transactions (or CEO where CoAC is not available) FAO to sign off reports as part of month-end processes.

## 10. Business Debit Cards (option not available to conversions from Sept 2016)

Value	Delegated Authority	Guidance
Operation of debit card - up to £1,000k	BM, VP, Pr, designated member of SLT,	Debit card bank account retains a maximum balance of £1,000.00. Up to 3 cards to be assigned as deemed appropriate by the academy. Under no circumstances should cash be withdrawn using a debit card.
Authorisation of debit card spend	BM, Pr, FAO, CoAC (or CEO)	Debit card purchases should be authorised in exactly the same way as purchase ordered transactions. Monthly monitoring by BM and records of monthly transactions retained. Principal to sign off monthly transactions for academy staff. Where a Principal has a debit card, CoAC to sign off monthly transactions (or CEO where CoAC is not available) FAO to sign off reports as part of month-end processes.

**11. Staffing**

Responsibility	Delegated Authority	Guidance
Appointment of Principal	CEO/MTB	In full consultation with LAC
Appointment of staff to a current post within the allocated budget	Pr HO / HRO / CEO	All recruitment paperwork to be sent to HR Officer. All recruitment outside of the approved budget approved by the Trust team (HRO / HO or CEO)
Establishment of a new post within structure/restructure of staffing	Pr and HO / HRO / CEO	A recruitment request form to be completed and sent to the Trust's HR officer prior to advertisements being placed. All recruitments authorised by the Trust team (HRO / HO or CEO)
Appointment of staff to a new post	Pr and HO / HRO / CEO	A recruitment request form to be completed and sent to the Trust's HR officer prior to advertisements being placed. All recruitments authorised by the Trust team (HRO / HO or CEO)
Staff severance/ compensation - non-statutory/non contractual payment of less than £50k	MTB	BM to prepare report for MTB and report to LAC. MTB has delegated authority to approve individual staff severance payments provided any non-statutory/non contractual element is under £50k
Staff severance/ compensation - non-statutory/non contractual payment of £50k or more	MTB and EFA	BM to prepare report for MTB and report to LAC. EFA approval required. EFA guidance to be followed and submission template to be completed
Ex – gratia transactions	MTB and EFA (over statutory limits)	BMs to discuss with HO. Trust must obtain EFA approval in advance for all ex gratia transactions, in accordance with Funding Agreements.
Salary review of Principal	MTB	Linked to Principal's performance management conducted by the Trust. Consult finance to ensure impact of increase is sustainable.
All other salary reviews	Pr, HRO, HO and CEO	The Trust has final authorisation in respect of pay grade changes. BM to structure increases into budget and forecasting to ensure increases are sustainable. Significant increases to staff costs as %age of income to be reported to HO (76% is target). Report to LAC and MTB. Follow academy pay policy.



## 12. Payroll reporting

Role	Delegated Authority	Guidance
Authorisation of Principal's payroll	CoLAC (CEO or HO in CoLAC absence)	Sign payroll forms relating to Principal
Authorisation of staff payroll reports (other than Principal)	Pr (or VP in Principal's absence)	Sign all appropriate staff payroll forms
Main payroll contact and administrator	BM	Preparation of all payroll forms and checking of draft reports pre Trust level consolidation.
Consolidation of final payroll	HRO	Final checking and group consolidation pre submission to payroll provider.
Final monthly payroll reports	BM and Pr (or VP in Principal's absence)	Both BM and Pr to sign off monthly payroll reports. Variance report to be produced; FAO to review monthly.

## 13. Data Retention

Responsibility	Delegated Authority	Guidance
Retention of financial data	BM	BM to retain academy financial records for a minimum of 7 years (including current year) This includes but is not limited to VAT, payroll, purchase/sales, contracts, petty cash, debit card, bank statements, HMRC correspondence etc
Retention of HR data	BM	Paper copies of personnel files to be retained for 6 months by BM, all files will then be scanned and stored securely by the Trust. Paper copies will be securely destroyed by the Trust. BM to scan any new personnel data to the Trust for inclusion.
Disposal of financial, HR and other data	Trust	Disposal of any academy financial records must be approved by the Trust prior to any action being taken
Disposal of any other legislative data	Trust	E.g, Insurance Policy Documents, Health and Safety (eg. PAT testing, legionella, asbestos, fire risk assessments, etc), estates (e.g. occupational health reasonable adjustments.

#### 14. Use of Reserves

Value	Delegated Authority	Guidance
Any	Trust	<p>Business case to be written by BM and Pr with the support of the FAO, and submitted to HO for first approval, then LAC before it goes to MTB for final approval; decisions must be recorded in the minutes.</p> <p>Reserves are not to be used to prop-up the academy budget; they are to be used for one off costs, e.g. capital works or costs relating to staffing restructure.</p> <p>Best practice - a maximum of 25% of overall reserves to be used in one instance. Business case should indicate investment back to reserves in future years.</p>

#### 15. Budget setting

Responsibility	Delegated Authority	Guidance
Setting the budget	BM and Pr	<p>BM responsible for setting the draft budget, in liaison with the Pr</p> <p>Budget must be set for the financial year to 31 August. It is expected that budgets will show balanced or surplus year end positions. Budget can draw on unspent funds brought forward from previous years; brought forward figures to be shown separately. Annual financial planning schedule to be followed as per EFA guidance. Budgets should include provision for expected salary increment increases.</p>
Approval of the draft budget	HO, LAC and MTB	Draft budget to be presented to the LAC and HO for comment/alterations. Finalised draft to be presented and signed off by MTB – Board must minute their approval.
Annual submission of budget to EFA	BM, FAO, HO	The approved budget must be approved by the Trust Board and submitted to the EFA by the Trust in accordance with EFA's deadline (31 <sup>st</sup> of July annually). BM and FAO are responsible for establishing a timetable which allows sufficient time for the approval process and ensures the submission criteria are met

## 16. Budget management

Responsibility	Delegated Authority	Guidance
Management of school budget	BM, FAO, Pr and LAC	Regular (no less than monthly) meetings between BM and Pr to include budget monitoring report. Brief, accurate minutes of these meetings should be kept on file. Termly budget monitoring to LAC To be discussed and monitored at monthly FAO visits; support and guidance provided by FAO. Monthly management accounts report to HO for scrutiny and reporting to Trust Board
Significant changes to the budget (£10k or above)	LAC and MTB	Any changes to the original budget of £10k or over must be approved by the LAC and MTB – decisions must be recorded in the minutes.

## 17. Approval of virement of budget provision between budget headings – N.B. not usual practice

Value	Delegated Authority	Guidance
Up to £10,000	BM, Pr, FAO	Requires FAO approval and a report to the LAC cc'd to HO; decision recorded in minutes. Multiple virements less than £10k, must not occur against the same budget heading to circumvent rules.
£10,001 to £30,000	As above plus LAC	As above. LAC decision recorded in minutes.
Over £30,000	As above plus CEO	As above.

## 18. Borrowing

Value	Delegated Authority	Guidance
Bank/sponsor loan/overdraft	EFA	EFA agreement required. The Trust would manage any such requests,
Credit cards (business use only)	MTB	Trust has full discretion provided no charges are incurred. Credit cards not currently used.

**19. Write off of bad debts, losses and any uncollected fines and entering into liabilities (guarantees/indemnities or letters of comfort) subject to £250,000 limitation**

Value	Delegated Authority	Guidance
Single transaction less than 1% of income or £45k (whichever smaller) OR less than 5% of total annual income cumulatively in any one financial year per category of transaction.	LAC and CEO/MTB	BM to submit report to LAC. HO to be informed. BM to pursue recovery of debts/overpayments. LAC should only consider writing-off losses after careful appraisal of the facts and financial effect has been thoroughly investigated, and should be satisfied that there is no feasible alternative. LAC to appraise the proposal by performing an assessment of the costs and benefits of relevant options using an appropriate method, in order to secure value for money. The LAC must ensure that the value of any liability is within its delegated authority to commit. Value £1k or less to be delegated to CEO/HO; above £1k to be authorised at Trust Board
Single transaction exceeding 1% of annual income or £45k (whichever least) OR greater than 5% of total annual income cumulatively in any one financial year per category of transaction.	EFA	As above. BM to report to LAC and MTB. EFA consent required.

**20. Acquisition and disposal of assets**

Value	Delegated Authority	Guidance
Acquisition and disposal of a freehold on land and buildings	DPA, MTB, EFA	Church Trustees hold all land and buildings. All action relating to land and buildings must be managed by the Diocese Property Adviser. MAT Board approval of any proposal required. EFA agreement would be required
Disposing of heritage assets	DPA, MTB, EFA	As above
Disposal of assets other than land, buildings or heritage under £10,000	Pr and LAC	Decision recorded in the minutes. Report to HO
Disposal of assets other than land, buildings or heritage greater than £10,000	As above plus CEO/MTB	As above. Final decision to be approved by MAT Board

## 21. Leasing

Value	Delegated Authority	Guidance
Taking up a finance lease	EFA	EFA agreement required. BM to liaise with HO. Report to MTB.
Taking up a leasehold on land and buildings	DPA, MTB and EFA	DPA involvement required. MTB agreement required. EFA agreement required if lease term seven years or more.
Granting a lease on land and buildings	DPA, MTB and EFA	Church holds all land and buildings. All action relating to land and buildings must go via Diocese Property Adviser. EFA guidance to be followed
Operating lease less than £10k	BM/Pr	Report to LAC . Any operating lease must be in line with approved budget and approved in line with delegated authority levels (see 1. Ordering Goods and Services).
Operating lease greater than £10k	MTB	As above. MAT approval to be sought for all operating leases over £10k cumulatively.

## 22. Connected party transactions

Value	Delegated Authority	Guidance
Any	Approval sought from EFA  Register of interests to be maintained by BM	EFA approval to be sought prior to any transactions with connected parties that are novel and/or contentious.. Register of interests must be kept at each academy (SLT, LAC CEO and MTB members) which declares any connected parties and captures relevant business and pecuniary interests including: <ol style="list-style-type: none"> <li>1) Directorships, partnerships and employments with businesses</li> <li>2) Trusteeships and governorships at other educational institutions and charities</li> <li>3) Relevant material interests arising from close family relationships between academy Trust's Members, Trustees or Local Academy Committee Members and any connection to employees</li> </ol> For each interest the required detail is as follows; <ol style="list-style-type: none"> <li>1) The name of the business</li> <li>2) The nature of the business</li> <li>3) The nature of the interest</li> <li>4) The date the interest began</li> </ol> Trading with connected parties must be at cost – see EFA guidelines.

### 23. Reporting of fraud, theft or irregularity

Value	Delegated Authority	Guidance
Individual act less than £5k OR less than £5k cumulatively in any academy financial year	BM and Pr to HO	Report all any instances of fraud to FAO and HO as soon as possible. Appropriate action to be taken as per academy/trust policy.
Individual act greater than £5k OR greater than £5k cumulatively in any academy financial year	BM and Pr to HO and MTB and then to EFA (if necessary per handbook)	As above. Trust to report to EFA as soon as operationally practical following EFA guidance for reporting requirements
Unusual or systematic fraud	BM and Pr	All cases reported to LAC, HO and EFA. Trust to manage reporting to EFA.

### 24. Signatories for EFA grant claims and EFA returns

Value	Delegated Authority	Guidance
Any	BM, Pr, VP, CoAC, HO or CEO	Any two to sign; one must be a central Trust representative (CEO or HO)

### 25. Grants

Value	Delegated Authority	Guidance
Any	BM, Pr, HO	BM to inform HO of any Grants applied for prior to grant application
Condition Improvement Fund	BM, DPA	BM to work with DPA in all cases of capital funding. DPA to complete final grant submissions to EFA. Diocesan consent required for structural changes.

### 26. Investments

Value	Delegated Authority	Guidance
Any	MTB	Follow EFA guidance

## 25. Management of General Annual Grant (GAG)

Value	Delegated Authority	Guidance
GAG pooling	MTB	Follow EFA guidance and in accordance with funding agreement. PFI cannot be pooled. MAT to give individual consideration to the funding needs and allocations of each constituent academy and manage any appeals.
Managing surplus GAG	MTB	MTB to authorise how much surplus GAG can be used; this will form part of the budget setting process. EFA Handbook 2016 has removed the restrictions in relation to how much GAG can be carried forward from one year to the next.

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