



The  
**Maltby** Learning Trust

# MLT Financial Regulations Manual

## Delegated Authority Levels

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Maltby Learning Trust

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## 1. INTRODUCTION

The purpose of this manual is to ensure that the Maltby Learning Trust and all its Academies, maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook (AFH) published by the Education Skills and Funding Agency (ESFA). This manual expands on the AFH and provides more detailed information on the Trust's accounting procedures and systems. This manual should be read by all staff involved with financial systems. It should also be read in conjunction with other MLT Policies which provide more detailed guidance in the operation of the Trusts finances:

- Anti-bribery
- Cash Handling
- Charging & Remissions
- Expenses
- Fraud
- Gifts & Hospitality
- Investment
- Lettings
- Pay for Associate Professionals
- Pay for Teachers
- Scheme of Delegation
- Staff Appointment

Systems and processes outlined in this document extend to the treatment of restricted and unrestricted funds.

## 2. ORGANISATION & STRUCTURE

The Trust has defined the responsibilities of each committee and key person involved in the administration of its finances in the MLT Scheme of Delegation. The financial reporting structure is illustrated at Appendix 1 to this document.

### MLT TRUSTEES

The MLT Trustees have overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trustees are prescribed in the Memorandum and Articles of Association and the Master Funding Agreement. The main responsibilities include:

- Adherence to the guidance in the Academies Financial Handbook, ensuring that grant from the ESFA is used only for the purposes intended;
- The development and regular review of the Scheme of Delegation;
- The approval and monitoring of income and expenditure against the annual budget forecast;
- Fulfilment of the statutory requirements to prepare the Trustees Report and Financial Statements;

- Ensuring that its accounts are audited annually by independent auditors;
- The appointment of the Accounting Officer and;
- The appointment of the Chief Finance Officer.

## STAFFING, RESOURCE, FINANCE & AUDIT (SRFA) COMMITTEE

The SRFA Committee is a committee of the MLT. The SRFA Committee meets at least once in each half-term term but more frequent meetings can be arranged if necessary. The main responsibilities and levels of delegated authority of the SRFA Committee are detailed in the MLT Scheme of Delegation.

## LOCAL GOVERNING BODY

The local Governing Body is a committee of the MLT. The local Governing Body of an Academy will meet at least once per half-term. The Governing Body will adopt the MLT Scheme of Delegation, Financial Regulations Manual and all Financial Policies authorised by the Trustees.

Governing Bodies will develop their own Improvement Plan and submit its priorities to the CEO/CFO/SRFA Committee in order to draft the Budget Forecast for the MLT.

The local Governing Body will be responsible to the MLT for the delegated responsibilities contained in the MLT Scheme of Delegation.

## CHIEF EXECUTIVE OFFICER (CEO AND ACCOUNTING OFFICER)

The responsibilities and delegated authorities of the CEO are outlined in the MLT Scheme of Delegation.

The CEO is appointed as the MLT Accounting Officer and has responsibility to the MLT for ensuring: regularity and propriety; prudent and economical administration; avoidance of waste and extravagance; efficient and effective use of available resources and; the day to day organisation, staffing and management of the Academy.

The Accounting Officer is required to familiarise themselves with the Academies Financial Handbook which sets out the specific requirements should there be any breach of the Master and Supplemental Funding Agreements.

## CHIEF FINANCE OFFICER (CFO)

The responsibilities and delegated authorities of the CFO are outlined in the MLT Scheme of Delegation.

The CFO is responsible for supporting the Accounting Officer in ensuring that appropriate financial governance and risk management arrangements are in place to safeguard the Trust.

The CFO also has direct access to the Trustees and the SRFA Committee and will be responsible for leading on all matters relating to finance and the broader business functions of the Trust at each of the MLT Board and SRFA meetings.

## 3. LETTERS ADDRESSED TO THE ACCOUNTING OFFICER

If the Accounting Officer receives a letter from the Secretary of State for Education, addressed "Dear Accounting Officer" it must be shared with the Trust Board. The Trust Board in consultation with the Accounting Officer and Chief Finance Officer will decide what action if any needs to be taken to amend its current policies, governance arrangements or financial affairs.

#### 4. BUSINESS INTEGRITY

All Members, Directors, Governors and staff with significant financial powers must declare and direct or indirect pecuniary or business interest. Further information about what needs to be recorded on the register and the dealings with 'Connected Parties' can be found in the Academies Financial Handbook, paragraphs 3.1.11 to 3.1.20.

The Clerk to the MLT and Clerks to each of the Academies are required to update the business interest register and publish this on the appropriate website during the first half-term of each academic year.

The MLT Clerk and Academy Clerks are required to include an agenda item for the disclosure of any business interest in respect of the items being discussed at the meeting.

The CFO or MLT Finance Manager will undertake checks of the business interest disclosures made by Members, Trustees, Governors and senior leaders, held by the Clerk, against the register of approved suppliers. Careful consideration will be made before entering into any contract involving a declared business interest. Further information in relation to contracts that could be deemed novel or contentious is available in the Academies Financial Handbook, paragraph 3.3 and those that are referred to above.

#### 5. RISK MANAGEMENT

The Trustees will put in place appropriate arrangements for considering the management of key risks facing the organisation. A Risk Register will be maintained and will be discussed regularly at SRFA Committee and Trust Board Meetings. The Trust has put in place an MLT Risk Management Policy and will employ Internal Audit Services to review aspects of risk throughout the year.

In addition to the MLT Risk Management Policy, the Trust has put in place a Business Continuity Plan.

#### 6. INSURANCE ARRANGEMENTS

The Trust has put in place commercial insurance with Zurich Municipal until 2017 to protect the Trust. Insurance arrangements for the Trust and its Academies, includes cover for the following areas of risk:

- A combined policy for:
  - Material damage;
  - Business Interruption;
  - Money held;
  - Public Liability;
  - Employers Liability;
  - Governors Liability;
  - Legal Expenses and Uninsured Loss Recovery
  - Fidelity Guarantee;

- Motor Vehicles;
- Personal Accident of employees, volunteers, governors and students;
- Educational Visits
- Inspection of Plant and Engineering;
- Terrorism;
- Professional Indemnity

The Trust Board will consider whether to continue with the commercial insurance arrangements or to opt into the Education Skills and Funding Agency, Risk Protection Scheme (RPA). At this point, Trustees will need to determine whether commercial insurance offers better value for money and coverage of the perceived risks to the Trust.

Further information and guidance about insurance arrangements is included in the Academies Financial Handbook, paragraphs 2.3.11 to 2.3.14 refer.

## 7. ACCOUNTANCY & AUDIT ARRANGEMENTS

The Trust Board will be responsible for engaging with the auditors, having considered that there is impartiality between the different activities and advice provided by the appointed auditor. Further advice can be found in the Academies Financial Handbook, Part 4. To ensure that the Trust has considered during due diligence the independence and objectivity of the auditor, for each area of business, a separate engagement letter will be entered into and signed by both parties. Further information about the appointment of auditors is available in the Academies Financial Handbook, Part 4

The Trust and appointed auditor will have separate engagement letters for the following services:

- External and Regularity Audit to include the audit of the Teachers' Pension Scheme
- Internal and Risk Assurance Audit Services
- Preparation of Financial Statements
- Preparation of Abbreviated Accounts Returns
- Taxation Services

### ACCOUNTANCY

The Trust Board will appoint an external Accountancy firm to support the CFO in drafting the financial statements and Academies Accounts Return for the Trust.

### EXTERNAL AUDIT ARRANGEMENTS

The external auditor will be appointed by the Members each year at their Annual General Meeting. The external auditor will undertake their duties in accordance with the ESFA Accounts Direction and Academies Financial Handbook. The external auditor will be appointed to undertake the following audit works:

- To audit the Trustees Report and Financial Statements;
- To audit the Teachers' Pension Scheme annual return;
- To audit the Academies accounts return (AAR)
- Review of Regularity

The Trust reserve the right to appoint an external auditor for a period of greater than one year, based on previous performance and evidence that they are receiving value for money (VfM).

## INTERNAL AUDIT ARRANGEMENTS

The internal auditor will be appointed by the MLT to provide Trustees with an independent view of the MLT risks, in relation to its financial affairs and broader business objectives or providing an appropriate curriculum and safeguarding arrangements for its students.

The internal auditor will be directed by the SRFA Committee to review a range of functions which will be determined from the risks identified in the MLT Risk Register. In addition, the internal auditor will undertake a review of financial controls at least annually to comply with the Academies Financial Handbook.

The appointed internal auditor will produce a written report with their findings. The advisory report will be considered by the SRFA Committee with a regular report to the Trust Board on the progress against agreed actions from the internal auditor recommendations.

## 8. FINANCIAL ACCOUNTING SYSTEM

The CFO, in consultation with the Trust Board and Accounting Officer, is responsible for procuring a financial software solution that is able to deliver the financial requirements outlined in the Articles of Association, Funding Agreement and Academies Financial Handbook.

All financial activities relating to income and expenditure, including petty cash, must be recorded on the Trust Financial Accounting software.

### SYSTEM ACCESS

The MLT's current financial accounting software, CIVICA Resource 32000 is protected by access permissions to authorised staff. The CFO is responsible for determining the access levels to the system. At the direction of the CFO, the MLT Finance Manager will set up the access levels for each Academy, including the central and consolidated areas of the accounting software. At a minimum there will be at least two levels of responsibility to ensure that there is a separation of duties between the purchase and payment of goods or services.

The accounting software will be set to request the regular changing of passwords.

### BACKUP ARRANGEMENTS

The MLT's financial accounting software is hosted on servers at Maltby Academy. The MLT Strategic Leader - ICT is responsible for ensuring that the financial data is backed up. This is currently backed up on-site with an external provider, Redstore. Procedures for the recovery of financial data in the event of a significant incident or ICT failure are included in the MLT IT Disaster Recovery Policy, MLT Backup and Recovery Policy and MLT Business Continuity Plan.

### TRANSACTION PROCESSING

It is a requirement that all financial activities undertaken by the Trust or its Academies are recorded in the financial accounting software. All activities, including payroll, purchase and sales ledger transactions must be approved in accordance with the procedures set out in the

remainder of this document. The CFO or MLT Finance Manager will be responsible for reviewing these arrangements and reporting any findings to the Accounting Officer.

The reports to be reviewed by individual Academy Finance Officers or the centralised finance team on at least a monthly basis will include:

- Monthly payroll reports
- Bank Statement Reconciliations
- Procurement Card Statements
- VAT Reports
- Aged Debtors
- Aged Creditors
- Management Accounts, including reasons for any significant variance in income and expenditure against the approved budget

## BUDGET HOLDERS

Within the financial accounting software, a number of staff will be allocated the responsibility of 'budget holder'. The budget holder will be responsible for ensuring that the allocated budget is used for its intended purposes of providing goods and services for the Trust's curriculum and business activities.

The budget holder will receive regular income & expenditure reports from the MLT or Academy Finance Manager. In the event that the financial allocation is likely to be under pressure to remain within budget, the Finance Manager must discuss this with the Academy Principal.

If the overall budget for an individual Academy is forecasting a deficit position, the MLT or Academy Finance Manager must notify the CFO. The CFO will discuss the position with the Accounting Officer and Academy Principal to discuss what measures need to be taken to bring the finances back in budget. The CFO will also report this to the SRFA Committee and Trust Board for monitoring of the financial position.

## 9. FINANCIAL PLANNING

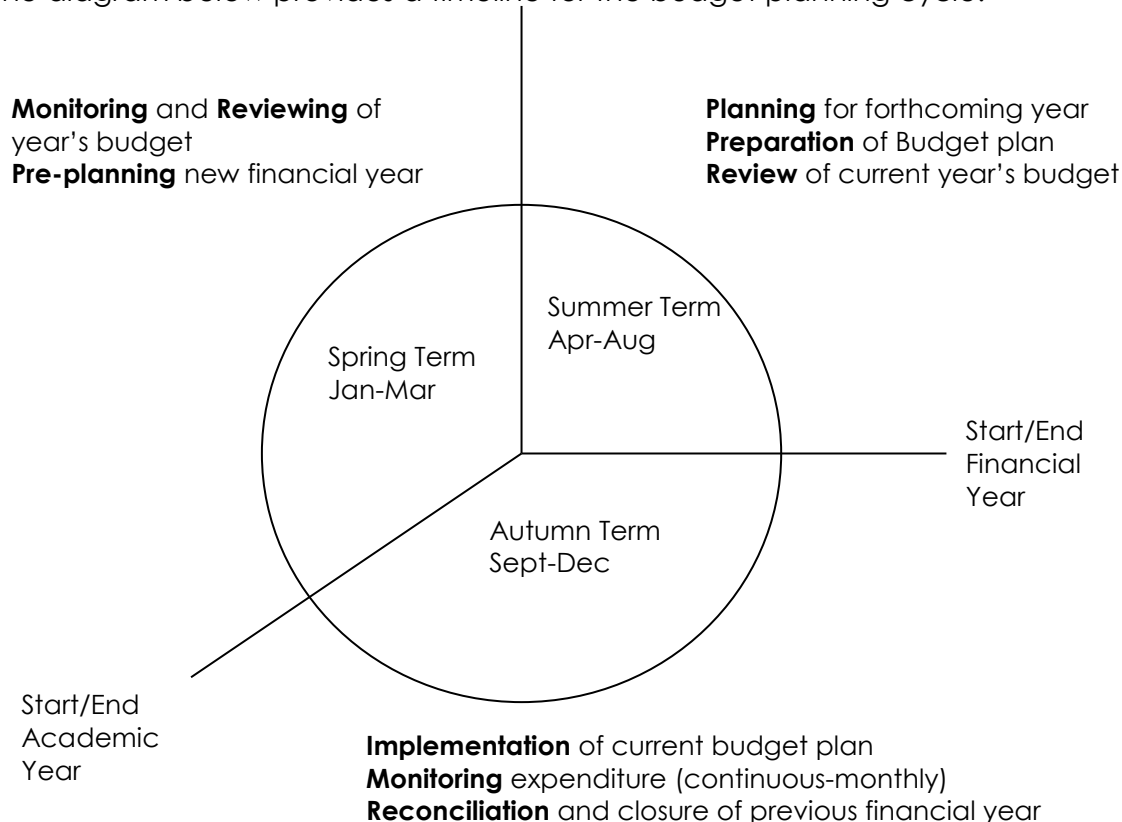
The MLT prepares both short and medium term financial plans for each of its Academies. It is the responsibility of the SRFA Committee in consultation with the CEO/CFO to consider the individual Academy Development Plans and staffing and resource requirements for the current and future years (minimum of three years) and to develop a consolidated budget forecast for the Trust.

The Trust has purchased the HCSS Budget Planning Software to assist the individual Academies in the preparation of short and medium term budget forecasts. The HCSS version of the software allows for the consolidation of individual academies and the centralised budget into the annual budget forecast. The software also provides a web link to the CIVICA Resource 32000 software package for the import of the approved annual budgets for each establishment within the Trust.

In considering the consolidated budget forecast, the SRFA must ensure that expenditure does not exceed the expected level of income receipt, unless there are sufficient reserves to cover any forecast in-year deficit.



The diagram below provides a timeline for the budget planning cycle:



In addition to the above budget planning cycle, the SRFA Committee will use a range of KPI's, including both financial and none financial, to support the development of the annual and future year budget forecasts:

- Key Stage outcomes comparative to the National performance indicators
- Future year student number projections
- Teacher to Student Contact Ratio's (in particular, group sizes at KS4 and KS5)
- % spend of staffing against ESFA Revenue Income (School Budget Share) and against all income receipts
- % spend of leadership arrangements
- The spend (£) per student on other none staffing resources
- Average costs per teacher and use of TLRs against those published in the Annual Workforce Census (ESFA Statistics)

It is the responsibility of the MLT Board to approve the Budget Forecast before it is submitted online to the ESFA. The budget Forecast must be submitted before the deadline published by the ESFA; currently, 31<sup>st</sup> July 20XX.

If the Trust are proposing to set a deficit budget which cannot be met from its reserves, it will notify the ESFA within 14 days of the proposal.

## 10. BUDGET MONITORING

### INDIVIDUAL ACADEMY BUDGET MONITORING

Monitoring Reports will be prepared by the individual Academy Finance Managers and include the following information for review by the MLT Central Finance Team:

- Income & Expenditure Report to include reasons for any significant variance in income or expenditure against the budget (Monthly)
- A budget forecast to include a projected year-end outturn position (in February, April and June each year)

It is the responsibility of the Academy Finance Manager to provide a financial report on a monthly basis to the Academy Principal. The Finance Manager must also provide a financial report to the Local Governing Body (LGB) at least each half term.

The MLT Finance Manager is responsible for providing training and guidance to the Academy Finance Manager in respect of the financial accounting software and its use. In addition to the CIVICA Resource 32000 Manual, the MLT Finance Manager has provided additional guidance in respect of the monthly tasks to be completed; this can be found at Appendix 2.

### CENTRAL AND CONSOLIDATED BUDGET MONITORING

The MLT Finance Manager will be responsible for preparing the following reports:

- Consolidated Income & Expenditure Report, to include any significant variances and challenges being identified in the individual Academy Reports that contribute to either a negative or positive position on the consolidated report
- A consolidated Trust Balance Sheet
- A consolidated Cash flow report, for a period of a minimum of 12-months
- An Income & Expenditure report for the Central Services budget, including reasons for any significant variance

The CFO will be responsible for reviewing the information submitted by the MLT Finance Manager. This will be communicated with the Trust Board, SRFA Committee and Accounting Officer as follows:

- Trust Board Meetings will include an agenda item to receive a financial report in respect of the current financial position against the consolidated budget forecast. The report will identify any significant challenges being experienced by individual academies in respect of achieving an in-year balanced position, or a significant variance from any agreed in-year deficit
- SRFA Committee Meetings will include an agenda item to receive a financial report in respect of the current financial position against the consolidated budget forecast. The report will identify any significant challenges being experienced by individual academies in respect of achieving an in-year balanced position, or a significant variance from any agreed in-year deficit. If there is no meeting in the month of preparing the Management Accounts, this will be circulated via email to committee members with an opportunity to comment and ask questions about the content of the information provided.

## INTERNAL BUDGET MONITORING

The CFO or MLT Finance Manager will undertake regular review at each of the Academies within the Trust. The review will undertake a range of tests to ensure that individual academies are following the policies and procedures of the Trust. The test will include the following areas and will be written in a report with recommendations for any areas of improvement:

- Income/Cash Transactions
- Procurement of Goods and Services
- Bank Controls
- Petty Cash
- Budget Planning & Monitoring
- Voluntary Income
- Aged Debtors
- Payroll administration
- Asset Registers

The SRFA Committee will review reports submitted by the CFO and in the event of a failure to respond to recommendations to improve performance, they will consider whether it is appropriate to remove the financial responsibilities delegated to the Academy.

The Trust Board receiving a recommendation from the SRFA Committee will have the authority to remove the delegated financial responsibilities of the LGB and its key staff.

## 11. BANK ACCOUNTS

### OPENING MLT BANK ACCOUNTS

The Trust Board are responsible for authorising the opening of all bank accounts for the Trust and its Academies. In the process of opening any new account, the CFO will ensure that the bank are notified that the account cannot overdraw.

The Accounting Officer and CFO are responsible for ensuring that bank mandates include for an appropriate number of signatories, with a minimum of two persons, for the signing of cheques on each account. The person who is responsible for preparing the cheque (Finance Manager or Finance Assistant), is not permitted to be one of the authorised signatories.

The CFO will be responsible for ensuring that the ESFA are notified of all accounts held by the Trust by completing the ESFA Bank Account Setup Form to ensure the correct payment of monthly remittances.

Additional bank accounts for school funds are not permitted. All unrestricted income should be recorded and deposited into the Academy's current account.

### RECONCILIATIONS AND CASH FLOW

The CFO or MLT Finance Manager is responsible for ensuring that cash held at the bank attracts the best rate of interest and that bank charges for services are kept to a minimum.

Academy Finance Managers are responsible for ensuring that there is a regular reconciliation of the bank accounts with the accounting software; preferably, a minimum of once per week.

This should include for the anticipation of large payments such as direct debits, payroll and standing orders.

In the event of a potential problem with an individual Academy's cash flow, the CFO should be notified immediately. The CFO/MLT Finance Manager will undertake an investigation into the discrepancy and in the event that it is not resolved, the CFO working with the Accounting Officer will determine whether to notify the External Auditor or ESFA for further support.

## TRUST/ACADEMY CHEQUES

It is the Trust's preference to make payments to its suppliers via BAC's transfer, therefore reducing the number of cheques being issued from the Trust's accounts.

The serial number of all pre-printed cheque stationery and cheque books must be recorded. Cheques must be securely stored and cancelled cheques should be retained and not destroyed. Cheques should be signed by the authorised signatories.

## PROCUREMENT CARDS

The Trust authorise the use of one Procurement Card per Academy. The card should be registered to the Academy and be in the name of the Principal or Finance Manager only. The card is limited to a maximum of £10,000 (secondary) and £3000 (primary) spend in any month.

The PIN should be retained solely by the named person on the card, to verify spending online and should not be disclosed to any other person.

The card should only be used for the purposes when a normal requisition is not permitted, e.g. on-line purchasing of goods and services, such as travel, accommodation or via websites such as Amazon.

Supporting evidence must be retained to reconcile the card payment. e/g email receipt screenshot of the transaction.

The Procurement Card must be cleared in full at the end of each month and reconciled to the financial accounting software.

When the card is not in use, it must be locked in the Academy safe.

The card details must never be given to a supplier or individual over the telephone and must always be presented if there is a secure online means of paying for the goods or services.

## INTERNET PURCHASING PROCEDURES

Internet purchases should only be made if there is a significant benefit to the Trust in doing so and may include, but not limited to:

- A cheaper price;
- A better delivery time;
- The product is unique to that supplier;
- The supplier does not accept an official requisition form for the goods or services

For each internet purchase a printed confirmation form must be retained with a completed order form, raised on the financial accounting software. Where possible, the order number should be quoted on the internet order for cross reference.

## DIRECT DEBITS

Direct Debits (DD) may be used for regular payments for services such as cleaning and rates. If an Academy Finance Manager wishes to setup a DD arrangement, they should contact the MLT Finance Manager/CFO for approval in the first instance.

Following approval to setup the DD, the Academy Finance Manager must ensure that:

- A record is kept of the DD must be kept, including dates of payment, length that the DD will run;
- Cash flow is maintained to allow for the DD transaction to take place;
- There is regular reconciliation of the DD with the accounting software

## 12. INVESTMENTS

Investments must only be made in accordance with the Articles of Association and MLT Investment Policy. Other than transfers to a 95-day deposit account, all investments require the consideration of the SRFA Committee and approval of the Trust Board. If appropriate the Trust Board should consider taking professional advice from an independent consultant if in any doubt about and investment decisions.

Further advice and guidance in making appropriate investments is included in the Academies Financial Handbook, paragraphs 2.2.8 to 2.2.10 refer.

## 13. ENDOWMENT FUND – DEED OF GIFT

The Trust has received a Deed of Gift from Rotherham Metropolitan Borough Council with a value of £500,000. This was made to Maltby Academy in the form of a Deed of Gift and Declaration of Trust to establish an Endowment Fund.

The Trust will take appropriate steps to ensure that the powers granted in respect of the Endowment Fund are followed at all times.

## 14. PETTY CASH

Each Academy may hold a maximum cash balance of £150 and must be securely locked in the Academy safe.

Petty cash should only be used for expenditure on small amounts, not greater than £10.00, for which a purchase order is not relevant.

The payment of petty cash will only be made on production of a receipt and a full record of the items and reason for the refund must be kept.

At the end of each month, the Academy Finance Manager should reconcile the petty cash and arrange for the petty cash to be reinstated to the £150.00 threshold.

Petty cash should not be used for personal gain, e.g. I owe you, or to cash personal cheques.

## 15. INCOME RECEIPTS

In the main, the Trust and its Academies will receive the majority of its income via remittance advice and BAC's transfer directly to one of the Trusts accounts.

In addition, the Trust or its Academies may receive income, either by cheque or in cash to make a payment for events or items such as:

- Lettings
- School Uniform
- Educational Visits
- Catering Income
- Fund raising activities
- Sale of equipment/revision guides

For all cheques and cash received, the Finance Manager should ensure that a receipt or record of all income is maintained. This may take the form of an official receipt or class register and must be signed by both the person depositing and receiving the income.

Cash/cheques should be held securely in the Academy safe and deposited at the bank at the earliest opportunity via the cash courier arrangements. The financial accounting system should be updated at the time that the cash is deposited to the bank to ensure the accuracy of the current financial position for each Academy.

Further advice and guidance in respect of cash handling can be found in the MLT Cash Handling Policy.

## 16. DEBT MANAGEMENT & DEBT WRITE OFF

Unless it is specifically detailed on the invoice, the MLT and its Academies payment terms will be 30 days. At the end of each month, the Academy Finance Manager will review the monthly debtors report from the CIVICA Resource 32000 software. In the event that there are any debtors greater than 30 days, the following actions should be completed:

- >30 days after the original invoice is issued – issue a first reminder letter to the debtor. The following wording is suggested for inclusion in the letter: ***The above invoice is overdue and I should be grateful if you would arrange settlement within fourteen days from the date of this letter. If payment has already been dispatched within the last three working days then please accept my thanks and ignore this letter.***
- If there is no response to the first reminder letter after fourteen days, send a second reminder letter to the debtor. The following wording is suggested for inclusion in the letter: ***We have not received any response to our letter dated..... and the above invoice is still overdue. Please can you arrange settlement within seven days from the date of this letter to avoid further, more formal action being taken on behalf of the Academy. If payment has already been dispatched within the last three working days then please accept my thanks and ignore this letter.***
- If no response to the second reminder letter, issue a final letter to the debtor. The following wording is suggested for inclusion in the letter: ***Payment has not been received for the above invoice, nor any valid reason as to why payment is being withheld. Under these circumstances I must advise you that if settlement is not received***

**by ..... action will be taken to issue you with formal legal proceedings to recover the overdue sum. When taking such action, the Academy will not only claim the amount due, but also the costs incurred in issuing the legal proceedings. I trust that such action will not be necessary and that the Academy will receive your payment in full, by return of post.**

- If payment is still not received, the matter should be referred to the CFO. The CFO will consult with the Accounting Officer, having reviewed the write off procedures, included in the Academies Financial Handbook, paragraphs 3.6.1 to 3.6.4 refer.
- If there is a decision to write off a debt the following write off levels will apply:
  - Up to £1,000 – by the Accounting Officer;
  - Over £1,000, but less than £5,000 – by the SRFA Committee;
  - Debts greater than £5,000 – by the MLT Board, subject to the amount of debt being within the limits set by the Secretary of State for Education

The Trust will not write off any debts that exceed the limits outlined in the Academies Financial Handbook, paragraph 3.6.2, nor will the Trust enter into any guarantees, letters of comfort or indemnities without seeking prior approval from the ESFA.

## 17.ACCOUNTING FOR VAT

### VAT ADVICE

The Trust has purchased professional advice from RSM UK Tax and Accounting Limited to provide advice on the VAT implications for the Trust. The arrangement is covered by a Letter of Engagement between the Trust and RSM UK Tax and Accounting Limited.

### VAT REIMBURSEMENTS

The Trust is currently not registered for VAT and have arrangements in place to recover VAT from HMRC via the Claim Form VAT126. Staff in the Central Finance Team are responsible for preparing the Trust's claim each month. The CFO is responsible for signing the claim before submission to HMRC.

VAT will only be reclaimed from HMRC providing that:

- The goods or services are for use by the Trust or its Academies;
- There is a valid VAT invoice or VAT receipt

On receipt of the income from HMRC, the MLT Finance Manager will distribute the income across each of its Academies to match the monthly VAT Reports taken from the financial accounting software.

## 18.PAYROLL

### STAFF APPOINTMENTS

The MLT Board will approve a staffing establishment for each Academy and its centralised function prior to the start of each academic year. Changes to the establishment are only permitted with the express permission of the SRFA Committee, who must ensure that there are adequate funds available.

The CEO in consultation with Academy Principal's has the delegated authority to appoint staff within the approved establishment, with the exception of Principal's, and the CFO.

The CEO will consult with the Trust Board in respect of the appointment of Principal's and the CFO.

Staff leading the recruitment and appointment process will refer to the MLT Recruitment Policy for further information. The lead officer in consultation with the MLT HR Officer should ensure that when inviting Members, Trustees or Governors to participate in the recruitment or appointment of staff to a post within the Trust, that business interest declarations have been checked to ensure a fair process.

The MLT HR Officer is responsible for ensuring that following appointment, resignation or a variance to contract, the SELIMA HR software is updated to ensure the accurate payment of salaries.

## PAYROLL ADMINISTRATION

The MLT HR Officer and Payroll Officer are responsible for processing the monthly payroll of staff via the SELIMA payroll software.

The MLT Payroll Officer is responsible for making adjustments to monthly payroll, having considered:

- Changes in annual pay scales published by the STPCD and NJC
- Variations to contract
- Absence
- Expenses
- Overtime

In respect of any ex-gratia payments which go beyond statutory or contractual arrangements, the Trust will follow the requirements of the Academies Financial Handbook, paragraphs 3.7.12 to 3.7.15 refer.

The MLT Payroll Officer will provide individual Academy Finance Managers with a draft payroll run, with a requirement for this to be checked for accuracy. All change requests will be carefully considered before the final payroll run is locked.

The MLT HR Officer and Payroll Officer will undertake a review and reconciliation against the previous month payroll report to highlight any significant variations. All variations greater than £20.00 will be fully investigated.

The MLT Finance Manager or CFO are responsible for undertaking a sample review each month of a minimum 5 payroll records for each Academy and approving the monthly payroll.

Following approval of the payroll, it is the responsibility of the Payroll Officer to complete the HMRC and pension authority upload of information via the respective on-line portals. The MLT Finance Manager is responsible for preparing the monthly BAC's files for the payment of salaries to staff, HMRC, pension authorities and other third party providers, e.g. Westfield Health, Childcare Voucher Scheme, etc...

The MLT Finance Manager is also responsible for preparing the journals for the entry of payroll information to the CIVICA Resource 3200 software.



The CFO is responsible for authorising the monthly BAC's payments.

The appointed external auditor will be responsible for the external audit on the Teachers' Pension Scheme.

The MLT Payroll Officer is responsible for issuing monthly payslips, annual P60's and P45's following a termination of employment.

## PAYROLL PAYMENTS

All staff will be paid on the 26<sup>th</sup> of each month unless this falls on a weekend or public holiday, in which case payment would be made on the last working day, prior to the due date.

All staff will receive an email to indicate when monthly payslips, P60's are available on the SELIMA self-service portal. Paper copies of payslips, P60's will be made available on receipt of a written request.

## 19.SPECIAL PAYMENTS

Special payments are those that fall outside the Trusts planned activities. Special payments are non-statutory or non-contractual and are subject to greater control; they include:

- Staff severance payments;
- Compensation payments;
- Ex-gratia payments

If the Trust consider using any of the above payments, advice can be found in the Academies Handbook, paragraphs 3.7.1 to 3.7.15.

## 20.EXPENSES

The Trust has a separate policy for the payment of expenses to Members, Trustees, governors and staff. Expenses will only be reimbursed for travel, accommodation and subsistence for official business within the UK. Expenses claimed in respect of consultancy work undertaken on behalf of the Trust are set out in the MLT Charging & Remission Policy.

If possible to avoid the payment of expenses for travel and accommodation, these should be booked in advance with the finance office, using the Academy procurement card. Under no circumstances should 1<sup>st</sup> class travel be booked or reimbursed. Booking in advance is likely to achieve the most advantageous price as last minute bookings are likely to be more expensive.

In the event that a claim for expenses is required, Members, Trustees, governors and staff will be required to complete a 'claim form' and present copies of all receipts.

All payments made in respect of expenses will be processed through payroll or the financial accounting package; either by BAC's transfer or cheque. Finance staff should not use petty cash to reimburse expenses.

Further advice and information about expenses are included in the MLT Expenses Policy.

## 21.PROCUREMENT OF GOODS & SERVICES

Additional guidance to support finance personnel and relevant Trustees/Governors with procurement arrangements, including OJEU arrangements and the Treasury's guidance and

hyper-links on managing 'Public Money' is available in the Academies Financial Handbook, paragraphs 3.1.4 to 3.1.6.

## PROBITY AND VALUE FOR MONEY (VFM)

The Trust's objective is to achieve value for money from all its purchases. This means that the Trust and its Academies want to purchase what we need, with the correct quality, at the right time and at the best possible price. Most of the Trust's and its Academies purchases will be paid for from public funds and it is essential that the following principles apply:

- **PROBITY** – it must demonstrate that there is no corruption or private gain involved in the contractual relationship of the Trust or its Academies (see also the MLT's Anti-bribery and Gifts & Hospitality Policy for more information and guidance);
- **ACCOUNTABILITY** – the Trust or its Academies are publicly accountable for its expenditure and the conduct of its affairs
- **FAIRNESS** – that all those dealt with by the Trust or its Academies are treated fairly and on an equitable basis

## USING CONSULTANTS TO SUPPORT PROCUREMENT

The MLT may from time to time require specialist consultants to support to procurement of large scale projects, e.g. capital building programmes, or large contracts such as Catering or Cleaning.

In deciding whether to work with external consultants, the CFO, AO, or SRFA Committee will need to demonstrate that the services offer a clear advantage to the Trust and value for money. The cost of the services should be agreed in advance, either as a flat fee or as a % of the overall cost of the contract. A letter of engagement or an agreement signed between both parties should be put in place before work commences.

## SUPPLIERS

The MLT Finance Manager is responsible for maintaining a register of approved suppliers on the financial accounting system. Before entering any details to the approved list, the Finance Manager will undertake a range of checks to establish the propriety of the supplier. This will include gaining confidence in their economic standing and to ensure they have not been convicted of any fraudulent activities.

The MLT Finance Manager will undertake regular check of the business interest declarations against the register to suppliers to identify any potential contentious purchases. For any proposed purchases that involve a declared business interest, they should be referred to the CFO/AO.

The CFO/AO in consultation with the SRFA Committee must decide whether to include the supplier in an open and fair procurement process. Following a decision to retain a connected party supplier, the MLT Finance Officer will circulate a list of connected party suppliers at the start of each year, or when there is a change in Members or Directors.

Academies wishing to use suppliers that not on the approved list should consult with the MLT Finance Manager to ensure that the relevant checks have been undertaken to confirm their authenticity. If a member of the Trust of Academy Finance team receives a letter or email correspondence informing that there has been a change in bank details; it is essential that this is confirmed by making a call to the supplier concerned. The following information must be

recorded on the letter to confirm that the changes are accurate: date of the conversation; name and position of the individual confirming the change.

For suppliers that provide a service in relation to the repair and maintenance of buildings, the CFO or MLT Premises and Facilities Manager should be contacted for advice and support in ensuring that the contractor has the relevant qualifications to undertake the work.

For further information on protecting the Trust from exposure to fraudulent activities, staff should refer to the MLT Fraud Policy.

## ROUTINE PURCHASING WITH A VALUE OF LESS THAN £1,000

A supplier should be chosen from the list of approved suppliers maintained on the financial accounting software. Before committing to a supplier, it is essential that the following actions are confirmed:

- A quotation or price for the goods or services must always be obtained for any order under the value of £1,000;
- That there are sufficient funds held by the Trust or Academy to meet the commitment to the supplier;
- If there are insufficient funds available, the order will be referred to the CFO to consider whether to commit the order to the financial accounting software;
- Before requesting that an official requisition be raised on the financial accounting software, reasonable steps have been taken to achieve value for money. Best value could be achieved by:
  - Bulk purchasing of common consumables;
  - negotiating discounts;
  - taking advantage of sales seasons and avoiding peak times, e.g. not to purchase computer hardware just before Christmas; ordering furniture during the summer term in preparation for the new academic year
- The order has been approved by the person with the appropriate level of financial delegation;
- Following approval of the requisition, the order should be faxed or emailed to the supplier, alternatively, the supplier may be provided with the official order number obtained from the financial accounting software;
- An official requisition is only used for the purchase of goods and services provided to the Trust or one of its Academies. An official requisition, must never be used for personal gain;
- Verbal telephone orders may only be made in exceptional circumstances; e.g. by site staff who require emergency repairs out of normal working hours;

## PURCHASING OF GOODS & SERVICES BETWEEN A VALUE OF £1,000 AND £5,000

In addition to the above procedures for goods of less than £1,000 must be followed the Trust or its Academies must confirm the following:

- For goods and services with a value of between £1,000 and £5,000, a minimum of three quotations should be obtained;
- It is not a requirement for the lowest price to be accepted; however, the reasons for not accepting the lowest price must be recorded and kept with the documentation for

future reference. Reasons for not accepting the lowest price may include, but not limited to:

- Specification not being met;
- Delivery dates;
- Quality issues;
- Unsatisfactory references

#### PURCHASING GOODS AND SERVICES WITH A VALUE OF OVER £5,000 BUT BELOW £20,000

In addition to a minimum of three quotations, the appointment of the preferred supplier will require the approval of the CEO or the CFO.

#### PURCHASING OF GOODS AND SERVICES WITH A VALUE OF OVER £20,000 AND UP TO A VALUE OF £100,000

For the procurement of all goods and services with a value of between £20,000 and £100,000 will be subject to a tendering process and will require the approval of the SRFA Committee. The arrangements for the tendering of goods and services are provided later in this document.

#### PURCHASING OF GOODS AND SERVICES WITH A VALUE OF OVER £100,000

For the procurement of all goods and services with a value of more than £100,000, following a tendering process, they will additionally require approval by the Trust Board.

#### SINGLE SUPPLIERS – PURCHASING ARRANGEMENTS

In the event that the Trust or any of its Academies are unable to purchase goods or services through the above procurement routes. With the permission of the CFO and CEO, procurement may be discussed with individual suppliers. A single supplier will only be accepted if an extreme urgency exists, the goods are bespoke, or there are locality issues, for example, this might include an alternative curriculum provider within easy travel distance from the Academy.

The CFO/CEO will seek final approval from the SRFA Committee to accept a single supplier, prior to a purchase order being issued.

**Failure to follow the above procedures may result in the delegated responsibilities to the budget holder, being withdrawn.**

## 22. LEASE ARRANGEMENTS

The Trust and its Academies should refer to the Academies Financial Handbook, paragraphs 3.9.1 to 3.9.4 for the latest information and guidance before considering or entering into a lease.

Any potential contentious lease arrangements, in the first instance, should always be discussed by the SRFA Committee. The SRFA Committee will consider whether ESFA approval is required and will refer this to the Trust Board, for a decision on whether to proceed with the request for approval.

To ensure that adequate due diligence has taken place, the Trust Board should consider taking professional advice from Audit and Legal services before making a request to the ESFA.

## 23. TENDER PROCEDURES

There are three forms of tender procedure:

- OPEN TENDER – this is when all potential suppliers are invited to tender. The budget holder must agree with the CFO how best to advertise for the suppliers. This is the preferred method of tendering as it is most conducive to competition and the propriety of public funds;
- RESTRICTED TENDER – This is when suppliers are specifically invited to tender. Restricted tenders are appropriate when:
  - There is a need to maintain a balance between contract value and administrative cost;
  - A large number of suppliers would come forward or because of the nature of the goods and services which are specific to certain suppliers
  - The cost of advertising the tender might outweigh the potential benefits of an open tender
- NEGOTIATED TENDER – the terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in circumstances when:
  - The above methods have resulted in either no or unacceptable tenders;
  - Only one or few suppliers are available;
  - Extreme urgency exists;
  - Additional requirements from existing suppliers are justified

If a Restricted Tender is issued, then an invitation to tender must be issued. If there is a decision to pursue with an Open Tender, the invitation to tender may be offered after an initial enquiry.

## DRAFTING THE TENDER INVITATION

Before issuing a tender to potential suppliers, consideration should be given to the following items in drafting the requirements:

- An introduction to the requirements of the goods or services required;
- Specific technical or quality conditions, including warranties, if required;
- Whether there are any specific qualifications required; in particular, if procuring a consultancy, advisory or delivery of a provision;
- The form of the contract, e.g. length of the contract, options to extend, timeline for delivery of goods;
- Quality control procedures and goods return arrangements;
- Restrictions about access, e.g. delivery of large items when the Academy is in session;
- How costs should be presented to ensure they can be compared and to ensure there are no hidden costs;
- Potential for discounts, following early settlement of the invoice;
- Whether there is potential for group buying to drive down the cost, are other Academies purchasing similar goods or services, e.g. ICT hardware & software, SLA's such as HR, Educational Psychology;
- Whether references are required, financial checks on the stability of the supplier;

- Has the contractor provided good or services before, was the experience a positive one;
- Date and who the tender should be returned to; include information about whether hard copies are required, whether email tenders are accepted:
  - Tenders of an expected value of up to £50,000 should be addressed to the Academy Principal, CFO;
  - Tenders of an expected value above £50,000, but less than £100,000 should be addressed to the Chair of the SRFA Committee;
  - Tenders with an expected value above £100,000 should be addressed to the Chair of the MLT
- How the tenders will be evaluated, e.g. scoring matrix, weighting of various factors included in the submission

## RECEIPT, OPENING AND DECISION IN RESPECT OF THE TENDERS RECEIVED

All tenders received by the due date, should be opened and recorded at the same time. There should be a minimum of two persons present for the opening of the tenders:

- For Tenders up to £50,000, one of the following must be present at the opening of the tender documents:
  - CEO;
  - CFO
- For Tenders up to a value of £100,000, one of the above, plus the Chair or a representative from the SRFA Committee should be present at the opening of the tender documents;
- For Tenders of a value over £100,000, a representative from the MLT Board must be present at the opening of the tender documents

Those involved in the opening of the tenders should disclose whether there is a potential conflict of interest, if so that person must withdraw from the process.

Individuals involved in making the decision about which tender to accept should take care not to accept gifts or hospitality from the potential suppliers that could compromise or be seen to compromise their independence. Further guidance about gifts and hospitality can be found in the MLT Gifts & Hospitality Policy.

Once the documents have been opened, the following information should be recorded:

- The names of all the suppliers/contractors that have tendered;
- The contract value of the tender;
- The scores and comments made during the evaluation of the tenders;
- The reason for selecting the economically and most advantageous tender for the Trust/Academy

**All tenders received should be retained for a minimum of 6 years.**

## 24. GIFTS & HOSPITALITY

Each Academy within the Trust should maintain a register for the recording of Gifts & Hospitality, either received, offered or declined.

A member of the Academy's Local Governing Body should review the register at least annually and sign to indicate that there are no potential conflicts of interest being noted. Further guidance is available in the MLT Gifts & Hospitality Policy.

If a Trust or Academy decide to provide a gift, they must ensure that the value of the gift is reasonable and is within the Trust's Scheme of Delegation of financial powers. The decision about the award of the gift must be fully recorded in the relevant minutes, having due regard to propriety and regularity in the use of public funds.

## 25. REPORTING OF SUSPECTED THEFT/FRAUDULENT ACTIVITIES OR INCIDENTS OF BRIBERY

Academies should follow the guidance set out in the following MLT Policies if it suspected that there has been a suspected theft, fraudulent activity or incidents of bribery:

- MLT Whistleblowing Policy;
- MLT Fraud Policy;
- MLT Anti-bribery Policy

## 26. INTERNET TRADING SITES

Internet trading sites such as e-Bay and Gumtree may be used to sell equipment and resources that are no longer required by the MLT or its Academies. However, before making this available on the internet, Academies should offer the opportunity to purchase the goods to other schools and academies within the locality or employees.

The offer of sale to other educational institutes or employees must be at the reserve price which is based on the net book value, condition and remaining life expectancy.

The MLT Strategic Leader - ICT will be responsible for placing the items on the preferred internet site and monitoring the product to point of sale. The item will be sold to the person with the highest bid (as long as the reserve has been reached). Post and packaging will be added to the bid placed to agree the total amount to be paid by the bidder.

Payment for the goods will only be received by PayPal account or in the event of an educational establishment or employee purchasing the goods, a cheque or cash will be accepted.

Goods will be dispatched or made available to the purchaser to collect once full payment has been received or cleared through the respective bank account.

The MLT Finance Manager will be responsible for collecting and reconciling the income against sales and distributing the income to the correct Academy.

## 27. EDUCATIONAL VISITS AND TRIPS

The appointed leader for the trip must prepare a financial plan to ensure that the cost of the activity can be funded from voluntary contributions. Wherever possible the visit leader should utilise the Parent Pay arrangements for receiving the income.

The Academy Finance Manager will be responsible for maintaining a record of income and expenditure in respect of each visit. In the event that there is a surplus (greater than £2.00), it should be returned to the parents contributing to the event.

All payments in respect of expenditure should be paid via the normal creditor arrangements on receipt of an invoice. All cash collected should be paid into the Academy bank account and not retained for the payment of entry tickets, transport etc... In the event that cash is required for the trip, to pay for food, arrangements should be made with the Academy Finance Manager prior to the visit. The visit leader must retain all receipts and make these available to the Academy Finance Manager to reconcile the balance of cash with the receipts.

No Academy trip should run at a loss, if a trip does run at a loss the Academy Principal should review the circumstances with the Academy Finance Manager and Visit Leader to avoid future losses.

Further guidance about the administration arrangements for educational trips and visits are detailed in the MLT Charging & Remissions Policy.



## 28. LETTINGS ARRANGEMENTS

Trust and Academy Finance staff should refer to the MLT Lettings Policy and annual lettings charges for guidance on the administration of facilities let to individual members of the public or community groups.

All income receipts must follow the same procedures for 'Restricted' income received by the Trust. Income received should be receipted in the normal way and cash should not be given to the site staff on duty. Hirers should be asked to send a cheque or if they wish to pay in cash, should be asked to report to the Academy reception so that a receipt can be provided by the finance office.

In the event of an unpaid amount, the hirer should be contacted to postpone the lettings arrangement until full payment has been received. The debt recovery arrangements previously outlined in the document should be followed.

## 29. FIXED ASSETS & DISPOSALS

### RECORDING OF ASSETS

Each Academy is required to maintain a register of assets. Items with a value of over £1,000 must be entered onto the register. In addition, to the above, other items such as computers, ipads, printers, mobile telephones and cameras should be recorded due to their desirability and risk of theft.

If the Trust wish to acquire a freehold of land or buildings, prior written approval is required from the ESFA. Further information can be found in the Academies Financial Handbook, paragraph 3.8.3.

The minimum information to be recorded on the register is:

- Asset description;
- Serial number
- Date of purchase
- Value
- Location
- Name of person responsible for the asset

### DEPRECIATION OF ASSETS

The Trust Board have approved fixed depreciation rates for assets as follows:

- Buildings at 2%
- ICT at 25%
- Furniture & Equipment at 10%

### DISPOSAL OF ASSETS

The Trust and its Academies may dispose of assets with the exception of freehold land and buildings or heritage assets, paragraphs 3.8.1 to 3.8.3 of the Academies Financial Handbook provides further guidance.

ICT, furniture and equipment at the end of the depreciation period may be removed from the Asset Register providing that it is still not being used and has no further use. If disposing of the equipment, the Trust will ensure that it considers the principles of regularity, propriety and value for money. This may include the selling off of the equipment, e.g. to other educational establishments, employees or advertising it for sale on the internet rather than to incur the cost of disposal.

Items of ICT, furniture and equipment that have not reached the end of their useful economic life (end of depreciation period) and are considered no longer useful to the Trust or its Academies, may be written off or disposed of; however, approval must first be obtained from the SRFA Committee. The SRFA Committee must be provided with enough advice to inform their decision:

- Why it is no longer of use;
- When it was purchased;
- Current net book value;
- Quantities no longer required;
- Intentions for disposal, e.g. resale, scrap

## LOAN OF ASSETS

Items of Trust property must not be removed from any of its premises without the authorisation of the respective Academy Principal. Some staff may be provided with equipment such as computers, ipads, and mobile telephones to support them in their role. A record of equipment must be recorded in the loan book. Equipment must be returned and recorded in the loan book when staff leave the Trust.

**Members**

**MLT Board of Directors/Charitable Trustees**

**Skill Set:** *Finance/Leadership/Education/Governance/HR/Marketing/Capital Development/Change Management/Legal*

**Pay Committee**

**Staffing,  
Resource,  
Finance and  
Audit Committee**

**Local Governing Bodies**



**Chair:**  
Mr P. Sorsby



**Chair:**  
Mr R. McRobbie  
(NLG)



**Chair:**  
Mrs D. Bonewell



**Chair:**  
Mr P. Martin  
(NLG)



**Chair:**  
Mr P. Martin  
(NLG)



**Chair:**  
Mrs J. Jaques

## APPENDIX 2 – GUIDANCE FOR FINANCE MANAGER IN RESPECT OF THE MONTH END TASKS

### **MONTH END PROCEDURES**

#### Last working day of month

- Go into Sales Ledger, Housekeeping, Parameters – Amend Period to next number (i.e. if currently in 7, change to 8) and save.
- Go into Purchase Ledger, Housekeeping, Parameters - Amend Period to next number (i.e. if currently in 7, change to 8) and save.
- Input any journals (e.g., Payroll, transfers between cost centres, purchases moved to Fixed Assets etc.) if not already done so.

#### First working day of following month

##### Bank Reconciliation

- Log onto Internet Banking and print statement for previous month (1<sup>st</sup> to last day)
- Open Corero / Cash Book / Transactions / Ticking Reconciliation
- Work through each transaction on the statement and check if on the Ticking Reconciliation.
- If it is on the Ticking Reconciliation, click in 'Match' column and a tick will appear.
- Save
- If it is not on the Ticking Reconciliation, go to Cashbook / Transactions / Insert Payment or Insert Receipt depending on the type of transaction.
- Once input, go back to the Ticking Reconciliation and tick in 'Match' column.
- Ensure the evidence for the transaction is filed with the bank reconciliation (examples below)

##### Examples of transactions and evidence

###### Income

- ESFA Income – Remittance by email from ESFA – Insert Receipt
- Pupil Premium - Remittance by email from ESFA – Insert Receipt
- ParentPay Income – Print statement and invoice off ParentPay and input the breakdown – Insert Receipt for the total income and insert payment for invoice amounts (inc VAT)
- Banking – Use CIVICA Template to input breakdown then copy and paste into database as a receipt
- Early Years Funding – Remittance by email from LA – Insert Receipt
- SEN Funding – Remittance by email from LA – Insert Receipt
- LAC Pupil Premium - Remittance by email from LA – Insert Receipt

###### Expenditure

- Manual Cheques – Invoice or email – Insert Payment
- Manual BACS on Bankline – Invoice or email and signed bankline documents – Insert Payment
- BACS Run – On Ticking Reconciliation
- Payroll – Payment Schedule from Payroll – Insert Payment

Statement Balance on CIVICA should match balance on your printed statement

##### Trial Balance (Nominal Ledger / Reports / Trial Balance)

- Check period
- Print Preview

- Reconcile all balance sheet nominal (i.e. nominal above grey totals line)
- Check Debtor Control Account – System Control / Special Reports / Aged historic ledger report / Sales Ledger. Check correct period (prior month) and print preview. Total on report should match trial balance. If matches print and sign as follows 'Reconciled by ..... date. If the total does not match, investigate.
- Check Bank Account Balance – Cash Book / Reports / Reconciliation / outstanding items – select bank account and print preview. (Bank Balance on report should match trial balance. If matches print and sign as follows 'Reconciled by ..... date. If the total does not match, investigate.)
- Check Petty Cash Balance – Cash Book / Reports / Reconciliation / outstanding items – select Petty Cash Account and print preview. (Petty Cash Balance on report should match trial balance. If matches print and sign as follows 'Reconciled by ..... date. If the total does not match, investigate.)
- Check Credit Card Balance – Cash Book / Reports / Reconciliation / outstanding items – select Credit Card Account and print preview. (Credit Card Balance on report should match trial balance. If matches print and sign as follows 'Reconciled by ..... date. If the total does not match, investigate.)
- Check Creditor Control Account – System Control / Special Reports / Aged historic ledger report / Purchase Ledger. Check correct period (prior month) and print preview.
- Total on report should match trial balance. If matches print and sign as follows 'Reconciled by ..... date. If the total does not match, investigate.
- Check VAT Control Account Balance – Cash Book / Reports / VAT Parish Hall.
  - Input period and year
  - To Whom (EG – your school)
  - Calculate
  - Copy and paste all lines from Purchase Ledger Tab in finance database to Purchase Ledger tab in excel spreadsheet template (Admin Share / Finance / school / Year / VAT Returns)
  - Copy and paste all lines from Cash Book Tab Tab in finance database to Cash Book Tab in excel spreadsheet template
  - Add Total of VAT Value together on each of these tabs and this will be the months VAT claim.
  - Add total of all outstanding claims and this should match the Trial Balance
  - Back on Finance Database – Save
- Check PAYE Control Account Balance – Nominal Ledger / Reports / Detail Report
  - Input period 1 – current month end period (i.e. 9) and department as 150 – 150.
  - Print Preview
  - Print report
  - Net total on report should match trial balance
  - Also, net total on report less remaining payroll payments (on payment schedule from payroll) should equal zero.
  - All reconciliations should be checked and signed by the MLT Finance Manager.

#### Fixed Assets

- Review nominal for Building Repairs and Maintenance, Furniture and Equipment and IT Equipment for any fixed assets.

- Classification of fixed assets are individual items over £1000 and include items such as building works, furniture , equipment, IT Hardware (servers / equipment) and IT Software (Licences for over 12 months). For more information, see Recording of Assets
- Transfer any items to the Fixed Assets nominal relevant to the type of purchase.
- A Fixed Asset Register should be kept to track all items (NOTE: This needs to be a complete itemised list of every item). Template will be provided.
- Fixed Assets will appear on the trial balance.
- Depreciation will need to be completed at year end and at this point will also appear on the trial balance.

### Reports

The following reports need to be saved as a PDF:

- Nominal Ledger / Reports / Monthly Reports / I&E Report
- Nominal Ledger / Reports / Monthly Reports / I&E Report by nominal
- Nominal Ledger / Reports / Monthly Reports / Governors Report

Print preview each report, click print and amend printer to Bull zip PDF and save.

This will allow you to save in a chosen folder – Admin Share / Finance / school / year / Management Accounts / month.

Copy variance template from last month and input YTD figures from the I&E Report that has been saved.

Work down the variances completing explanations in the relevant column.

The reports and variance analysis should be reviewed by the MLT Finance Manager and approved by the Director Business & Finance

Review the Aged Debtors Report printed off previously and investigate any items over 30 days issuing the appropriate chaser letter.

Review the Aged Creditors Report printed off previously and investigate any items over 28 days.

The period can now be closed as follows:

- Run Daybooks for each ledger:
  - Sales Ledger / Transaction Daybook – ensure the period is correct, preview, save, OK
  - Purchase Ledger / Transaction Daybook – ensure the period is correct, preview, save, OK
  - Cashbook / Transaction Daybook – ensure the period is correct, preview, save, OK
  - Nominal Ledger / Transaction Daybook – ensure the period is correct, preview, save, OK
- End the Period for each ledger:
  - Sales Ledger / Housekeeping / monthly update, check that the period is correct, tick box, save
  - Purchase Ledger / Housekeeping / monthly update, check that the period is correct, tick box, save
  - Cashbook Ledger / Housekeeping / monthly update, check that the period is correct, tick box, save
  - Nominal Ledger / Housekeeping / Period End, check that the period is correct, tick box, save
- Close Period:
  - Nominal Ledger / Housekeeping / Close nominal ledger period – select year, select period to close, tick box and save.