



## ASPIRE SCHOOLS

# FINANCIAL POLICY & REGULATIONS

POLICY STATUS:	Education Skills & Funding Agency (ESFA) Requirement
BASED ON THE EFSA ACADEMY TRUST HANDBOOK (ATH):	SEPTEMBER 2021
COMMITTEE RESPONSIBLE:	Finance Committee
EXECUTIVE TEAM APPROVAL:	Nov 2021
GOVERNING BODY APPROVAL:	
REVIEW DATE:	May 2022

### Change log vs previous edition:

- CFO title replaces Business Manager title in all areas of the document
- Section 2.9 – Responsible Officer arrangements have been updated. These will be conducted termly by a Business Manager from another Academy.
- Section 3.3 – IT Manager will support any IT related backups
- Section 4.1 – CEO, Exec Heads and CFO in conjunction will agree the annual budget prior to sharing it with Trustees
- Section 4.4 – Exec Head and Heads of School will monitor and review their budgets
- Section 5.5.2 – Head of Catering named as responsible for ensuring food orders are authorised and agreed prior to orders
- Section 5.10 – Petty cash procedures explained in more detail
- Section 6.3 & 6.4 – Expense and Overtime claim authorisation procedures explained in more detail
- Appendix 2 – Bank Account signatories updated to reflect new arrangements

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# 1. INTRODUCTION

Aspire Schools converted to Academy status on 1st April 2018. It is a company limited by guarantee incorporated in England & Wales under company number 10385281.

This policy has been reviewed and revised with reference to the Academy Trust Handbook (ATH), dated June 2021 and effective from September 2021, and covers the duties and obligations of the Academy Trust (hereafter referred to as the "Trust") arising from the Funding Agreement. The policy should be used alongside the ATH

The CEO is designated as the Accounting Officer and takes personal responsibility for assuring the Trustees that there is compliance with the ATH and all relevant aspects of company and charitable law.

A Register of Business Interests is maintained of all governors and staff. It is reviewed and updated on an annual basis.

The accounting period of Aspire Schools (Academy) is set out in its funding agreement, reporting to a year-end of 31 August. The audited accounts are submitted to ESFA by 31 December each year.

The Governance statement must include an assessment of the Trust's governance, including a review of the composition of the board in terms of skills, effectiveness, leadership and impact, and using the six key features of effective governance set out in the Governance Handbook i.e. strategic leadership, accountability, people, structures, compliance and evaluation.

The Academy Trust maintains accounting records and provides publicly accessible accounts in line with the *Statement of Recommended Practice* (SORP) for charities.

It is a condition of the Academy Trust's company and charitable status that the annual accounts are filed at Companies House for public access, and also to provide a copy of the accounts to anyone who requests them. The annual accounts are available on the school website no later than the end of January following the financial year to which the accounts relate to.

The Trust must notify the DfE of the appointment or vacating of the positions of: Members, Trustees, Chair of Trustees, Accounting Officer and Chief Financial Officer, including direct contact details. Notification must be made within 14 days of the change and be made through the governance section of the DfE's "*Get Information About Schools (GIAS)*" which is accessed via Secure Access. The Trust must ensure that its record on GIAS for all individuals holding the above positions remains current.

## 2. ROLES & RESPONSIBILITIES

The Trustees (or Governing Body) have wide responsibilities under statute, regulations, charity law, the Funding Agreement, and the AFH. Whilst it has wide discretion over the uses of the school's funds, it is ultimately responsible for the proper stewardship of the funds from the Education Skills & Funding Agency (ESFA) and must ensure economy, efficiency and effectiveness in their use.

Academy trusts are companies limited by guarantee and exempt charities. The Trustees are subject to the duties and responsibilities of charitable Trustees and company directors as well as any other conditions that the Secretary of State agrees with them. These responsibilities are mutually reinforcing and are there to ensure proper governance and conduct of the Trust.

The key requirements are reflected in the Articles of Association, the funding agreement, and this handbook. Trustees should follow the guidance in the Governance Handbook which sets out the legal duties applying to Boards of Trustees. Trustees must be aware of the Charity Commission's guidance for Trustees.

The Board of Trustees must understand their statutory duties as company directors as set out in the Companies Act 2006. These comprise the duties to:

- Act within their powers
- Promote the success of the company
- Exercise independent judgment
- Exercise reasonable care, skill and diligence
- Avoid conflicts of interest
- Not to accept benefits from third parties
- Declare interest in proposed transactions or arrangements

These duties are especially relevant when entering into transactions with connected parties.

### 2.1. Members

As charitable companies limited by guarantee, every Trust has Members who have a similar role to the shareholders of a company limited by shares. They:

- Are the subscribers to the Trust's memorandum of association (where they are founding members)
- May amend the Articles of Association subject to any restrictions in the articles or in the Trust's funding agreement
- Have powers to appoint and remove Trustees in certain circumstances
- Receive the Trust's audited and annual accounts (subject to the Companies Act)

Employees of the Trust must not be appointed as Members unless permitted by their Articles of Association.

There will be a significant degree of separation between Members and Trustees. Members are independent of the Board of Trustees.

Both Members and Trustees should adhere to the 'seven principles of public life' (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

## **2.2. Trustees**

The Board of Trustees will:

- Consider and approve the annual budget plan, and any subsequent proposed variations / revisions
- Ensure that bank accounts, financial systems and financial records are operated by more than one person
- Ensure the budget is developed with reference to the school's strategic aims and objectives as stated in the School Development Plan
- Establish and review, annually, the financial limits of delegated authority
- Review from time to time the Register of Interests and to ensure its accuracy
- Ensure that the budget is managed effectively and accurate records are maintained and that these are available for audit and inspection as required
- Ensure that effective financial procedures are in place and carried out
- Consider the recommendations from audit (Internal Scrutiny) reports and ensure that any required action is implemented promptly
- Ensure that the Trust's property is under the control of the Trustees, and that measures are in place to prevent losses or misuse, including maintenance of adequate fixed asset registers
- Prepare accruals accounts, giving a true and fair view of the Trust's incoming resources and application of resources during the year, and the state of affairs at the year-end, in accordance with existing accounting standards
- Approve the staffing complement and pay policy and ensure, in conjunction with the Head Teacher, that salary payments are made only to school employees in accordance with their appropriate conditions of employment and for services provided for the school (including appropriate tax and NI deductions) and to ensure that payroll changes are accurately recorded and promptly processed
- Act as a 'Critical Friend' to the Head Teacher by providing advice, challenge and support

### **2.3. Adopt the 4 principles of Best Value**

- Compare how the school's performance compares with that of other schools
- Challenge whether the school's performance is satisfactory
- Compete to secure economical, efficient, and effective services
- Consult with stakeholders about services provided, and evaluate the effectiveness of spending decisions
- Ensure that the range of financial competencies of governors and staff involved in financial management is such that the school is not over-reliant on one individual
- Consider the annual insurance premiums for risk and ensure they are appropriate and adequate

The Trustees (or Governing Body) delegate the regular monitoring of the school's financial activity to the Finance Committee. This group will ensure that the Governing Body is kept fully informed about financial issues through the presentation of minutes and briefings.

The committee will work to Terms of Reference drawn up by the Governing Body. Its main function is to consider and make recommendations to the Governors on all financial and budgetary matters including:

- Consideration of the annual budget for presentation to the full Governing Body
- Approval of arrangements to secure compliance with financial regulations
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance to academies
- The process for independent checking of financial controls, systems, and transactions is carried out by the Responsible Officer

### **2.4 Internal Scrutiny**

The school must establish a committee, appointed by the Board of Trustees, to provide assurance over the suitability of, and compliance with, its financial systems and controls, and taking into account the differing risks and complexity of their operations.

All Trusts with an annual income over £50 million must have a dedicated audit committee. Where the school operates a combined finance and audit committee, staff may be Members but should not participate as Members when audit matters are discussed; however, they may remain in attendance to provide information and participate in discussions. Given that Aspire, does not have income in excess of £50 million, the responsibility of internal scrutiny is undertaken by the Trust's Finance Committee.

The committee's work must focus on providing assurances to the Board of Trustees that all risks are being adequately identified and managed with particular regard to reviewing the risks to internal financial control. Please refer to Section 2.9 in respect of financial control procedures undertaken by the appointed Responsible Officer.

Oversight must ensure that information submitted to the DfE and ESFA which affects funding (including pupil number returns and funding claims completed by the Trust) are accurate and in compliance with funding criteria.

## **2.5 Accounting Officer**

The CEO, acting as the Accounting Officer, accepts responsibility for the propriety and regularity of public finances for which they are answerable, and delegates the day to day management of the finances to the CFO and finance team and Administration who are responsible for:

- The keeping of proper accounts
- Prudent and economical administration
- The avoidance of waste and extravagance
- Ensuring value for money
- The efficient and effective use of all resources in their charge
- The maintenance of a risk register which assess the risks arising from its operations
- Ensuring that sound internal financial controls are in place
- Ensuring the effective implementation of current financial systems, policies and procedures even in the absence of key staff
- Compiling an annual budget (revenue & capital) for presentation to the Finance Committee and for final approval of the Trustees, ensuring that the school has received the correct entitlement to delegated funding via the ESFA
- Ensuring the production of regular, reconciled budget / financial reports for the Trustees, ESFA, or other bodies as necessary
- Considering and responding promptly to recommendations identified in audit (Internal Scrutiny) reports and Ofsted recommendations and advise the Trustees of remedial actions to be implemented
- Preparing a Charging and Remissions policy for approval by the Governing Body
- Ensuring the maintenance of an inventory for all school responsibility items (i.e.outside the scope of the PFI facilities management arrangements)
- Ensuring the adequacy of the school's insurance arrangements
- Preparing and implementing the school pay policy and appointments procedures, reviewing staffing requirements and curriculum needs as necessary
- Preparing a statement to demonstrate the school has secured Value for Money
- Preparing a statement for inclusion in the Annual Report, on governance, regularity, propriety and compliance.

## 2.6 ESFA Annual letters:

The ESFA Accounting Officer sends a letter annually to the school's Accounting Officer covering issues pertinent to their role such as developments in the accountability framework and findings from ESFA's work with trusts. The Accounting Officer must share this letter with the Trustees, Chief Financial Officer and other members of the Leadership team, to be discussed and, where appropriate, strengthen the school's financial systems and controls.

## 2.7 CFO

The CFO, supported by the finance team, has the following key responsibilities:

- Prepare the annual accounts
- Prepare and monitor the annual budget
- Act as Company Secretary for the Trust, and compliance of all duties in accordance with the Companies Act 2006
- Maintain and regularly review all maintenance and other contracts entered into by the Trust, in respect of suitability and value for money
- Liaise with the Responsible Officer, auditors and accountants as necessary

On a daily basis the CFO, supported by the finance team, will:

- Have delegated responsibility to make virements within the authorised limits
- Oversee all orders placed and invoices received
- Oversee all income received by the school in terms of grants, donations or third party payments
- Invoicing to schools in respect of student placements and referrals made through the Home Tuition service
- Invoicing to the Local Authority, in accordance with the existing contract between the Academy Trust and Buckinghamshire County Council, and the provision of information to Buckinghamshire County Council as directed by the contract
- Completion of monthly VAT returns for the Trust, and quarterly VAT returns for any subsidiary company of the Trust
- Ensure accuracy of payroll details on a monthly basis
- Ensure that the school's accounting system is reconciled to the school bank account on a monthly basis
- Produce a monthly report to the Accounting Officer and members of the Finance Committee and regular reports as required to the Trustees to indicate current financial position and forecasts (minimum one per term)
- Review and develop this Finance Policy on an annual basis and recommend changes as necessary in line with DfE/ESFA policy
- Maintain an inventory for all school responsibility items

- Seek approval for, and report on, the disposal or write-off of stock
- Advise the CEO and Exec Head Teachers in respect of the school's insurance requirements
- Ensure that all financial records are retained as required under the Records Retention Policy

## **2.8 Finance Officer / Finance Assistant**

Working with the CFO, the Finance Officer and Finance Assistant will collectively:-

- Assume the day to day responsibility for placing orders, receiving goods and preparing invoices for payment, and payment of invoices through the Trust's Bank Account
- Maintain an orderly system of recording all transactions
- Check and disperse goods received
- Undertake weekly bank reconciliations
- Daily operation of the petty cash fund
- Maintain financial records

Specific tasks, responsibilities and authority levels for both the Finance Officer and Finance Assistant, are included where appropriate under each section of these procedures, and in Appendix 1 under the Scheme of Delegation.

## **2.9 The Responsible Officer**

The Responsible Officer (RO) is appointed by the Trust and provides the Board of Trustees with an independent oversight of the Trust's financial affairs. The main duties of the RO are to provide the Trust with independent assurance that:

- The financial responsibilities of the Trust are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are fully taken into account in reaching decisions

The RO will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board of Trustees. A report of the findings from each visit will be presented to the finance and audit portfolio group. Detailed guidance on the transactions to be checked by the RO is given in the ATH.

The duties of the RO, will be undertaken by the chief financial officer from another academy. The RO will have suitable qualifications to support the execution of their duties. The format for all reviews will follow those advised in the ATH, however where appropriate, the level of checking should be increased in certain areas where additional risks have been identified from previous reviews. The schedule of all reviews will be agreed at the beginning of each Academic Year.

## **2.10 Appointment of External Auditors**

The Trust is required to submit the accounts for an annual audit. This means that external auditors need to be appointed. The appointment should be for one year renewable at the discretion of the Trust.

The auditors are required to give an opinion on whether:

- The financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the DfE
- Proper accounting records have been kept by the Trust throughout the financial year
- Grants made by the EFA have been applied for the purposes intended

The Trust should arrange for on-going monitoring of the performance of the auditors to be undertaken.

External Auditor arrangements will be retendered every 5 years.

## **2.11 Reporting of Fraud, Theft and/or Financial Irregularities**

The Trust must take appropriate action where fraud, theft or irregularity is suspected or identified. The Trust must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by the trust to prevent recurrence
- whether the matter was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss

## **2.12 Borrowing & Leasing Arrangements**

The Trust must obtain ESFA approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Credit or Charge cards must only be used for business expenditure, and balances cleared before interest accrues.

There are two types of lease:

- finance leases: these are a form of borrowing;
- operating leases: these are not borrowing.

The Trust must obtain the ESFA's approval for the following leasing transactions:

- taking up a finance lease on any class of asset for any duration from another party;
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years;
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Other than the above, trusts do not require ESFA's approval for operating leases.

The Trust must ensure that any lease maintains the principles of value for money, regularity and propriety whether or not ESFA's approval is required. The Trust should seek advice from their professional adviser and/or external auditor if they are in doubt over whether a lease involves borrowing.

### **2.13 Managing Conflicts of Interest and Third Party Transactions**

In order to manage any potential conflicts of interest within members and trustees of the Trust, and in accordance with all parts of section 3.10 of the ATH, the following summary of procedures will apply:-

- A register of Business & Pecuniary Interests will be kept by the school, detailing any declarations of interest of all members, trustees, and other school officials connected with the financial operation of the school. Other officials will extend to the Chief Financial Officer and Clerk to the Governors.
- Declarations of Pecuniary Interest will be completed by all members, trustees and other school officials on annual basis, or immediately following appointment by any new member, trustee or other official. It will remain the responsibility of all members and trustees, to update the school as soon as any new interests exist.
- The Register of Pecuniary interests should be used by all members, trustees and employees to identify any business/commercial/financial interests they have which might give rise to a potential conflict of interest, e.g. that they, or a close friend, or relative, are an owner, director, or employee of a supplier to the school. This register will be available to the public on the school website.
- Potential conflicts of interest might conceivably extend to other situations, such as if a relationship existed between two people where one could influence the appointment, advancement, or pay of another.
- In addition, all members and trustees, should list on their declaration, membership of any professional bodies, trusteeships, governorships or employment at other educational institutions and charities.
- In managing potential conflicts of interest at Board Meetings and Committee Meetings, all meeting agendas, should include the opportunity for all trustees to declare any new, or reaffirm any existing declarations of interest, relating to specific agenda items.

- Where a conflict of interest has been declared at a meeting, the member, trustee or official will take no part in the discussion or be involved in decision making of the issue being discussed. Where appropriate, the person declaring an interest may be requested to leave the meeting, during the discussion and any subsequent decision relating to the issue.
- At the end of each meeting, trustees will be asked to confirm that the meeting has been conducted in an open manner, that all trustees have been able to participate and contribute to discussions and that all trustees of the board will have access to the minutes.
- The board of trustees must ensure requirements for managing related party transactions are applied across the trust. The chair of the board and the accounting officer must ensure their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.
- Trusts must recognise that some relationships with related parties may attract greater public scrutiny, such as:
  - transactions with individuals in a position of control and influence, including the chair of the board and the accounting officer
  - payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
  - relationships with external auditors beyond their duty to deliver a statutory audit
- The Trust must keep sufficient records, and make sufficient disclosures in their annual accounts, to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

### **Reporting and Approval of Related Party Transactions to ESFA**

- Trusts must report all transactions with related parties to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019.
- Trusts must obtain ESFA's approval for transactions with related parties that are novel, contentious and/or repercussive. Trusts should carefully consider the impact of this requirement and its relevance to transactions involving the chair of the board and the accounting officer.

- Trusts must obtain ESFA's prior approval, using ESFA's on-line form, for contracts for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:
  - a contract exceeding £20,000;
  - a contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year ending 31 August;
  - a contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August.
- For the purposes of reporting to, and approval by, ESFA, transactions with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

### **2.13 Gifts**

The Trust has a policy in respect of the acceptance and making of gifts. A register of gifts is to be maintained by the finance team, over a certain a value, as directed by the policy.

The acceptance of gifts, hospitality, awards, prizes or any other benefit that might be seen to compromise their judgment or integrity, and the Trust should ensure all staff are aware of it.

When making gifts, the Trust must ensure the value is reasonable, is within its scheme of delegation of financial powers, the decision is documented, and has due regard to propriety and regularity in the use of public funds.

### **2.14 Novel, Contentious and Repercussive Transactions**

Novel, contentious and/or repercussive transactions must always be referred to ESFA for approval. ESFA may need to refer such transactions to HM Treasury for approval, so trusts should allow sufficient time for proposals to be considered.

- Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media.
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

### **2.15 Freedoms and Delegations**

The ATH sets out under Section 3.11, specific authorities of the Trust as delegated by

the ESFA, along with those situations, when approval of the ESFA is required.

The majority of these situations are listed under the relevant section of the Trust's Financial Procedures, however, a full list is contained within Appendix 3 – Schedule of Freedoms and Delegations.

## **FINANCIAL ADMINISTRATION**

### **3.1. Accounting System**

The school has chosen to use the SIMS Financial Management System (FMS) as an accounting system provided under licence by Capita. The system is password protected with restricted access. The system is backed up daily as per the Disaster Recovery Plan.

All financial transactions of the Trust should be recorded on the approved finance system. The finance system is operated by the finance department and as a minimum, will consist of a purchase, sales and cash book module, and the ability to produce reporting information to meet budget monitoring requirements. All payroll transactions are currently processed by the Trust's approved Payroll Provider as part of a Service Level Agreement, and imported into FMS on a monthly basis.

### **3.2. Access to FMS**

System Access Entry to the finance system is password restricted and the IT Manager is responsible for implementing a system which ensures that passwords are changed periodically. The Business Manager, in conjunction with the IT Manager, is responsible for ensuring that members of staff have appropriate levels of access that are commensurate with their levels of responsibility. Access is provided only to the CEO, CFO, Finance Officer and Finance Assistant. Access is also provided to IT Manager solely in the capacity of maintaining the system, and is not authorised to process any financial transactions through the system.

### **3.3. Back Up Procedures**

The ICT Network Manager is responsible for ensuring that there are effective backup procedures for the whole of the finance system. An annual Service Level Agreement is purchased with an IT Support Company to ensure such a backup system is maintained at all times

The CFO, supported by IT Manager and the finance team, shall prepare a Disaster Recovery and Business Continuity plan in the event of loss of the finance system of financial data. This should link in with the Risk Assessment of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

### **3.4. Transaction Processing**

All transactions input to the finance system should be authorised in accordance with the procedures specified in this policy. Detailed procedures for the operation of the payroll,

the purchase ledger, the sales ledger, the disposal of assets and the maintenance of asset records must be produced by the CFO and approved by the Accounting Officer.

All journal entries must be documented when input into the finance system. Journal and Bank transactions should be input by the Finance Officer and the input should be checked and authorised by the CFO.

### **3.5. Accounting records**

Only authorised staff are permitted access to the accounting records which are securely retained when not in use. All accounting records, including invoices, delivery notes, bank statements etc. are retained in hard copy for six years, plus the current year, in a secure area.

Detailed information on the operation of the finance system can be found in the user manuals held online and in the Business Office. The Trust will seek to adhere to the control principles set out within the ATH.

## **4. FINANCIAL PLANNING**

### **General Principles**

The Trust prepares both medium-term and short-term financial plans which are aligned to the needs of the School Development Plan. The Development Plan indicates how the Trust's educational and other objectives are going to be achieved in the next academic year and over the next 3 years. It provides the framework for the annual budget with a detailed statement of the expected resources available to the Trust and the planned use of these resources for the following year.

### **4.1 Setting the Annual Budget**

The CEO and Exec Head Teachers, in conjunction with the CFO, is responsible for preparing and obtaining approval for the annual budget. The budget after consideration by the Finance Committee is approved by the Trustees (Governing Body) and by the board of Directors.

The approved budget must be submitted to the ESFA by the stated deadline each year. The Business Manager is responsible for establishing a timetable which allows sufficient time for the approval and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how these resources are to be utilised.

There should be a clear link between the School Development Plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements.

- Forecasts of numbers of students in order to estimate the amount of income receivable from the ESFA, Local Authority and directly by other Local Schools, who will purchase provision directly
- Completion of a salary modeller, in order to full assess staffing costs, including the projection of future costs and taking into consideration the annual cost of living pay rises and incremental salary increases awarded to staff as set out within the Trust's Pay Policy
- Review of past and current performance against budgets, along with expected variations in cost, e.g. projected price increases
- Identification of potential efficiency savings
- Review of the main expenditure headings
- Review of resource needs of each programme area within the Trust
- Consideration of how the Trust is achieving best value in its operation

## **4.2 Balancing the Budget**

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where savings can be made.

This may entail prioritising tasks and implementation changes in order to deliver efficiency savings or deferring projects until more funding is available.

Planned use of reserves to balance the budget can be made subject to approval by the Trustees and maintenance of a minimum prudent level of reserves. The trustees have set a minimum level of £500,000 to be maintained in reserves, at any one time, with this being an amount deemed to be sufficient to cover the total of one month's expenditure of the Trust. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of priority need.

## **4.3 Finalising the Budget**

Once the different options and scenarios have been considered, a draft budget should be prepared and proposed by the CEO in conjunction with the CFO for consideration by the Finance Committee prior to approval of the Trustees.

The Draft Budget should be first be presented to the Finance Committee in the Spring Term cycle of meetings, in order to allow sufficient time for amendments to be made, ahead of final approval by trustees no later than end June.

Medium term financial forecasts (in the form of a 3 year plan) should be presented alongside the annual budget proposals in order that Trustees can consider and approve budget plans in the context of medium term estimates.

Once the budget has been approved it should be communicated to all staff with financial responsibility so that everyone is aware of the overall budgetary constraints. Initial

approved budgets will be communicated to Budget Holders in advance of the start of each financial year.

The budget should be seen as a working document which is likely to need revising by way of virements throughout the year as circumstances change.

The Trust must submit to ESFA, in a form specified by ESFA:-

- a Budget Forecast Return Outturn by 21 May
- a 3-Year Budget Forecast Return by 30 July

#### **4.4 Monitoring and Review**

Monthly reports will be prepared by the CFO. The reports will include actual income and expenditure and commitments against budget and a forecast for the year and will be presented to the Exec Team and circulated to members of the Finance Committee.

The monitoring process will be effective and timely in highlighting variances in the budget with differences being investigated and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to vire money from another budget or from any contingency. All budget virements must be authorised in accordance with the agreed Scheme of Delegated Financial Authority set out in Appendix 1.

Detailed Financial Reports will be prepared and circulated in advance by the CFO for both the Finance Committee and for full Trustees meeting on a termly basis.

It is the responsibility of each Budget Holder to manage the budgets under their control and to ensure that the funds available are not overspent. Budget Holders will be provided with regular statements from the CFO which will include:

- Overall summary of financial position
- Detailed financial summary with actual cost incurred and commitments against budget
- Details of transactions processed against those budgets for which they are responsible

Where appropriate, the CFO will meet with Budget Holders on a regular basis to review the financial position for the period (using the above reports) and develop a forecast position for the end of the year.

Regular financial review meetings will take place with the Head Chef of the Blueprint HUB Kitchen. Other budget holders, such as Heads of Department, will be advised of their current spending levels on a half termly basis, with any concerns being brought to the attention of the Head of Schools and Exec Head Teachers. Catering budgets for all sites other than Blueprint will be monitored on a monthly basis, with any concerns being brought to the attention of the Head of Schools and Exec Head Teachers, as part of the monthly reporting procedures. Departmental overspends will be approved at the discretion of the Head of Schools and Exec Head Teachers subject to a valid business case being presented, and only when funds can be made available from other budgets.

The Finance System will identify when an individual budget line will create an overspend situation. Separate procedures are in place as detailed in Section 5 Purchasing, which are monitored by the Finance Officer, should a budget holder attempt to submit a resource order which would create an overspend situation.

## **5. PURCHASING**

### **5.1. Financial Regulations**

Aspire abides by the ESFA procedures as detailed in the ATH. The Board of Trustees recognises the principles of Value for Money and aims to achieve best value for money from all its purchases. The CFO is responsible for ensuring procedures are in place for testing the market, placing of orders, and paying for goods and services in accordance with DfE/Master Funding Agreement, Financial Regulations and Contract Standing Orders.

In accordance with guidelines set in the ATH, Aspire will ensure that the following procurement controls are in place:-

- Spending has been for the purpose intended and there is probity in the use of public funds;
- Spending decisions represent value for money;
- Internal delegation levels exist and are applied within the trust;
- A competitive tendering policy is in place and applied, and Official Journal of the European Union (OJEU) procurement thresholds are observed;
- Relevant professional advice is obtained where appropriate.

### **5.2. Approved suppliers**

The Trust maintains a database of approved regular suppliers. The CFO and finance team select suppliers on the basis of their capacity to provide quality, service, timely delivery and value for money.

### **5.3. Tendering**

All purchases with a value greater than £50,000 are put out to formal tender. The following procedures are followed in such circumstances:

- i. Specification is prepared by the team leader, authorised by the Chair of the Trustees and relevant Exec Head Teacher and sent to at least three suppliers. Depending on the type of building works proposed the services of a firm of architects would be considered to deal with the handling of specifications and suitability to tender.
- ii. Where appropriate, the suppliers invited to tender are drawn from the approved list maintained by Buckinghamshire County Council. Otherwise, invitations to submit tenders are advertised in local newspapers and trade journals if appropriate. The invitations to tender include:

- An introduction/ background to the project;
  - The scope and objectives of the project;
  - Any technical requirements;
  - Implementation details for the project;
  - The terms and conditions of the tender; and
  - The form and date of response to Aspire.
- iii. All replies should be addressed to the relevant Exec Head Teacher in a plain sealed envelope marked 'Tender' to reach him/her by a specified date.
  - iv. No contractor is allowed to amend the tender after the time fixed for receipt.
  - v. Where the expenditure has been budgeted for within the revenue or capital budgets, a decision is recommended by the Finance Committee. The final decision is taken by the Board of Trustees
  - vi. Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision as to which tender to accept is taken by the Board of Trustees
  - vii. The reasons for accepting a particular tender are documented by the Clerk to the Board of Trustees, especially if it is decided to accept other than the lowest tender. All decisions are reported to the Board of Trustees

The following points are considered when deciding which tender to accept:

- The overall price and the individual items or services which make up that price.
- Whether there are any 'hidden' costs; that is additional costs which Aspire will have to incur to obtain a satisfactory product.
- Whether there is scope for negotiation.
- The qualifications and experience of the supplier.
- How well the technical requirements laid down by Aspire will be met.
- Whether it is possible to obtain certificates of quantity.
- The supplier's own quality control procedure; pre-sales demonstrations and after-sales service.
- The financial status of the supplier.
- References from other schools.

Once a tender is accepted, an order is issued immediately to the supplier in the normal way.

#### **5.4. Quotations**

For purchases exceeding certain values, and below the tendering limit of £50,000, a specified number of quotations are required as follows:

- Less than £1,000: Supporting costing information from approved supplier to be attached to approved requisition request.

- Between £1,000 and £2,500: One written quotation is required.
- Between £2,500 and £9,999: Two written quotations are required.
- Between £10,000 and £49,999: Three written quotations must be requested.

Quotations are attached to the requisition order.

## **5.5. Purchase orders**

Computer-generated purchase orders via the school's finance system (FMS) are to be used for the ordering of all goods and services. Alternatively, where a supplier does not have the facility to supply goods to the school on an account basis, purchases can be made through using the school's charge card facility. (see further procedures under Section 5.9). Orders are only to be made by telephone in exceptional circumstances and only where goods are required urgently and is always confirmed in writing in the usual way, through the preparation and issue of a purchase order.

There are exceptions when a purchase order is not required, and these are listed in Section 5.5.3.

For all purchase orders, FMS is accessible by the CEO, CFO, Finance Officer and Finance Assistant. In addition the IT Manager has full access to FMS, but his authority does not extend to approval of purchase orders, and is limited to only maintenance and general IT issues.

Orders are only used for goods and services provided to Aspire. Individuals may not use official orders to obtain goods and services for their private use.

### **5.5.1. Ordering Procedures**

Ordering procedures are as follows:

- A requisition is approved by the Team Leaders / Heads of Department and delivered to the Finance Office, The Finance Officer checks the order against available budget. Potential or actual overspend is brought to the attention of the CFO/Head of School. Quotes or tenders are obtained as necessary.
- An order is generated by the Finance Assistant or Finance Officer on the FMS system.
- The purchase order is approved on FMS by the CEO (above £5,000) or by the CFO (below £5,000). Orders below £300 prepared by the Finance Assistant may be authorised by the Finance Officer. In addition, orders under £300 may be both prepared and authorised by the Finance Officer on FMS, as long as the resource order form has already been signed and approved by the Head of School, CFO, Head of Department or Team Leader. A scanned copy of the resource order form must be added to the purchase order on FMS as confirmation.
- Following approval of the purchase order, the Finance Officer holds a copy of the purchase order in the Finance Office pending its delivery.

When an order is cancelled, the FMS purchasing system is updated by the Finance Officer, and records of all cancelled orders are maintained in the Finance Office.

### **5.5.2. Requisition Orders**

Requisition or Resource Order forms must be prepared for all proposed expenditure, and approved by the appropriate Budget Holder. Only approved orders placed on resource order forms will be processed by the Finance Officer.

For all curriculum subjects (including vocational subjects), this will be the Head of Department or Vocational Leader. It remains the responsibility of the Head of Department/Vocational Leader to manage their expenditure against their own individual pre-set budget for the financial year. For all commissioned services, such as Outreach, Stoke Mandeville Hospital School, Orchard House and the Home Tuition Service, either the Teacher in Charge, or Team Leader will be the Budget Holder. Where there is no Head of Department for a particular curriculum subject, the Executive Head of either Aspire Schools or Aspire Medical Provision will approve such orders.

For orders relating to administrative supplies, IT consumables, premises, cleaning and janitorial supplies, the appropriate staff must complete a resource order form, for approval by the CFO. All approved orders must be placed by the Finance Assistant or Finance Officer.

Individual teachers and members of staff are not permitted to directly order supplies, using their own cash or credit cards. Exceptionally, when values are below £20, prior authorisation may be provided to staff, where reimbursement will be made through petty cash procedures.

A resource order form is not required for ordering food supplies in the HUB Kitchen, or for kitchen staff in other Aspire sites. In these circumstances, orders may be placed directly with the school's approved food suppliers, or for small emergency purchases made by kitchen staff using the school petty cash tin. Procedures for charge cards are listed under Section 5.9. It will remain the responsibility of the Head of Schools, to ensure suitable controls are in place to ensure that food costs remain in line with pre-set budgets.

A resource order form is also not required for the catering supplies for use in lessons. The Head of Catering is authorised to order food supplies, using their school charge card or through reimbursement through petty cash procedures. The Head of Catering remains responsible for the monitoring and control of expenditure within their department.

### **5.5.3. Exceptions to when purchase orders are not required**

Individual purchase orders are not required in the following circumstances.

- (a) Payment of Business Rates
- (b) Payment of Utility Bills (eg gas, water, electricity & telephone)
- (c) Regular contract and leasing payments (eg cleaning, maintenance and ICT contractors, taxi firms)
- (d) Ordering of food supplies for the HUB Kitchen at Blueprint, and school

kitchen facilities at all other sites within Aspire.

In all the circumstances above, a pre-set spending limit is agreed at the beginning of each financial year, and a limited purchase order is prepared for the total amount. Non-order invoices can only be raised on FMS for suppliers meeting the above criteria.

## **5.6. Receipt of goods**

All goods received are delivered to the reception desk in the required site. The Receptionist or Clerical Officer carries out a brief inspection prior to signing for delivery. All deliveries are signed as unchecked.

The following procedures then take place:

- The Receptionist/Clerical Officer reconciles the Delivery Note against the Purchase Order and the goods received. Any anomalies are to be brought to the immediate attention of the Finance Officer
- The Delivery Note & Purchase Order is then delivered to the Business Office.
- Any shortages or defective items in the goods supplied are clearly indicated on the Delivery Note by the Receptionist/Clerical Officer. The Finance Officer is responsible for ensuring that any outstanding items or defective items are raised immediately with the supplier and rectified. The Finance Officer maintains details of goods returned with original delivery note, purchase order/ and requisition form and monitors this process, ensuring that all such deliveries are rectified.

The checking of food deliveries to Blueprint HUB Kitchen remains the responsibility of the HUB Kitchen head chef and staff. For other sites, the cook on each site remains responsible for checking of all food supplies. The head chef or cook remains responsible for rectifying errors and issues direct with suppliers, but will advise the Finance Officer, in order that original invoices are not paid until receipt of credit notes or refunds have been received.

## **5.7. Purchase invoices**

All purchase invoices are delivered immediately to the Finance Office. All invoices are to be date stamped on day of receipt. The Finance Officer makes the following checks:

- Goods or services have been received and checked against the order
- Expenditure has been properly incurred and payment has not already been made
- Prices agree with quotations, tenders, contracts or catalogue prices and arithmetic is correct
- VAT has been properly accounted for
- The invoice has been correctly coded and allocated against the correct cost centre
- Discounts have been taken where applicable

For all non-order invoices, as listed under Section 5.5.3, the Finance Officer will check that the amount of invoice is in line with any contracts agreed. For estimated utility bills, if expenditure is out of line, then reference should be made to actual meter readings.

For non-order invoices relating to food deliveries, which are normally delivered with the actual food delivery, the head chef or cook will sign the invoice to confirm that no issues are outstanding which prevent it from being processed for payment.

Where invoices relate to services being provided, as opposed to an actual product, supporting documentation must be provided. For example, for the employment of agency staff in the HUB Kitchen, the timesheet must be signed by the Exec Head of Aspire Schools or the CFO. For maintenance work, all contractors must provide a copy of a job sheet, or certificate to confirm that the work has been completed, which has been countersigned by the Caretaker, H&S Premises Lead or CFO.

Where goods received were short or defective in some respect, and this still has not been rectified, this must be clearly noted on the invoice so that payment is not made until either a credit note is received or the delivery is put right.

If the amount of invoice differs from the original purchase order, the Finance Officer will investigate any discrepancies and, if necessary, refer back to the original supplier. As long as all the deliveries have been made, or confirmation is held that a particular service has been provided, if the invoice is lower than the original purchase order, the Finance Officer is authorised to amend the purchase order. If any increase relates solely to the addition of a delivery charge, the Finance Officer is again authorised to amend the purchase order. When the invoice amount is higher than the original purchase order, then this will need to be referred back to the CFO or the relevant Budget Holder for further authorisation.

Payments in advance of receipt of goods or services are only made where it is a condition of the supplier and the CFO is satisfied that there is no alternative.

## **5.8. Payment of invoices**

The payment of invoices is a two-stage process, firstly the processing of the invoices on FMS, and secondly the process of the actual payment through Lloyds Bank from the one of the school bank accounts.

### **5.8.1. Processing of invoices on FMS**

The Finance Officer will attach together the invoice along with the delivery note, purchase order and any other supporting documentation, before adding the invoice details into FMS. Scanned copies of all supporting documentation should be added to the invoice on FMS.

The CFO will then approve the invoice on FMS, and sign the actual invoice in confirmation.

### **5.8.2. Processing of Payment through Lloyds Bank**

All payments for suppliers will be made directly by bank transfer on a weekly BACS run. The maximum credit terms available should always be taken, but consideration must be given to ensure all payments are received on time by suppliers, therefore avoiding any late payment penalty charges. Payment by cheque can be made, but only if banking details cannot be confirmed with suppliers.

A BACS run is prepared by the Finance Officer through FMS, by selecting those invoices that will be due by the time of the next weekly BACS run. The BACS run is then authorised by the Business Manager, with the BACS run report being signed by both the Finance Officer and the CFO.

The BACS file is then submitted to Lloyds Bank by the CFO. Alternatively, the use of individual BACS payments or Faster Payments can be made via Lloyds Bank Commercial Banking Online Service. In these circumstances, the authorisation procedures set out Section 9, Banking Arrangements are to be followed.

### **5.9. Charge Card Payments**

Where it is not possible to source goods on credit terms through a supplier, or when payment is requested at point of sale through ordering online, the school charge card is to be used to facilitate payment. A signed resource order form, authorised in accordance with Section 5.5 is required, before any online order or direct purchase can take place. Cardholders authorised to purchase food supplies and catering supplies, as outlined in Section 5.5.2 do not need to complete a resource order form.

Care should be taken to ensure that the school only deals with known online suppliers, and that sufficient due diligence has been undertaken prior to orders being placed. In addition, care should be taken to ascertain whether a VAT receipt will be produced, as otherwise VAT cannot be reclaimed (and the goods will be charged to the budget at the VAT inclusive price).

All authorised cardholders (as detailed in Section 7 Banking Arrangements), must keep their card securely at all times, and not lend their card or divulge their PIN to other members of staff. Cardholders are only authorised to make purchases on behalf of the school and must not use the card for their own personal needs. All cardholders must obtain VAT receipts for all purchases, and pass these promptly to the Finance Officer. Failure for cardholders to provide receipts may result in the member of staff being asked to reimburse expenditure directly to the school.

The Finance Officer or Finance Assistant will record all charge card transactions for all cardholders (with the exception of the Business Managers) on a specific spreadsheet for each cardholder for each month. Charge Card statements are issued monthly by Lloyds Bank on the 16<sup>th</sup> day of each month, with the direct debit for all cardholders being debited 14 days later. Transactions after the 16<sup>th</sup> day of the month should be recorded on the spreadsheet in the next calendar month.

On receipt of monthly statements, all charge card transactions for each cardholder should be reconciled between the statement and the spreadsheet, with any discrepancies being rectified.

The Finance Assistant is responsible for inputting all cardholders' transactions on FMS, although authorisation on FMS by the CFO will not take place until after the reconciliation

process has been completed. Scanned copies of all receipts are to be attached to each charge card payment on FMS.

## 5.10. Petty Cash

Petty cash is held on all sites of Aspire (as detailed below), and is used to reimburse staff for small purchases, and to provide cash to support curriculum based activities, particularly sporting activities and outdoor learning activities. It is also used to reimburse catering staff in centres, where a charge card facility is unavailable.

The maximum of cash held on each site, and the person responsible on each site is listed below – the finance assistant is overall responsible for petty cash.

Blueprint:	Amount: £300	Person responsible: Finance Assistant
CSEC:	Amount: £300	Person responsible: Admin Team
Shortenills :	Amount: £200	Person responsible: Admin Team
Orchard House:	Amount: £200	Person responsible: Admin Team
TWG:	Amount: £300	Person responsible: Admin Team

Procedures relating to petty cash are as follows:

- Payments from petty cash are only made on production of a till receipt or other certification that payment has been made to a maximum of £50. A petty cash receipt is signed by the person receiving payment.
- The petty cash float, which does not exceed the amount specified, is kept locked away at all times, and in the safe when not in use.
- Replenishment of petty cash, is through drawing cash by cheque from Lloyds Bank. All encashment cheques must be signed in accordance with the bank mandate and recorded on FMS on date of withdrawal.
- No personal cheques are to be cashed through petty cash to staff.
- Staff are not permitted to use petty cash to reimburse mileage and travel expenses, as these should always be claimed through raising the normal monthly staff expenses claims.
- A record of all petty cash transactions are to be recorded on a spreadsheet for each individual centre. All petty cash receipts must be numbered. The on site admin team at Schools and AMP will be responsible for ensuring that all Petty Cash receipts are forwarded to the Finance Assistant on a weekly basis. The Finance Assistant is responsible for maintaining the petty cash spreadsheets for all sites and for subsequent input to FMS.
- Each petty cash account is reconciled on the 24<sup>th</sup> day of each month, including a physical check of cash held. All petty cash transactions are passed by the Finance Officer to FMS after the date of reconciliation and before the end of each month. The Finance Assistant will sign a printed copy of the monthly reconciliation report. The Finance Assistant at Blueprint will input all transactions

into FMS. Following input, the Finance Officer will authorise each centre's petty cash claim on FMS, and countersign the reconciliation report.

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## **6. PAYROLL**

### **6.1 General Arrangements**

Aspire's staffing structure, including appointments, terminations and salary levels are formally approved by the Board of Trustees, and are subject to the school's pay policy and procedures.

Aspire has appointed Buckinghamshire County Council as its Payroll Provider, and they will act as the authorised agent of Aspire, in dealing directly with HMRC, in the execution of the school's legal obligations. Buckinghamshire County Council will also be appointed as the authorised agent to act on behalf of the school in respect of both the Teachers' Pension Scheme (TPS) and Local Government Pension Scheme (LGPS)

The Payroll Provider has been instructed to accept instructions only from the authorised signatories from Aspire. They have also been instructed not to accept changes authorised by a person changing his/her own salary. Changes to the Head Teacher's salary are notified to the CFO in the first instance to the Payroll Provider, but must also be approved in writing by the Chair of the Trustees.

Net payments to staff are made by direct bank transfer by the Payroll Provider on the last working day each month using the Banks Automated Clearing System (BACS).

### **6.2 Supply Teacher, Home Tutors and Casual Staff Claims**

The use of Supply Teachers must be approved in advance either by the Head of School or by the Exec Head Teacher of either Schools or AMP.

Appointment of Home Tutors to undertake tuition of students must be approved in advance by either the Teacher in Charge of the Home Tuition Service (Wycombe & Chiltern Districts), or the Home Tuition Coordinator based at Blueprint (Aylesbury Vale District).

The use of Casual Staff must be approved in advance either by the Head of School or by the Exec Head Teacher of either Schools or AMP ensuring they liaise with the CFO to ensure there is a sufficient budget available.

All Home Tutor Claim Forms must be completed and submitted to either the Teacher in Charge of Home Tuition or the Home Tuition Coordinator, who will confirm the accuracy of the claim form, by verifying the entries against the individual student attendance sheets. Claim forms in respect of the preceding month must be submitted by the first Friday of the next month, to ensure payroll deadlines are met, and the ensure payment is made at the end of the month. Once checked, all forms will be authorised by the CFO.

Supply Teacher and Casual Claims must be authorised by the relevant Executive Head and then submitted to the finance team, who will verify the hours worked against staff attendance records, and sign the form in authorisation. The CFO will check all claims prior to submission. Claim forms in respect of the preceding month must be submitted by the first Friday of the next month, to ensure payroll deadlines are met, and to ensure payment is made at the end of the month.

### **6.3 Overtime Claim Forms**

All overtime for Bucks Pay Staff has to be agreed in advance, either by the relevant Executive Head Teacher or by CFO for operational staff. All overtime requests in respect of the HUB Kitchen must be approved by the CFO in advance, following the request being made by the Head Chef.

All overtime should be paid in accordance with the Bucks Pay Terms and Conditions. Particular attention should be taken when paying part-time staff, as working additional hours or additional days may only be paid at “plain” or “standard” rate if working less than 7.5 hours per day, or on a working on a day outside their normal working pattern.

Overtime Claims must be submitted directly to the finance team, who will verify the hours authorisation signature, and sign the form in authorisation. The CFO will check all claims prior to submission. Claim forms in respect of the preceding month must be submitted by the first Friday of the next month, to ensure payroll deadlines are met, and the ensuing payment is made at the end of the month.

### **6.4 Submission of Expenses Forms**

All expense claims are subject to the terms and conditions set out the school’s travel and expenses policy.

All claims should relate specifically to a calendar month, and should be submitted to the finance team, following authorisation by the relevant Head of School, by the first Friday of the following month. All forms will be independently checked and authorised by the CFO.

Travel and Expenses Claims for Home Tutors should be checked either by the Teacher in Charge of Home Tuition or by the Home Tuition Coordinator, before being submitted to the CFO for final authorisation.

All expenses claims are then forwarded electronically to Bucks Council for final processing no later than the 12<sup>th</sup> day of the month. The submission date will be brought forward if the 12<sup>th</sup> is at the weekend, and in December, in order to meet Christmas payroll deadlines.

All claim forms must be submitted within one month of the end of the month which the claim form relates to. Staff must not delay submitting expenses claims, as this will have an adverse effect in monitoring the school’s budget.

### **6.5 Monthly Verification of Payroll Records**

At the end of each month, the Payroll Provider will provide detailed payroll records confirming all the payments being made to staff, along with additional records of payments being made to the TPS, LGPS, UNISON and to HMRC. The total of all net salary payments paid to staff will be debited to the school’s bank account on the last working day of the month. Staff pension contributions and union fees, deducted from staff salaries, along with the employer’s pensions contributions will be debited to the school’s bank account by the 7<sup>th</sup> day of the next month. All staff tax, NI and other deductions, along with employers NI contributions, will be debited to the school bank account by the 18<sup>th</sup> day of the next month.

The total staffing costs must be reconciled to these payments, and passed in one amount to FMS using the Payroll Control Account at the end of the each month in which it relates to.

The CFO is responsible for verifying all staff payroll costs against the expected costs in the Salary Modeller and against the original budget commitment. A printout of each staff cost area should be signed in confirmation of the accuracy of all staff payroll costs. Particular attention should be made to ensure any unpaid leave requests have been processed correctly through payroll.

If any discrepancies are identified, these should be thoroughly investigated, and corrected as necessary, and records of any cases raised with Bucks Council should be attached to the signed payroll records.

In addition, any payments made in respect of Home Tutor Claims, Supply Teacher Claim, Casual Staff Claims and Overtime Claims, must be checked and verified against the original claim forms.

## **6.6. Storage of Payroll Records**

Printouts of all monthly payroll reconciliations, along with all original payroll claims forms and expenses forms, must be filed and retained in a locked cabinet in the Business Office.

All personnel files are kept in the Head Teacher's Personal Assistant's (PA) office at Blueprint or in the CFO's office at The Wycombe Grange. Access is restricted to the CEO, Executive Head Teachers, Head Teacher's PA and Chair of the Trustees.

## **7. ASSETS**

### **7.1 Fixed Asset Register**

All items purchased with a value over the Trust's capitalisation limit must be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding
- expected useful economic life
- depreciation
- current book value
- location

Items above £100, but below the Trust's capitalisation limit, are still to be recorded in a separate asset register, in order that the school can calculate the school's asset value for insurance purposes, and to be aware of the location of all assets.

The Asset Register is maintained to:

- Ensure that staff take responsibility for the safe custody of assets
- Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- To manage the effective utilisation of assets and to plan for their replacement
- Help the external auditors to draw conclusions on the annual accounts and the Trust's financial system
- Support insurance claims in the event of fire, theft, vandalism or other disasters

## **7.2 Security of assets**

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

## **7.3 Disposals**

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Head Teacher and, where significant, should be sold following competitive tender. The Trust must seek the approval of the EFSA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid. Refer to Appendix C of these procedures.

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

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

All disposals of land must be agreed in advance with the Secretary of State.

## **7.4 Loan of Assets**

Items of Trust property must not be removed from Trust premises without the authority of the CFO. A record of the loan must be recorded in a loan book and booked back into the

Trust when it is returned.

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

## 7.5 Losses

All losses are reported to the CFO. The CFO informs the police if the loss is a result of burglary or theft. The CFO maintains a record of all losses and insurance monies received and is responsible for reporting all losses to the Finance Committee.

## 7.6 Depreciation

The depreciation rates should apply as follows:

Asset Type	Depreciation Method& Rate	Number of Years
Land	Straight Line – 0.8%	125
Buildings	Straight Line – 2%	50
Motor Vehicles (*)	Straight Line – 20%	5
Fixtures & Fittings	Straight Line – 20%	5
IT & Technical Equipment	Straight Line – 33%	3
HUB Kitchen Equipment	Straight Line – 20%	5

\*(Based on vehicles of under 2 years of age at time of purchase. Depreciation term reduced accordingly for vehicles over 2 years old at time of purchase)

Capitalisation Limit set at £1000 for all assets, except IT & Technical Equipment which is set at £500. Enhancement to buildings (leasehold) is depreciated on the lesser of 20 years or the remaining period of the lease.

## 8. INCOME

The Trustees have overall responsibility for ensuring that all income due to Aspire is properly accounted for.

### 8.1. Public Income

The CFO is responsible for checking as far as possible the accuracy of the allocation of funding from the EFSA and the Local Authority (in accordance with the LA's designated funding agreement)

### 8.2. Non-Grant Income

Receipts are given for all amounts of non-grant income.

### **8.3. Income from Other Schools for Student Placements**

#### **8.3.1. Responsibilities**

The CFO is responsible for ensuring that effective accounting systems are in place in respect of charging of schools and other organisations, for student placements directly with Aspire, or through the Home Tuition Service, as delegated by the Local Authority.

All referrals made by schools must be submitted on the approved referral form, and sent to the Admissions Officer, who will be directly responsible for processing each referral, and making the appropriate appointments with Executive Head Teachers.

The ultimate decision in accepting a referral from a school rests with the relevant Executive Head Teacher.

#### **8.3.2. Issue of Invoices**

The finance officer is responsible for issuing invoices, through FMS, to all schools on a monthly basis. A separate statement in respect of both Student Placement Charges and Home Tuition Student Charges is to be issued to all referring schools during the first week of each month, in respect of charges accrued from the previous month. Schools are to be allowed one week, to review the proposed charges, and to report any concerns and errors directly to the finance officer. After the review period, all invoices are issued to referring schools, and they are allowed 14 days to make payment to the school. All invoices are issued electronically to a nominated point of contact with each school, normally the Finance Officer.

#### **8.3.3. Receipt of Payments**

The Finance Officer is responsible for recording all payments received from Schools on FMS (either directly paid into the Bank or by cheque) where a receipt is automatically generated. (See Section 9.3)

#### **8.3.4. Credit Control Procedures**

The Finance Officer is responsible for reviewing the "Aged Debtor List" on a weekly basis. In order to cover any delays in receiving payments, the following procedures will apply for unpaid invoices:

- 21 days after date of invoice (7 days overdue), a reminder e-mail is issued to the school's designated contact, together with a financial statement (as generated through FMS) detailing all outstanding invoices.
- 30 days after date of invoice (16 days overdue), a phone call is made to the school's designated contact to enquire the reason for non-payment, and to request immediate payment.

- The Aged Debtor List, as produced through FMS, is to be provided to the respective Executive Head Teacher for information purposes at the beginning of each month, as part of the monthly financial reporting procedures to the Executive Head Teacher.
- 60 days after date of invoice. Immediate referral must be made to the relevant Executive Head Teacher, in order to review the continuation of the student placement. A further reminder to pay is to be sent to the Head Teacher of the referring school, in addition to the nominated point of contact.

## **8.4. Income from Other Schools for School Lunches provided by the HUB Kitchen**

### **8.4.1. Responsibilities**

The CFO, supported by the finance officer, is responsible to ensure that effective accounting systems are in place in respect of charging of schools for school lunches provided by the school's subsidiary company "Blueprint Catering Services Limited".

The provision of school lunches to the Primary Schools, are subject to Service Level Agreements signed between the Schools and Blueprint Catering Services Limited, are reviewed annually and agreed before the start of each academic year.

### **8.3.2. Issue of Invoices**

The Finance Officer is responsible for issuing invoices through FMS, to all primary schools receiving school lunches, on a monthly basis. A separate statement is to be included as part of the invoice and is to be issued to all schools during the first week of each month, in respect school lunches provided from the previous month. Schools are allowed 14 days to make payment. All invoices are issued electronically to the Business Manager or Finance Officer at each school.

### **8.4.3. Receipt of Payments**

The Finance Officer, are responsible for recording all payments received from Schools on FMS (either directly paid into the Bank or by cheque), where a receipt is automatically generated. (See Section 9.2)

### **8.4.4. Credit Control Procedures**

The Finance Officer is responsible for reviewing the "Aged Debtor List" on a weekly basis. In order to cover any delays in receiving payments, the following procedures will apply for unpaid invoices:

- 14 days after date of invoice, a reminder e-mail is issued to the school's designated contact, together with a financial statement (as generated through FMS) detailing all outstanding invoices.
- 21 days after date of invoice (7 days overdue), a phone call is made to the school's designated contact to enquire the reason for non-payment, and to request immediate payment.

- The Aged Debtor List, as produced through FMS, is to be provided to the relevant Executive Head Teacher for information purposes at the beginning of each month, as part of the monthly financial reporting procedures to the Executive Head Teacher.
- 30 days after date of invoice. Letter issued to the Head Teacher of the School advising them that they in breach of the Service Level Agreement and requesting immediate payment.

## **8.5 Bad Debts**

Aspire will continue to exercise all legal means in the recovery of monies outstanding to the school, including where appropriate, referral to the school's solicitor for legal advice and instructions to commence legal proceedings.

The CEO is authorised to write-off debts up to the amount of £500. Between £500 and £1000, authorisation of the Finance Committee is required. Debts in excess of £1000 can only be authorised by the Board of Trustees, subject to the debt write-off procedures as detailed in section 3.6 of the ATH and Appendix C of these procedures.

## **8.6. Letting of School Facilities**

All lettings of school equipment and facilities must be in accordance with Aspire's Letting's Policy and the charging rates currently in force as prepared and approved by the Finance Committee and formally approved by Trustees.

The CEO, Executive Head Teachers and CFO will consider all enquiries and the level of costs involved before granting a booking. Letting rates are subject to annual review by the Finance & General Purposes Committee.

All hiring of school equipment and facilities is entered onto FMS and a lettings diary (held by the Head Teacher's PA).

When a letting is provisionally booked the hirer completes a hire form, which is signed to confirm that the hirer accepts Aspires terms and condition for hire. All hirers must have their own public liability insurance and provide a copy of their current certificate at the time of booking.

Invoices for lettings are generated through FMS by the finance officer before the letting has taken place. All payments received in respect of lettings are entered onto FMS, where a receipt is automatically produced. (See Section 9.2)

## **8.7 Fund raising events**

Aspire may retain all income from fund-raising activities.

It is the responsibility of the event organiser to control income prior to the monies being handed to the finance office. All income is to be banked by the finance officer.

## **8.8. School trips**

When planning any excursion, the consent of the relevant Executive Head Teacher must be obtained before any commitment is made to pupils, parents or third parties. Overnight trips or trips of a hazardous nature must be authorised by the Board of Trustees, and have the appropriate travel insurance arrangements in place prior to the date of travel.

Where charges are made, all monies received for excursions are to be paid to the finance office. The finance team is responsible for keeping adequate records of income and expenditure. All income is to be banked by the finance officer.

All expenditure in connection with excursions is subject to the same procedures as other expenditure.

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## **9 BANKING AND CASH MANAGEMENT**

### **9.1 Bank Accounts**

The opening of all bank accounts should be authorised by the Board of Trustees. The approved Scheme of Delegated Financial Authority (Appendix 1) sets out the signatory authorities operating on the Trust bank accounts.

### **9.2 Deposits**

The main sources of income for the Trust are the grants from the EFSA and from the Local Authority. The receipt of these sums in the Trust bank accounts is to be monitored directly by the CFO, who is responsible for ensuring that all grants due to the Trust are collected on a timely basis.

All cash receipts for whatever reason should be paid directly into the relevant Trust bank account. Particulars of any cash deposits must be entered into the FMS and details should include, the amount of the deposit, a reference, such as the number of the receipt or the name of the debtor

### **9.3 Payments and Withdrawals**

All cheques and BACs payments, Direct Debits and other instruments including bank purchase cards authorising withdrawal from Trust bank accounts must be approved in accordance with the Agreed Scheme of Delegated Financial Authority (Appendix 1)

The majority of payments to suppliers are to be made via BACS through the Lloyds Bank Commercial Online Banking system. Exceptionally, where a payment is urgent, it can be made via the "Faster Payment" system, but this method will attract additional bank charges.

All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the authorised signatories as detailed in Appendix 1.

### **9.4 Commercial Online Banking**

The Commercial Online Banking Facility is set up to prevent any single authorised individual to be able to act on their own, in respect of authorising any payments including transfers between accounts. BACS payments (including Faster Payments), including the setting up of new beneficiaries, that are input by Finance Officers can only be authorised by the CFO. Finance Assistants are not permitted to authorise payments or transactions input by the Finance Officer. Payments input by the CFO can only be authorised by the CEO or Executive Head Teacher.

### **9.5 Administration**

The finance officer must ensure that weekly reconciliations take place between the Trust Bank Accounts (via Commercial Online Banking) and FMS, particularly to support credit control procedures listed under Sections 8.3 and 8.4.

Printed Bank Statements are produced at the end of each month on all Trust Bank Accounts, and upon receipt, details of the Bank Statements are to be recorded on FMS, and full reconciliation is to take place.

Reconciliations may be undertaken by the Finance Officer, but will be subject to an independent review by the CFO.

Any errors or adjustments identified through the reconciliation process are to be dealt with promptly.

## **9.6 Investments**

Investments must be made only in accordance with written procedures approved by the Board of Trustees. All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## Appendix 1    Aspire Schools' scheme of Delegation

	<b>CEO/EXEC HEAD TEACHER</b>	<b>CFO/HR Manager</b>	<b>FINANCE OFFICER</b>
<b><i>PURCHASING</i></b>			
Inputs Purchase Order on FMS			Finance Officer Finance Assistant
Authorises Purchase Order on FMS	CEO/Exec Head Teacher (above £5K)	CFO (below £5K)	Finance Officer (below £300 provided that order has previously been authorised as below)
Authorising signature on paper copy of order	CEO/Exec Head Teacher	CFO	Heads of Subject/Department Vocational Coordinator
Signs delivery note to confirm receipt of goods			Receptionist or Clerical Officer at BP, CSEC & TWG  Head Chef of HUB Kitchen or Cook at other sites
Signs invoice to confirm payment		CFO	Finance Officer
Inputs invoice on FMS			Finance Officer
Authorises invoice on FMS		Business Managers	Finance Officer
<b><i>CONTRACTS</i></b>			
Ensuring Standing Orders Relating to Contracts is followed		CFO	
Authorised to obtain quotes and analyse quotes		CFO	
Authorised to sign contracts	CEO/Exec Head Teacher		
Authorised to manage contracts		CFO	
<b><i>PETTY CASH</i></b>			
Authorises spend from Petty Cash		CFO	Admin Team on site
Signs petty cash vouchers when payments received			Receiving Employee

	<b>CEO/EXEC HEAD TEACHER</b>	<b>CFO/HR Manager</b>	<b>FINANCE OFFICER</b>
Reconciles account each month and completes reimbursement claim			Finance Assistant
Authorises reimbursement claim		CFO	
<b>PAYROLL</b>			
Inputs new starters onto SIMS		HR Manager	
Inputs new starters, terminations & variations via e-forms to Payroll Provider		CFO/HR Manager	
Authorising signature on teaching staff salary notification forms	CEO/Executive Head Teacher		
Authorising signature on non teaching staff variation to contract/ new starter forms	CEO/Executive Head Teacher		
Monthly submission to Payroll Provider of the staff deductions made through Child Care Voucher Scheme			Finance Officer
Monthly approval of payments to Computershare Voucher Services in respect of the Childcare Voucher Scheme			Finance Officer
Checks monthly payroll print against staff details and signs and dates		CFO	
Carries out independent check of payroll print	CEO/Exec Head Teacher		
Authorising signature on supply claim forms	CEO/Exec Head Teacher/Head of School	CFO	
Authorising signature on overtime claim forms	CEO/Exec Head Teacher	CFO	
Inputs e-claim forms onto system		CFO	Finance Officer or Finance Assistant
Authorises e-claim forms on system		CFO	Finance Officer

	<b>CEO/EXEC HEAD TEACHER</b>	<b>CFO/HR Manager</b>	<b>FINANCE OFFICER</b>
<b><i>ASSET REGISTER</i></b>			
Ensures asset register is up to date with new items			IT Manager
Ensures annual stock check is undertaken and signed and dated by appropriate staff		CFO	
Amends inventory with any changes from stock check			IT Manager
Signs off disposals	CEO/Exec Head Teacher		
<b><i>LETTINGS</i></b>			
Maintains lettings diary			Head Teacher's PA
Obtains signed hire agreement and copy of Insurance documents			Finance Officer
Authorising signature on hire agreement for lettings		CFO	
Raises lettings invoices on FMS			Finance Officer
Signs invoice to indicate correct dates and amount		CFO	
Inputs income receipt on FMS			Finance Officer
Authorising signature on invoice receipt		CFO	
<b><i>INCOME COLLECTION-STUDENT BASED</i></b>			
Calculates Student based income monthly and issues invoices to schools		CFO	Finance Officer
Informs Schools & LA of level of charges		CFO	
Obtains evidence of entitlement for children receiving Pupil Premium via DfE Secure Access Portal		CFO	

	<b>CEO/EXEC HEAD TEACHER</b>	<b>CFO/HR Manager</b>	<b>FINANCE OFFICER</b>
Details of entitlement to Pupil Premium entered on Aspire's Charging Database and SIMS			Data Manager/Data Admin
Raises invoices on FMS			Finance Officer
Reconciles payments received on FMS		CFO	Finance Officer
Carries out termly independent check of student based income	CEO/Exec Head Teacher		
<b><i>INCOME COLLECTION- HUB KITCHEN</i></b>			
HUB spreadsheet updated with actual meals on a daily basis and submitted to Business Manager monthly			Head Chef
Calculates income monthly and issues invoices to schools			Finance Officer
Informs Schools of level of charges		CFO	
Raises invoices on FMS			Finance Officer
Reconciles payments received on FMS			Finance Officer
Carries out termly independent check of HUB Kitchen based income	CEO/Exec Head Teacher	CFO	
<b><i>BANK RECONCILIATIONS</i></b>			
Daily check of Online Banking and records any transactions on FMS			Finance Officer
Weekly reconciliation of Bank Accounts with FMS		Business Managers	Finance Officer
Monthly reconciliation of Bank Accounts following receipt of Bank Statements with FMS		CFO	
<b><i>CATERING</i></b>			

	<b>CEO/EXEC HEAD TEACHER</b>	<b>CFO/HR Manager</b>	<b>FINANCE OFFICER</b>
Places food orders over telephone			Head Chef (BP) Cook (CSEC, SN & TWG)
Checks and signs invoice/delivery note to confirm receipt of goods			Head Chef or Catering Staff (BP) Cook (CSEC, SN & TWG)
Maintains stock inventory and records new stock when delivered			Head Chef or Catering Staff (BP) Cook (CSEC, SN & TWG)
Carries out independent annual stock check and signs and dates inventory		CFO	
Amends inventory with any changes from stock check			Head Chef (BP)
Signs off asset disposals	CEO/Exec Head Teacher		
<b>PURCHASING CARDS</b>			
Approved requisition	CEO /Exec Head Teacher	CFO	Heads of Subject/Department Vocational Coordinator
Order over £300 sanctioned in advance by:	CEO/Exec Head Teacher	CFO	
Authorised purchasing card holder places order with supplier (on line, phone, in person)		CFO	Finance Officer Chef (TWG) Head of Catering Strive Coordinator
Purchasing Card records updated and purchases added to FMS (as part of monthly reconciliation to Charge Card Statements)		CFO (to update own transactions)	Finance Assistant (to update transactions for those listed above, except:) Finance Officer (To update own transactions)
Approval of Purchasing Card Transactions	CEO/Exec Head Teacher (to authorise transactions of CFO)	CFO (to authorise transactions for Finance Officer)	Finance Officer (to authorise transactions for those users listed above)

## Appendix 2 Bank Account Signing Arrangements

### Signing Arrangement to apply to all 3 Bank Accounts

- (1) Aspire Schools – Main Bank Account
- (2) Aspire Schools – Teaching School Account
- (3) Blueprint Catering Services Limited

List of Authorised Signatories	<p style="text-align: center;">CEO Executive Head Teacher CFO Finance Officer</p>
Bank Mandate (Signing Arrangements)	<p style="text-align: center;">All Cheques and other payments (including Standing Orders and Direct Debits must be signed or agreed by 2 signatories)</p> <p style="text-align: center;">The Finance Officer must get all cheques and payments countersigned by the CEO, CFO or the Executive Head Teacher</p> <p style="text-align: center;">Above £10,000, all cheques or payments must be signed by the CFO and countersigned by the CEO</p>
List of Authorised staff registered for Online Banking	<p style="text-align: center;">CEO CFO Finance Officer Finance Assistant</p> <p>All Finance staff are authorised to view Bank Statements and information to support the reconciliation processes with FMS</p>
Processing of BACS payments, Faster payments and CHAPS payments via Lloyds Bank Commercial Online Banking	<p>BACS Run Reports (produced through FMS) for payment to suppliers must be signed by the Finance Officer, and countersigned the CFO, before payments processed through On Line Banking.</p> <p>For individual payments up to £15,000, payments can be input by the Finance Officer and authorised by the CFO. Individual payments less than £15,000 can be input by the CFO, but will require authorisation by the CEO.</p> <p>For individual payments above £15,000, the Finance Officer can input the payment, and must be authorised the CFO and CEO. Individual payments above £15,000 can be input by the CFO, but will require authorisation by the CEO</p>
Transfers between Accounts	<p>All transfers between accounts should be made via Online Banking.</p> <p style="text-align: center;">Transfers should be input by the Finance Officer, and authorised by the CFO.</p>
Encashment of Petty Cash	<p>Petty Cash encashments must be made at Lloyds Bank by any authorised signatory as listed above.</p>

<p>Payments in favour of an authorised signatory</p>	<p>In the event of a payment being made to directly to a signatory, this person cannot authorise a payment to themselves, or be involved in the on line banking payment process.</p>
<p>Lloyds Bank Charge Card Authorised Card Holders</p>	<p style="text-align: center;"><b>Aspire Schools</b></p> <p style="text-align: center;">CFO Finance Officer (TWG/BP) Finance Assistant (BP) Cook (TWG) Head of Catering Strive Coordinator (CSEC)</p>

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## **Appendix C: Schedule of Freedoms and Delegations**

This annex is taken directly from the ATH and provides guidance to when ESFA agreement is required for specific financial payments and arrangements. The section numbers below, refer to the relevant sections of the ATH, and not to directly to this document.

Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required <a href="#">[5.5]</a>
Special payments	Staff severance and compensation	ESFA agreement required if £50,000 or more before tax <a href="#">[5.6 to 5.12]</a>
	Ex gratia payments	ESFA agreement required <a href="#">[5.17 &amp; 5.18]</a>
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds: <ul style="list-style-type: none"> <li>▪ 1% of annual income or £45,000 individually; or</li> <li>▪ 2.5% or 5% of annual income cumulatively <a href="#">[5.20]</a></li> </ul>
	Entering into guarantees, indemnities or letters of comfort	
Acquisition and disposal of fixed assets	Acquiring freehold land/buildings	ESFA agreement required <a href="#">[5.23]</a>
	Disposing of a freehold on land/buildings	ESFA agreement required <a href="#">[5.24]</a>
	Disposing of heritage assets	ESFA agreement required <a href="#">[5.24]</a>
Leasing	Taking up a finance lease	ESFA agreement required <a href="#">[5.25]</a>
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more <a href="#">[5.33 &amp; 5.34]</a>
	Taking up any other lease	Trust has full discretion <a href="#">[5.26]</a>
	Granting a lease on land and buildings	ESFA agreement required <a href="#">[5.26]</a>
GAG	GAG carry forward	No limits if trust eligible <a href="#">[5.29]</a>
	Pooling by MATs	No limits (except PFI) if trust eligible <a href="#">[5.30]</a>
Borrowing	Bank or sponsor loan, overdraft	ESFA agreement required <a href="#">[5.33]</a>
	Credit cards (for business use)	Trust has full discretion provided charges not incurred <a href="#">[5.33 &amp; 5.34]</a>
Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000 and over associated limits in <a href="#">5.42</a> .