



KALEIDOSCOPE
Multi Academy Trust

Finance Policy

Who is responsible:	CFO
Statutory policy?	Yes
Review timescale:	Annually
Created on:	January 2018
Latest update:	May 2021

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Kaleidoscope Multi-Academy Trust started on 1/9/2017.

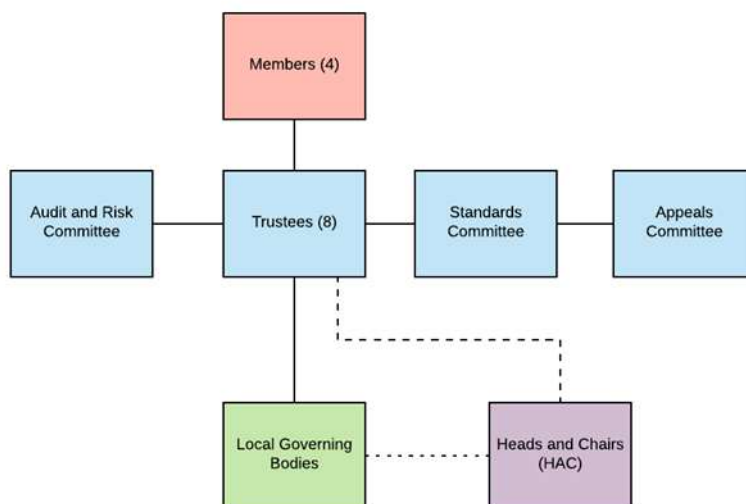
It comprises of Ashcombe, Becket, Christ Church CEVA, Crockerne C of E, Hutton C of E, St Martin's C of E and Worle Village Primary Schools.

Kaleidoscope Multi-Academy Trust operates on an 'earned autonomy' model. This means that individual schools maintain control of many elements of strategic and operational functions. This state continues as long as each school meets the MAT's RAG Rating system. If a school fails to meet these requirements (e.g. maintaining standards, safeguarding and financial stability) then the 'earned autonomy' state will transfer to centralised control until the school meets the RAG Rating requirements. If Kaleidoscope acts as a sponsor for a school (either a new school joining the MAT or an existing school within the MAT) then the centralised system will operate until that school no longer requires sponsorship.

Although schools operate on the 'earned autonomy' model, all schools work together towards a common vision and aims. Many policies are centralised and financial management will be monitored and overseen by the CEO, CFO and Central Finance Team with reports made regularly to the Board of Trustees.

This Finance Policy has been produced in order for the school's financial controls to be aligned with statutory and regulatory guidance for Academies, issued by the Education & Skills Funding Agency (ESFA) through the Academies Financial Handbook (AFH), Charity Law and the Funding Agreement (FA).

1 ORGANISATION



1.1 Trustees of the Multi Academy Trust (the Trust)

Trustees (Directors) are responsible for ensuring the Trust's funds are used in accordance with the law, the Trustees' powers under the Funding Arrangements and the AFH. The Board of Directors (the Board) must appoint the Accounting Officer, who will normally be the Chief Executive Officer.

The members of the board of Trustees should also be aware of the statutory duties of company directors, as set out in the Companies Act.

A register of the business interests of each governor and all members of staff is held by the Clerk to the Board and is available for inspection at each meeting. It is the responsibility of each governor and member of staff with significant financial responsibility to declare any business interests they have which require inclusion in the register. Any Trustee, governor or member of staff who has an interest in a business tendering for a contract, will not form part of the decision making process for that contract. No governor or member of staff involved in awarding, managing and supervising a contract will accept gifts or hospitality from current or potential suppliers.

1.2 Audit and Risk Committee

The terms of reference of the Audit and Risk Committee are laid out in the document entitled 'Governance Framework'. The committee, which is comprised of Trustees, will sit at least 3 times per year and its role is to:

- Review and recommend action concerning the Trust's risks – via the Risk Register
- Review and recommend any action required as a result of the annual External Audit recommendations
- Review and recommend any action required as a result of Internal Audit recommendations

- Maintain the stability of the Trust's financial position by monitoring cash flow and ensuring the effectiveness of financial controls, including
 - Review and recommend to the Board the 3 year budget strategy
 - Monitor the Trust's performance against budget and alert the Board to any significant variances
 - Keep the bank mandate and banking provision under review
 - Review and recommend treasury management policy to the Board
 - Develop the Trust's strategies for procurement and value for money
 - Develop and recommend to the Board, the Trust's strategy for the management of assets (including cash)
 - Oversee the Trust's annual investments programme

1.3 Chief Executive Officer (CEO)

The CEO is:

- Responsible to the Board for the financial management of the Trust;
- The Trusts Accounting Officer.

1.4 Academy Headteacher

The Headteacher is responsible:

- For the creating a budget which meets the strategic (short and long term) and operational needs to the school, in conjunction with the CFO.
- For ensuring that the school finances are well managed and solvent.
- For the management of effective systems of internal control within his/her school as set out in the Academies Financial Handbook and the Kaleidoscope Financial Policy.
- For ensuring all Kaleidoscope expectations and requirements are followed and met.

1.5 Trust Board

The Trust Board is responsible for:

- Financial planning, including:
 - the scheme of delegation of financial authority;
 - the value and use of the 'top slice';
 - the engagement of joint traded services partners
- Review and setting the consolidated Trust 3 year budget
- Monitor the annual detailed budget and recommending action required to ensure actual spend is maintained within budget parameters

1.6 Local Governing Body

Each school's governing body has responsibility to:

- Consider the school's indicative funding, notified annually by the Education & Skills Funding Agency (ESFA) and to assess its implications for the school, in consultation with the schools Business Manager/Bursar, in advance of the financial year. They need to notify the CFO of any matters of concern.
- Recommend to the Board of Trustees an annual budget in line with the Kaleidoscope Budget Guidelines, prior to the start of each financial year in line with the annual timeline. The budget must meet the development priorities detailed within the School Development/Improvement Plan and include short and longer term planning (3 years).
- Monitor the school's income and expenditure throughout the year, with reference to the agreed budget including reviewing significant variances.
- Hold the Headteacher to account on how financial resources are purchased, including approving items of expenditure or contracts outside of the limits of the Headteacher and within the limits of the Local Governing Bodies as set out in this policy.

1.7 Chief Finance Officer (CFO)

They are responsible for:

- providing information and advice on all financial related issues
- liaising with Members, Trustees, staff, ESFA, auditors, other bodies and organisations as and when necessary in all areas concerning financial management
- preparing reports and attending meetings of the Trustees Board and Audit and Risk Committee and providing financial management information to them so that they can monitor income and expenditure on a regular basis throughout the year
- providing financial management information to the CEO / Chair of the Trust Board in order to assist them to monitor the MATs performance and improve the decision making and planning process
- providing financial management information to the Headteacher in order to assist them to monitor their school's performance and improve the decision making process
- working with the CEO to plan the MAT budget (top slice)– ensuring that it meets all requirements and provides centralised services as set out by the Trustees
- checking and agreeing budgets with each school's Headteacher and Business Manager/Bursar before they are submitted to the Board of Trustees
- ensuring compliance with AFH, ESFA regulations and statutory requirements
- reviewing and developing, as necessary, the school's finance policy, as necessary to comply with changes to the AFH
- ensuring that the school's staff payroll is implemented within statutory regulations
- ensuring that all financial transactions are in accordance with statutory regulations
- ensuring that all financial staff have the necessary qualifications and training to undertake their respective tasks
- the line management of the MAT Finance Team
- overseeing compliance to the Trust Finance Policy
- acting as the point of contact with the Trust's appointed internal and external auditors
- ensuring that the pension arrangements are implemented in line with national regulations (both teaching and non-teaching)

1.8 Central Finance Team

The CFT are responsible for:

- Completing the Trust's payroll and pensions administration returns, with support from the CFO
- Providing support to finance staff across the Trust
- Providing the CEO and CFO with regular financial updates and alerting them to any concerns
- ensuring compliance with AFH
- managing the smooth running of the Trust financial systems – accounting, budgeting, HR and payroll, liaising with the system providers as required
- investigating, recommending and implementing changes to the financial systems and procedures, to improve financial performance and satisfy value for money criteria
- overseeing purchasing and ensuring that it is compliant with the Finance Policy and following agreed procedures – communicating and supporting where errors or incorrect operation occurs
 - reconciling Trust bank statements and assisting the CFO with managing Trust cash flow
 - managing the Trust bank account including timely payment of invoices through appropriate methods e.g. BACs, cheques, card payments
 - completing Trust VAT returns
 - processing all official order requests relating to the Central Team
 - processing all invoices relating to the above
 - processing requests for payments and raising cheques for authorisation as required

- providing advice and support to budget holders on best value for money and producing financial management information
- maintaining the Kaleidoscope website
- working with the school Bursars in all aspects of payroll and staff contract management
- liaising with our assigned Data Protection Officer (DPO) provided by SSE in relation to compliance with GDPR.

1.9 School Business Manager/Bursar

The Business Manager/Bursar is responsible for:

- Working with the Headteacher and CFO to set a prudent budget in line with the Budget Guidelines which meets the schools needs and plans for the longer term (3 years)
- Monitoring the school's financial position during the year
- Providing the Headteacher, Local Governing Body and CFO with regular financial updates and reports, alerting them to any concerns
- Managing the local finance staff
- Overseeing compliance to the Trust Finance Policy in their school
- Assisting with the operation and maintenance of budget, finance and payroll systems – ensuring all information is up to date and accurate
- ensuring all financial tasks are completed according to the agreed reporting schedule
- maintaining the school inventory
- ensuring compliance with the Academies Financial Handbook AFH
- ensuring purchasing is compliant with the AFH and the MAT's Finance Policy and MAT procedures/timelines
- being point of contact for the school for the Trust's internal and external financial auditors
- Preparation and checking of invoices, inputting onto ACCESS where it will be sent electronically to the MAT Finance Team for payment.

2 FINANCIAL PLANNING AND MONITORING

2.1 School Finance Meetings

Each Head teacher will meet with the Chief Finance Officer at least three times a year to review the school's budget and monitor expenditure. This may be delegated by the Headteacher to the Business Manager where one is in place.

The Audit and Risk Committee will sit at least 3 times a year to review the Trust's consolidated financial position and individual school' financial performance as and when required.

2.2 Budget

Each school's Headteacher/School Business Manager/Bursar is responsible for the preparation and setting of the annual budget, in conjunction with the Chief Finance Officer.

Headteacher/Business Manager/Bursar and CFO agree a draft budget in Terms 5 / 6 (by the end of June) annually.

Each school's Local Governing Body will scrutinise and challenge this draft budget during this period.

The CFO will agree a draft budget for the Kaleidoscope Central Team, including shared services, with the CEO and members of the Trustee Board by the end of June annually.

An amended draft of each school budget and the Kaleidoscope Central Budget will be reviewed and the final consolidated version approved by the Board in Term 6 (early July) annually.

Budgets will be submitted to the ESFA by the required deadline (usually end of July) by the CFO following statutory deadlines.

2.3 Monitoring at School Level

The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lies with School Business Managers/Bursars, who will issue a termly report to the Headteacher. The CFO will report to the Trust Board and monthly to the CEO / Chair of Trustees.

2.4 Audit

The Trust must produce fully audited company accounts as at the 31 August each year. The Board must appoint a Statutory Auditor, which is registered under the requirements of the Companies Act, to conduct an audit in line with Company Accounts requirements, SORP for charities and certify the accounts are “true and fair”. The Trust will publish the previous years audited accounts on the Kaleidoscope website by 31st January. Final accounts must be published in accordance with current regulations and ESFA guidelines.

Interim audit reviews of financial and procedural matters are carried out by an Internal Auditor, according to the schedule agreed each year by the Trust’s Audit and Risk Committee.

2.5 Reporting

The following reports will be produced by the school based Business Manager or where one is not in place, the central finance office:

- Management accounts every term, with forecasted year end outturn in Term 4.
- Governors Report in readiness for meetings.
- Year End Reports as required.

3 FINANCIAL ADMINISTRATION

3.1 Accounting Systems

Kaleidoscope Multi-Academy Trust uses the ACCESS Finance system.

Access to the ACCESS systems is restricted to the CFO, CEO and Kaleidoscope Finance Team. Reduced (restricted) access is granted to individual school finance teams and Headteachers. (Individual schools can only view or access their own budgets).

3.2 Accounting Records

Only authorised staff are permitted access to the accounting records which are securely retained when not in use.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink and initialled by an authorised person. The use of correcting fluid or the erasure of information is not permissible.

All accounting records including invoices, order forms, bank statements, etc. are retained in hard copy for six years, plus the current year, in a secure area.

3.3 End of Year Financial Schedules

Year-end schedules are used to ensure that income and expenditure are recorded in the financial year to which they relate (when goods or services are received / provided).

Types of schedules include:

- Creditors – For goods or services received by 31st August but not paid by this date e.g. gas bills

- Debtors – For goods or services provided by 31st August but income is not received by this date e.g. settlement of invoice
- Payments in advance – Payments made by 31st August for goods and services received after 1st September
- Receipts in advance – Income received by 31st August for goods or services to be provided after 1st September e.g. lettings income received in advance.

Without year end schedules the following risks may occur:

- Balance at year end could be over or understated
- Use of historical spend to set budgets could be flawed
- Financial decisions based on inaccurate assessment of the schools financial position

School Finance Teams will:

- Prepare schedules by gathering information and collating evidence from financial management system and budget holders.
- Business Manager/Bursar considers schedules and evidence, raising queries where necessary, passing them onto the Headteacher for authorisation
- Authorised financial schedules to be submitted to CFO with evidence.
- Monitor actual spend against budget schedule by reconciling dates processed with actual values.
- Actual spend against budget schedule will be submitted to the CFO for sign off during final preparation of account annually.

The Trust Finance team will:

- Assess the total value and number of transactions on year end schedules are reasonable compared to historic trends
- Review evidence provided for individual transactions and ensure they are reasonable and in line with expectations
- Review items marked as repeated from the previous year and check whether they should stay or carry forward
- Review specific transactions and coding, spot checking evidence and that they are accurate.
- Check that in the Autumn Term, scheduled items are reversed out to the correct codes.

3.4 Virements

Virement is the process used for transferring an agreed financial value from one cost centre budget to another. **These are recorded in the system as Journals – see section 3.5.**

Virements are subject to authorisation (see Authority Level section for levels of authority).

The following rules also apply

1. No virements for restricted funds may be carried out.
2. Any commitment arising as a consequence must be identified and contained within the resources available to the school in subsequent years.
3. Any increased expenditure planned on any budget heading will not lead to an overall budgetary deficit.
4. CONTINGENCY – Funds set aside as a contingency at the final budget setting stage must be authorised by the CFO.

Autonomy: The autonomy to raise and process virements is based upon individual schools maintaining a surplus and on the Board of Trustees confidence in the individual school's financial competence (based upon the RAG Rating system).

Virements	Designated Authorisation
Virements – New or additional income	Any new or additional income received (with the exception of donations made in excess of £10k) should be vired to the appropriate income code.
Up to £500	Business Manager/Bursar
Up to £5000	Headteacher
Up to £10000	Local Governing Body
Up to £50000	CFO and CEO
Over £50000	Requests submitted to the CFO who will take the request to the Board of Trustees

Virements	Designated Authorisation
Virements – Movement of budget allocation	The following limits apply for virements undertaken from one budget to another budget, the limit applies provided it is evident that this will not result in an overspend in the area from which it is vired or will impact on the overall budget.
No Limit	Business Manager/Bursar, Headteacher (CFO, CEO for the Trust)
Donations received in excess of £10000 without a clear statement from the donor as to how the funds are allocated.	Local Governing Body (The Board of Trustees for the Trust)
Reporting	All virements to be recorded with details on the termly monitoring report and where Trustees approval is required recorded within the appropriate meeting minutes.

3.5 Journals

The purpose of a journal is to move expenditure and income between:

- Funds (where the money has come from)
- Cost Centres (where internally the money has been spent)
- Nominals/ledger codes (what it has been spent on)

Journals are subject to authorisation (see authority level section for levels of authority)

The reasons for journals are:

- To correct miscoding e.g. wrong ledger or expenditure code used.
- Apportionments e.g. a proportion of a salary to a separate cost centre.
- Internal trading activities e.g. reprographic charges to budget holders.

The school procedures for journals are as follows:

- Delegation limits for journals agreed by the Trust Board.
- Completed journal print out must be signed by the appropriate post holder with the appropriate level of authority and retained.

Journals		
Journals to be authorised for the following.		
a) Correction to coding for any expenditure/income which has been incorrectly allocated. b) Salary payments c) Control account allocation e.g. bank reconciliations and payroll control accounts. Copies of all journals to be submitted to the Kaleidoscope Finance Assistant with the end of month report. d) Internal trading activities e.g. cross budget recharge.		
Journals detailed above	Business Manager/Bursar up to £500	
All journals up to £5000 require authorisation from the Headteacher.	Individual journals between £5000 - £10000 to be reported to the FO / CFO	Individual journals over £10000 reported to the CFO and CEO

4 PURCHASING

4.1 General

The Trust must ensure that spending decisions represent value for money and are justified as such. An important value for money consideration is also the cost of the internal effort involved in managing the purchasing process. Significant service contracts will demand a major effort in terms of preparing specifications, drafting contracts and evaluating tenders. This effort can be greatly increased where OJEU considerations apply. Therefore, in the interests of managing the Trust's own effort and costs, it is good practice to use multi-year contracts wherever the service requirement is enduring. There are also potential advantages whereby the supplier would be prepared to invest in order to make the service provision more efficient, if guaranteed a long-term contract. It is not possible to provide universal guidance on what would constitute an optimum period of contract. For example, market conditions can change and, during the latter period of the contract, the Trust may feel that it is paying more than necessary or conversely the supplier may feel it is no longer able to cover his costs. Neither situation is comfortable; hence, where the market is more subject to change, the period should be shorter than for more stable situations. The precise period should be agreed with the CFO as early as possible. A practical default position for large, high value contracts such as cleaning, catering and grounds maintenance is to aim for a 3 year contract with priced options to extend to 5.

A large proportion of the Trust's purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of The Trust;
- **Accountability**, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

4.2 Routine Purchasing

Budget holders will be informed of the budget available to them at the beginning of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A monthly print-out detailing actual expenditure against budget will be supplied to the Headteacher and Budget Holders

(where applicable). Budget holders are encouraged to check their budgets on a regular basis to ensure that spending is kept within the budget limits.

4.3 Purchasing Authority

No expenditure should be incurred or commitment entered into without formal delegated authority. A list of delegated authorities (Scheme of Delegation) will be issued annually, once agreed by the Board of Trustees.

Internal Purchase Orders must always be signed by the budget holder and countersigned at the appropriate level, according to the purchasing authority levels. (See authority section for levels of authority).

No service/provision of contract of duration of more than 1 year can be entered into without authorisation in writing from the CFO, no matter what the value of the contract.

Where the contract is for an enduring service valued above £30k per year, the CFOs authorisation is necessary if it is not planned to use a multi-year contract.

All Purchase Orders must be priced before submission for authorisation, unless exceptional circumstances prevail in which case an explanation will be required and a best estimate given. Purchase Orders must be submitted with all quotations received and retained together.

Once properly authorised, all internal Purchase Orders must be submitted to the relevant finance staff, who will use the official order.

The official Order Number must always be quoted.

All goods received must be checked against the Order Form and any missing or faulty goods must be reported to the supplier, who should either re-supply the goods, offer a Credit Note or a refund.

If any goods ordered on an official Order Form are returned, a notification should be sent to the relevant finance staff, so that the commitment can be cancelled.

Staff are not permitted to obtain goods/services for personal use.

4.4 Borrowing including Leases

In line with the Funding Agreement, academy trusts must seek ESFA's approval before borrowing, including finance leases and overdraft facilities.

Reference should be made to the Academies Financial Handbook.

No overdraft, lease or purchase agreements should be entered into without the agreement of the CFO who will report such agreements to the Trustees.

4.5 Expenditure and Authorisation Limits

Schools must be able to demonstrate separation of duties.

Expenditure	School	Trust Budget
<p>Planned expenditure – Internal Order Requisitions No expenditure (incurred or committed) should be entered into without formal delegated authority. All Internal Order Forms raised for day to day expenditure within agreed budget levels to be signed by the budget holder and countersigned at the appropriate level, according to the following purchasing authority levels.</p>		
Up to £500	Business Manager/Bursar	Finance Officer
Up to £10000	Headteacher – countersigns.	CFO or CEO countersigns.
£10,000 to £24,999 for purchase/contracts that have been specifically identified in the budget agreed with the Trust Board	Headteacher and CFO	CFO and CEO
£10,000 to £24,999 for purchases/contracts that have not been specifically identified in the budget agreed with the Board of Trustees.	Pre-approval of CFO and CEO	
ALL orders and contracts valued between £25,000 and £49,999	CFO and CEO	
All orders and contracts valued over £50,000	CFO and CEO, with minuted approval from the Board of Trustees following the completion of a tendering process.	
<p>Note: The above expenditure authorisation limit does not apply to Payroll – see Section 11 below.</p>	<p>Payroll routines and checks have been established between the payroll provider and the Central KMAT team. They have been audited for accuracy and probity. The CFO authorises the monthly payroll BACS payments to staff (or FO in the CFO's absence), HMRC and pension providers. The CFO oversees this process and carries out periodic checks for accuracy.</p>	

4.6 Petty Cash

No petty cash will be held by the school. All claims for reimbursement/expenses will be paid through the BACs system.

The School Business Manager/Bursar/Budget Holder (where relevant) must authorise expenditure before the purchase of any goods/services unless exceptional circumstances make this impossible. A Purchase Order must be created for all purchases.

A valid VAT receipt should be attached to the claim form and signed by the school Business Manager/Bursar/Headteacher – following authorisation limits. See 4.5

The relevant budget holder must authorise expenditure before the purchase of any goods/services, unless exceptional circumstances deem this impossible.

Note:

Although no petty cash will be held at school, schools do take in cash for charity and fundraising days.

In these circumstances, the following procedures will apply:

- All cash will be locked away as soon as possible e.g. overnight in a safe
- Cash received will be counted and then checked by a second responsible person e.g. member of the SLT
- Cash will be paid into the bank as soon as possible. It is recommended that for amounts over £100, two people go to the bank to deposit the money.
- All cash should be paid into the Kaleidoscope central bank account, unless the money raised is specifically for the 'Parent Teacher Association' (or equivalent), where the money is not a KMAT asset, and it is therefore paid into the PTA bank account
- A charity/ fundraising form will be completed and sent to the MAT office to notify the office to enable easy bank reconciliation (KMAT bank account only)

4.7 Procurement Requirements

Value of Procurement Requirements

Anticipated value of goods services and contract sum. (individual order, annual service and annual contract)	Minimum no. of quotes. Trustees / school staff must make best efforts to secure probity and value for money.
£1 - £4,999	For items in excess of £1k, it is suggested to receive and retain 3 written quotes on file. If 3 quotes are not available, a reason must be recorded on the Internal Order Form and signed by the school's Business Manager/Bursar and Headteacher.
£5,000 - £9,999	For items in excess of £5k, obtain and retain 3 written quotes on file. If 3 quotes aren't available, this must be reported to the CFO on the Internal Supplier Form and signed by the school's Business Manager/Bursar and Headteacher.

£10,000 - £49,999	Minimum 3 quotes – best value offer. Under the ‘Restricted Tender Arrangements’ at least 3 competitive quotations should be invited from suitable suppliers and evidence retained on file. If 3 quotes are not available, a reason must be recorded on the Internal Order Form and written approval obtained from the CFO and obtained with the Order Form. The CFO will report this retrospectively to the Trustees.
Above £50,000	Formal tendering procedure including advertising on OJEU if over European Union limits/use framework agreement. The work must be tendered in accordance with the School Tender Procedures and protocols published in the School Financial Manual and with reference to EU Procurement Thresholds (Current latest EU Procurement Threshold value).

The above limits apply to the estimated aggregated total value of any contract whether the work falls in one financial year or is an enduring multi-year contract.

Should the selection of the “lowest acceptable offer” prove to be difficult, or in any way contentious, the matter should be referred to the CFO.

The school will accept the lowest tender or quotation in all purchasing decisions unless.

- 1) After following the procedures there is evidence that the lowest priced supplier cannot perform to specification.
- 2) A decision has been taken to judge quality and price together before prospective suppliers have been sought.
- 3) A specialist provider is required e.g. asbestos removal would be undertaken by the contractor linked to annual service contract and current asbestos risk management.
- 4) Information is received questioning the reputation of the supplier.

Where a formal tendering procedure is used (>£50k), all tenders must be opened at the same time, in the presence of the Headteacher / CFO and a member of the Audit and Risk Committee.

Where a single supplier is successful at winning a number of different procurement contracts leading to a total in-year value exceeding £50K the CFO should be made aware and consideration given to bringing additional scrutiny to any future procurement activity involving the same supplier.

A list of all suppliers of goods and services with invoices totalling in excess of £50,000 (in any one financial year) shall be reported annually to the Audit and Risk Committee.

4.8 Leases

No Lease/Purchase agreements will be entered into without the prior approval of the CFO who will report all such agreements to the Audit and Risk Committee.

4.9 Payment of Invoices

The School Business Manager/Bursar will check the accuracy of each invoice and ensure that it meets current statutory requirements, before authorisation – see Authorisation levels 4.5.

Invoices must only be paid if accompanied by a Purchase Order approved at the appropriate level.

All cheques/ BACs payments must have a minimum of two authorisations.

Invoices will be paid within 30 days, unless the terms of credit state otherwise. The finance staff will take advantage of any discounts available for early settlement where this is to the school's advantage.

All invoices are retained by the Finance Office for six years, plus the current year.

4.9.1 Payment of Invoices from the Self-Employed

- a. When appointing consultants, advisors, trainers, instructors or other individuals who supply services to the Trust, the employment status of the person must be determined before commissioning the work.
- b. If the person works for a company, and can provide a company invoice on headed paper then terms of engagement should be agreed in writing. Payment will be made to the company.
- c. If the person states that he/she is self-employed – an Employment Status Indicator (ESI) reference must be obtained from HMRC guidance on-line questionnaire, at <http://esi2calculator.hmrc.gov.uk>

If the status is confirmed as self-employed, terms of engagement should be agreed in writing and invoices must be presented with the following minimum details:

- Date of invoice
- Name and address
- Description of goods or services provided
- Agreed price
- Declaration stating that “I am registered as self-employed and submit a schedule D tax return”
- Tax reference number and tax district

4.9.2 Supplier record amendments

Additions and amendments to supplier records in ACCESS must be strictly controlled. A ‘new supplier/supplier amendment’ form must be completed and authorised by the School Business Manager/Bursar before any amendments are made in ACCESS. For new suppliers the form must be

accompanied by the supplier's letterhead and first estimate/quotation/proposal. Bank details for all suppliers can only be supplied on company letterhead signed by the company secretary or other officer of the company. All new supplier/supplier amendment forms must be filed ready for audit accompanied by all necessary paperwork.

4.9.3 Extraordinary Expenditure (including transactions with connected parties and investment transactions).

Novel or contentious transactions must always be referred to the ESFA for explicit prior authorisation. Novel payments are those for which the academy has no previous experience or are outside the range of normal business activity for the Trust. Contentious transactions are those which might give rise to criticism of the Trust by Parliament, the public and/or the media.

5. PAYMENT TO TRUSTEES/GOVERNORS

No payment may be made to any Trustee/Governor unless such payment is permitted by the Articles of Association and comply with the terms of any relevant agreement with the Secretary of State. Charity Commissions prior approval must be obtained before paying a Trustee/Governor.

5.1 Trustees/Governors Allowances

Please refer to the Trustees/Governors Allowances Policy.

5.2 National Leadership of Governance (NGL) Grant

Funds received under the NGL grant may be paid to Trustees/Governors for work undertaken relating to the terms of the grant.

6. ASSETS

6.1 Acquisition and disposal of fixed assets

(References Academies Financial Handbook section 5)

The Trust must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions;

- Acquiring a freehold on land and buildings;
- Disposing of a freehold on land and buildings; and
- Disposing of heritage assets beyond any limits set out in the Trusts Funding Agreement in respect of disposal of assets generically. Heritage assets are assets with historical, artistic, scientific, technological or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

The Trust may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State.

The Trust must ensure that public disposal maintains the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value. Some property transactions may be novel or contentious and so require the consent of the Secretary of State on that basis (please refer to the Financial Academies Handbook).

6.2 Capital Funding

Devolved Capital – Schools are responsible for identifying priority repair areas (based upon Condition Surveys and other maintenance information) and plan for this during budget setting.

For larger building projects, the Trust will investigate applications to the Condition Improvement Fund (CIF) bid, with the assistance of Hookway Partnership.

6.3 Asset Register

The Kaleidoscope Multi-Academy Trust records assets purchased on an Excel spreadsheet maintained by the CFO. Each school must retain an inventory of its moveable assets and inform the central team of individual acquisitions with a cost greater than £1,000 which will be entered onto the central asset register. The relevant school Headteacher is responsible for ensuring that all equipment is marked as belonging to the school.

When disposing of assets the school/Trust will endeavour to maximise the proceeds of any asset sale.

Non-valuable items (up to £500) can be sold, scrapped, disposed of internally or by selling at school functions with the authority of the Headteacher

Valuable items (over £500 at the time of disposal) should also be referred by the CFO to the Board of Trustees. Following approval for disposal, they should be advertised to the public and parents.

If the asset, for which a capital grant in excess of £20k was received, is to be disposed of, the approval of the Secretary of State is required prior to sale or disposal.

All losses must be reported to the CFO.

The School Business Manager/Bursar or Headteacher will ensure that the police have been informed if the loss is as a result of a burglary or theft and the insurance company is informed at the same time. Action must be taken immediately to prevent further loss.

6.4 Insurance

It is the responsibility of the CFO to ensure that the adequacy of insurance is reviewed annually and reported to the Audit & Risk Committee.

Details of all insurance policies held by the Trust are kept in the schools Finance Office under the control of the CFO.

The school immediately informs its insurers of all accidents, losses and other incidents which may give rise to an insurance claim. Claims under an insurance policy must be authorised by the CFO before submission to the insurance company.

An annual return of all insurance claims is submitted to the Audit and Risk Committee, at the end of each financial year.

7 CHARGES AND REMISSIONS

Please refer to each schools Charging and Remissions policy.

7.1. School Lettings

Full details of the Trust's lettings policy can be found in each school's Lettings Policy.

7.2 Music Tuition Fees

Please refer to each school's Charging and Remissions Policy.

7.3 Sale of Goods

Educational equipment or materials, incidental to the provision of education **must be sold at or below their cost price.**

An exception is sports clothing, which should be sold, inclusive of VAT.

When necessary, staff should seek advice from the CFO.

All Money will be collected and receipted at source by a member of the Finance Team.

7.4 Unofficial School Funds

It is the responsibility of the trip organiser to ensure that sufficient funding is available to cover the cost of all trips and the administration associated with it.

All payments should be made via ParentPay. This is overseen by the Bursar/School Business Manager and Headteacher who sign off trips.

All fund raising by students for charitable purposes should be paid directly to the school and banked, in readiness for payments to be made by cheque to the named charity.

All requests for payment should be accompanied by invoices, or requests for payments signed by the School Business Manager/Bursar and Headteacher.

All surpluses are to be used at the discretion of the Headteacher and notified to the Audit and Risk Committee in retrospect.

All unofficial school funds must now be paid into the Trust central bank account, and are identified and managed by the use of appropriate coding in the central finance system. Schools will no longer operate separate bank accounts.

7.5 Bad Debts

Bad debts are only written off when the Academy has followed all possible procedures to ensure their recovery has been achieved.

Debts up to £100 may be written off with the authorisation of the Headteacher.

All debts of £100 - £500 may be written off with the authorisation of Local the Governing Body.

Bad Debts above £500 must be referred to the CFO who has the authority to write off debts up to £1000.

Individual debts over £1000 may be written off by the CEO.

All debts in excess of £1000 when written off within the above limits must be reported retrospectively to the Trust Board.

The prevailing Academies Financial Handbook will specify the level at which bad debt write offs must be authorised by the ESFA.

7.6 Financial Support to Students

Any request for financial support for optional extra activities from a student must be made in writing from the parents/carers and addressed to the Headteacher, who will consider each case.

8 BANKING AND CASH HANDLING

8.1 Bank Facilities

The Trust's bank mandate is subject to annual review by the Audit and Risk Committee. The Trust bank account is with Lloyds Bank.

The bank has been informed that the school is not allowed to borrow funds and that no account is allowed to become overdrawn.

8.2 Bank Details

BACs

BACs payments are made by the centralised Kaleidoscope finance team. The BACs payment must be authorised by two authorised personnel, including the CFO and/ or the CEO.

Authorised cheque signatures

It is expected that all payments will be made via BACs.

Cheques will no longer be used.

Credit/Debit Cards

Card payments will be recharged to the Kaleidoscope bank account in full each month. Individual schools must reconcile the card control account each month.

All credit/debit cards must be kept in the school safe.

Use of the Business Credit Card is restricted to Finance Staff/Headteachers and CEO only. The School Business Manager/Bursar and Headteachers will check and sign monthly payments. In the case of Kaleidoscope MAT card payments, this will be done by CFO and CEO.

Credit/Debit Card Authorisation Levels.

Credit Card	School	Trust Budget
Card limit up to £1500. Single order item up to £500	Business Manager/Bursar	Finance Officer
Card limit up to £2500 Single order up to £500	Headteacher	Finance Officer
Card limit up to £5000 single order item of up to £250	HT and CFO	CFO

Card limit up to £10,000 single order up to £500	CFO and CEO	CFO and CEO
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8.3 Bank Reconciliation

Reconciliations are performed by the Finance Officer within five working days of receipt of a bank statement. CFO / CEO certifies the reconciliation.

8.4 Cash Handling

Kaleidoscope has a no cash policy and uses ParentPay.

9 Security and Passwords

9.1 Passwords

Passwords must be strong and secure. They must be cancelled immediately when staff leave and changed when compromised. Passwords must not be shared.

9.2 Security of Safe and Keys

School safes must be kept locked and the keys removed and taken home by a designated member of the Finance Team. The loss of safe keys must be reported immediately to the School Business Manager/Bursar.

The Business Manager/Bursar keeps a key log for staff who hold safe keys. Keys should be removed prior to staff leaving the school.

10 WHISTLEBLOWING

See separate Whistleblowing Policy

11 HR / PAYROLL

HR / Payroll documentation for new appointments, resignations and contract variations, including salary statements, must be signed as below.

Kaleidoscope MAT Posts

CEO – to be signed by Chair of Trust Board

CFO – to be signed by CEO and Chair of Trust Board

Other MAT staff – to be signed by the CEO

Trust Wide Appointments to be signed by CEO and CFO.

School Posts

Individual school Headteacher appointments to be signed by CEO and Chair of Governors.

All other school staff posts (new / variations) must be approved by the Headteacher (or the Deputy Headteacher in the absence of the Headteacher). The CEO has authority to review and amend all appointments / contract variations, but will liaise with the Headteacher at all times.

New Appointments

Where a new position arises, schools will look across the MAT to see if existing staffing can meet the school's needs. If not, and the Headteacher and Governors are sure that the schools budget will enable the recruitment to be financially viable – they can recruit.

Where the position is for a leadership/Headteacher post, then the position will be discussed between the schools' Headteacher, Governors and CEO – who will report decisions to the Trustees. The Trustees may challenge decisions or require supporting evidence.

Overtime

All overtime worked must have prior authorisation by a member of the leadership team. Overtime claims completed at the end of each month are paid with the following month's salary.

The school's Governing Body has delegated the following personnel as nominees to authorise supply teachers claims, overtime, casual employment and expenses claims:

- Headteacher
- Deputy Headteacher
- Other SLT member as approved by the HT

Other

All payroll files are kept in the School / Central Finance Office. Access is restricted to the governors, Headteacher and finance staff and payroll records are kept in a locked cabinet. The school is registered under the Data Protection Act.

Net payments to staff are made by direct debit using the Banks Automated Clearing System (BACS). All other payments to external agencies are made by direct debit. It is the responsibility of the Finance Officer to ensure that payments e.g. to HMRC are made by the required statutory dates so that no unnecessary fines are incurred.

Monthly Procedures

Information will be passed by schools to the FO following an agreed monthly timetable to allow for prompt inclusion in the payroll run:

- Standard forms in respect of starters, leavers, amendments to contracts etc. must be used. These must be authorised by the Headteacher (as above) and will also be countersigned by the CEO;
- Supply claims, overtime claims and casual employment claims must be entered onto Selima (self-service basis by employees). All claims must be authorised by the Headteacher, or their approved Deputy / Bursar.

BACS Procedures


The payroll provider will prepare and send monthly payroll files for checking and authorisation. This is carried out by the FO, with supervision from the CFO.

Monthly BACS payments are then produced and authorised by the FO, with review and countersignature from the CFO.

12 Anti-Fraud

Kaleidoscope takes any matters relating to potential fraudulent activity very seriously. There is a separate **Anti-fraud, Corruption and Bribery Policy** with further details.

Approved by the Trustee Board and signed by



Trustee Board Chair

26.5.21