

THE STEPHENSON STUDIO SCHOOL TRUST

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Approved By	

FINANCIAL REGULATIONS

Revision Number	Revision details	Date	Approved By
1	Amend Titles, Authorisation Limits & Bank Mandate	27.11.2012	Board
2	Amend text to remove floppy disks.	26.02.2015	Board
3	Amendments to purchasing protocol, pay award, travel, OJEU limits & segregation of duties	24.02.2016	Board
4	Amendments for new governance structure	28.02.2017	Board
5	Amendment for payroll change, update to 4.18, ESFA name change, DfE name change, Staff appointment framework changed, Audit Committee added, increase routine purchase allowance, increase in amount of purchase requiring three quotes.	7.03.2018	Board
6	Alignment of purchasing amounts throughout the regulations. Clarification added to ordering authorisations. Grammatical corrections. Update of EU procurement limits	6.03.2019	Board
7	Amend job titles. Update 2.10 reference. Amendment to 6.15 to allow Board of Trustees to exempt purchases from tender. Amend procurement section for electronic processing of finance records.	7.07.2021	Board

8	<p>2.11 to 10.1 - updated various staff responsible for specific tasks.</p> <p>3.04 to 3.05 - updated for backup procedures.</p> <p>4.08 - updated the budget forecast return date the 26th July.</p> <p>6.15 to 6.16 - updated for new procurement legislation.</p> <p>9.01 - Added capitalisation threshold.</p> <p>Appendix 1 – updated title, numbering and removed cycle to work sentence.</p>	04.04.2022	Board
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1. Introduction

- 1.01 The purpose of this document is to ensure that the Stephenson Studio School Trust maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).
- 1.02 The Stephenson Studio School Trust must comply with the principles of financial control outlined in the academies guidance published by the DfE. The financial regulations expand on that and provide detailed information on the Stephenson Studio School Trust's accounting procedures and system. The financial regulations should be read by all staff, trustees and service level providers.

2. Organisation

- 2.01 The Stephenson Studio School Trust has defined the responsibilities of each person involved in the administration of Stephenson Studio School Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees and staff. The financial reporting structure is illustrated below:

The Board of Trustees

- 2.02 The Board of Trustees has overall responsibility for the administration of the Stephenson Studio School Trust's finances. The main responsibilities of the Board of Trustees are prescribed in the Funding Agreement between the Stephenson Studio School Trust and the DfE and in the Stephenson Studio School Trust's scheme of governance. The main responsibilities include:
- ensuring that grants from the DfE are used only for the purposes intended;
 - ensuring that funds from sponsors are received according to the Stephenson Studio School Trust's Funding Agreement and are used only for the purposes intended;
 - approval of the annual budget;
 - appointment of The Head Teacher;
 - award of a service level agreement for the delegation of clearly defined financial responsibilities, in conjunction with The Head Teacher.

The Finance and Resources Committee

- 2.03 The Finance and Resources Committee is a committee of the Board of Trustees. The Finance and Resources Committee meets at least once a term but more frequent meetings can be arranged if necessary.
- 2.04 The main responsibilities of The Finance and Resources Committee are detailed in written terms of reference which have been authorised by the Board of Trustees. The main responsibilities include:
- the initial review and authorisation of the annual budget;
 - the regular monitoring of actual expenditure and income against budget;
 - ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
 - authorising the award of contracts over £10,000;

- advising on policies regarding the employment, performance and , remuneration of staff employed by the College.

The Audit Committee

2.05 The Audit Committee is a committee of the Board of Trustees. The Audit Committee meets at least once a term but more frequent meetings can be arranged if necessary.

2.06 The main responsibilities of The Audit Committee are detailed in written terms of reference which have been authorised by the Board of Trustees. The main responsibilities include:

- advise the Board of Trustees on the adequacy and effectiveness of the School's systems of internal control.
- To consider the arrangements for risk management through reviewing the risk register against the reported actions to mitigate risk.
- To advise the board on the appointment, reappointment, dismissal and remuneration of auditor(s).
- Produce an annual report for the Board of Trustees and Accounting Officer on the effectiveness of the School's risk management, control and governance processes including significant matters arising from audit.
- reviewing the reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board of Trustees.

The Head Teacher

2.07 Within the framework of the Stephenson Studio School Trust development plan, as approved by the Board of Trustees, the Head Teacher has overall executive responsibility for the Stephenson Studio School Trust's activities including financial activities. Much of the financial responsibility has been delegated via the service level agreement. The Head Teacher retains responsibility for:

- approving new staff appointments within the budget approved by the Board of Trustees, except for any senior staff posts which the Board of Trustees have agreed should be approved by them;
- authorising contracts up to £10,000 and seeking Trustees approval for items over this amount.
- signing cheques in conjunction with the Chair of Trustees or other authorised signatory.
- authorising orders in accordance with this document.

The Service Level Agreement and The Director of Finance

2.08 The Director of Finance named in the service level agreement works in close collaboration with the Head Teacher. The main responsibilities of the Director of Finance are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Stephenson Studio School Trust financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees;

- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Stephenson Studio School Trust;
- the preparation of monthly management accounts;
- authorising orders below £2,000.
- ensuring forms and returns are sent to the DfE and ESFA in line with the timetable in the DfE and ESFA guidance.

Independent Oversight

2.09 Independent oversight will be provided to the Board of Trustees in respect of the Stephenson Studio School Trust's financial affairs. Specifically, the board will have independent assurance that:

- the financial responsibilities of the Board of Trustees 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.

2.10 In accordance section 3.5 of the academies financial handbook 2020, this assurance will be conducted in a way that is most appropriate to the circumstances of the trust.

Other Staff

2.11 Other members of staff, including nominated members of the Finance team and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Stephenson Studio School Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Stephenson Studio School Trust's financial procedures and the applicable version of the academies financial handbook.

Register of Interests

2.12 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Stephenson Studio School Trust Trustees and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Stephenson Studio School Trust may purchase goods or services. The register is open to public inspection.

2.13 The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Stephenson Studio School Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Trustee or a member of staff by that person.

2.14 The existence of a register of business interests does not, of course, detract from the duties of Trustees and staff to declare interests whenever they are relevant to matters being discussed by the Board of Trustees or a committee. Where an interest has been declared, Trustees and staff should not attend that part of any committee or other meeting.

3. Accounting system

3.01 All the financial transactions of the Stephenson Studio School Trust must be recorded on the Dream accounting system.

The Dream system is operated by the Finance Department and consists of:

- Journals
- Nominal Ledger
- Bank
- Purchases Ledger
- Sales Ledger
- Fixed Assets

The payroll system operated by the Finance Department in conjunction with the Human Resources (HR) Department is Select Pay.

System Access

3.02 Entry to the Dream system is password restricted and the Financial Accountant is responsible for providing passwords and logins to the relevant staff.

3.03 Access to the component parts of the Dream system can also be restricted and the Financial Accountant is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

3.04 Data backups take place each week night and are copied to a removal storage medium, these are stored within a fireproof data safe, storage mediums are rotated to ensure no single point of failure, in addition snapshots are taken from the live production server onsite at Coalville and are stored on the disaster recovery node located at the Melton Campus.

3.05 The college has in place a disaster recovery plan for IT systems this incorporates financial data. Test restoration of data takes place on a three-monthly basis.

Transaction Processing

3.06 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this document. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are held within the finance department electronically. All journal entries and bank transactions should be input by the Finance Business Partner or Finance Manager and input should be checked and reviewed by the Director of Finance.

3.07 Detailed information on the operation of the Dream system can be found in the user manuals held in the Finance Department.

Transaction Reports

3.08 The Director of Finance will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

3.09 The Director of Finance is responsible for ensuring the following reconciliations are performed each month and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all suspense accounts
- bank balance per the nominal ledger to the bank statement.

3.10 Any unusual or long outstanding reconciling items must be brought to the attention of the Director of Finance or The Head Teacher.

4. Financial planning

4.01 The Stephenson Studio School Trust prepares both medium term and short-term financial plans.

4.02 The medium term financial plan is prepared as part of the development planning process. The development plan indicates how the Stephenson Studio School Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

4.03 The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Stephenson Studio School Trust and the planned use of those resources for the following year.

4.04 The development planning process and the budgetary process are described in more detail below.

Strategic Plan

4.05 The strategic plan is concerned with the future objectives of the Stephenson Studio School Trust. The Boards oversight of these plans should ensure value for money is sought in all aspects.

4.06 Planning has regard to matters included within the relevant guidance to Academies and any annual guidance issued by the DfE.

Annual Budget

- 4.07 The Finance Business Partner is responsible for preparing and obtaining approval for the annual budget from the Director of Finance. The budget must be approved by The Head Teacher, The Finance and Resources Committee and the Board of Trustees.
- 4.08 The approved budget must be submitted to the DfE by 26 July each year and the Director of Finance is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 4.09 The annual budget will reflect the best estimate of the resources available to the Stephenson Studio School Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
- 4.10 The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
 - review of other income sources available to the Stephenson Studio School Trust to assess likely level of receipts;
 - review of past performance against budgets to promote an understanding of the Stephenson Studio School Trust cost base;
 - identification of potential efficiency savings and review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

- 4.11 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 cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. 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 need.

Finalising the Budget

- 4.12 Once the different options and scenarios have been considered, a draft budget should be prepared by the Finance Business Partner for approval by Director of Finance, The Head Teacher, The Finance and Resources Committee and the Board of Trustees. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 4.13 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

- 4.14 Monthly reports will be prepared by the Finance Business Partner. The reports will detail actual income and expenditure against budget and be presented to The Head Teacher and Chair of Trustees through the management accounts.
- 4.15 Any potential overspend against the budget must in the first instance be discussed and brought to the attention of the Head Teacher by the Finance Business Partner.
- 4.16 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be 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 that may exist. All budget virements must be authorised by the Head Teacher.

5. Payroll

- 5.01 The main elements of the payroll system are:
- staff appointments;
 - payroll administration;
 - payments;

Staff Appointments

- 5.02 The Head Teacher has authority to appoint staff within the authorised staffing budget except senior posts whose appointments must follow consultation with the Trustees. The Head Teacher must ensure that personnel files for all members of staff which include contracts of employment are maintained. All personnel changes must be notified, in writing, to the Head Teacher immediately.

Payroll Administration

- 5.03 All staff are paid monthly. A spreadsheet is created for each month which records:
- staff name;
 - salary;
 - taxation details;
 - any deductions or allowances payable;

- 5.04 HR must provide details for all staff in the school that have had sickness and other absences during the month, any new appointments or terminations for payroll processing and increments or responsibility payments. Any pay awards must be approved by the Board of Trustees after being reviewed for cost and budget implications.

Payments

- 5.05 After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained. The print must be reviewed by the finance department.
- 5.06 All salary payments are made by BACS.

- 5.07 The Payroll Manager should prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation should be reviewed by the Director of Finance.
- 5.08 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and a BACS payment list is created for these prior to the payroll due date.
- 5.09 After the payroll has been processed the journal will be input into Dream. Postings will be made both to the payroll control account and to individual cost centres. The Payroll Manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.
- 5.10 On an annual basis HR must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file.

6. Purchasing

- 6.01 The Stephenson Studio School Trust wants to achieve the best value for money from all purchases. This means obtaining what is needed, in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and 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 Stephenson Studio School Trust;
 - Accountability, the Stephenson Studio School Trust is publicly accountable for its expenditure and the conduct of its affairs;
 - Fairness, that all those dealt with by the Stephenson Studio School Trust are dealt with on a fair and equitable basis.

Routine Purchasing

- 6.02 The Finance Assistant shall maintain a register of authorised signatories and specimen signatures of budget-holders and assistants. Any changes to the authorities to sign must be notified to the Finance Assistant immediately.

Budget holders are not authorised to commit the School to expenditure without first ensuring sufficient funds are available within an authorised budget to meet the full purchase cost.

The following three duties must not be performed by the same officer, unless the specific approval of the Head Teacher has been given and is logged by the Finance Assistant:

- Ordering of goods, works and services.
- Receiving of goods, works and service.
- Authorising the invoice for payments.

6.03 Budget holders will be informed of the budget available to them at least one month before the start 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 print detailing actual expenditure against budget will be supplied to each budget holder two weeks after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

6.04 Routine purchases up to £1,000 can be authorised by budget holders. Orders over £1,000 must be authorised by The Head Teacher and must follow the detailed purchasing process contained herein. For orders up to £2,500 a supplier should be chosen from the list of approved suppliers maintained by the Finance Department. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Finance Assistant.

6.05 All orders must be input into Dream which creates an official purchase order. The budget holder must then electronically authorise the order, after which it may be printed and sent to the supplier.

6.06 The budget holder must make appropriate arrangements for the delivery of goods to the Stephenson Studio School Trust. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

6.07 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified. The Finance Assistant will cancel any purchase orders as required.

6.08 All invoices should be sent to the Finance Department. The Finance Assistant will enter the invoices onto the Dream accounting software in preparation for the budget holder to authorise.

- a. invoice posted to purchase register date;
- b. goods/ services received;
- c. prices correct;
- d. reviewed by Finance Assistant;
- e. purchase order number;

- 6.09 Boxes (a) (d) and (e) will be completed by the Finance Assistant during input. The budget holder or authorised signatory should ensure (b) and (c) receive a detailed check against the order and the GRN before it is authorised. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice being recorded.
- 6.10 If a budget holder is pursuing a query with a supplier, the Finance Department must be informed of the query and periodically kept up to date with progress.
- 6.11 Payment will only be made against invoices that have been certified for payment by the appropriate budget holder, SMT member, Director or Head Teacher.
- 6.12 The Finance Assistant will then input details of payments to be made to the purchase ledger and generate cheques or a BACS payment list for the required suppliers. The cheques and or BACS payment list and the associated paperwork must be authorised in accordance with the mandate approved by The Finance and Resources Committee.
- 6.13 The Finance Assistant will process payment and ensure copies are maintained either electronically or through paper files.

Orders over £2,500 but less than £25,000

- 6.14 At least three written quotations should be obtained for all orders between £2,500 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. The Head Teacher has the authority to purchase goods over £2,500 without three written quotations, if by not placing the order immediately there will be a detrimental effect on the School or if the goods/services being purchased are specialised and three quotes therefore cannot be obtained.

Orders over £25,000

- 6.15 Goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000 must be subject to formal tendering procedures. A formal tender means that invitations to tender are sent to at least 3 persons (restricted tender) or tenders are directly invited by public advertisement (open tender).

From the 1st of January 2021, the UK were no longer subject to EU procurement regulations and therefore no longer follow rules outlined for OJEU tenders. Tenders will now be published on a new e-tendering portal, called Find a Tender Service (FTS) instead of on OJEU. In terms of public procurement, the UK is now a member of the World Trade Organisation's (WTO) Government Procurement Agreement (GPA). This allows for the UK to have equal rights to bid on public sector contracts that are proposed by EU members and/or those in agreement with the GPA, and vice versa.

With effect from 1st January 2022 (inclusive of VAT) the UK Procurement thresholds for Community Procurement Exercises are as below:

- Service and Supplies Contracts (central government authorities)
£138,760
- Service and Supply Contracts (other public sector authorities)
£213,477
- Works Contracts £5,336,937

The new thresholds are now expressed inclusive of VAT, not net of VAT, reflecting a change in practice resulting from the UK's independent membership of the WTO Government Procurement Agreement (GPA). This change means that the thresholds have, in effect been reduced compared to the previous thresholds under EU regulations. Services procured under the new light touch regime have a threshold value of £663,540.

It is the responsibility of budget holders to identify any purchases likely to exceed the threshold noted above. This will need to be done well in advance in order to meet the legal requirements. The School is also required to submit to the funding body annually details of expenditure which exceeds the threshold.

Preparation for Tender

6.16 The Procurement Manager will support with the tendering process. Full consideration should be given to:

- objective of project;
- overall requirements;
- capabilities required;
- Service requirements;
- Contract Requirements.

6.17 It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

6.18 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

6.19 An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender;
- form of response.

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be kept in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor.
- Relevant experience of the contractor.
- Descriptions of technical and service facilities.
- Certificates of quality/conformity with standards.
- Quality control procedures.
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations.
- After sales service.
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

6.20 The invitation to tender should state the date and time by which the completed tender document should be received by the Stephenson Studio School Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

6.21 All tenders submitted should be opened at the same time and the tender details should be recorded. Two appropriate persons should be present for the opening of tenders.

6.22 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

6.23 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

- 6.24 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- 6.25 Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for The Finance and Resources Committee highlighting the relevant issues and recommending a decision, including where a waiver of this requirement has been granted.
- 6.26 Where required by the conditions attached to a specific grant from the DfE, the departments approval must be obtained before the acceptance of a tender.
- 6.27 The accepted tender should be the one that is economically most advantageous to the Stephenson Studio School Trust. All parties should then be informed of the decision.

7. Income

- 7.01 The main sources of income for the Stephenson Studio School Trust are the grants from the DfE and from our sponsors. The receipt of these sums is monitored directly by the Director of Finance; the Head Teacher is responsible for ensuring that all grants due to the Stephenson Studio School Trust are collected.
- 7.02 The Stephenson Studio School Trust also obtains income from:
- students, mainly for trips
 - the public

Trips

- 7.03 A lead teacher must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Assistant.
- 7.04 Students should make payments at the Studio School reception desk. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
- 7.05 The Finance Assistant should maintain an up to date record for each student showing the amount paid and the amount outstanding. The lead teacher is responsible for chasing the outstanding amounts and can request an update from the Finance Assistant.

Custody

- 7.06 All cash and cheques must be kept in the Finance Department safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit on the Finance Department safe.
- 7.07 Monies collected must be banked in their entirety in the appropriate bank account.

8. Cash Management

Bank Accounts

- 8.01 The opening of all accounts must be authorised by the Board of Trustees who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

- 8.02 Particulars of any non-electronic deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
- the amount of the deposit and
 - a reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

- 8.03 All cheques and other instruments authorising withdrawal from Stephenson Studio School Trust bank accounts must bear the signatures in accordance with the bank mandate.
- 8.04 This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees of the Stephenson Studio School Trust. Authorised signatories must not be the only signatory for a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

- 8.05 The Financial Accountant must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the Stephenson Studio School Trust's cash book;
 - reconciliations are prepared by the Finance Assistant/ Financial Accountant;
 - reconciliations are subject to an independent monthly review;
 - adjustments arising are dealt with promptly.

Petty Cash Accounts

- 8.06 The Stephenson Studio School Trust maintains a maximum cash balance of £250. The cash is administered by the Finance Assistant and is kept in the Finance Department safe.

Deposits

- 8.07 The only deposits to petty cash should be from cash receipts. All other Cash receipts for whatever reason should be paid directly into the bank except for impressing the petty cash balance.

Payments and Withdrawals

- 8.08 In the interests of security, petty cash payments will be limited to £20. Higher value payments should be paid via cheque or BACS except in extenuating circumstances where authorisation from the Head Teacher is required.

Administration

- 8.09 The Finance Assistant is responsible for entering all transactions into the petty cash records on a regular basis and annual as well as unannounced cash counts should be undertaken by a third party to ensure that the cash balance reconciles to supporting documentation.

Physical Security

- 8.10 Petty cash should be held in a locking cash box which is put in the safe overnight.

Cash Flow Forecasts

- 8.11 Finance are responsible for preparing cash flow forecasts to ensure that the Stephenson Studio School Trust has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile payments to cover potential cash shortages.

Investments

- 8.12 Investments must be made only in accordance with written procedures approved by the Finance and Resources Committee.
- 8.13 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.

9. Fixed assets

Asset register

- 9.01 All items purchased with a value over the Stephenson Studio School Trust's capitalisation limit of £1,000 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 (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

9.02 The Asset Register helps:

- 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 Stephenson Studio School Trust's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

9.03 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

9.04 All the items in the register should be permanently and visibly marked as the Stephenson Studio School Trust's property and there should be a regular (at least annual) count 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 Audit Committee. Inventories of Stephenson Studio School Trust property should be kept up to date and reviewed regularly. Where items are used by the Stephenson Studio School Trust but do not belong to it this should be noted.

Disposals

9.05 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 Stephenson Studio School Trust must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

9.06 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Stephenson Studio School 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 Stephenson Studio School Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

9.07 The Stephenson Studio School Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Stephenson Studio School Trust assets. If the sale proceeds are not reinvested then the Stephenson Studio School Trust may be required to repay to the DfE a proportion of the sale proceeds.

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

Loan of Assets

9.09 Items of Stephenson Studio School Trust property must not be removed from Stephenson Studio School Trust premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in Stephenson Studio School Trust when it is returned.

9.10 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 Stephenson Studio School Trust's auditors.

10 Travel and Subsistence

10.1 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Head Teacher. This will be made available via the Stephenson Studio School Trust Intranet.

10.2 The rates and conditions for claiming travel and subsistence are attached as Appendix 1. The rates claimed will be those approved by the Head Teacher.

10.3 Claims by members of staff must be certified by their line manager. Claims by trustees must be certified by the Clerk to the Corporation and the Head Teacher. This certification shall be taken to mean:

- That the journeys were authorised.
- The expenses were properly and necessarily incurred and supported by receipts where required.
- That the allowances are properly payable by the Stephenson Studio School Trust.
- Consideration has been given to value for money in choosing the mode of transport.

10.4 Certification is also required by the budget holder (if different to the line manager) and shall be taken to mean that sufficient funds are available to meet the expenditure.

10.5 Staff and trustees should submit their expense claims for authorisation and payment within one month of the expense being incurred (two weeks in August). The expense claims should be completed in full with the appropriate charge code and with mileage being claimed in accordance with Inland Revenue rules according to the individuals "place of work".

10.6 The Stephenson Studio School Trust reserves the right not to pay an expense claim that is submitted late except in extenuating circumstances which has been approved by the Director of Finance.

Overseas travel

10.7 Travel by the Head Teacher outside the UK requires the prior approval of the Chair of Trustees who will also certify the travel claims prior to payment.

10.8 Travel by other members of staff and trustees outside the UK will require the prior approval of the Head Teacher.

10.9 The approving manager will also certify the travel claims prior to payment.

10.10 Where spouses, partners or other persons unconnected with the Stephenson Studio School Trust intend to participate in a trip, this must be clearly identified in the approval request. The Stephenson Studio School Trust must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

APPENDIX 1 - TRAVELLING AND SUBSISTENCE RATES AND CONDITIONS

Travel allowance will be paid at the official Stephenson Studio School Trust rate to staff and trustees travelling from their base on approved Stephenson Studio School Trust business in the performance of their official duties.

The mode of transport used should be the most efficient and cost effective with shared cars or public transport being used if beneficial to the Stephenson Studio School Trust.

Car travel is paid at HMRC rates, currently 45p a mile up to 10,000 miles travelled in any tax year (6 April to 5 April inc) and 25p for any mileage thereafter.

Public transport will be reimbursed against a receipt. Trains should be taken at standard class and flights at economy.

Subsistence

1 Required Overnight Stays

All subsistence should be incurred with efficiency and effectiveness as priority; as such value for money is essential. Booking in advance can lead to substantial savings and as such bookings should be made as early as possible.

Staff and trustees who are required to make overnight stays in the performance of their official duties will be reimbursed approved expenses. The maximum allowance for Bed and Breakfast in a hotel is £80 out of London and £110 within Central London (within M25).

For the Head Teacher reasonable travel and subsistence expenses may be claimed, which will be checked and approved by the Chair of Trustees.

Staff and trustees may choose to stay overnight with family or friends instead of stopping in a Bed and Breakfast/Hotel. In such cases, the Stephenson Studio School Trust will pay an allowance of £15 per night. Staff and trustees making such a claim should include the name(s) and address of the friends or family with whom they have stayed.

In exceptional circumstances, where staff and trustees need to book hotels or accommodation which are in excess of the set limits, this may be done with the prior written approval of the Director of Finance. Approval will be granted on a case by case basis.

Subsistence allowances are payable to staff and trustees who are prevented by their official duties from taking an evening meal at their home, or the base where they normally take their meals, where additional expenditure is incurred. The maximum amount that can be claimed is £12 against VAT receipts. The amount to cover food, a soft drink or tea/coffee purchased with the meal. Under no circumstances should any form of alcohol be claimed for.

Additionally staff and trustees who are required to make overnight stays in the performance of their official duties can claim up to a maximum of £3 for lunch for the following day if they are still working away from home.

In exceptional circumstances, where staff and trustees need to claim subsistence allowances which are in excess of the set limits, this may be done with the prior written approval of the Director of Finance. Approval will be granted on a case by case basis.

2 Early starters

Those employees that exceptionally are required to leave home before 6.30am to travel long distances in the course of their employment may claim an additional £4.70 against receipts for breakfast. The breakfast should be purchased before 9am in the morning and the claim made with an appropriate VAT receipt.

3 Claim forms and receipts

Claims should be made on the Stephenson Studio School Trust Travel Expenses Form, available on-line on the Stephenson Studio School Trust intranet. Payment will be by BACS.

Supplier receipts are required for all subsistence expenditure. Credit card receipts alone are not acceptable for claim purposes.

4 Submission of claims

All claims should be submitted in the month following the expenses being incurred and at the latest within two months. Expense claims received after two months may not be paid (ref Financial Regulations).