



**NORTHERN HOUSE SCHOOL ACADEMY TRUST
T/A
NORTHERN HOUSE SCHOOL**

Financial Procedures & Authorisation Summary

September 2014

The CEO

Much of the financial responsibility has been delegated to the Finance & Business Manager but the CEO still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them;
- authorising contracts up to £25,000 in conjunction with the Finance & Business Manager
- signing cheques in conjunction with other authorised signatories.

The Finance & Business Manager

The Finance & Business Manager works in close collaboration with the CEO through whom he or she is responsible to the MAT Board.

The Finance & Business Manager also has direct access to the Directors via the MAT Board.

The main responsibilities of the Finance & Business Manager are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the academy's financial position at a strategic and operational level within the framework for financial control determined by the governing body;
- 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 academy;
- the preparation of monthly management accounts;
- authorising transactions below £15,000 in conjunction with budget holders for the Trust;
- approving new non teaching staff appointments, up to an annual equivalent value of £30,000 (including on costs)
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.
- managing capital spend, liaising with Headteachers & CEO and putting together long term capital plan through pooled capital resources
- appointing the Responsible Officer and reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls.
- approval of suppliers
- signing cheques in conjunction with other authorised signatories.

Headteachers

Headteachers at individual schools within the Trust have specific responsibilities and delegated authority, which mainly surround the long term viability of each school, but also include:

- authorising transactions below £7,500 in conjunction with budget holders for the respective school;
- approving new non teaching staff appointments, up to an annual equivalent value of £30,000 (including on costs)
- managing the delegated budget of the school, in conjunction with the Finance & Business Manager, ensuring planned and forecast expenditure has sufficient funds
- signing cheques in conjunction with other authorised signatories

Staff Appointments

The MAT Board has approved a personnel staffing structure for the academy. Changes to the Leadership Structure can only be made to this establishment with the express approval in the first instance of the MAT Board who must ensure that adequate budgetary provision exists for any establishment changes.

The CEO, Finance & Business Manager and Headteachers have authority to appoint staff and make changes to staff contracts, except for Leadership Positions, whose appointments must follow consultation with Directors, it is normal for the Headteachers to appoint staff within their own school, with the exception of non-educational support staff who are appointed by the Finance & Business Manager.

Claim Forms

All Supply, Casual, Overtime & Travel claims must be checked and authorised as follows:

Claimant	Authoriser
Trustees / Governors Claims	CEO/FBM
CEO	FBM (reviewed by RO)
HT	CEO/FBM
FBM	CEO/HT
DHT/HT	CEO/HT/FBM
Teachers	HT / CEO
Assistant Teachers	HT / CEO
Support Staff	FBM / CEO

Purchasing

The Trust wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible.

Purchasing

Budget holders will normally 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. On request a print detailing actual expenditure against budget will be supplied to each budget holder each term and at any other time on request. Budget holders are encouraged to keep their own records of orders placed but not paid for.

When making purchases the need for best value must be considered (which includes, but is not limited to, price, quality of goods, ability to deliver, staff time to obtain quotes), as a result the following practices should be utilised:

	<u>NUMBER OF QUOTES</u>
< £1000	Appropriate judgement made on Best Value
£1000 - £5000	Two Verbal quotes
£5000 - £30000	Two Written Quotes
£30000 – EU Threshold	Three Quotes or Appropriate Tender Process
EU Threshold or above	In accordance with EU Procedures

All orders must be made, or confirmed, in writing using an official order form, stocks of which are held in the Office and on computer records. Orders should bear the signature of the budget holder and one of the following signatures:

<u>AUTHORISATION LIMITS</u>	
>£25k Whole Trust [Directors]	<£7.5k School [HT]
<£25k Whole Trust [CEO]	<£5k School [DHT]
<£15k Whole Trust [FBM]	<£2.5k School [AHT]

The person requesting the goods must make appropriate arrangements for the delivery of goods to the school.

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 and notified to the office. The GRN should then be signed and sent to the Assistant Business Manager in Solihull so the invoice can then be paid.

Invoices will be authorised for payment by the Finance & Business Manager or in the case of no order invoices, either by the Finance & Business Manager, CEO or respective Headteacher upto the allowed values shown above.

Charge Cards

The Finance & Business Manager will be responsible for approving the use of Charge Cards and the named cardholder(s) in school.

One card will be held and used by allocated staff for the purchases of non-curricular and curricular items, where normal purchasing methods will either be too costly, inefficient or impractical. The staff who can have such cards are;

- Head teacher
- Deputy Head teacher
- Assistant Business Manager
- Finance Assistant
- Admin Assistant

Both the cardholder and the cost centre manager are jointly liable for the integrity of transactions and proper and controlled use of the charge card.

Receipts must be produced and reconciled with statements on a monthly basis by each cardholder and then reviewed and details to SAGE by the Finance & Business Manager.

A Fuel Card will also be issued to the respective school in relation to the schools minibus. Sainsbury's Fuel Cards are currently used and allows the purchase of Fuel, Oil and Washes.

Other Staff Costs / Processes

Welfare

The Trust also considers staff as more than salary and remuneration costs, therefore, the Trust allows an annual welfare budget to be set and utilised accordingly by the CEO and Finance & Business Manager, in consultation with the Headteachers, which will allow expenditure on items directly benefiting staff, which will have the intended purpose of maximising staff retention and increase morale and motivation. Such welfare will not normally result in costs that account to more than £200 per person on each occasion.

Gifts, Awards, Entertainment & Hospitality

The Trust allows awards to be given to staff for long service and/or dedication to service, such awards though should not be cash awards and will follow HMRC guidelines in respect of how such rewards are treated for tax, such rewards will not normally amount to more than £200, and will normally be paid for unrestricted funds. The Finance & Business Manager will be able to advise on this.

When the schools take receipt of localised staff collections, for items such as birthdays, anniversaries, etc then the trust allows such collections to be banked as unrestricted income and to be paid out by cheque to the individuals concerned.

In relation to entertainment and hospitality the Trust acknowledges there is a need to incur expenditure in order to encourage greater investment and/or support. There is an allowance to incur reasonable sums in order to entertain and provide hospitality, where individuals can either order in advance or claim back retrospectively. Such sums will need to be approved by either the CEO or Finance & Business Manager and would not normally be equivalent to more than £50 per head, and will normally be paid for unrestricted funds. The Finance & Business Manager will be able to advise on this.

Travel

Governors and Directors who are required to travel between each site will be eligible to claim a mileage allowance at the current HMRC rate, which will be reimbursed by cheque.

All staff, from 1st April 2015 will be eligible to claim business miles at the then current HMRC Rate through appropriate claim forms.

Income

No debt should be written off without the express approval of the local governing body (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter). The LGB has an approval level of £500, levels above this are to be referred to the MAT Board.

Custody of cash/cheques

All cash and cheques must be held securely and with restrictive access to authorised officials prior to banking. Banking should take place if the sums collected exceed the £250 insurance limit on the academy locked receptacle.

Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking. Banking to normally take place every week or more frequently if the sums collected will exceed the insurance limit set.