PENK VALLEY
ACADEMY TRUST

Financial Procedures Policy

Adopted by Trustees: Summer 2026	
Signed:	
Date:	Summer 2026
This policy is reviewed annually by the Audit Finance and Risk Committee.	
Next Review date:	Autumn 2026 (after annual audit)

COLLABORATION CHALLENGE CURIOSITY CARE

POLICY INFORMATION

Date of last review:	Summer 2026	**Review period:**	Annually as a minimum, or when required
Date ratified by Trustees:	Summer 2026	**Trustee committee responsible:**	Audit Finance and Risk
Policy owner:	Chief Finance Officer	**Executive team member responsible:**	Chief Finance Officer

Reviews/revisions

Review date	Changes made	By whom
September 2019	Debt collection element revised by all headteachers 12/09/19 6.1 Changes in process to reflect current procedures	CFO
September 2020	6.2 Value changed to £5k inline with Scheme of Delegation 7.6, 8.1, 8.9 Changes to reflect staffing changes 9.2 Land included in depreciation as per Haines & Watts 7.10 School journey / transport costs 7.11 Payment terms on sales invoices as per June Mazars audit 8.1 Bank account details 8.5 PVAT procurement card receipt authorisation, as per June Mazars audit	CFO
September 2021	Amended role names due to restructure of Executive Team and Central Hub team Bank signatories updated As advised during S4S scrutiny audit Card Readers Updated for Sage Intacct	CFO
September 2022	Updated regarding Related Parties Updated for role name change – HR Manager to CPO Amend to include Face-Ed/SAM people (HR software)	CFO CFO
May 2023	Uplift limit to tender from £40,000 to £50,000 due to increased costs	
Autumn 2024	Amended to include Transport Service administrator rather than Office Managers Removal of Late Bus facility Capitalisation limits uplifted by £500	CFO
Summer 2025	Tender limits brought more into line with Procurement Act ESFA changed to DfE Bank accounts to include savings account and 95 day notice account	CFO
Spring 2026	Confirmation of Pecuniary Interest forms completed annually Includes reference to Business Continuity arrangements, in the event of loss of key personnel or system access. Confirmation of annual pay statements issued to all staff. Confirmation of how staff expense claims are paid and approved.	CFO

Summer 2026	Confirmation of best practice process of gaining agreement in principle approval from Audit, Finance & Risk Committee prior to any major procurement projects. Confirmation of arrangements for Trustee and Governor expense claims Confirmation of Lloyds Bank Cash collection arrangement at Penkridge Middle School for their cash only break sales income. • Budget built on a GAG pooled basis (4.2) • Removed tendering requirement for SIMS replacement and added national frameworks (6.3 & 6.11) • Amendments to Transport Service payments (7.10) • Removal of Petty Cash section (8.6 to 8.10) as Petty Cash facility no longer available in Schools	CFO

Equality and GDPR

All Penk Valley Academy Trust policies should be read in conjunction with our Equal Opportunities and GDPR policies.

Statement of principle – Equality

We will take all possible steps to ensure that this policy does not discriminate, either directly or indirectly against any individual or group of individuals. When compiling, monitoring and reviewing the policy we will consider the likely impact on the promotion of all aspects of equality as described in the Equality Act 2010.

Statement of principle – GDPR

Penk Valley Academy Trust recognises the serious issues that can occur as a consequence in failing to protect an individual adult's or child's personal and sensitive data. These include emotional distress, physical safety, child protection, loss of assets, fraud and other criminal acts.

Penk Valley Academy Trust is therefore committed to the protection of all personal and sensitive data for which it holds responsibility as the Data Controller and the handling of such data in line with the data protection principles and the Data Protection Act (DPA)/GDPR.

Penk Valley Academy Trust will be referred to as **PVAT** for the remainder of the document which includes all schools who are members of PVAT, business operations and centralised services.

FINANCIAL PROCEDURES POLICY

Contents

1. Introduction

2. Register of Interests

3. Accounting system

3.1 System Access
3.2 Back-up Procedures
3.3 Transaction Processing
3.4 Transaction Reports
3.5 Reconciliations

4. Financial planning

4.1 Development Plan
4.2 Annual Budget
4.3 Balancing the Budget
4.4 Finalising the Budget
4.5 Monitoring and Review

5. Payroll

5.1 Staff Appointments
5.2 Payroll Administration
5.3 Payments
5.4 Trustee/Governor allowances and expenses

6. Non Central Purchasing

6.1 Routine Purchasing
6.2 Orders over £5,000 but less than £25,000
6.3 Orders over £25,000
6.4 Forms of Tenders
6.5 Preparation for Tender
6.6 Invitation to Tender
6.8 Tender Acceptance Procedures
6.9 Tender Opening Procedures
6.10 Tendering Procedures
6.11 Non-Order Invoices
6.12 Related Parties

7. Income

7.1 Trips
7.2 Catering Income and Lloyds Bank Cash Collection service
7.3 Dinner Numbers

7.4 Free School Meals
7.5 Dinner Money Arrears
7.6 Uniform Sales
7.7 Music Tuition
7.8 Clubs
7.9 Nursey and Before & After School Clubs
7.10 School Journey/Transport Costs
7.11 Lettings
7.12 Online Payments
7.13 Debts
7.14 Custody
7.15 Sales Ledger
7.16 Refunds for overpayments made

8. Cash Management

8.1 Bank Accounts
8.2 Deposits
8.3 Payments and withdrawals
8.4 Administration14
8.5 PVAT Charge Cards
8.6 Cash Flow Forecasts

9. Fixed assets

9.1 Fixed Asset Register
9.3 Security of assets
9.4 Disposals
9.5 Loan of Assets

10. Storage of Records

11. Gifts

12. Suspected Fraud

13. Whistle blowing (See separate policy)

14. Complaints (See separate policy)

1. Introduction

The purpose of this manual is to ensure that PVAT maintains and develops systems of financial control which conform to the requirements of propriety, efficiency and regularity. It is essential that these systems operate properly to meet the requirements of the Funding Agreement with the Department for Education (DfE). PVAT must comply with the principles of financial control outlined in the Academy Trust Handbook published by the DfE. This manual expands on that and provides detailed information on PVATs accounting procedures and system and should be read by all staff involved with financial systems in conjunction with the Scheme of Delegation of Financial Powers.

2. Register of Interests (Pecuniary Interests)

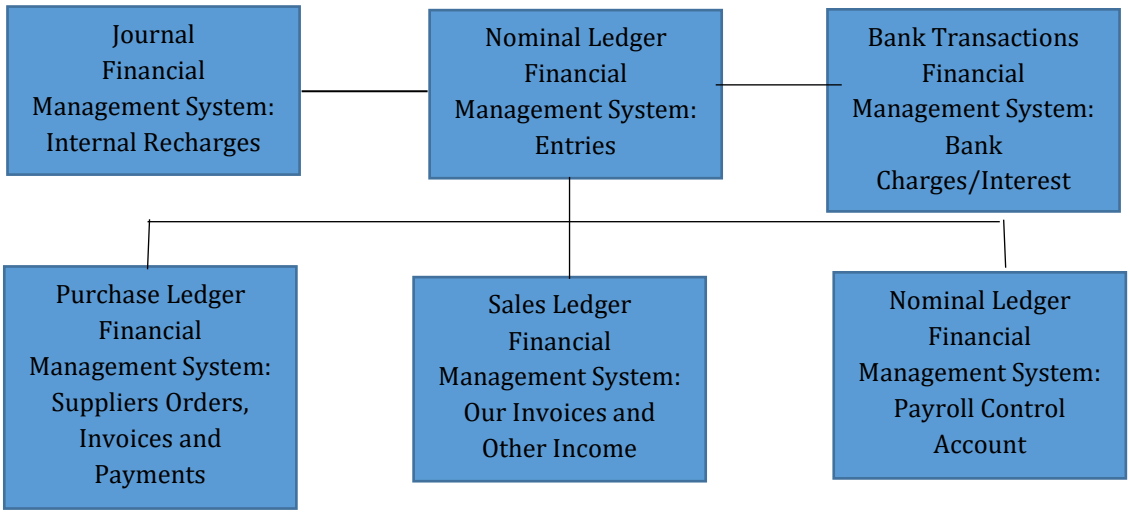
It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all PVAT Members/Trustees and Local Governing Committee members and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom PVAT may purchase goods or services. The register is open to public inspection. The register should include all business interests such as directorships, shareholdings or other appointments of influence within any business or organisation which may have dealings with PVAT. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted by that person. The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

To meet this requirement, all PVAT Members, Trustees, staff and Local Governing Committee members complete a Pecuniary interest form, via Microsoft Forms annually.

3. Accounting system

Sage Intacct is the dedicated accountancy system purchased by PVAT. This is a cloud-based system, which allows direct reconciliation with the PVAT Bank account.

All the financial transactions of the MAT will be recorded on the Financial Management System. The finance system consists of: -



3.1 System Access

Entry to the Financial Management System (Sage Intacct) is password restricted. Access to the component parts of the system are also restricted and the Chief Finance Officer is responsible for setting access levels for all members of staff using the system.

3.2 Back-up Procedures

The Chief Finance Officer is responsible for ensuring that effective back up procedures for the system are in place. The Chief Finance Officer should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the Risk Register which is presented to Trustees of the major risks to which PVAT is exposed and the systems that have been put in place to mitigate those risks. With the system being cloud-based, access to system can be acquired from anywhere with an internet connection. ION, the system provider, have a support centre should there a catastrophic incident and all finance staff be indisposed.

3.3 Transaction Processing

All transactions input to the accounting system will be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the bank account, payroll, the purchase ledger and the sales ledger are included within this document.

3.4 Transaction Reports

The Chief Finance Officer will obtain, and review system reports to ensure that only appropriate transactions are posted to the accounting system. The report will be obtained monthly, and the review will include:

- The audit trail reports
- Payroll, purchase ledger and sales ledger reports
- Management accounts summarising expenditure and income against budget

3.5 Reconciliations

The Chief Finance Officer 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
- Bank balance per the nominal ledger to the bank statement
- Balance Sheet reconciled
- VAT reconciliation and all other reports required by the MAT

PVATs Chief Finance Officer will review and sign all reconciliations as evidence of this review which should then be checked by the Accounting Officer.

4. Financial planning

PVAT utilises TES (formerly Orovia) Budget Planning System (BPS) software package in order to do budget modelling and long-term planning. This system integrates with Sage Intacct to allow actuals to be properly monitored, and different budgeting scenarios to be assessed by individual schools. This system allows for budget planning for up to 5 years including the current year. The system is cloud based and can be accessed from any location with internet access. TES have access to the system and have a support centre that will assist in the event of a business continuity issue.

PVAT prepares both medium term and short-term financial plans for all individual schools and the PVAT central budget. All medium-term financial plans are prepared as part of the development planning process in consultation with individual Headteachers and the CEO. The development plan indicates how PVATs educational and other objectives are going to be achieved within the expected level of resources in the current financial year, and over the following four financial years. The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to PVAT and the planned use of those resources for the following year. The development planning process and the budgetary process are described in more detail below.

4.1 Development Plan

The development plan is concerned with the future aims and objectives of individual Schools and how they are to be achieved; that includes matching PVATs objectives and targets to the resources expected to be available. Plans will be kept flexible and simple – they are the "big picture" within which more detailed plans may be integrated. Each year the CEO will propose, in consultation with the MAT, a planning cycle and timetable to the governing body which allows for:

- A review of past activities, aims and objectives - "did we get it right?"
- Definition or redefinition of aims and objectives – "are the aims still relevant?"
- Development of the plan and associated budgets – "how do we go forward?"
- Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- Feedback into the next planning cycle – "what worked successfully and how can we improve?"

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the CEO. The completed development

plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured. For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to the individual school Headteacher. The responsible manager should monitor performance against the defined success criteria throughout the year and report to the senior management team on a quarterly basis. The senior management team will report to Trustees if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

4.2 Annual Budget

The Chief Finance Officer is responsible for preparing and obtaining approval for the annual budget on a GAG pooled basis, in line with the Trust's GAG & Reserves Pooling Policy. The budget must be approved by the CEO, Audit Finance & Risk Committee (PVAT wide and Individual Schools), and the MAT Board.

The approved budget must be submitted to the DfE each year and the Chief Finance Officer and CEO are responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to PVAT 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.

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 PVAT to assess likely level of receipts
- Review of past performance against budgets to promote an understanding of the PVAT cost base
- Identification of potential efficiency savings
- 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

4.3 Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where 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. No budgets can be set utilising balances unless this is approved as part of the development plan by the MAT.

4.4 Finalising the Budget

Individual draft school budgets should be prepared by the Chief Finance Officer for approval by the CEO and the Audit Finance & Risk Committee. The Audit Finance & Risk Committee will approve the overall budget. The budget should be communicated to all staff with responsibility for departmental budgets so that everyone is aware of the overall budgetary constraints. The budget should be accompanied by a statement of assumptions. At least a 3-year budget plan will be presented to the Audit Finance & Risk Committee, these will include 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.

4.5 Monitoring and Review

Monthly reports will be prepared by the Chief Finance Officer. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the CEO and the Audit Finance & Risk Committee. Any potential overspend against the budget must in the first instance be discussed with the Chief Finance Officer. 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 the CFO will meet with school headteacher in order to identify savings. Outcomes will be reported to the CEO and/or the Audit Finance & Risk Committee depending upon the level of concern. Monthly management accounts will be shared with the PVAT Board and Members via O365 SharePoint sites.

5. Payroll

The main elements of the payroll system are:

- Staff appointments
- Payroll administration
- Payments

5.1 Staff Appointments

The PVAT Board has approved a staffing structure for PVAT. Changes can only be made to this structure in consultation with Headteacher, CFO and CEO who must ensure that adequate budgetary provision exists for the proposed changes.

The CFO has authority to appoint staff within the authorised establishment except for the Executive positions whose appointment must follow consultation with the Trustees. The CEO (CFO, COO and CPO) are appointed in consultation with the MAT Board. The CPO must maintain personnel files for all members of staff which include contracts of employment. All personnel changes be fully costed and approved by the Chief Finance Officer.

5.2 Payroll Administration

Commencing March 2019, PVAT payroll is prepared and run in house using TES (formerly Orovia) BPS/EduPay software. Master payroll records are held on BPS/EduPay software and access is restricted according to the necessary roles, and all access is password controlled. Password control procedures and backup arrangements are described in section two of this policy. The master record on the packages contain:

- Pay scale
- Hours
- Continuous service date
- Role
- Bank account details
- Taxation status
- Pension status
- Pay Summary
- Personal details

- Any deductions or allowances payable

The system is cloud based and can be accessed from any location with internet access. TES have access to the system and have a support centre that will assist in the event of a business continuity issue.

Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments are authorised by the relevant headteacher and Chief Finance Officer. New staff can only be added to the payroll following the formal procedure to recruit to the position. New staff must complete all relevant payroll documents issued by PVAT via Face Ed/SAM Recruit and SAM people software. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.
The HR Team must complete the monthly staff return which provides details for any sickness and other absences up to the last day each month so any necessary adjustments can be made to pay.

Overtime/travel expense claims must be submitted electronically by all individual staff and include VAT receipts for expenses. These payments are authorised by the relevant headteacher/line manager or CFO (see Scheme of Delegation of Financial Powers – delegated budget holders). Staff travel expenses are claimed via EduPay with proof of mileage or appropriate receipt attached to the claim.

Any non-travel staff reimbursement is processed via an immediate payment requisition paid directly into their bank accounts where receipts and explanation for purchase are included and signature of their headteacher or budget holder.

5.3 Payments

After the payroll has been processed but before payments are dispatched a report of salary payments by individual and showing the amount payable in total must be provided so it can be reviewed by the Chief Finance Officer. This should be reviewed against the previous month's gross salary payments to check adjustments have been made for new appointments, resignations, pay increases and to ensure that no payments have been added for non-school staff. The report must be reviewed and authorised together with authority to release payment by the Chief Finance Officer. Once approved, all payments will be made via BACS. Electronic payslips are available to all staff, prior to the BACS payment being processed. Deductions will be made for tax, national insurance, pensions and any child-care vouchers payments due. After the payroll has been processed the salary information will be added to the Financial Management System. On an annual basis the Chief Finance Officer 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. This is confirmed in an annual pay statement for every staff member with a signed copy being held centrally within the HR team.

In the event of PVAT Central Services staff being indisposed, TES have a payroll bureau function that would run a basic payroll enabling staff to still be paid.

5.4 Trustee/Governor allowances and expenses

Trustees and Governors do not ordinarily claim expenses. Should extenuating circumstances arise where a claim is made, the payment would be processed via an immediate payment requisition paid directly into their bank account. Appropriate receipts and explanation for purchase would be required, and they would be approved by the CEO and Chair of Trustees, prior to processing.

6. Non-Central Purchasing

In line with our Procurement Policy, PVAT aims to achieve the best value for money from all purchases. This means they want to get what they need 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 they need to maintain the integrity of these funds by following the general principals of:

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

6.1 Routine Purchasing

Budget holders will be informed of the budget available to them at 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 printed report detailing actual expenditure against budget will be supplied to each budget holder, on request after the accounts have been closed for each month. In the first instance a supplier should be chosen from the list of approved suppliers. A quote or price should be obtained before any order is placed, except in the case of maintenance calls where the duration and final cost is unknown at the time of call out. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, i.e. a better price is found on the internet, this must be discussed with the Central Hub Finance Team so the school charge card can be used to make the payment or a new supplier set up on the Financial Management System. If it is considered that the supplier is to be used as a one-off then payment can be made via BACS in the bank rather than through the finance system, as per the Scheme of Delegation. All supportive documentation and approval must be attached to the payment requisition form. In all other cases, orders must be made, or confirmed, in writing using an official approved purchase order raised on the Financial Management System. Purchase order requests are processed electronically through the finance system. The Central Hub Finance Team must make appropriate arrangements for the delivery of goods to the school. On receipt a thorough check of the goods received must be made against the goods received note (GRN) and a record made of any discrepancies between the goods delivered and the GRN. Any variances should be raised immediately with the supplier by PVAT. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Central Hub Finance Team should be notified, so that this can be recorded in central record of all goods returned to suppliers. All invoices should be sent to the Central Hub. A member of the Central Hub will attach the purchase order and GRN and sign the invoices to confirm the following checks have been made:

- Invoice arithmetically correct
- Goods/ services received
- Goods/services as ordered
- Prices correct
- VAT treated correctly

Fortnightly, the Central Hub Finance Team will provide the Financial Services Manager with all the checked invoices and supporting documentation ready to be checked. The Financial Services Manager will then generate a payment report and, after checking, will generate the cheques or BACs payments required, checking that sufficient funds are available before releasing payment. Prior to issuing the BACS payment, the Chief Finance Officer will approve payment double checking cash flow. The cheques or BACs payments (with the

associated paperwork) must be authorised by two of the nominated cheque signatories. All remittance advice notes are e-mailed directly to suppliers.

6.2 Orders up to £116,405

At least three quotations should be obtained for all orders between £5,000 and £10,000 to identify the best source of the goods/services these can be written and/or verbal. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. For orders between £10,001 and £116,405, 3 written quotes must be obtained. Where this has not been possible, any breach to PVAT financial procedures will be reported to the Audit, Finance & Risk Committee. Purchases and contracts of between £10,000 and £116,405 will be disclosed in the monthly management accounts. As best practice, agreement in principle is obtained from the Audit, Finance & Risk Committee prior to any major procurement being undertaken, in line with the Scheme of Delegation. This is generally with regard to MIS system, Catering service, Transport Service and IT hardware procurement but this list not exhaustive.

6.3 Orders over £116,405

All goods/services ordered with a value over £116,405, or for a series of contracts which in total exceed £116,405 must be subject to formal tendering procedures. For purchases that may fall under EU procurement rules current regulations must be complied with. The exception to this will be the procurement of the SIMS (MIS) which is the nationally recognised system used to collate and collect data for Census, pupil information, attendance figures and other statutory returns. If SIMS is not utilised, then any replacement would be subject to procurement through national frameworks.

As best practice, agreement in principle is obtained from the Audit, Finance & Risk Committee prior to any major procurement being undertaken, in line with the Scheme of Delegation. This is generally with regard to MIS system, Catering service, Transport Service and IT hardware procurement but this list not exhaustive.

6.4 Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

1. **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Chief Finance Officer how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
2. **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs
- A large number of suppliers would come forward or because the nature of the goods is such that only specific suppliers can be expected to supply PVATs requirements
- The cost of publicity and advertising are likely to outweigh the potential benefits of open tendering

3. **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- The above methods have resulted in either no or unacceptable tenders
- Only one or very few suppliers are available
- Extreme urgency exists
- Additional deliveries by the existing supplier are justified

6.5 Preparation for Tender

Full consideration should be given to:

- The objective of the project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract
- 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

6.6 Invitation to Tender

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. 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

6.7 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 borne 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.

6.8 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by PVAT. 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.

6.9 Tender Opening Procedures

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

- For contracts over £116,405 - the Chief Executive Officer (CEO) and Audit, Finance & Risk Committee and/or the MAT Board need to authorise the procurement. 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.

As best practice, agreement in principle is obtained from the Audit, Finance & Risk Committee prior to any major procurement being undertaken, in line with the Scheme of Delegation. This is generally with regard to MIS system, Catering service, Transport Service and IT hardware procurement but this list not exhaustive.

6.10 Tender Procedures

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. Those involved in deciding must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence. Full records should be kept of all criteria used for evaluation and for contracts over £116,405 a report should be prepared for the Audit Finance & Risk Committee highlighting the relevant issues and recommending a decision. For contracts under £116,405 the decision and criteria should be reported to the Audit Finance & Risk Committee. Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender. The accepted tender should be the one that is economically most advantageous to PVAT. All parties should then be informed of the decision.

6.11 Non-order Invoices

There are occasions when purchase orders or 3 quotes are not practicable due to the nature of the service being provided by the supplier. These are predominantly utilities, site compliance costs and costs relating to supplies procured via the tender process, national frameworks or from direct approval from the Board of Trustees such as:

- Energy
- Waste Disposal
- Printer services
- IT support costs
- Entrust SLAs
- Alternative provision

- Exams
- Visits
- Supply Teaching
- Catering Supplies

Authority is delegated from the budget holders to the Catering supervisors to procure food for meal delivery to students and these are scrutinised in monthly reports as part of budget monitoring.
All staff procuring non-order supplies and services are expected to seek best value.

6.12 Related Parties

PVAT will adhere to the reporting and approval requirements set out in the Academy Trust Handbook with regards related party transactions. The Trust will report their intention to enter into a new transaction with a related party to the Department of Education(DFE) via the online form before confirming the transaction with the related party. This includes transactions being renewed with a related party.

Prior approval will be obtained for transactions exceeding £40,000.00.

The 'at cost' requirement will be applied for transactions over £2,500.00

All transactions will be declared in the financial statements as set out in the Academies Accounts Direction.

Related parties are identified in the finance system and a smart rule has been set to ensure that reporting procedures have been followed when transactions are entered.

All related party transactions are reported in the monthly Management Accounts which are shared with Trustees, Members, Leadership and the Audit Finance & Risk Committee.

7. Income

The main sources of income for PVAT are the grants from the DfE. The receipt of these sums is monitored directly by the Chief Finance Officer who is responsible for ensuring that all grants due to PVAT are collected. PVAT also obtains income from:

- Students, mainly for trips, dinner, uniform sales, purchase of resources and clubs
- The public, mainly for lettings
- Other schools and organisations for consultancy services

7.1 Trips

A lead teacher must be appointed for each trip to take responsibility for the organisation of the trip. The sum to be charged for the trip must be discussed and authorised by the Headteacher and/or Chief Finance Officer. The letter and permission slips will then be prepared by the EV Co-ordinator and a record created of all the students going on the trip. Parents will be encouraged to make all payments using ParentPay or an equivalent system to reduce cash handling in the office. For payments made by cash, the School Office staff will record the payment as received and issue a receipt for the parent/student. All receipts and balances for individual students are available from ParentPay. This record should be sent to the relevant staff member on a regular basis so they can chase up additional permission slips and payments. The Central Services Finance Team

analyse each trip once complete and report back overall cost effectiveness to trip leaders and Headteachers. Please see the Educational Visits Policy.

7.2 Catering Income

For all Schools, parents are encouraged to pay dinner money weekly in advance using ParentPay to reduce cash handling in the office. Penkridge Middle School operates a cash only payment for their break sales and a Lloyds Bank Cash Collection service is in place for this cash handling.

Each school Clerical Assistant is responsible for checking, entering and banking any locally received dinner money. Cash received in lieu of dinner money, must be entered onto ParentPay against the individual child, and then locked in the safe and banked. The banking must be checked and signed by the school Admin Officer weekly prior to filing. A half termly check will be conducted by the Chief Finance Officer, or the Financial Services Manager.

Monthly reconciliation should take place. The CFO must be notified immediately of any discrepancies.

Students at Wolgarston High School pay on daily pay as you go basis via the cashless system. If students have no funds on the system, the cashless catering system has an overdraft facility of £10.00. If this limit has been reached, a basic sandwich and cup to get water from the drinking water fountains will be provided and the concern referred to the relevant School staff.

A text is sent to parents advising that money is outstanding on their parent pay account and request reimbursement the following school day. This is followed up by the School Office via subsequent texts or letters on a weekly basis.

If no payment is received within the half term, the debt will be referred to PVAT debtors' team and recovery action will be pursued.

When referred to PVAT, parents will be contacted verbally and advised that meals will no longer be provided and the opportunity to attend trips or extra-curricular activities may be suspended until payment of debt is received.

If payment is still not received within five days of the conversation the debt will be referred to the CFO and discussed at Trustee level for further action.

7.3 Dinner Numbers

The school Clerical Assistant/Admin Officer will provide the kitchen with the daily numbers each day.

7.4 Free School Meals

Free School meals can only be provided if there is an entitlement.

7.5 Dinner Money Arrears

Individual pupil's arrears should not exceed £10.00 at any one time. Any parent/carer that has not made payment by the end of the week will be sent a reminder requesting immediate payment. This will be sent with the child or via text / email.

Full School Meals will only be reinstated when the arrears have been cleared. Parents will also be encouraged to make payment in advance for the following week. Dinner money arrears cannot be written off without approval from the CFO.

If no payment is received within the half term, the debt will be referred to the PVAT debtors' team and recovery action will be pursued. If payment is still not received, the debt will be referred to the CFO of PVAT and discussed at Trustee level for decision on further action.

7.6 Uniform Sales

The school Admin Assistant is responsible for the uniform sales. Sales must be listed in a stock book and the totals banked must match with the items and revenue listed on the spreadsheet. Monies should be banked weekly unless there are insufficient funds to justify this. The print out and banking must be cross-checked and signed by the School office staff. A termly stock count must be carried out by the School office team and any discrepancies between the stock book and actual stock levels brought to the attention of the Financial Services Manager. Online ordering using ParentPay or equivalent system linked to an online uniform shop should be encouraged where possible to reduce cash handling in the office and reduce the need for stock levels to be maintained in school. Parents without access to the internet should make payment at the time of placing their order.

7.7 Music Tuition

Tuition is set up on the ParentPay system as a payment item.

Any parent/carer that has not made payment by the due date will be sent a reminder requesting immediate payment. This will be sent or via text / email.

Lessons will be terminated until the arrears have been cleared and parents will be encouraged to make an advance payment for the following term. Parents/carers can arrange a payment plan to support timely payments. Music Tuition arrears cannot be written off without approval from the CFO.

If no payment is received within the half term, the debt will be referred to PVAT debtors' team and recovery action will be pursued. If payment is still not received, the debt will be referred to the CFO of PVAT and discussed at Trustee level for decision on further action.

7.8 Clubs

External providers who run clubs in Schools on their own behalf are responsible for their own administration and collection of income.

For Clubs organised within School, School Office staff are responsible for the activity club sign-ups. Payment should be collected at the time of booking the club and all income must be recorded on ParentPay. Where possible parents should be encouraged to make online payment using ParentPay to reduce cash handling in the office.

7.9 Nursery and Before & After School Clubs

School Office Staff will liaise with Nursery and Before & After School Club staff in order to set the sessions to charge appropriately for services provided. The charge for each session is agreed on a school-by-school basis. All income must be recorded in ParentPay. Sessions should be paid for as attended and all debt cleared by the end of each week. School Office staff will send text and/or e-mail reminders at the beginning of each week requesting all debt from previous week to be cleared.

If debt is not cleared by the end of the current half term, sessions and services will be revoked and debt collection referred to PVAT debtors' team and recovery action will be pursued. If payment is still not received, the debt will be referred to the CFO of PVAT and discussed at Trustee level for decision on further action.

7.10 School Journey / Transport Costs

The Trust's Transport Administrator monitors School Transport income from the outset. All payments are to

be made via Shuttle ID in keeping with the Charges & Remissions policy. Non-refundable deposits of £120.00 are now paid at the point of seat allocation, prior to the start of term. All payments will be made in full by the end of June.

A Sibling Discount of 10% will be applied to the older sibling's annual transport charge, commencing September 2021.

Future charges will increase to ensure a cost neutral, break even service.

For students in receipt of free school meals, the above costs will be reduced by 50%. Parents/carers can arrange a payment plan directly with the Penk Valley debtors' team should they have difficulty matching the payments above.
Income not received by January each year will be referred to the Central Services Finance Team for collection via the Trust debt collection process.

7.11 Lettings
The Admin Officer at each School is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. The invoice should be raised by the Central Hub Finance Team and payment collected by them.
Any non-payments will be chased and bookings cancelled if money not received within 30 days of invoice date.

7.12 Online Payments
Online secure payments should be encouraged and facilitated where possible to reduce cash handling and reconciled against income received into the Bank.

Card readers are held securely within the Central Financial Services team for use at special, one-off events within the Trust to enable parents and stakeholders to pay securely without the need for cash or access to their ParentPay account.

7.13 Debts
No debts should be written off without the express approval of the CEO/Executive Trustee (the DfEs prior approval is also required if debts to be written off are above the value set out in the annual funding letter). The Central Services Debtors' Team will provide a monthly debtors report to the CFO for entry into the monthly Management Accounts.

7.14 Custody
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 should take place at regular intervals ensuring the amount of cash held does not exceed the insurance limit on the school safe.

7.15 Sales Ledger
Monies collected must be banked in their entirety in the appropriate bank account. The Admin Assistant is responsible for listing all local income which has been banked and recorded on ParentPay. The sales ledger will be reconciled against the bank account each month and certified by the Financial Services Manager.

7.16 Refunds for Overpayments Made

Any refunds regarding overpayments made will be actioned by the Central Hub team after approval by the Budget Holders/Delegated Budget holders and once all appropriate checks across Schools within PVAT are made.

8. Cash Management

8.1 Bank Accounts

The opening of all accounts must be authorised by the PVAT Board. PVAT currently has three bank accounts, with Lloyds Bank, a current account, instant access savings account and a 95 day notice account.

Signatories on PVAT Bank account:

Lee Metcalfe-Chase	COO
Jan Marson	CFO
Donna Harrison	CPO
Trudi Parton	Financial Services Manager (Hub)

Transfer between the accounts can be made by one approver, on discussion and as necessary for cash flow purposes, as there is no withdrawal element to consider.

8.2 Deposits

Particulars of any 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
- A reference, such as the number of the receipt or the name of the debtor

8.3 Payments and Withdrawals

All cheques and other instruments authorising withdrawal (including BACs payments) from PVAT bank accounts must bear the signatures of any two of the authorised signatories. This provision applies to all accounts, public or private, operated by or on behalf of the Board of PVAT. Authorised signatories must not sign a cheque relating to goods or services which they have also ordered.

8.4 Administration

The Financial Services Manager 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 PVATs cash book
- Reconciliations are subject to an independent monthly review carried out by the Chief Finance Officer or CEO and adjustments arising are dealt with promptly

8.5 PVAT Procurement Cards

PVAT has a charge card system to assist with best value during procurement. All card holders are nominated procurement officers.

The charge card should only be used when cheque or BACs payments are not possible.

All Schools - Procurement card holders

- Drivers – maximum spend in a single transaction = £100
- Catering staff – cards only to be used for online food orders. All other purchases to be processed as below.
- DT teacher (High School) – maximum spend in a single transaction = £50
- CFO/COO/CPO
- IT Network Manager
- Estates Manager
- Catering & Cleaning Coordinator
- Office staff – will follow the process below

All receipts must be signed by card holder and budget holder/delegated budget holder, department to be charged identified and the reason for purchase stated. These hardcopy receipts MUST then be sent to the Central Hub IMMEDIATELY.

Procurement card purchases

Once ordered by the office staff, the original receipt MUST be sent to the Central Hub IMMEDIATELY. **Note:** The receipts should be signed by the card holder's budget holder/delegated budget holder prior to forwarding to Central Hub.

A copy can be kept in School if necessary to ensure the correct receipt and distribution of goods.

Note: Catering Supervisors and Drivers sign off their own p-card receipts, but a check is conducted by the Financial Services Manager ensuring purchases are relevant to role and compliant.

In Central Hub

Originals to be filed awaiting approval procedure on Lloyds Bank card system. Will be filed under each card holder's name.

Purchases to be recorded in the Financial Management System (Sage Intacct) and reconciled as part of the monthly Bank reconciliation.

8.6 Cash Flow Forecasts

The Chief Finance Officer is responsible for preparing cash flow forecasts to ensure that PVAT has sufficient funds available to pay for day-to-day operations. If significant surplus balances can be foreseen, steps should be taken to invest the extra funds using the deposit accounts. PVAT aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

Guiding principles are as follows:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements

Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

9. Fixed assets

9.1 Fixed Asset Register

All items purchased with a value over PVATs capitalisation limit of £2,500 (£1,500 for Computer Equipment) must be entered in the fixed asset register. The item should be permanently and visibly marked as PVATs property, labelled and added to the inventory which is checked annually. 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 EFA grant and % funded from other sources)
- Expected useful economic life
- Location
- Name of member of staff responsible for the asset The Asset Register and Inventory helps:
- Name of responsible person (to be
- 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 PVAT's financial system
- Support insurance claims in the event of fire, theft, vandalism or other disasters.

9.2 Depreciation

Depreciation on assets is as follows:

Buildings 2% Land 0.8% Furniture and Equipment 25% straight line Fixtures and Fittings 20% straight Line, Portable Buildings 14.28% (7 years) Computer Equipment & Software 33% straight line

9.3 Security of assets

Stores and equipment must be securely held by means of physical and other security devices. Only authorised staff may access the stores. All the items in the fixed asset register or inventory should be permanently and visibly marked as PVATs 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 Trust Board. Inventories of PVAT property should be kept up to date and reviewed regularly. Where items are used by PVAT but do not belong to it this should be noted.

9.4 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the CEO and, where significant, should be sold following competitive tender. PVAT 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. Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence PVAT obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as PVAT would need to ensure licences for software programmes have been legally transferred to a new owner. PVAT is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other PVAT

assets. If the sale proceeds are not reinvested, then PVAT must repay to the DFE a proportion of the sale proceeds. All disposals of land must be agreed in advance with the Secretary of State.

9.5 Loan of Assets

Items of PVAT property must not be removed from PVAT premises without the authority of the Chief Operating Officer, Headteacher or head of department. A record of the loan must be recorded in a loan book and booked back into PVAT when it is returned. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with PVATs auditors.

10. Storage of Records

Financial records need to be kept for 7 years. At the end of each financial year, all records should be boxed up for secure storage – clearly listed the date for disposal. Please see the PVAT Data Retention Schedule for further details.

11. Gifts (see Gifts and Hospitality Policy)

- Staff are not allowed to accept significant personal gifts from contractors and other suppliers
- Staff can only accept offers of hospitality if there is a genuine need to impart information or represent the school in the community. Hospitality cannot be accepted from a contractor during a tendering period
- Any gifts made to the school (above the value of £30) must be listed in a gifts register
- No gifts of any kind, including alcohol, should be purchased using school/Trust funds

12. Suspected Fraud (See Fraud Policy)

In case of suspected fraud, the Audit Finance & Risk Committee will be notified and the external auditors called in to undertake a full investigation if required. The CEO in consultation with the Audit Finance & Risk Committee will decide whether the police should be notified. The Secretary of State must be notified of any loss arising from suspected theft or fraud exceeding an amount set out in the annual funding letter.

13. Whistle blowing (See separate policy)

14. Complaints (See separate policy)