

St Augustine's Academy



Finance Policy (Including Debt Recovery)

Approved by:

A handwritten signature in black ink, appearing to read 'G. Hegley', is written over a white rectangular background.

Date: 22.10.25

Next review due by:

October 2026

'Let your light shine before others, that they may see your good deeds and glorify your Father in Heaven.'

Matthew 5:16

Finance Policy

Introduction

The purpose of this policy is to ensure that the Academy maintains and develops systems of financial control which conforms to 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 of Education and Skills (DfE) and the Education Funding Agency (ESFA).

The Academy must comply with the principles of financial control outlined in the Academies guidance published by the DfE. This policy provides detailed information on the Academy's accounting procedures and system manual and shall be read by all appropriate staff.

Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- DfE (2025) 'Academy trust handbook 2025'
- DfE (2025) 'Declare or seek approval for related party transactions: summary guidance'
- Data Protection Act 2018
- Academies Act 2010
- Companies Act 2006
- The UK General Data Protection Regulation (UK GDPR)

This policy operates in conjunction with the following trust policies:

- Articles of Association
- Funding Agreement
- Anti Fraud policy
- Staff Handbook
- Declared Conflicts of Interest Register

Roles and responsibilities (financial)

The Academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for the Governing Board and staff. The financial reporting structure is illustrated below:

The Governing Board

The Governing Board has overall responsibility for the administration of the Academy's finances. The main responsibilities of the Governing Board are prescribed in the Funding Agreement between the Academy and the DfE and in the Academy's Scheme of Delegation. The main responsibilities include:

- Ensuring that the grants from the DfE are used only for the purposes intended
- Ensuring that funds from sponsors are received according to the Academy's Funding Agreement, and are used only for the purposes intended
- Approval of the annual budget
- Appointment of the Principal

The Pay, Personnel and Finance Committee

In most instances, the Pay, Personnel and Finance Committee is incorporated into the full Governing Board meetings. The Governing Board meet once a half term but more frequent meetings can be arranged if necessary.

The main responsibilities of the Pay, Personnel and Finance Committee are detailed in written terms of reference which have been authorised by the Governing Board and include:

- Approval of the annual budget having considered the Academy's development plan and management plan, for the Governing Board's approval
- To provide guidance to the Governing Board and its committees on financial matters
- To monitor the financial affairs of the Academy and to report as appropriate to the Governing Board
- To agree financial policies for the Full Governing Board's approval
- To consider Auditors' reports and arrange for the auditing of any Academy Funds
- To monitor finance reporting to the DfE / EFA
- To consider any other financial matters and take appropriate action Ensure that an annual survey of the Academy premises takes place and reports are received
- Monitor expenditure and quality of contracts
- Ensure the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies:
- To authorise the award of contracts over £50,000
- To authorise changes to the academy personnel establishment and review the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the Full Governing Board .
- To set a level of reserves that the board feels is sufficient to act as a contingency in case of an interruption to income streams. At present this figure is set at £100,000.

The Principal

Within the framework of the Academy development plan as approved by the Full Governing Board, the Principal has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Principal including:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Board have agreed shall be approved by them;
- Authorising purchases up to £10,000
- Authorising contracts between £10,000 and £50,000 in conjunction with the Governing Board
- Signing cheques in conjunction with Deputy Head, authorising electronic payments on Bankline posted by the School Business Manager
- To act as the Accounting officer for the trust.

School Business Manager

The School Business Manager works in close collaboration with the Principal through whom he is responsible to the Governing Board. The School Business Manager also has direct access to the Governing Board members. The main responsibilities of the School Business Manager are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system.
- 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
- Ensuring forms and returns are sent the DfE / EFA in line with the timetable in the DfE guidance
- To act as the Chief Financial Officer for the trust.
- To authorise purchase order requests under £50

Auditors

Duncan and Toplis are appointed by the Governing Board as external auditors and provides members with an independent oversight of the Academy's financial affairs. The main duties are to provide the Governing Board with independent assurance that:

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

The auditors will undertake an annual programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid

down by the Governing Board. A report of the findings will be presented to the Chair of Governors / Principal. Detailed guidance of the transactions to be checked by the auditors is given in Appendix A of the DfE Guidance and agreed with the Auditors or the Academy.

Additionally, Chromium Financial Services are appointed as the Internal auditors, who perform termly checks on financial controls, and provide reports on the effectiveness of controls to the board.

Register of Interest

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 misunderstanding that might arise all Academy Full Governing Board members and staff, with significant financial or spending powers, are required to declare any financial interests they have in companies or individuals from which the Academy may purchase goods or services. The register is open to public inspection.

The register shall include all business interests such as directorships, share holdings or other appointments of influence within a business organisation which may have dealings with the Academy. The disclosures shall also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a Governors or member of staff by that person.

The existence of a Register of Business Interests does not, of course, detract from the duties of Governors and members of staff to declare interests whenever they are relevant to matter being discussed by the Governing Board or a committee. Where an interest has been declared, Governors and / or member of staff shall not attend that part of any committee or other meeting.

Accounting System

All the financial transactions of the Academy must be recorded on the approved accounting system (currently SAGE 50). The system is operated by the School Business Manager and consists of:

- Nominal Ledger, Purchase Ledger, Sales Ledger
- System Access
- Entry to the accounting system is password restricted and the School Business Manager is responsible for implementing a system which ensure that passwords are changed as appropriate
- Access to the component parts of the accounting system can also be restricted and the School Business Manager is responsible for setting access levels for all members of staff using the system

Back-Up Procedures

The School Business Manager is responsible for ensuring that there are effective back up procedures for the system. The school's server backs up the data on a daily basis. A backup disk of the server is also rotated weekly and stored in the safe.

The accounting system Sage 50c also allows the use of Sage Drive which backs up the financial records securely in the cloud in real time, meaning even a total loss of the school would not result in the loss of our financial records.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with procedures specified in this manual. The detailed procedures for the operation of the purchase ledger and the sales ledger are included in the following sections of the manual. Bank transactions shall be input by the School Business Manager and the input shall be checked, and can only be authorised by, the Principal.

Details information on the operation of the accounting system can be found in the user manuals held in the School Office.

Transaction Reports

The School Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:

- Monthly Balance Sheet;
- Monthly payroll report;
- Management accounts summarising expenditure and income against budget;

Reconciliations

The School Business Manager 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;
- Bank balance per the nominal ledger to the bank statement;

Any unusual or long outstanding reconciling items must be brought to the attention of the Principal. The Principal will review and sign all reconciliations as evidence of his review.

Financial Planning

The Academy prepares both the budget and outturn forecast.

The development provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources for the following year.

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

Development Plan

The development plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans shall be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the development plan are matters for the Academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the DfE.

Each year the Principal will propose a planning cycle and timetable to the Governing Board 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 Principal.

The completed development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan shall 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 Principal. The responsible manager shall 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 the Governing Board if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The Principal and School Business Manager are responsible for the preparing and obtaining approval for the annual budget. The budget must be approved by the Pay, Personnel and Finance Committee followed by the Full Governing Board.

The approved budget must be submitted to the EFA by 31st July each year and the School Business Manager is 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 the Academy for the forthcoming year and will detail how those resources are to be utilised. There shall be a clear link between the development plan objectives and 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 the Academy to assess likely level of recipients;
- Review of past performance against budgets to promote an understanding of the Academy 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;

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 shall 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 a satisfactory surplus or income over expenditure is identified.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget shall be prepared by the Principal and School Business Manager for approval by the Full Governing Board.

The budget shall be accompanied by a statement of assumptions and hierarchy or priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget shall be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

Monthly reports will be prepared by the School Business Manager. The reports will detail actual income and expenditure against budget and presented with a report to the Governors at every meeting.

The monitoring process shall 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 the contingency. Budget virements may be agreed by the Principal in conjunction with the School Business Manager if there is no change to the overall position of the budget. All budget adjustments that impact on the overall position of the budget must be authorised by the Pay, Personnel and Finance Committee.

Payroll

The main elements of the payroll system are:

- Staff appointments
- Payroll administration
- Payments

Staff Appointments

The Governing Board has approved a personnel establishment for the Academy. Changes can only be made to this establishment with the express approval, in the first instance of the Principal who must ensure this adequate budgetary provision exists for any establishment changes.

The Principal has authority to appoint staff within the authorised establishment except for Deputy Principal whose appointment must follow consultation with the Governing Board members. The School Business Manager maintains personnel files for all members of staff which include contracts of employment.

The Academy Human Resources Services is administered by Luton Borough Council.

Payroll Administration

The Academy Payroll Service is administered by Luton Borough Council.

All staff are paid on the 27th of each month.

Luton Borough Council provides the Academy with a draft payroll report for sample checking, followed by a final report upon payment. These reports are held on file in the School Business Manager's office.

Payments

The print must be authorised by the School Business Manager and the Principal and dated.

All salary payments are made by BACS.

On an annual basis the School Business Manager must check all members of staff to ensure that the gross pay per the payroll system agrees to the contract of employment held on the personnel file. A statement of salary will be issued to every employee at the beginning of each academic year.

Out of Pocket expenses

Out of pocket expenditure must be pre-approved by the Principal before being made. Examples are parking for courses or postage costs. The Out of Pocket Expenses Form must be completed and the receipt attached. This must be counter signed by the School Business Manager and the Principal. The form will then be treated as an invoice and the claimant paid as a supplier. In the case that the form for expenses is from the Principal, it must be further countersigned by a Governor who is not an

employee of the Academy. These forms will be filed with Invoices according to the date received.

Purchasing

The Academy 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. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

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

Routine Purchasing

A Purchase Order Request is raised for purchases by a member of staff and passed to the School Business Manager for coding, checking against remaining budgets and authorisation by both the School Business Manager and the Principal. Orders will be produced automatically from the accounting system, allocated a reference number, and dispatched to the supplier by the School Business Manager.

Purchase orders will not be raised retrospectively and instead Purchase Invoices for items where no Purchase order exists will be supported by other paperwork (e.g. Contracts)

In the case of Supply staff procurement, the Principal and Deputy Head shall have the right to procure supply staff as needed by the Academy without the need for a Purchase order being raised.

Purchase orders will not be required for utilities including but not limited to: Gas Electric, Heating Oil, Telephone, Water, Refuse collection and Broadband as these are supplied under contract or according to need.

The School Business Manager must make appropriate arrangements for the delivery of goods to the Academy where necessary. On receipt the Office Administrative staff 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 shall be notified to the School Business Manager to be discussed with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality the School Business Manager should be notified.

All invoices are sent to the School Business Manager, either by post or electronically. The School Business Manager or Administrators will input details of payment to be made onto the computer and generate the payments required. The majority of

payments are made by BACS to suppliers, if not a cheque is raised and signed by authorised signatories. Invoices are stamped with purchase order numbers and date the invoice was paid, then presented to the Principal for authorisation before payment is made. A Payment Summary form is printed from the bank website after the Principal has authorised the payment, and retained in the Bank folder

Purchase orders for which no invoice yet exists are filed in numerical order, latest on top. Invoices are filed in date order, with the purchase order and supporting documentation attached.

Orders under £50

The School Business Manager may act as the sole authorising party for orders under £50. In this case the Principals signature will not be required on the purchase order request or the printed Purchase Order, but the Principal will still be required to sign the Invoice and authorise any electronic payments

Orders over £50 and below £1,000

Purchase orders may be submitted without gaining quotes from more than one supplier. However, as with all requests, the School Business Manager and Principal may decide to ask the person making the request to demonstrate that the price is competitive, or may seek to find a better cost themselves.

Orders between £1,000 and £9,999.99

For orders £1,000 and over but below £10,000, three quotations should be obtained and attached to the purchase order request. However, this requirement can be waived by the Principal if they see fit. An example would be a particular study program that the school wishes to use which is only available from one supplier. Another example might be where we have already found a particular supplier to offer good value through previous quote comparisons and having received good service. Such waiver to be recorded on the purchase order request signed by the Principal.

Orders over £10,000

At least three written estimates or price lists shall be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods / services. Written details of documents obtained shall be prepared and retained by the School Business Manager for audit purposes. Telephone quotes are not acceptable.

Authorisation by the Governing Board is required.

Orders over £50,000

At least three written estimates or price lists shall be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods / services. Written details of documents obtained shall be prepared and retained by the School Business Manager for audit purposes. Telephone quotes are not acceptable.

Specific authorisation required by Full Governing Board, including minuted decision making process.

Forms of Tenders

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

Open Tender: This is where all potential suppliers are invited to tender. The School Business Manager must discuss and agree with the Principal 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.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- There is 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 are such that only specific suppliers can be expected to supply the Academy's requirements
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering

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

Preparation for Tender

Full consideration shall be given to:

- Objective of 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.

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 and invitation to tender may be issued in response to an initial enquiry.

An invitation to tender shall 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 shall 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 shall be taken to ensure that the tender price is the total price and 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

Tender Acceptance Procedure

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

Tender Opening Procedure

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

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

Tendering Procedure

The evaluation process shall involve at least two people. Those involved shall 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 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.

When required by the conditions to a specific grant from the DfE / EFA, the department's approval must be obtained before the acceptance of a tender.

The accepted tender shall be the one that is economically most advantageous to the Academy. All parties shall then be informed of the decision.

Credit / Debit Cards The Academy maintains a corporate card to assist in the purchasing of "online" items. All procedures covering approval and payments are the same as for normal purchases. The main exception being that all the statements must be reconciled by the School Business Manager and signed by the Principal. The card is held in the name of the Deputy Head who will make the payments for separation of duties. Invoices or receipts will be attached to the relevant months statement and filed in the One Card Folder. Purchase orders will be raised for any acquisition over £50.00. The card is in the safe. All payments from the Card will be recorded against the Card account on Sage and the Direct Debit Payment will be recorded as a Journal Bank transfer between the Current Account and the One Card Account.

Income

The main sources of income for the Academy are the grants from the DfE / EFA. The receipt of these sums is monitored directly by the School Business Manager who is responsible for ensuring that all grants due to the Academy are collected.

The Academy also obtains income from:

- Students, mainly for trips
- The public, for lettings

The School Business Manager or Administration Clerk are to take responsibility for the collection of sums due. The Administration Clerk must prepare a record of each student intending to go on the trip showing the amount due. A copy of the record is kept on file until after the trip.

Students should make payments to the school office. A receipt must be issued for all cash monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment. Receipts for non-cash payment will be produced on request.

The Administration Clerk shall maintain an up-to-date record for each student showing the amount paid and the amount outstanding. This record shall be issued to the Principal on request showing any outstanding amounts, which are duly chased.

The Academy currently operates a Breakfast Club, where money is collected from pupils. A receipt and register are kept on file.

Lettings

The School Business Manager is responsible for maintaining records of bookings facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities. Details of payments made will be the responsibility of the School Business Manager and it is their responsibility to chase outstanding debts and ensure no use is made of the facilities unless payment has been made.

No debts shall be written off without the express approval of the Principal and the Governing Board. The School Business Manager will notify the Principal of any amounts over £1,000 and the reasoning behind the decision (the DfE's prior notice is also required if debts are to be written off are above the value set out in the annual funding letter).

Organisations using the facilities shall be instructed to send all payments to the School Business Manager.

Custody

Official, academy receipts shall be issued for all cash received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking. Banking shall take place frequently if the sums collected exceed the £250 insurance limit on the safe.

Monies collected must be banked in their entirety in the appropriate bank account. The School Business Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations will take place as soon as the bank statement is received.

Cash Management:

Bank Accounts:

The opening of all accounts must be authorised by the Governing Board who must set out, in writing, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements.

Deposits:

Particulars of any deposit must be entered on a counterfoil. The details shall include:

- The amount of the deposit
- A reference, such as the number of the receipt or the name of the debtor

Payments and withdrawals:

All cheques and other instruments authorising withdrawal from the Academy bank accounts must bear the signature of the Principal and the Deputy Head

Administration:

The School Business Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliations procedures must ensure that:

- All bank accounts are reconciled to the Academy's accounting system
- Reconciliations are prepared by the School Business Manager
- Adjustments arising are dealt with promptly

Petty Cash Accounts:

The Academy maintains a maximum cash balance of £50.00. The cash is administered by the School Business Manager and is kept in the office safe.

The School Business Manager is responsible for entering all transactions in to the petty cash records on a regular basis and regular checks are to be undertaken by the School Business Manager to ensure that the cash balance reconciles to supporting documentation.

Cash Flow Forecasts:

The School Business Manager is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps shall be taken to invest the extra funds. Similarly plans shall be made to transfer funds from another bank account or to re-profile GAG to cover potential cash shortages.

Investments:

Investments must be made only in accordance with written procedures approved by the Governing Board.

Fixed Assets Asset Register

All items purchased with a value over £1000 must be entered onto an Asset Register. The Asset Register shall include the following information:

- Asset description
 - Asset number
 - Serial number
 - Date of acquisition
 - Asset costs
 - % of original cost funded from DfE /EFA grant and % funded from other sources
 - Depreciation
 - Current book value
 - Location
 - Name of member of staff responsible for asset
- 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 Academy's financial system support insurance claims in the event of fire, theft, vandalism or other disasters

The Academy maintains an asset register on Excel Spreadsheet and the auditors will perform the depreciation calculations

Depreciation

Depreciation will be on a 20% straight line basis. Where items have previously used reducing balance, any item that has been on the asset register for over 5 years and which maintains a Net Book Value of under £100 shall have its value reduced to zero, and the corresponding adjustments made to the accounts. Depreciation of fixed assets will be on a 2% straight line basis.

Security of Assets

Stores and equipment must be secured by means of physical and other security devices.

All the items in the register should be permanently and visibly marked with Smartwater as the Academy'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 shall be investigated promptly and, where significant, reported to the Governing Board. Inventories of Academy property shall be kept up-to-date and reviewed regularly. Where items are used by the Academy but do not belong to it, this shall be noted.

Disposal

Items which are to be disposed of by sale or destruction must be authorised for disposal by the School Business Manager, where significant, shall be sold following competitive tender. The Academy 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.

Loan of Assets

Items of Academy property must not be removed from Academy premises without the authority of a member of Directorate. A record of the loan must be recorded on a loan agreement with a full set of signatures and booked back in 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 shall therefore be kept under review and any potential benefits discussed with the Academy's Auditors.

This finance policy will be reviewed by the Pay, Personnel and Finance Committee and agreed by the Full Governor's Meeting at the beginning of each financial year (September).

Debt Recovery

Legal framework

This policy will adhere to the relevant legislation and statutory guidance surrounding school payments and debt recovery, including the following:

- DfE (2018) 'Charging for school activities'

Roles and responsibilities

As a general rule, to avoid incurring debts, payments for materials and services provided by the school should be collected in advance or at the point of sale.

Any person(s) involved in the monitoring, recording and pursuing of debts owed to the school must formally record any information gathered and actions taken – data which is to be kept by the school for a period of seven years.

The school's governing board:

- Will regularly review details of its debts and what recovery action is needed.
- Must be consulted if legal services are required for debt recovery.
- Will adhere to the privacy rights of pupils and their guardians in all cases.
- May decide to leave a case of debt recovery to the decision of the headteacher.

The headteacher will ensure:

- Debt reminders are recorded, and those records maintained for a period of seven years – dates and times of letters, phone calls, emails, conversations or any other correspondence.
- Instances of debt are judged on an individual basis, with consideration of the nature of the debt and the circumstances of the family involved.
- The privacy of the pupil and their family will be protected by all staff.
- The level of outstanding debt owed to the school can be determined at short notice.

Acceptable 'credit period'

In the case of a debt, the governing board should agree upon a 'credit period' within which the debtor can pay the outstanding sum before debt recovery procedures are exercised. This period of time may vary, at the discretion of the governing board, dependent on the nature and size of the debt.

Declaring outstanding debt levels

The headteacher and governing board will review the level of outstanding debts every term to determine whether current debt levels are acceptable and whether current methods and procedures to recover debts are effective.

Any individual cases of debt that are deemed to require intervention will then be pursued by the procedure starting from section five of this policy.

Debt recovery procedures

Where there is an outstanding payment yet to be received and the acceptable credit period has been surpassed, an official invoice should be created outlining the value and reason for the debt, as well as the debtor's identity.

Upon creating the invoice and stipulating a date on which it must be paid by, there is acknowledgement from the school that the debt has been set up.

Verbal and written overdue payment reminders

Initial verbal reminder – informal in-person/telephone/email correspondence notifying person of debt (date and time should be officially recorded).

First formal written reminder – an official, dated letter addressed to the debtor should be written up two weeks after the first informal reminder and should acknowledge that it took place.

Second formal written reminder – this should come two weeks after the second reminder, citing the details of both previous reminders and stating that concerted efforts have been made to make the person aware that an outstanding debt is overdue.

Failure to respond

If these reminders are not responded to, another letter will be sent to the debtor advising them that the case has been to the school's legal advisors and governing board. It is then for these parties to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments.

Negotiation of debt repayment

It is expected that the debt should be repaid as soon as possible, particularly after repeated reminders; however, this can be negotiated at the discretion of the governing board, particularly if the circumstances in section nine of this policy apply.

If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving LAs and the council's legal services to resolve the issue and recuperate owed funds.

Exceptional circumstances and remissions

The school must ensure that guardians of pupils are aware of the help the school can extend to those in financial difficulty. Guardians who may be eligible for remissions are those in receipt of any of the following benefits:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Support under part VI of the Immigration and Asylum Act 1999
- The guaranteed element of State Pension Credit
- Child Tax Credit, provided that they are not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190
- Working Tax Credit run-on – paid for four weeks after they stop qualifying for Working Tax Credit
- Universal Credit – if they apply on or after 1 April 2018, their household income must be less than £7,400 a year (after tax and not including any benefits that they receive)

In a case where there is, or it is suspected that there is, an overdue debt from a family who may qualify for remissions, details of the different types of bursary available should be sent to the debtor in question.

The governing board is not guaranteed to but may decide to waive or reduce the outstanding debt in these circumstances.

Debt recovery costs

In addition to the remission allowances outlined in section nine, it may be advisable to waive or partially waive debts where it is deemed that it does not make financial sense to continue allocating time and resources to pursuing.

The governing board will review any case a debt may be waived, and come to a final decision based on the value of costs versus value of the debt.

Monitoring and review

The governing board will review this policy annually, and changes relating to any updated legislation will be made accordingly.

The governing board will communicate any changes to this policy to all relevant stakeholders.