



Finance Policy

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
 Bosmere Community Primary School
 Broke Hall Community Primary School
 Chilton Community Primary School
 Combs Ford Primary School
 Freeman Community Primary School
 Springfield Junior School
 Whitehouse Community Primary School

Document Control

Version	Date	Author	Comments
Issue 1	1st Mar '19	Finance and Audit Committee	Includes Accounting Policy; Bad Debt and Redundant Equipment; Charging and Remission; Competitive Tendering; Fixed Asset Accounting Policy; Investment; Letting Policy; Procurement Policy; RoFR; VAT Policy. Review Spring 2020
Issue 2	5th Feb '20	Finance and Audit Committee	Addition of £200 maximum BACs payment to staff limit.
Issue 3	June '20	CFO/CEO	Amendments: new schools added and additional details accordingly.
Issue 4	Sept '20	CFO	Mileage and Travel claims specified relating to BACs payments following Auditor's advice.
Issue 5	10th Feb '21	CFO	Approved by Board
Issue 6	8th Mar 22	CFO	Amendments: New school, Finance centralisation, additional Condition of Letting relating to KCSiE, Sections 14 and 15.
Issue 7	Nov '22	CFO	Approved by Board
	Autumn '23	CFO	Central Charge Updated
Issue 8	Spring '24	CFO	Update to staffing – add Trust Finance Leads

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1. Background

1.1 The purpose of this policy and associated procedures is to ensure that **The Children's Endeavour Trust** ("the Trust") maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).

1.2 The Trust must comply with the principles of financial control outlined in the schools guidance published by the DfE. This policy expands on that and provides detailed information on the Trust's accounting procedures. It should be read by all staff involved with financial systems.

1.3 The policy covers finance related policies such as depreciation, Trust companies, reserves, investments, charging and remission, staff expenses and directors' expenses.

1.4 This policy relates to all of the Trust's schools. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

1.5 This policy is designed to be consistent with:

- ESFA Financial Handbook
- Trust Articles of Association / Constitution
- Master and Supplemental Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money".

1.6 This policy also contains the following appendices:

- Appendix 1 – Record of Financial Responsibility
- Appendix 2 – VAT Policy
- Appendix 3 – Scheme of Delegation
- Appendix 4 - Fixed Asset Accounting Policy
- Appendix 5 – Accounting Policy
- Appendix 6 – Charging and Remissions Policy
- Appendix 7 – Lettings Policy
- Appendix 8 – Pecuniary Interests

2. Trust Structure

2.1 The Trust consists of the following schools and other entities:

- Abbot's Hall Community Primary School
- Bosmere Community Primary School
- Broke Hall Community Primary School
- Chilton Community Primary School
- Combs Ford Community Primary School
- Freeman Community Primary School
- Springfield Junior School
- Whitehouse Community primary School

2.2 The Trust has defined the responsibilities of each person involved in the administration of the Trust finances to avoid duplication or omission of functions and to provide a framework of accountability for directors and staff. The financial reporting structure is outlined below:

Trust Board of Directors / Finance and Audit Committee

2.3 The Directors are the people responsible under the school trust's articles of association for controlling its management and administration. They have responsibility for directing its affairs and ensuring that it is solvent, well-run and delivering the Trust's charitable objectives. Use of the words directors, trustees or governors are interchangeable and refer to the Trust Board.

2.4 The Board of Directors / Finance Committee and the Audit Committee of the Trust has overall responsibility for the administration of its schools' finances and the effectiveness of internal controls. The main responsibilities of the Board are prescribed in the Trust Articles of Association, the Terms of Reference, the Scheme of Delegation and in the Funding Agreement between the Trust and each of its schools with the Department for Education (DfE). These responsibilities in relation to financial matters include:

Trust Board of Directors

2.5 The Board is responsible for ensuring that high standards of corporate governance are maintained, addressing such matters as:

- compliance with the Academies Financial Handbook published annually by the ESFA
- ensuring that the Trust's funds are used only in accordance with the law, its articles of association, its Funding Agreement, and the Academies Financial Handbook published by the ESFA
- the proper stewardship of funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in the use of funds
- finance policy development and strategic planning
- ensuring sound management and administration of the Trust and its schools and ensuring that managers are equipped with relevant skills and guidance
- ensuring compliance with general legislative requirements
- approving a written scheme of delegation of financial powers that maintains robust internal control arrangements
- establishing and maintaining a transparent system of prudent and effective internal controls;
- management of the Trust's financial, human and other resources
- monitoring performance and the achievement of objectives and ensuring that plans for improvement are acted upon
- setting the Trust's standards of conduct and values
- assessing and managing risk, (including the preparation of a statement on schools risk management for its annual report and accounts)
- holding to account each Headteacher and their staff

See also Appendix 3 – Scheme of Delegation

Finance Committee and Audit Committee

2.6 The Finance Committee and Audit Committee are responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and School finances and resources, including proper planning, monitoring and probity, most particularly by:

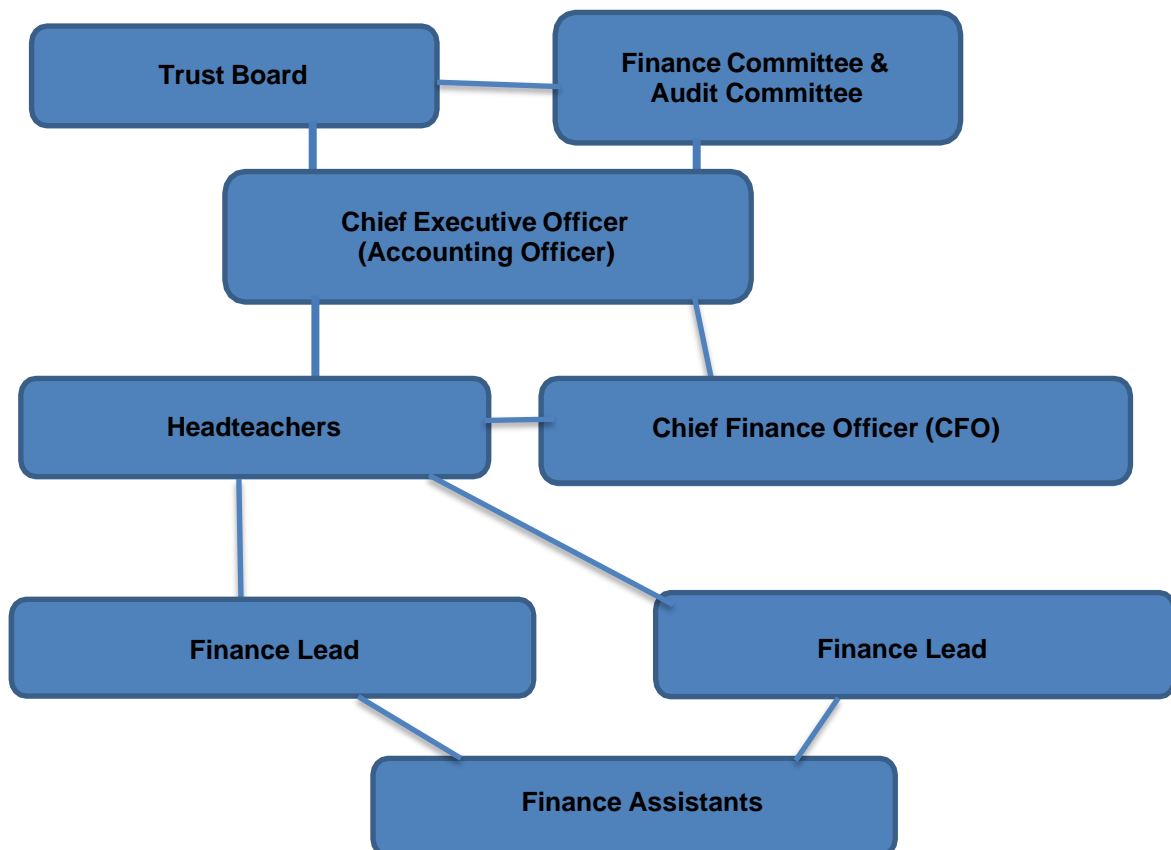
- promoting the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds
- promoting a climate of financial discipline and minimising the opportunity for financial mismanagement

- supporting the Board in their financial responsibilities as laid out above
 - within delegated authorities laid down by the Board
 - in a manner which will make the most economic and effective use of resources available
- challenging the Business / Office Manager's and other finance officers to demonstrate best value in the decisions delegated to them
- approval of Trust finance policies, significant spending plans, school plans, staff complements etc. as laid out in Appendix 3 – Scheme of Delegation
- and Committee Terms of Reference

2.7 As permitted by the Academies Financial Handbook for MATs with income below £50million, the following functions of the audit committee are undertaken by the Finance Committee:

- providing assurance over the suitability of, and compliance with its financial systems and operational controls
- providing assurance that risks are being adequately identified and managed by:
 - reviewing the risks to internal financial control at the trust
 - agreeing a programme of work to address and provide assurance on those risks
- improving the quality of financial reporting by reviewing internal and external financial statements on behalf of the Board
- promoting the development of internal controls and risk management systems which will satisfy the Board that the Trust and its schools will achieve their objectives and targets and are operating in accordance with any statutory requirements for the use of public funds:
 - within delegated authorities laid down by the Trust Board
 - in a manner which will make the most economic and effective use of resources available

3. Roles and Responsibilities (Finance)



The Chief Executive Officer/Accounting Officer

3.1 The Chief Executive Officer is the Accounting Officer with responsibilities as described in HM Treasury's "Regularity, Propriety and Value for Money". The Accounting Officer has personal responsibility for the propriety and regularity of the public finances under the Trust's control, for assuring the Board that there is compliance with the handbook and the funding agreement. It must be ensured that, in considering proposals relating to the expenditure or income for which they have responsibilities, all relevant financial considerations are taken into account and full regard is had to any issues of propriety or regularity.

3.2 The main responsibilities of the Accounting Officer include:

- the development of the annual budget
- the development of medium-term financial planning
- the regular monitoring of actual expenditure and income against budget
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to schools
- Ensuring that the regular reports provided to the Board are timely and accurate
- authorising orders and the award of contracts within the approval limits shown in Appendix 1
- authorising payments within the approval limits shown in Appendix 1
- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Directors have agreed should be approved by them

See also Appendix 1 – Record of Financial Responsibility.

Note: The Chief Executive Officer also has additional non-finance responsibilities in relation to educational improvement, which are outside the scope of this document.

The Trust's Headteachers

3.3 Within the framework of the Trust's Development Plan, each school Headteacher has responsibility for the school's activities; including certain financial activities defined in Appendix 1 – Record of Financial Responsibility:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Directors have agreed should be approved by them or the Chief Executive Officer
- authorising orders within the approval limits shown in Appendix 1
- authorising local payments within the approval limits shown in Appendix 1
- monitoring the regular budget reports as defined in Appendix 1
- achieving value for money and educational outputs in the budget lines they control
- ensuring that Pupil Premium money is used effectively for the benefit of the students for which it has been provided.

Chief Finance Officer

3.5 Chief Finance Office reports directly to the Chief Executive Officer. The CFO has responsibilities for financial activities defined in Record of Financial Responsibility, to:

- ensure our schools operate their financial systems and controls in accordance with the Trust's procedures and timetables, ensuring accurate financial information is maintained and reported on a regular basis to the Chief Executive Officer, Headteachers, Trustees and Governors
- co-ordinate the budget preparation for each school for the Chief Executive Officer, Headteacher, Trustees and Governors approval

- using the agreed budget, actively monitor and control performance to achieve value for money at each school
- compile, co-ordinate, review and submit to the Chief Executive Officer, Headteachers, Trustees and Governors the monthly management accounts for each school within required timescales
- ensure financial transactions at each school are carried out in an appropriate manner and that the financial regulations of both the Multi Academy Trust and our schools are observed
- to lead on financial matters, including ensuring sound and appropriate financial governance and risk management arrangements are in place
- the day-to-day management of financial issues including the establishment and operation of a suitable accounting system
- management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Board
- 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 each school
- preparation of budgets and medium-term financial plans
- ensuring returns to ESFA and other funding agencies completed correctly and on time
- ensuring returns to statutory agencies are completed
- cash flow and treasury management including managing investments

Role of Individual Business / Office Managers:

- supporting the CFO deliver the responsibilities detailed in the Record of Financial Responsibility
- authorising orders and the award of contracts within PSF financials following the correct signature approval limits shown in Appendix 1 – Record of Financial Responsibility

Other staff

3.6 Other members of staff, primarily other Business / Office Managers, finance staff and budget holders, all have financial responsibility. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures.

The school finance staff are responsible for:

- processing orders, petty cash,
- payroll checking

3.7 Other finance functions carried out by the central finance staff include:

- processing invoices, petty cash, processing income
- maintenance of the fixed asset register
- Trust VAT returns
- monthly reconciliation of the Trust bank account
- month end closure procedures
- preparation of management and budget monitoring reports for the trust
- supporting the CFO in preparation of short- and medium-term financial planning
- inputting payments into Lloyd's online banking software
- Supporting finance function of the schools

Internal Auditors

3.8 The Internal Auditors are appointed by the Board (through the Finance and Audit Committee) and provide Directors with an independent oversight of the financial affairs. The main duties of the Internal Auditors are to provide the Board with independent assurance that:

- the financial responsibilities of the Board are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained.
- Financial considerations are fully taken into account in reaching decisions
- risks are identified and appropriate actions put in place

3.9 The board will appoint internal auditors to undertake a regular programme of reviews to ensure that financial transactions have been properly processed and that controls are operating effectively. A report of the findings from each visit will be provided to the Finance and Audit Committee for review.

External Auditors

3.10 The Board appoints external auditors, in writing through a formal letter of engagement. Their primary role is to:

- certify whether the accounts present a true and fair view of the Trust's financial performance and position
- provide a written review of the Accounting Officer's statement of regularity, propriety and compliance
- provide wider advice to the Trust, if requested, in areas such as the proper and regular use of funds, leasing/borrowing
- report audited accounts

The Trust's auditors are required by the ESFA to audit certain information, and this requirement is incorporated within the terms of engagement.

Pecuniary Interests

3.11 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 Trust directors and staff with significant financial or spending powers are required to declare any interests they have in companies or individuals from whom the Trust may purchase goods or services. The register is open to public inspection.

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

3.13 The existence of a Register of Business Interests does not detract from the duties of directors and staff to declare interests whenever they are relevant to matters being discussed by the Board or a committee. Where an interest has been declared, directors and staff should not attend that part of any committee or other meeting. See Appendix 8 - Pecuniary interests.

4. Finance system

4.1 The Trust uses PS Financials at all its schools. All financial transactions of the Trust must be recorded on this system.

System Access and hosting

4.2 Entry to the PS Financials Finance System is password restricted and the Finance Leads/Business/Office Managers are responsible for implementing a system which ensures that passwords are changed at least annually.

4.3 Access to the component parts of the system can also be restricted and the PS Financials Finance System is responsible for setting access levels for all members of staff using the system.

4.4 A single central database holds all financial records for the Trust and its schools. It is licenced by PS Financials and hosted by PS Financials on a cloud-based platform.

Transaction Processing

4.5 All transactions entered in the accounting system must be authorised in accordance with the procedures specified in this policy. The detailed procedures for the operation of the payroll, the purchase ledger and sales ledger are identified in the PS Financials Finance System manual.

4.6 All journal entries must be authorised by the CFO/Finance Leads prior to being input to the accounting system. Bank transactions should be inputted by the central Finance Assistants and the input should be checked, and signed to evidence this check, by the Finance Leads or CFO.

4.7 Detailed information on the operation of the finance system can be found in the user manuals held in the Trust's finance offices.

Transaction Reports

4.8 The Chief Finance Officer 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:

- Regular monitoring of the payroll, purchase ledger and sales ledger
- Management accounts summarising expenditure and income against budget at budget holder level

Reconciliations of Balance Sheet Accounts

4.9 The Chief Finance Officer is responsible for ensuring the following reconciliations are performed routinely, and that any reconciling or balancing amounts are cleared:

- sales ledger control account: monthly
- purchase ledger control account: monthly
- payroll control account: monthly
- all suspense accounts: monthly
- bank balance per the nominal ledger: monthly
- VAT control account: monthly

4.10 Fixed Assets: any unusual or long outstanding reconciling items must be brought to the attention of the Chief Executive Officer. The Chief Executive Officer will review and sign all reconciliations as evidence of this review.

Segregation of Duties

4.11 The Trust ensures adequate segregation of duties by ensuring that the same person does not both process and record transactions.

5. Financial Planning

5.1 The Chief Executive Officer and the Chief Finance Officer will prepare both short-term and medium financial plans on behalf of the Trust and each school.

5.2 The medium-term financial plan is prepared as part of the Trust and School Development planning process. The Development Plan indicates how the Trust's and each school's educational and other objectives / priorities are going to be achieved within the expected level of resources over the next three years.

5.3 The Development Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to each school and the planned use of those resources for the following year.

Development Plan

5.4 The Development Plan is concerned with the future aims and objectives of the Trust and each school and how they are to be achieved; the Chief Executive Officer will set overall Core Objectives on behalf of the Trust, which will be turned into specific objectives for each school. The Development Plans will ensure that the Trust's objectives and targets are matched to the resources expected to be available. Plans should ideally be simple and flexible.

5.5 The form and content of the Development Plan will be set by the Chief Executive Officer.

5.6 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 criterion against which achievement can be measured.

Annual Budget

5.7 The Chief Finance Officer is responsible for working with the Chief Executive Officer and Headteachers to prepare a draft annual budget for consideration.

5.8 The approved budget must be submitted to the DfE by the specified date, and the Chief Finance Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

5.9 The annual budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the Development Plan objectives and the budgeted utilisation of resources.

5.10 The budgetary planning process will incorporate the following elements:

- Forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
- Review of other income sources available to the schools to assess the likely level of receipts

- Review of past performance against budgets to promote an understanding of the Trust 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

5.11 Each school is required to set a balanced budget, taking into account the current level of reserves, medium term projections and the need to invest to meet the longer-term business plan.

5.12 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 reductions 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, or sufficient explanation can be confirmed including spending of prior year surplus or saving for future projects. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

5.13 Once the different options and scenarios have been considered, a draft budget should be prepared by the Chief Finance Officer or Finance Leads for the Leadership Group & Chief Executive Officer, and submitted for review to the Finance Committee and then approved by the Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

- ▼ Local school budget prepared by CFO or Finance Leads for Headteacher
- ▼ Budget proposal reviewed by Local Governing Board
- ▼ CEO and CFO provide budget proposal for schools and CET budget to the Trust Finance Committee
- ▼ Trust Finance Committee submit proposal for Trust approval

Monitoring and Review

5.14 Half termly reports will be prepared by the Chief Finance Officer. The reports will detail actual income and expenditure against budget. The report will include the latest forecast for the year and explanatory commentary.

5.15 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.

Cash Flow Forecasts

5.16 The Chief Finance Officer is responsible for preparing regular cash flow forecasts for twelve months ahead to ensure that the trust has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly, plans should be made to transfer funds back from another bank account or to re-profile the General Annual Grant (GAG) to cover potential cash shortages.

6. MAT Financing

General Annual Grant (GAG) Pooling

6.1 The Trust does not pool GAG for its schools but accounts for the GAG for each school separately.

Recharging of Central Costs

6.2 The Trust will prepare a budget for all centrally held costs of running the Trust, which will include the Chief Executive Officer, Chief Finance Officer, central finance team, Trust functions and the cost of meeting the Trust's statutory obligations.

6.3 Each school will contribute 5.2% of GAG income, but this will be reviewed on a yearly basis or during any significant change to the MAT structure, to provide the central services of the Trust, any accumulated reserves will be held by the trust and decisions on the spending of the balance will be taken by the Finance Committee. Any revisions to the budgeted cost structure must be agreed by the Trust Board.

The detailed mechanism and policy for recharging costs is held within the Trust's Operating Procedures Manual

7. Payroll

7.1 The main elements of the payroll system are:

- staff appointments
- payroll administration and payments

Staff Appointments

7.2 As part of the annual budget process, the Trust Board will approve a staff establishment for the Trust and schools. Substantial changes (e.g. the addition of permanent full-time posts) can only be made to this establishment (in line with the Scheme of Delegation) with the express approval in the first instance of the Finance Committee and Chief Executive Officer who must ensure that adequate budgetary provision exists for any establishment changes, which must be approved by the Trust Board.

7.3 The Trust Board will appoint the Chief Executive Officer, Chief Finance Officer and Headteachers. Headteachers may appoint teaching and support staff at their schools.

Payroll Administration and Payments

7.4 Payroll is currently completed by a payroll bureau. This is currently Access People.

7.5 The Trust has a Pay Policy and all changes to pay must be consistent with this. Any variations from this must be raised with the Chief Executive Officer, and will require approval by the Finance Committee. Changes to employee terms and conditions must be approved by the Trust Board.

7.6 The monthly payroll must be approved by the Business/Office Managers prior to payments being made and reviewed by the Headteachers.

7.7 Amendments to master files, e.g., starters, leavers and contract variations must be authorised by the Headteachers.

7.8 All severance payments must be approved at Board level, with due consideration to the requirements regarding such payments laid out in the Academies Financial Handbook in relation to value for money and the best interests of the Trust. It is further noted that ESFA approval is required for any severance payment in excess of the defined ESFA threshold (currently £50,000).

7.9 All payments to individual persons in respect of services rendered to the Trust or the schools within it must always be carried out via the payroll system. Where appropriate, tax and NI will be deducted as a matter of course.

7.10 Payroll control reconciliations must be carried out each month for the net pay control, PAYE/NI liability account(s) and other third party pay over accounts.

8. Procurement

8.1 The Trust wants to achieve the best value for money from all its purchases. This means getting goods of the correct quality, quantity and timing at the best price possible. A large proportion of purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:

- Probity; it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust
- Accountability; the Trust is publicly accountable for its expenditure and the conduct of its affairs
- Fairness; that all those dealt with by the Trust are dealt with on a fair and equitable basis
It is particularly important in the case of the Trust that any tenders where a Trust director may have a conflict of interest are managed with utmost probity.

Procurement routes are outlined in The Procurement Policy

Routine Purchasing

8.2 Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget, working with the central team, to ensure that any expenditure is consistent with the objectives of the school and that funds available are not overspent.

- Appropriate authorisation limits are reviewed annually and approved by the Trust's Board (see Appendix 1 – Record of Financial Responsibility).

8.3 It is necessary to take the principles of best value into account at all times, although this is not necessarily the lowest cost. An explanation will need to be provided when the lowest cost quotation or tender is not accepted.

8.4 The purchase of Alcohol using school funds is strictly prohibited

Forms of Tenders

8.5 Details of forms of tenders and how to run a tender process are included in the Procurement Policy.

Purchase Invoice Processing

8.6 Goods notes received (GNR) should be checked against the order, to certify that goods or services have been received and are satisfactory, prior to processing to the invoicing stage.

Purchase invoices should be processed by the central team following the GNR stage.

8.7 Payments to individual persons in respect of services rendered to the Trust or the schools within it must always be carried out via the payroll system. Where appropriate tax and NI will be deducted as a matter of course.

8.8 Where individuals claim to be self-employed consideration must be given to HMRC guidance on <https://www.gov.uk/guidance/employment-status-indicator> before processing any payment as a self-employed individual.

8.9 Payments to contractors must comply with the Construction Industry Scheme (CIS).

Purchasing Cards

8.10 Purchasing cards are held at the offices of each school and are to be used only for business (not personal) expenses.

8.11 Such cards are to be used for the purchasing low value items in person, online and over the phone, in scenarios where no centrally negotiated contract exists for the relevant items. Each transaction must be accompanied by an order on PS Financials so that the statement can be reconciled on receipt.

8.12 Each cardholder must certify that they will take responsibility for keeping their card safe and use it only for the purpose specified. All cards must be kept in the safe when not in use.

Procedures for the authorisation of expenditure using purchasing cards are identified in Appendix 1 – Record of Financial Responsibility.

8.13 The Finance Leads are responsible for the monthly reconciliation of the card statement for the Trust.

9. Income

9.1 The main sources of income for the Trust are the grants from the DfE/ESFA. The receipt of these sums is monitored directly by the central finance team and entered by them into the finance system. The Chief Finance Officer is responsible for ensuring that all grants due to the Trust are collected.

9.2 Grant funding is received from sources such as the Local Authority for a variety of purposes including but not limited to SEN Funding.

9.3 The Trust also obtains income from:

- students, for example, trips, activities, uniforms, school dinners
- the public, mainly from lettings

The receipt of these sums is monitored directly by central finance staff and entered by them into the finance system.

9.4 Where appropriate the sales ledger is used to invoice for income due from lettings and consultancy provided by the Trust to ensure that income is recognised as it falls due.

Trips Income

9.5 Payments should be made online.

9.6 It is the responsibility of the Business / Office Managers to ensure all trips costs are fully funded.

Lettings Income

9.7 Letting and hire of the Trust facilities will be conducted in line with the Lettings Policy see Appendix 7 – Lettings Policy. This policy will be reviewed annually.

- Lettings income is not directly connected with the primary charitable education work of the Trust or its schools and as such has implications for the reclamation of VAT. See Appendix 2– VAT Policy.

Custody

9.8 Monies collected should be held securely in the safe located in each school until the monies can be banked and processed to PSF.

10. Cash Management

Bank Accounts

10.1 The Trust will operate with a single bank account across all schools within the Trust.

10.2 The opening of any new accounts must be authorised by the Trust Board who must set out in a formal memorandum the arrangements covering the operation of the accounts, including any transfers between accounts and cheque signing arrangements.

10.3 Cheques must be signed by any two valid signatories, which currently includes the Chief Executive Officer, Headteachers, Senior Leadership Team and Trustees.

10.4 Online and BACS payments requires the central finance team set up and authorisation from the CFO and Finance Leads via the Lloyds online bank, the CEO signs off all payment runs.

Direct Debits

10.5 Direct debits must be approved by two signatories when they are set up.

10.6 Supplier VAT invoices should be obtained for direct debits so that VAT can be reclaimed.

Payments and withdrawals

10.7 All cheques and other instruments authorising withdrawal from the Trust bank account must bear the signatures of two authorised signatories as listed in Appendix 1 – Record of Financial Responsibility. This provision applies to all accounts, public or private, operated by or on behalf of the Trust Board.

Administration

10.8 All bank accounts must be reconciled weekly and checked by the Chief Finance Officer.

10.9 Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Finance Officer who will review and countersign all reconciliations as evidence of review.

11. Petty Cash Accounts

11.1 Petty cash is no longer held by the schools within the Trust.

11.2 In the interests of security, petty cash/bacs payments will be limited as shown in Appendix 1 – Record of Financial Responsibility.

11.3 Each request for reimbursement must be recorded and authorised by the budget holder. The requestor must sign the form in receipt for reimbursement.

12. Fixed assets

12.1 A Fixed Asset is any tangible asset purchased for use in the day-to-day operations of the Trust that has significant value and from which an economic benefit will be derived over a period greater than one year. Fixed Assets include items of property and equipment such as buildings, office furniture, fixtures, computers and other related technology equipment.

12.2 The implementation of an effective and accurate process for tracking fixed assets is necessary for several reasons:

- To ensure staff take responsibility for the safe custody of assets
- To ensure 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
- To enable the external auditors to draw conclusions on the annual accounts and the Trusts financial system
- To support insurance claims in the event of fire, theft, vandalism or other disasters.

As such fixed assets above a predefined threshold are registered, capitalised and depreciated. Further detail is found in the current policy in Appendix 4 - Fixed Asset Accounting Policy.

13. Companies Policy

13.1 The Trust will not form any companies, subsidiaries or joint ventures without the approval of the Board.

14. Reserves & Investments Policy

14.1 The Trust will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning.

14.2 The current policy is for each school within the trust to hold revenue reserves amounting to 3% of General Annual Grant (GAG).

14.3 All revenue reserves are controlled by the Local Governing Body including those transferred in upon conversion.

14.4 In accordance with ESFA and charity accounting standards, the Trust will maintain financial records which identify revenue reserves by school.

14.5 The Trust will build and maintain a capital reserve fund in line with the reserves approved by the Board from time to time.

14.6 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated.

14.7 The Trust will take a very prudent approach to any deposits or investments that it makes, by:

- ensuring financial security takes precedence over revenue maximisation;
- avoiding any types of investment that may be considered novel, contentious or potentially lacking in broad public support;
- taking professional advice where appropriate.

15. Charging & Remission Policy

15.1 The Trust will ensure that educational opportunities provided at the Trust during school hours are available to all students regardless of ability to pay and that other activities are charged for in a fair and transparent way. No student will be excluded from essential curriculum activities because of their parents' inability to pay.

15.2 The separate Charging and Remission Policy is designed to be consistent with the requirements relating to charging laid out in the Funding Agreement.

15.3 Schools may charge for some optional activities which take place wholly or mainly outside school hours. The Trust may invite voluntary contributions for these from parents. Parents who wish to discuss financial matters are able to discuss them in confidence with the Headteachers/Business Managers.

The policy to be used by all our schools can be found in [Appendix 5 – Charging and Remissions Policy](#).

16. Staff Expenses

16.1 The Trust Staff may claim for reasonable expenses incurred in performing their duties or to be repaid for items bought on behalf of the Trust. Reasonable expenses include:

- Travel by public transport
- Use of own car and parking (excluding home to work travel)
- Unavoidable overnight accommodation – following approval
- Reimbursement for approved items bought on behalf of the Trust

Rates and allowances are laid out in a schedule of allowed expenses which will be reviewed annually and will be made available.

Staff must get agreement for expenses prior to incurring the expense or making commitments to do so. The financial authorisation process varies according to the amount of the spend. Further details in Appendix 3 – Scheme of Delegation

Staff must submit an expense claim form and seek approval as laid out in the Finance Regulations in Appendix 1 before being sent to the central finance office to be paid. All claims must be accompanied by receipts. Finance Leads will monitor claims to ensure compliance with this policy.

17. Trustees' Expenses

17.1 Trustees and members of the Trust may claim for reasonable expenses incurred by him or her when acting on behalf of the Trust, in line with the Trust policy on Governors Allowances. This policy describes what expenses are allowed, the process for making claims and the current rates.

Reasonable expenses will include:

- Attendance at meetings of the Trust board or Local Governing Body or their sub-committees
- Meetings with authorities, regulators, auditors etc.
- Meetings with members of staff or prospective staff connected with their official duties
- Other official meetings

It is expected that Trustees and members will wish to minimise the level of expenses claimed so that maximum resources can be applied to the core purposes of the Trust.

Trustees and members may not claim for:

- Time spent working as a Trustee or Member
- Loss of earnings
- Food or refreshments
- Expenses in connection with foreign travel other than as allowed below

The level of expenses that can be claimed will be no higher than that used for staff in the schools.

Further guidance is provided in the Charity Commission guidance document "Trustee Expenses and Payments (C11)"

18. Bad Debts

18.1 The procedures for debt recovery and for the writing off of any debt which is deemed to be irrecoverable will follow this guidance.

18.2 Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, an invoice will be issued.

18.3 Income from lettings will be collected in accordance with the Lettings Policy

18.4 All debts will be recorded and non-payment will be followed up by issuing reminders at the following intervals:

- 4 weeks from the date of account - 1st reminder
- 8 weeks from the date of account – final reminder

The final reminder is sent by recorded delivery and threatens legal action if the account is not settled within 14 days. After 12 weeks from the date of the account, where the debt is still outstanding, legal action may be considered, and the debtor will be informed of this in writing.

18.5 If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with Financial Authorisations in Appendix 1 and in accordance with the guidance provided in the Academies Financial Handbook

18.6 To ensure sound internal control, staff who raise invoices, will not have the authority to write off debts. The VAT element of any debt must not be written off, as this contravenes HM Revenue & Customs statutory requirements.

18.7 The Trust will retain a Bad Debt Write-Off Summary.

19. Pension Liabilities

19.1 Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme (for teaching staff) and the Local Government Pension Scheme (for support staff). These are defined benefit schemes, are contracted out of the State Second Pension (S2P) and the assets are held separately from those of the Trust.

19.2 The Trust is responsible for ensuring all relevant employer contributions are made to the relevant pension schemes.

19.3 Annually the Trust must review and assess its pension liabilities and performance of pension schemes and ensure adequate provision is being made to meet its responsibilities. Further details can be found in the Accounting policies appendix.

20. Tax

20.1 The Trust will account for VAT strictly in compliance with the rules and regulations applicable at that time. It is the responsibility of the Chief Finance Officer to ensure compliance with VAT regulations.

20.2 The Chief Finance Officer will review liability for corporation tax and, if applicable, ensure that corporation tax returns are completed on time and in accordance with legislation.

20.3 Any payments to contractors and subcontractors are made in accordance with the Construction Industry Scheme.

Further details are found in Appendix 2 – VAT Policy.

21. Insurance

21.1 The Trust subscribes to the DFE Academies Risk Protection Arrangement (RPA).

21.2 The Trust reviews all risks annually to ensure the cover available, both commercially and via RPA, and the sums insured are adequate.

21.3 The Trust will notify the insurer of any new risks or any other alterations affecting existing insurance.

21.4 The Trust will not give any indemnity to a third party.

21.5 The Trust will immediately advise the insurers/RPA scheme of any accident, loss of other incident which may give rise to a claim.

22. Monitoring Outcomes & Review

22.1 This policy will be reviewed annually and the effectiveness of this policy and any associated procedures will also be monitored by the Finance Committee and Audit Committee, supported by External Audit, including the Regularity Audit, and regular testing by Internal Audit. Audit results and recommendations will be presented by regular written reports to the Finance Committee and Audit Committee.



Record of Financial Responsibility

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
Bosmere Community Primary School
Broke Hall Community Primary School
Chilton Community Primary School
Combs Ford Primary School
Freeman Community Primary School
Springfield Junior School
Whitehouse Community Primary School

Document Control

Version	Date	Author	Comments
Issue 1	1st Mar '19	Finance and Audit Committee	Includes Accounting Policy; Bad Debt and Redundant Equipment; Charging and Remission; Competitive Tendering; Fixed Asset Accounting Policy; Investment; Letting Policy; Procurement Policy; RoFR; VAT Policy. Review Spring 2020
Issue 2	5 th Feb 2020	Finance and Audit Committee	Addition of £200 maximum BACs payment to staff limit.
	June 2020	CFO/CEO	Amendments: new schools added and additional details accordingly.
	Mar 22	CFO	New school added – amendments for central team
Issue 3	Jan '24	CFO	Updated Central Team

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 8th February 2024

Trustee/Governor Responsibilities

School trust Boards are responsible for making decisions regarding how to secure better value for money and delegation arrangements. This requires directors/trustees/governors to act in the best interests of the Trust in line with the Nolan Committee's Seven Principles of Public Life:

- **Selflessness:** No financial gain or other material benefits for self/family
- **Integrity:** Independent of outside influence
- **Objectivity:** Decisions made on merit
- **Accountability:** Accountable for decisions/actions to the public
- **Openness:** Open about decisions and actions taken wherever possible
- **Honesty:** Declare private interests, resolve conflicts to protect public interest
- **Leadership:** Promote and support principles by leadership and example

Value for Money

Accounting officers are personally responsible and publicly accountable for achieving the best possible value for money in their organisation.

Value for Money (VFM) is not necessarily about the lowest price; it's about getting the right balance between quality and cost and a widely accepted definition of VFM refers to three elements:

- **Economy:** Minimising the costs of resources used
- **Efficiency:** Relationship between outputs and the resources used to produce them
- **Effectiveness:** Extent to which objectives have been achieved

It is therefore essential that minutes of Trust Board/Committee meetings accurately reflect the discussions and decisions relating to securing value for money for the school and that the school retains all related documents so as to demonstrate that all actions have been taken to safeguard public funds and in the best interests of the pupils.

Pecuniary Interest

The General Interests Register should contain up-to-date Pecuniary Interest declarations from all Directors/Trustees/Governors and staff employed at the school trust or in any of the schools. The Specific Events Register should also be completed where appropriate. Guidance on disclosing pecuniary interests and maintaining registers is available in the Academies Financial Handbook.

Record of Financial Responsibility (RoFR)

The RoFR should be reviewed by the full Trust Board on an annual basis and its approval recorded in the minutes of the meeting.

It is recommended that the RoFR is included as an appendix to the school's Finance Policy and that the Finance Policy refers to the RoFR for individual values/limits in order to avoid the risk of inconsistencies occurring.

MAT Limits and Financial Arrangements

Procurement/Leasing/Contractual Arrangements

There is a range of guidance available on public sector procurement requirements including annex 4.4 of HM Treasury's Managing Public Money and the DfE's guidance Buying Goods & Services – Schools. Risks should be assessed prior to the Trust Board taking a decision on each contract (including leases, staffing contracts and those of no monetary value). CEO / Headteachers must

provide the Trust Board with an explanation where a contract has been entered into without prior approval; the board must then consider and approve this explanation. Contracts should be reviewed regularly to confirm that value for money continues to apply.

Poor procurement and contractual decisions and a failure to comply with procurement/employment legislation could result in legal challenges from suppliers, employees, contracts being cancelled and financial penalties which can be costly, time-consuming and impact on your school's reputation and confidence in the Trust Board.

Expenditure limits (new contracts / purchase orders school level) Schools' approaches to expenditure must be strategic and planned. Any unplanned spending must be explored and evidenced by the Headteacher and CFO.	
£0-£400	Band A1: Expenditure in this range can be placed by budget holders without additional authorisation
£401-£10,000	Band B: Expenditure in this range requires approval by the Headteacher
£0-£10,000	Band A-B: Trust expenditure in this range requires approval by the CEO
£10,000+	Band C: Expenditure above this limit requires Trust Board approval, with reference to the Finance and Audit Committee. See also competitive tender arrangements
Value above which three competitive quotations must be sought:	
£5,000	Each individual transaction value should not exceed the value set without obtaining three quotations. Exceptions may apply if there are less than three companies capable of providing the required goods or services.
Value above which full competitive tendering arrangements must be applied:	
£50,000	N.B. Tenders above the Find a Tender static level of £213,477 over the contract duration must conform to the relevant rules of procurement
Responsibility for approval of full competitive tenders:	
Trust Board	Schools should have a clear protocol and a single point of responsibility in place for the approval of full competitive tenders. This needs to be communicated to all staff
Expenditure limit above which Trust Board approval is required:	
£10,000	Each individual transaction value should not exceed the value set without approval of the whole Trust Board.

Expenditure limits (invoicing)	
£0-£2,500	Band A1: Expenditure in this range can be authorised by CFO & Finance Leads
£2,501-£10,000	Band B: Expenditure in this range requires authorisation by the CEO
£10,000+	Band C: Expenditure above this limit requires Trust Board approval, with reference to the Finance and Audit Committee. See also competitive tender arrangements

Bank Account Details

Bank Account Name		Sort Code	Account Number
The Children’s Endeavour Trust		30-94-55	17296462
Bank Signatories			
1) Daniel Jones	2) Joanne Viner	3) Ruth Fairs	
4) Ian Scott	5) Rachel Bailey	6) Daniel Pettitt	
7) Kathryn Day	8) Elizabeth Green	9) Susan Tanner	
10) Julie Brown	11) Emma Gerry	12) Laura Carr	
13) J Cage	14) Tim McKeon	15) Andrea Hall	
16) Ian Williams			
Online Banking – approved users			
1) Tamara Patel	2) Dean Swift	3) Charlotte Hart	
4) Anita Rawlings	5) Laura Stanford	6) Sarah Deeks	

Payments & Income

Payments – Petty Cash

Maximum Petty Cash Held On-Site at each site (In-Hand):	Maximum Individual Payment:
(petty cash no longer available in schools)	

Staff reimbursement payments via BACS
Maximum Individual Payment: £200 (including Mileage and Travel claims)
In exceptional circumstances the CEO may authorise a payment that exceeds the above limit.

Payments – Payment Cards

Number of Cards Allowed:	Single Transaction Limit	Monthly Limit
10	£2,000	£10,000

Individual Cardholders		
1) J Viner	2) S Davey	3) A Rawlings
4) D Pettitt	5) L Carr	6) S McCullum
7) R Bailey	8) E Green	9) K Palmer

Income - Cash and Insurance

Limit above which receipts must be issued for cash received:		
£50.00	For cash income – N/A Administered via online Income Systems	
Insurance Limits: Cash	Insurance Limits: Cheques	Insurance Limits: In Transit
£10,000 (if in a locked safe)	Combined total with Cash £10,000	£5,000

Trust Certifying Officers

Name	Document Type(s) (e.g. Orders / Invoices / Petty Cash / Pay Documents / Lettings)	Individual Transaction Limit
Budget Holders / Headteachers	Orders/ Petty cash/Pay Documents	Up to Budget Limit & in line with purchasing limits
Finance Leads / CFO	Invoicing / Bacs Runs	
CEO	Orders/Petty Cash/Invoicing/Pay Documents/Bacs Runs	

Financial Management Delegation Arrangements

Approval of the Annual Budget :	
Trust Board	The full board of trustees must approve the budget as set out in the Academies Financial Handbook. This approval must be recorded in the minutes.
Debt Write-Off, Disposal of Equipment, Inventory Discrepancy:	
£0 – 250	Head-teachers / CEO for Trust
£250 +	Finance and Audit Committee

Internal Budgets Delegation Arrangements

Budget Holders are authorised to raise requisitions up to the individual transaction limit, subject to available funds. Transactions exceeding the individual transaction limit or available funds should be referred to the Headteacher / CEO for trust budget.

General Funds

Delegated Budget/ Cost Centre	Responsibility for Monitoring (name)	Individual Transaction Limit
See individual school lists		

Staffing: additional hours

Name	Employment Categories (e.g. Additional Hours / Supply / Agency Staff)
Joanne Viner (Springfield)	Additional Hours / Supply / Agency Staff
Ruth Fairs (Broke Hall)	Additional Hours / Supply / Agency Staff
Daniel Jones	Trust only additional hours / Supply / Agency staff
Laura Carr (Chilton)	Additional Hours / Supply / Agency Staff
Rachel Bailey (Abbots Hall)	Additional Hours / Supply / Agency Staff
Daniel Pettitt (Freeman)	Additional Hours / Supply / Agency Staff
Elizabeth Green (Bosmere)	Additional Hours / Supply / Agency Staff
Kathryn Day (Combs Ford)	Additional Hours / Supply / Agency Staff
Andrea Hall (Whitehouse)	Additional Hours / Supply / Agency Staff

Financial Reporting:

Directors/Trustees/Governors are required to consider and approve reports, with copies being retained.

	Monthly	Half-termly	Termly	Annually
Full Trust Board		Budget position statement for each school, and for the Trust Written commentary	Capital Expenditure Report Cash Flow Forecast	Budget Forecast Annual Statutory Accounts Annual Audited Accounts Return
Finance Committee	Budget position statement for each school, and for the Trust Written commentary	Cashflow position	Cash flow Forecast Capital Expenditure Report	Budget Forecast Statement Annual Statutory Accounts Annual Audited Accounts Return
Chief Executive Officer	Budget position statement for each school and for the trust Management Accounts Written Commentary	Cash flow Position		
Headteachers	Management Accounts			

Appendix 2



VAT Policy

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
Bosmere Community Primary School
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	June 2020	CFO/CEO	Amendments: new schools added and additional details accordingly.
	March 2022	CFO	Amendments: new school added and central finance functions

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 2nd November 2023

Background

The purpose of this policy and associated procedures is to ensure that the Children's Endeavour Trust develops and maintains systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate accordingly to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).

The policy covers all aspects of tax and VAT in relation to the Trust, including how they are affected by its charitable status. It also includes the way costs are classified or apportioned as business/non-business use.

This policy relates to the Trust and all of its schools. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

Under the VAT rules, only a single legal entity may make a claim for VAT. Because multi academy Trusts comprise a number of schools, the MAT is the single legal entity. This is because it owns and runs them all. A MAT should submit one VAT claim on behalf of all of its schools. Any MAT school which submits an individual claim will have their claim rejected and returned, which could result in a penalty.

This policy is designed to be consistent with:

- ESFA Financial Handbook
- Trust Articles of Association/Constitution
- Master and Supplemental Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money".

This policy is an appendix to the main Trust Finance Policy.

The requirement for VAT registration is determined by reference to the nature of and total amount of goods and services provided by the Trust's business and non-business activities.

The Trust acknowledges that VAT legislation is a complex area requiring careful consideration and that errors can potentially lead to charges of interest and penalties. Detailed information regarding the rules for charging and reclaiming VAT can be obtained from the HMRC website www.hmrc.gov.uk/vat/index.htm or via the HMRC VAT helpline 0845 010 9000.

The Trust's auditors may also be contacted for guidance and answers to general and specific queries.

VAT Registration

Registration for VAT purposes is required if the turnover of taxable supplies (i.e. business activities; standard, reduced and zero rated) exceeds a limit determined by HMRC within any twelve month rolling period (£85,000 at April 2018). Registration for VAT is optional if the turnover is below the threshold.

The trust does not exceed the threshold and therefore it is not registered for VAT .

The School recognises that VAT can only be recovered if there is adequate documentation in place.

VAT registered traders who supply schools with goods and services are required to provide original tax invoices, statements, or photocopies of VAT invoices, or receipts are not acceptable.

Where goods or services are supplied by traders who are not registered for VAT, no VAT will be charged, therefore no VAT can be recovered. In these cases, the expenditure will be given an “outside the scope” VAT indicator.

If there are two or more rates of VAT on the invoice (e.g. standard and exempt or zero VAT) then an equivalent number of entries into the accounts payable system will be required, each with the appropriate VAT indicator. The total VAT input to the accounting system will always equal the total VAT shown on the invoice.

Proforma (provisional) Invoices – VAT cannot be recovered on proforma invoices, and payment will be coded “outside the scope”. On receipt of the tax invoice, the original transaction on the proforma invoice will be cancelled and the new invoice input.

Retail Purchases Under £250 - For minor purchases of less than £250 from a retailer, a receipt will be acceptable providing that it includes all the details required on a simplified tax invoice which must include:

- Date of issue
- Name, address and VAT number of retailer
- Description of the goods or services
- Amount payable including VAT
- The gross amount payable at each rate of tax

Incorrect Invoices and Till Receipts - Except when taking agreed prompt payment discounts, the price on the invoice before VAT is charged should never be altered. The amount of VAT must never be changed. If the supplier has made a mistake in the VAT charged, they should be contacted and asked to cancel and reissue the invoice.

Charging VAT

The Trust is not VAT registered and therefore the Trust will not charge VAT on all taxable sales made through its delegated budget.

VAT Invoices – if the trust had the requirement to be VAT registered, the following would apply. Where the Trust provides goods and services which are liable to VAT they are required to provide a tax invoice to the customer. A VAT invoice must include the following details:

- An identifying sequential number e.g. an invoice number
- The date of issue, and the date of supply or tax point if different
- Name and address of the School
- VAT registration number
- Name and address of the customer
- Description sufficient to identify the goods or services
- The unit price/rate (if applicable) of the goods or services
- Quantity of goods or services, rate of tax and the amount payable
- Total amount payable excluding VAT
- The total amount of VAT charged

The Trust has the following types of non-business and business income (see appendix 1 for examples):

- **Non-Business Income: Outside of scope**
 - Free education
 - Donations

- Grants
- Supplies closely related to education at or below cost e.g. School trips considered to be for educational purposes, supplies of materials used in the course of, and necessary for, the provision of education
- Catering / meals for pupils

- **Business Income: Taxable**

- Consultancy services provided to other schools (non-educational)
- School uniform sales
- Discos
- School performances and productions not qualifying for cultural exemption
- Sports centre/facilities income not directly related to or included in charges for the sports being undertaken
- Hire of equipment
- Staff and guest meals and other catering
- Photocopying and private telephone calls
- School trips not considered to be for educational purposes
- Minibus hire

- **Business Income: Exempt**

- Lettings
- Charges for educational secondment
- Charges for vocational training, e.g., teacher training provided by the Teaching School Alliance
- Sports centre income directly related to sports service.
- School performances and productions qualifying for cultural exemption

School Trips

The Trust will consider each proposed school trip to determine whether or not the trip is for educational purposes, designed to supplement the curriculum. Where the Trust determines that a school trip is not for educational purposes the trip will be deemed a taxable business supply falling under the Tour Operators Margin Scheme (TOMS).

Paying and reclaiming/recovering VAT

When charged VAT, it will be paid in full by the Trust.

The Trust is not VAT registered and so will make a VAT 126 claim, through which VAT paid on certain types of purchases/costs can be reclaimed/recovered.

The Trust is able to reclaim VAT in relation to costs attributable to **non-business activities**.

VAT paid in relation to **taxable** business use can be recovered in full.

VAT paid in relation to **exempt** business use can be recovered only if it is “de-minimis”. To classify as de-minimis the exempt VAT must be less than £7,500/year (£1,875/quarter) and must be less than the VAT recovered in relation to taxable business use. Adjustments will be made at the end of the year if de-minimis assumptions made in monthly/quarterly submissions don’t hold true for whole year.

The Trust will record within its Financial Management System the types of income and costs being incurred and list as to whether these are non-business, taxable business or exempt business supplies.

Where a purchase by the school will be used for a variety of activities that include a mix of business taxable, exempt and non-business classes, the total VAT paid (known as **residual** VAT) will be apportioned between them – see section below.

Apportionment

Where costs are incurred for both business and non-business activities, the VAT will be apportioned on a fair and reasonable basis, as laid out in the table below.

The Trust is free to choose a suitable approach to apportionment, which is simple to understand and operate and is consistently applied.

HMRC will be advised of the apportionments used in each claim (detailed workings are not required).

Within the business supplies classification, the split between taxable and exempt will be made on the basis of the value of taxable business supplies divided by the value of all business supplies. This will give the recovery proportion and should be used unless the school has agreed to a special method or a combined method with HMRC.

Revenue and capital expenditure attributable to both business and non-business activities have been identified and the input VAT apportioned as follows:

Expenditure	*Basis of apportionment	Apportionment		
		Non-business	Taxable	Exempt
<i>Buildings costs:</i> <i>Repairs and maintenance</i> <i>Admin supplies</i> <i>Energy costs e.g. electricity</i>				
<i>Minibus costs:</i> <i>Running expenses</i> <i>Admin supplies</i>				
<i>Catering costs:</i> <i>Meal charges</i> <i>Admin supplies</i>				
<i>Capital costs of construction/ refurbishment</i>				
<i>Audit, legal and professional fees</i>				

**Basis of apportionment between business and non-business use*
Floor areas attributable to business and non-business use

Charitable status

As a charity the Trust qualifies for certain zero-rating reliefs as described in the VAT guidance for charities and not-for-profit organisations issued by HMRC. Where conditions are met, the Trust will provide suppliers with a certificate of eligibility in order to qualify for the relief.

Examples of the types of supply that **may** qualify for relief are:

- The construction of new buildings intended solely for use for a relevant charitable purpose
- Aids and facilities for the disabled
- Approved alterations to listed buildings used for charitable purposes

Income from fundraising events may be classed as exempt supplies where certain conditions apply and the number of events does not exceed 15 in any year. The Trust will regularly monitor the number of events taking place within each year to ensure that exemption remains appropriate.

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

School Staff Acting as Agents when Making Purchases

If a purchase is made by a member of staff acting as an agent on behalf of the Trust, prior approval must be obtained before the purchase is made. Any purchases made by staff for which reimbursement is required must go through the appropriate authorisation channels before any reimbursement payment is made to staff. All supporting documentation will be filed with the relevant invoice.

Accounting for VAT

The following documentation should be held as evidence to support a VAT claim:

- Valid VAT invoices
- Petty cash claim forms and associated receipts and paperwork
- Details of income received including sales invoices and listing of direct receipts for which sales invoices have not been raised (the date of receipt will be the tax point)
- Details of any apportionment calculations
- Copy of any adjustments made

Types of income and VAT treatment

Type of income	Business/ Non-business	VAT Treatment
GAG Funding	Non-business	Outside the scope
Sale of laptop to student	Non-business	Outside the scope
Sale of musical instrument to student	Non-business	Outside the scope
Sale of goods from school shops	Business	Standard rated
Breakfast / after-school clubs (not for profit)	Non-business	Outside the scope
Nurseries & Holiday clubs	Business	Exempt
School uniform (young children)	Business	Zero rated
School uniform (to children over 14 yrs old)	Business	Standard rated
Commission from photography company	Business	Standard rated
Sale of photographs to students	Business	Standard rated
School trips for educational purposes	Non-business	Outside the scope
Catering for students (at or below cost)	Non-business	Outside the scope
Catering for students (run for a profit)	Business	Standard rated
Vending machines	Business	Standard rated
Catering for staff and visitors	Business	Standard rated
Tuck shops (at or below cost)	Non-business	Outside the scope
Tuck shops (run for a profit)	Business	Standard rated
Secondment of general staff	Business	Standard rated
Secondment of educational staff to s33B body	Business	Exempt
Letting of sports facilities (block booking)	Business	Exempt
Letting of sports facilities (individual booking)	Business	Standard rated
Letting of swimming pool (swimming lessons)	Non-business	Outside the scope
Letting of swimming pool (leisure use)	Business	Standard rated
Letting of meeting rooms	Business	Exempt (subject to option)
Letting of meeting rooms (with buffet)	Business	Food - Standard Room - Exempt
Fundraising events	Business	Exempt
Admission to musical, theatrical performance	Business	Exempt
Admission to fashion show	Business	Standard rate

Appendix 3



Scheme of Delegation

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
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	March 2022	CFO	Amendments: new school added and central finance team

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 2nd November 2023

Introduction

The Scheme of Delegation sets out the delegated powers between the different bodies involved in the governance and operation of the Multi Academy Trust (MAT) and member schools.

The bodies may include:

- MAT Members
- MAT Board of Trustees
- MAT Finance and Audit Committee
- MAT Personnel & People Committee
- CEO
- Local Governing Body
- Leadership group of Headteachers
- Headteachers of individual schools

The delegated powers are broken down into different levels in line with the MAT's principles of governance, leadership and operations. The delegated autonomy for individual schools is aligned with the need for the MAT to fulfil its corporate responsibilities and accountabilities to the Department for Education, Education Funding Agency, Charities Commission, HMRC and Companies House.

The different levels of delegated power are listed below but it should be noted that not every task requires all levels of delegated power to be defined:

- Approve (A)
- Recommend (R)
- Propose (P)
- Ratify (Ra)
- Develop (D)
- Monitor & Report (M)
- Consulted (C)
- Implement (I)

The Scheme of Delegation should be read in conjunction with the Terms of Reference for the relevant body. While the Scheme is designed to be comprehensive it will not cover every task.

MAT & School policies

A key task for the MAT Board is to develop a policy matrix identifying the range of statutory, regulatory and necessary policies and whether they are MAT or School policies. The Scheme of Delegation will set out the responsibility for approval and monitoring of these policies. The *Notes* column is used to identify key MAT or School policies.

#	Task Key: Approve (A), Recommend (R) Propose (P), Develop (D), Monitor & Report (M), Consulted (C), Implement (I)	Notes	Trustees	F&A C'ttee	HR C'ttee	CEO	LGB	Ldship Grp	Headteacher
1.	Governance								
1.1.	Approve MAT Articles of Association	Members only	R						
1.2.	Approve MAT Board Terms of Reference		A			R		C	
1.3.	Approve MAT Scheme of Delegation		A			R		C	
1.4.	Approve new convertor or sponsored schools joining MAT	Subject to criteria and due diligence	A			R		P	
1.5.	Establish MAT Committees		A	R	R	R		C	
1.6.	Approve MAT Committee Terms of Reference		A	I	I	R		C	
1.7.	Approve Local Governing Body (LGB) Terms of Reference		A			R	P	C	
1.8.	Establish LGB sub-committees						A		
1.9.	Decision to intervene in school governance		A			R			
1.10.	Appoint Chair of MAT Board		A						
1.11.	Appoint Chair and						A		

	Vice Chair of LGB								
1.12.	Remove Chair or Vice Chair of LGB	In exceptional circumstances	A				A		
1.13.	Appoint LGB members	Trust Governors	A				R		
1.14.	Remove LGB members	In exceptional circumstances	A				R		
1.15.	Appoint (and remove) Chair(s) of MAT Committees		A						
1.16.	Appoint (and remove) MAT Committee members		A						
1.17.	Appoint (and remove) Clerk to MAT Board		A			R			
1.18.	Appoint (and remove) Clerk to LGB		A			R	C		
1.19.	A Appoint Accounting Officer		A						
1.20.	MAT Policy Matrix		A			R		P	
1.21.	MAT Governance Calendar		A			R		P	
1.22.	Approve Directors Expenses Policy	MAT Policy	A						
1.23.	Appoint a Company Secretary	Not mandatory	A						
1.24.	Trust website	Compliance	A			R		C	
2.	MAT & School Performance & Planning								
2.1.	MAT Strategic Plan		AM			R		P	
2.2.	MAT 1 Year Plan		AM			R		P	

2.3.	School Performance Targets		AM			P	RM	P	D
2.4.	School Performance Review		A			P	R	P	D
2.5.	School Strategic Plan		A			P	R	P	D
2.6.	School 1 Year Plan					R	AM	P	D
2.7.	Decision to intervene in school management		A			R		C	C
2.8.	MAT Staff Development Plan	Within MAT 1 Year Plan	A			R		P	
2.9.	School Staff Development Plan	Within School 1 Year Plan						C	A
2.10.	MAT Inset Days	See 7.1						A	
3.	Staff Policies and Pay								
3.1.	HR, Employment & Staff related policies	MAT Policies: See policy matrix	A		R	P	M	C	
3.2.	Employee Terms & Condition changes		A		R	P		C	
3.3.	Employee T&Cs for new schools		A		R	P		C	
3.4.	Teachers Annual Pay Award	MAT Policy	A	R		P		C	
3.5.	Support Staff Annual Pay Award	MAT Policy	A	R		P		C	
3.6.	CEO Performance Review & Pay	MAT sub-group	A		R				
3.7.	Headteacher Performance Review & Pay	MAT/LGB sub-group	A			C	R		
3.8.	Individual Performance Pay Awards	As per MAT policy					A	C	R

4.	Staff Management								
4.1.	CEO appointment		A						
4.2.	MAT staff structure & complement		A			R		P	
4.3.	MAT staff appointments		A			R		C	
4.4.	School staff structure & complement	Within School 1 Year Plan				R	A	R	P
4.5.	Headteacher appointment	MAT/LGB panel	A			R	R	C	
4.6.	Senior leadership appointments					C	AC	C	P
4.7.	Teaching and support staff appointments								A
4.8.	Decision to intervene in school staff management		A			R			
4.9.	Suspension of CEO		A						
4.10.	Return of CEO after suspension		A						
4.11.	Dismissal of CEO		A		C				
4.12.	Suspension of Headteacher	As per policy	A				A		
4.13.	Return of Headteacher after suspension	As per policy	A				C		
4.14.	Dismissal of Headteacher		A		C		C		
4.15.	Suspension of teaching and support staff								A

4.16.	Return of teaching and support staff after suspension						C		A
4.17.	Redundancy of school staff		A	C	C		R	C	P
4.18.	Restructuring of school staff						A	C	P
5.	Financial Governance & Management								
5.1.	MAT & School Financial Regulations	MAT Policy	A	RM		P	M		
5.2.	MAT & School Financial Procedures	MAT Policy	A	RM		P	M		
5.3.	Decision to intervene in school financial management		A	R		P			
5.4.	Appoint MAT auditors		A	R					
5.5.	MAT 3 year Budget Plan		A	R		P		C	
5.6.	MAT 1 year Budget		A	R		P		D	
5.7.	MAT Services to schools		A	R		P		D	
5.8.	MAT Charges to schools		A	R		P		D	
5.9.	MAT Budget Reports		AM	RM		PM			
5.10.	MAT Interim Year End Accounts			A		R			
5.11.	MAT Annual Accounts		A	R					
5.12.	Trustees Report		A	R					
5.13.	MAT Accounts Return to EFA					A			

5.14.	Response to Auditor's Management Ltr		A	R		P			
5.15.	School 1 year Budget		A	R		Ra	P	C	D
5.16.	School Budget Reports			M		M	AM		RM
5.17.	School Interim Year End Accounts			AM		R	M		P
5.18.	Asset Management Policy	MAT Policy	A	R		P		C	
5.19.	Asset Management Plan						A		R
6.	Financial Authorisation								
6.1.	Expenditure or contracts up to Lower Limit	Limits as per Finance Regulations				A			A
6.2.	Expenditure or contracts from Lower Limit to Upper Limit			A		R	A		R
6.3.	Expenditure or contracts from Upper Limit to OJEU limit	Limits as per Finance Regulations		A		R	R		P
6.4.	Expenditure over OJEU limit		A	R		P			
6.5.	Compensation payments up to £50,000		A	C	C	R		C	P
7.	School Policies & Procedures								
7.1.	School times, terms and holidays	See 2.14	A			R	C	P	
7.2.	Change of School Age Range		A				R	C	P
7.3.	Expansion of School PAN		A				R	C	P

7.4.	Extension of School provision		A				R	C	P
7.5.	Extended services on-site						A		R
7.6.	Child Welfare & Safeguarding Policy	MAT Policy	A			R		P	
7.7.	School Statutory Policies	See policy matrix					A	C	P
7.8.	School non-Statutory Policies	See policy matrix					A	C	P
7.9.	Short-term Exclusion								A
7.10.	Return after short-term exclusion						A		R
7.11.	Permanent Exclusions						A		R
7.12.	Appeals against Permanent Exclusion	Independent Panel	I						
7.13.	Complaints Policy	MAT policy	A			R			
7.14.	Complaints Appeals	Independent Panel	I						
7.15.	Admissions Policy	School Policy	A				R	C	P
7.16.	Admissions allocation of places	As per Admissions policy				I			
7.17.	Admissions Appeals	Independent Panel	I						
7.18.	School prospectus						A		R
7.19.	School website						A		R
7.20.	School logo & branding						A		R
7.21.	School uniform						A		R



Fixed Asset Accounting Policy

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
Bosmere Community Primary School
Broke Hall Community Primary School
Chilton Community Primary School
Combs Ford Primary School
Freeman Community Primary School
Springfield Junior School
Whitehouse Community Primary School

Document Control

Version	Date	Author	Comments
Issue 1	1st Mar '19	Finance and Audit Committee	Includes Accounting Policy; Bad Debt and Redundant Equipment; Charging and Remission; Competitive Tendering; Fixed Asset Accounting Policy; Investment; Letting Policy; Procurement Policy; RoFR; VAT Policy. Review Spring 2020
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	June 2020	CFO/CEO	Amendments: new schools added and additional details accordingly.
	March 2022	CFO	Amendments: new school added and central finance

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 2nd November 2023

Background

The purpose of this policy and associated procedures is to ensure that the Children's Endeavour Trust maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).

This policy relates to all of the Trust's schools. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

This policy is designed to be consistent with:

- ESFA Financial Handbook
- Trust Articles of Association / Constitution
- Master and Supplemental Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money".

This policy is an appendix to the main Trust Finance Policy.

Fixed Assets

Asset register

All items of a capital nature purchased with a value over the Trust's capitalisation limit of £1500 must be capitalised. Assets below this value will be charged to the Statement of Financial Activities in the year of purchase.

All fixed asset additions, must be approved by the Headteacher.

The following assets should be entered into the Asset Register: Any item (or group of items) with a value in excess of the capitalisation limit defined above.

Examples of assets to be included:

- Land and Buildings
- Plant and Machinery
- Furniture and Equipment
- Computer Equipment and Software
- Assets Under Construction

The Chief Finance Officer will review the Asset Register for each school on a monthly basis to ensure completeness and identify any discrepancies. Any discrepancies over a pre-defined threshold must be reported to the Headteacher (see Appendix 1 Record of Financial Responsibility for threshold).

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

All items that have been included on the Asset Register must be security marked as the property of the Trust.

Capitalisation

Tangible Fixed Assets costing more than the capitalisation limit (see Appendix 1 for value) are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Security of Assets

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

All the items in the Asset Register should be permanently marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant reported to the Headteacher.

Loan of Assets

Items of Trust property, except staff and pupil laptops or tablets, must not be removed from school premises without the authority of the Headteacher.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

ESFA Approval

The Trust must seek and obtain prior written approval from the ESFA for those transactions identified in the Academies Financial Handbook, being the acquisition and disposal of land or buildings and the disposal of heritage assets.

Disposals

All assets disposed of will be recorded in the Asset Register and the appropriate transactions recorded through the finance system.

The Trust must ensure that any disposal achieves the best price that can reasonably be obtained.

Disposal of equipment to staff is not permitted unless approved by the Headteacher, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment.

The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the ESFA a proportion of the sale proceeds.

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

Leases

The Trust is able to enter into operational leases as outlined in the Academies Financial Handbook

Finance leases are classed as borrowings and can only be entered into with the specific authority of the ESFA.

All leases must be approved by the Chief Executive Officer.

Rentals under operating leases are charged on a straight-line basis over the lease term.

Depreciation Policy

The Trust will depreciate fixed assets in line with recognised accounting standards, best practice and DfE guidelines.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset less any residual value on a straight-line basis over its expected useful life, as follows:

ASSET GROUP	DEPRECIATION METHOD
Land and Buildings	Land 125 years, Building's max 50 years
Plant and Machinery	20% Straight line
Furniture and Equipment	20% Straight line
Computer Equipment and Software	33% Straight line
Assets Under Construction	These are not depreciated until the asset is brought into use
Motor Vehicles/Minibuses	40% year one then 10% straight line thereafter

Where tangible fixed assets have been acquired with the aid of specific grants or donations, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related income requires the asset to be held for a specific purpose, the income is credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward as a fund on the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may be overstated. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Appendix 5



Accounting Policy

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
Bosmere Community Primary School
Broke Hall Community Primary School
Chilton Community Primary School
Combs Ford Primary School
Freeman Community Primary School
Springfield Junior School
Whitehouse Community Primary School

Document Control

Version	Date	Author	Comments
Issue 1	1st Mar '19	Finance and Audit Committee	Includes Accounting Policy; Bad Debt and Redundant Equipment; Charging and Remission; Competitive Tendering; Fixed Asset Accounting Policy; Investment; Letting Policy; Procurement Policy; RoFR; VAT Policy. Review Spring 2020
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	June 2020	CFO/CEO	Amendments: new schools added and additional details accordingly.
	March 2022	CFO	Amendments: new school added and central finance

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 2nd November 2023

Background

The purpose of this policy and associated procedures is to ensure that the Children's Endeavour Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).

The policy covers the basis of accounting, preparation of financial statements.

This policy relates to all of the Trust's schools. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

This policy is designed to be consistent with:

- Companies Act 2006;
- Accounting standards;
- Charities SORP;
- Academies Accounts Direction (ESFA)

This policy is an appendix to the main Trust *Finance Policy* and refers also to the *Fixed Asset Policy* and the *VAT Policy*.

Basis of Accounting and Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice: 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies: Accounts Direction issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

The School Trust accounts are produced and audited for the twelve-month accounting period ending on 31 August.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the School Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities to the extent of entitlement to the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Capital grants are recognised as voluntary income on a receivable basis to the extent that there is an entitlement.

Donations

Donations are included recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been allocated to each activity cost category on a basis consistent with the use of resources, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Trust's educational operations.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trust' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

The Trust's approach to fixed assets, capitalisation and depreciation are laid out in the separate *Fixed Asset and Depreciation Policy*.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Further detail on the Trust's approach to taxation and VAT in relation to its charitable status is laid out in the separate *VAT Policy*.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted General Funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the ESFA and the DFE and the LA where the asset acquired or created is held for a specific purpose.

Pension benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Second Pension (S2P) and the assets are held separately from those of the School Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method.

The TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis. The actuarial valuations are obtained annually and are updated at each balance sheet date.

The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Appendix 6



Charging and Remissions Policy

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
Bosmere Community Primary School
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Issue 2	5 th Feb 2020	CEO	Addition of £200 maximum BACs payment to staff limit.
	June 2020	CFO/CEO	Amendments: new schools added and additional details accordingly.
	March 2022	CFO	Amendments: new school added and central finance

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 2nd November 2023

Background

The purpose of this policy and associated procedures is to ensure that the Children's Endeavour Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).

The policy covers the approach that the Trust's schools will take to charging parents for certain events and activities provided for their children.

This policy relates to all of the Trust's schools. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

Once approved this policy replaces and supersedes any previous charging and remittance policy previously in place at the Trust's schools.

This policy is an appendix to the main Trust *Finance Policy*.

Introduction

The Trust and its Local Governing Bodies recognise the valuable contribution that the wide range of activities, including clubs, trips, and residential experiences can make towards a pupils' personal and social education.

The Trust aims to promote and provided such activities both as part of a broad and balanced curriculum for the pupils of its schools and as additional optional activities.

Recharge Definition

A recharge is defined as 'the cost charged to an individual school for specific central services provided by the Children's Endeavour Trust.

Recharges move expenses between individual schools without increasing the total costs for the Trust.

Reasonable and Allowable Costs

Costs to be recharged must be:

- Reasonable, in both type and amount
- Necessary to provide services to the schools
- Adhere to the procedure set out in the Trust procurement policy
- Adhere to 'Value for Money' principles
- Of clear benefit to the individual schools
- Recorded in sufficient detail to enable schools to easily follow the rationale and calculation for each cost.

Allowable costs include:

- Management
- Administration staff
- Learning improvement and educational support
- Back office and administration support

- Professional services and support costs
- Identifiable 'one-off' costs
- Infrastructure development costs
- Capital costs

Budget Setting

A central services charge will be charged to all Schools. This will be a percentage of the GAG funding and will be reviewed on an annual basis by the Chief Finance Officer and the Trust Board.

A proforma of all services provided by the Trust will be provided to each school.

Local Governing Bodies will receive a copy for information.

Method of Apportionment

Apportionment is the basis on which costs are charged between schools within the Trust. Various methods of apportionment may be applied to recharge, or elements thereof, in any one year above the agreed 5.2%.

The CFO will propose the appropriate method or methods of apportioning central service costs between individual schools for approval by the Trust Board.

The Trust Board will review and approve the methods of apportionment annually.

Recharges

Recharges will be made monthly.

As the Trust is operating a single bank account across all schools within the Trust, there will be no physical payment of recharges.

Where additional costs are incurred during the year, a revised forecast of central services costs will be prepared for approval by the Trust Board, and the termly recharges to schools will be adjusted to reflect the revised forecast.

Monitoring

The Trust Board will receive a termly report of the budget position of central service costs to date, together with a revised forecast of the full year annual recharge.

This report will be shared with Local Governing Bodies for information.

Disclosure

In order to comply with the ESFA Accounts Direction, the Trust must disclose in its annual financial statements details of any central charges made to its constituent schools. The note must describe:

The types of central services provided by the Trust

The policy used to apportion the charges

The actual charges made to the schools during the year

Policy Review

This policy will be reviewed at least annually or immediately following a change to the structure of the Trust.

Any changes to the structure of the Trust will require a review of central trust costs and apportionments.

Any proposed changes, whether mid-year or at the annual review, are subject to the review and approval process described above.

Appendix 7



Lettings Policy

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
Bosmere Community Primary School
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Issue 2	5 th Feb 2020	Finance and Audit Committee	Addition of £200 maximum BACs payment to staff limit.
	June 2020	CFO/CEO	Amendments: new schools added and additional details accordingly.
	March 2022	CFO	Amendments: new school added and central finance, additional Condition of Letting relating to KCSiE, Sections 14 and 15

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 2nd November 2023

Lettings Policy

Lettings Policy Introduction

Prior to the letting taking place, this document and the MAT's Policy for Health and Safety should be provided to the hirer who must sign to confirm that they have read and accepted these terms and conditions.

Definitions:

- **Hirer** The person or organisation entering into a contract with the MAT
- **User** Those people making use of the premises hired under a letting agreement between the MAT and the hirer steward person or persons 'supervising' or organising the users General Conditions.

Lone working procedures need to be in place to cover the person unlocking/locking up and other support activities. Separate guidance on lone working is available if required.

The hirer is responsible for the health and safety issues, not the MAT. All statutory requirements must be observed and MAT specific requirements complied with.

Lettings may occur during the hours of darkness. Adequate and sufficient lighting is provided inside and outside the premises to assist with safe access and egress, including around the car park.

Details of vehicle and pedestrian entrances and exits, parking facilities, toilets etc. are made known to the users.

The MAT will accept no responsibility for damage howsoever caused to vehicles and other property while the user is on the MAT site. Parking is made available only on the basis that it is at the vehicle owner's risk. The hirer is asked to arrange for users to park in designated areas only.

The hirer must ensure that only that part of the building actually hired is used and must observe any instructions given by the site supervisor/ member of MAT staff concerning the area available.

Hirers are responsible for signing in and for monitoring persons on site, so that in the event of an emergency, all persons can be accounted for.

Fire and Emergency Evacuation

Hirers will be acquainted with the emergency and evacuation procedures (which are on display), including the location of the fire alarms, extinguishers and emergency exits and muster points during a premises familiarisation session in advance of the actual hiring. Once completed the hirer takes responsibility for briefing other users associated with the hiring. They must also carry out their own fire drills. Fire appliances must not be removed or tampered with other than for fire-fighting purposes. The hirer will ensure that the users' activity is not so loud or otherwise obtrusive as to render the fire alarms ineffective.

The hirer is responsible for drawing up specific evacuation plans for any disabled people. Procedures are in place in the event of a fire alarm call point being set off accidentally. Fire exits must not be blocked or locked, nor should furniture, equipment, or other obstructions be placed in corridors during the hiring. Hirers may legitimately request to see the MAT's fire risk assessment.

Rooms and Equipment

Rooms that are made available to hirers are checked periodically (not less than once per term) to ensure that they are in a suitable condition for the specific activity that any lettings will involve. Records of such inspections are kept.

The MAT is not responsible for the users' activities, but is assured that the activity and the hired room/equipment available are compatible.

Any precautions required to ensure the users' safety when using equipment are the responsibility of the hirer. Equipment will be provided by the hirer and not by the MAT. All mains powered electrical equipment brought onto the premises must be safe and evidence may be required that it has a valid test and inspection certificate (the certificate should not be less than one year old for earthed equipment, or less than 4 years old for double insulated equipment). Lower voltage equipment must also be safe and in good condition.

The cost of any maintenance or repair work which is necessary because of the hirer's/user's activities will be borne by the hirer.

Conditions of Letting

It is the responsibility of the hirer to provide first aid equipment and trained personnel.

Smoking is not allowed in any part of the MAT premises.

The hirer shall not allow so many users into the premises as to exceed the seating and/or dancing capacity of the premises. Even if the stated capacity is not exceeded, the hirer will not use the space provided in such a way as to create conditions of overcrowding or to impede safe and effective escape from the premises in an emergency.

The hirer shall provide a sufficient number of stewards as may be necessary to ensure adequate and efficient supervision of the users during the letting.

The CEO reserves the right to have a member of MAT staff present throughout the letting and to put a stop to any event that is not properly conducted.

The hirer is responsible for providing access to a mobile telephone for emergency purposes.

Hirers must have regard to the national standards of qualification, experience and overall competence of instructors/supervisors/coaches for sporting and other activities.

The hirer must ensure that risks associated with the activity are properly controlled throughout the hire period and that the premises are returned to the control of the MAT in a clean and satisfactory condition including replacing any furniture that has been moved. Any specialist cleaning or disinfection required as a result of the hirer's/user's activity in the premises will be the sole responsibility of the hirer.

The Hirer is responsible for ensuring its personnel receive appropriate safeguarding and child protection training (including online safety) at induction. The training should be regularly updated. In addition, all staff should receive safeguarding and child protection (including online safety) updates (for example, via email, e-bulletins and staff meetings), as required, and at least annually, to provide them with relevant skills and knowledge to safeguard children effectively.

The Hirer should ensure its personnel are aware of their local Early Help process and understand their role in it.

Insurance

It is the responsibility of the hirer to effect suitable public liability and other relevant insurance cover. As a general rule cover up to £5 million is required. In the event of an incident, fire or near miss.

The MAT will ensure that Incident Report forms are made available to the hirer who in turn, must ensure one is completed whenever necessary. The MAT will follow up the report to ensure that it is completed correctly and that an investigation is undertaken. A review of the risk assessment for the activity will be required from the hirer.

The hirer is responsible for ensuring that any necessary licenses required for a particular event have been obtained (such as theatre, performing rights or cinematograph licenses).

Lettings rates

Rates are charged per hour and are dependent on schools' facilities.

Area of school	AHP	BHP	BOS	CCP	CFP	FCP	SPR	WHP
Main Hall South	£10.00	£12.00	No lettings available	£20.00	No lettings currently available		No lettings available	No lettings currently available
Main Hall North & South	£7.50							
Windmill Room	£12.50							
Windmill Room & Main Hall South	£15.00							
Windmill Room & Main Hall South & North	£20.00							
Playground	£10.00							
Astro Turf	£10.00							
Sports Field	£12.50			£10.00				
Blue Sky Classroom	£5.00							
Zone Rooms	£5.00							
Air-conditioned Meeting Room	£10.00							

Appendix 8



Pecuniary Interests Policy

The Children's Endeavour Trust comprises of:

Abbot's Hall Community Primary School
Bosmere Community Primary School
Broke Hall Community Primary School
Chilton Community Primary School
Combs Ford Primary School
Freeman Community Primary School
Springfield Junior School
Whitehouse Community Primary School

Document Control

Version	Date	Author	Comments
Issue 1	1st Mar '19	Finance and Audit Committee	Includes Accounting Policy; Bad Debt and Redundant Equipment; Charging and Remission; Competitive Tendering; Fixed Asset Accounting Policy; Investment; Letting Policy; Procurement Policy; RoFR; VAT Policy. Review Spring 2020
Issue 2	5 th Feb 2020	Finance and Audit Committee	Addition of £200 maximum BACs payment to staff limit.
	June 2020	CFO/CEO	Amendments: new schools added and additional details accordingly.
	March 2022	CFO	Amendments: new school added and central finance

Owner: CEO

Approver: Finance and Audit Committee

Statutory Policy: Yes

Review Cycle: Annual

Approval date: 2nd November 2023

Pecuniary Interest Policy Code of Conduct for MAT Board Members & Staff

Register of Disclosure of Interests

Notes of Guidance

The public is entitled to expect the highest standards of conduct from all employees who work for the MAT. Under the MAT's Code of Conduct, all staff, including temporary employees, are required to disclose to the CEO the interests set out below. This must be done within 28 days of the interest becoming apparent. 15.1 Register of Relationships with Contractors and Suppliers of Goods and Services

- **Award of orders and contracts** Employees who are responsible for the award of orders and contracts should make known, in writing, to the CEO all relationships of a business or private nature that they have with contractors and other suppliers of goods and services. An explanation as to the exact nature of the relationship should be made and whether or not the company or business has in the past or currently supplies goods or services to the MAT or has a contract with the MAT.
- **Relationships in a private or domestic capacity** Employees who, in the course of their job, engage or supervise contractors and suppliers or have any other official relationship with contractors and/or have had, or currently have, a relationship in a private or domestic capacity with contractors (or their senior staff) should make this known to their CEO. Employees must declare in writing to their CEO any financial or nonfinancial interests which could reasonably be considered to conflict with the MAT's interests.

The MAT will ensure:

- that employees and Trustees (including temporary employees) are regularly advised of the need to make such declarations,
- that employees personally print and signs their name on the declaration,
- that employees give their declaration of interest form to the CEO for authorisation,
- that the registers are kept up to date,
- that the Trustees is advised annually that the register is up to date and the name of the person responsible for the register and where they can be located.

Ongoing disclosures need to be submitted in every return, even if they have been previously disclosed. The Register is a living document and the previous returns form part of the Register. The returns should be kept for seven years. The 'keeper' of the register should ensure that they obtain either a nil return, or pro-forma which provides the details of the individual declarations. The Register is accessible for viewing by appropriate officers during office hours.

Any request by a member of the public to view the Register of Officers' Interests will be referred to the CEO. In considering any request, he will balance the requirement for the MAT to be open and transparent against the requirements of the Data Protection Act 1998 and Article 8 of the Human Rights Act, and reach a judgement in each specific case.

There is a legal requirement for the MAT to maintain a Register of Officers' Interests. In declaring any interests, you have, you are protecting yourself from any false accusation of bias or corruption. In considering whether you have an interest, you should ask yourself whether a member of the public, knowing the facts of the situation, could reasonably think that a relationship or interest you have, might conflict with the interests of the MAT.

The list below is not exhaustive and it is also important to note that you may not always need to declare an interest. For example, the answer to one of the questions below may be "yes", but the

relationship or connection does not impinge on the type of work you do, so you may not need to declare an interest. Conversely, there may be other circumstances not listed below where you do need to declare an interest. If in doubt, please speak to your line manager in the first instance.

Think about the following questions:

- Are you related to a county or district councillor?
- Are you a member of a parish, town or community council?
- Are you related to a member?
- Are you a school/MAT Trustee or related to a school/MAT Trustee?
- Are you a partner, company secretary or non-executive chairman of a company which does business with the MAT?
- Are you employed by a body which carries out work for the MAT, or were you recently so employed, or are you related to someone who is so employed?
- Do you do part-time or occasional work for a company which undertakes work for the MAT or which competes with the MAT for work?
- Are you undertaking any business ventures in your own time that could conflict with the MAT's interests?
- Are you related to or friends with a member of the senior leadership teams or any other members of the Trust?