



Unity Schools Trust

'Excellence through collaboration'

FINANCIAL MANAGEMENT HANDBOOK 2019-20

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1. ORGANISATIONAL STRUCTURE OF FINANCIAL RESPONSIBILITY

The Unity Schools Trust's management structure is intended to ensure clarity of roles and efficiency and consists of three levels: the Board, Local Governing Bodies (LGB) and Senior Leadership Team (SLT) for each school in the Trust. Schools may also have a defined Middle Management Team depending on the size of the school. The aim of the management structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.

Trustees must apply high standards of governance and take full ownership of their duties, including being aware of Charity Commission guidance and the Companies Act 2006.

The Board fulfils a strategic role and measures performance across the Trust against agreed Key Performance Indicators (KPI). Responsibilities are devolved to schools through the Scheme of Delegation which depend on the degree of development of the school in the Trust. LGBs fulfil a largely strategic role for their school in the Trust. They adopt a School Development Plan, approve the annual budget, monitor the school's performance and, on advice, make decisions about the strategic direction of their school, its capital expenditure and senior staff appointments. The appointment of all members/directors will be advised to the Education & Skills Funding Agency (ESFA).

The SLT may vary across the schools in the Trust but will usually consist of a combination of the following: headteacher/head of school, deputy and assistant headteachers/heads of school, designated safeguarding lead ("DSL"), and business lead but there are local variations or additions. These staff are responsible for the operational control of individual schools in the Trust implementing the policies laid down by the Trust and reporting back to them. As a group, the SLT are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments which are covered under the Scheme of Delegation.

The middle leadership may consist of heads of subject/department/faculties or Key Stage leaders or other designated postholders. All levels of leadership may have responsibilities as budget holders depending on the cost centre structure of individual schools.

A senior member of staff will be appointed as the Accounting Officer for the Unity Schools Trust. All trustees and staff including the Accounting Officer are expected to adhere to the 'Seven Principles of Public Life: <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>'.

2. FINANCIAL RESPONSIBILITIES

The overall governance arrangements of the Trust are published on the Trust's website (www.unityschoolstrust.co.uk).

Trust Board Responsibilities

- To ensure regularity and propriety in the management of all funds
- To appoint a Chief Executive
- To ensure efficient, economical and effective management of the resources of all schools in the Trust against KPIs

- To consider delegation of decision making via the Scheme of Delegation whilst retaining overall responsibility for the written scheme
- To review from time to time with the Chief Financial Officer the financial regulations for the supervision and control of financial procedures, accounts, income and expenditure of the schools within the Trust
- To approve a balanced budget for the financial year to 31 August and to minute the approval of the budget
- To be responsible for signing the statutory accounts and any other Trust level financial returns
- To agree the level of central funds
- To set up an audit committee and agree its terms of reference
- To maintain effective oversight of funds regularly as a group but at least three times per year, for the Chair to have monthly oversight of management accounts and other trustees at least six times per year, and ensure this is explained in its governance statement
- To ensure that the Trust publishes information for statutory financial returns as instructed by the DfE/ESFA
- Appoint an external auditor for the annual accounts

Audit & Risk Committee

- Establish a control framework that recognises public expectations about governance, standards and openness
- Confirm in the Trust governance statement which internal audit system has been used and promptly report findings to all trustees.

Strategy & Resources Committee

- Have oversight and review of monthly monitoring reports
- To have a termly in depth review of the financial monitoring reports and associated three year plans where relevant
- To consider the annual budget plan for the Trust for recommendation to the Board of Trustees

Accounting Officer Responsibilities

- To act as the Accounting Officer of the Trust and adhere to the 'Seven Principles of Public Life'
- To be personally responsible to Parliament and to the ESFA's accounting officer for the Trust's financial resources
- To be able to assure Parliament and the public of high standards of probity in the management of the public funds provided to the Trust, particularly regularity, propriety and value for money
- To be supported by the Chief Financial Officer of the Trust
- To advise the Board on the discharge of its financial responsibilities
- To ensure the efficient, economical and effective management of the Board's resources via the schools
- To ensure that financial considerations are taken fully into account in reaching decisions and in their execution
- To be responsible for reviewing approved budgets and ensuring that they are in line with KPI or variances are explained
- To ensure that all financial reports to the ESFA/DfE, are accurate and on time

- To have oversight of financial transactions by ensuring the Trust's assets and property are under the Trustee's control and measures exist to prevent losses or misuse
- To ensure that bank accounts, financial systems and records are operated by more than one person
- To review from time to time the financial regulations for the supervision and control of financial procedures, accounts, income and expenditure of the schools within the Trust and propose any variations to the Board and that full and accurate accounting records support the annual accounts
- To receive regular reports on the income and expenditure of the schools within the Trust through the KPI reports
- To follow the agreed Scheme of Delegation in appointing new staff
- To ensure regularity when dealing with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and compliance with the Trust's internal procedures
- To ensure propriety, the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control
- To complete and sign a statement on regularity, propriety and compliance each year and submit this to the ESFA with the audited accounts.
- Demonstrate how the Trust has secured value for money via the governance statement in the audited accounts
- To take personal responsibility for assuring the board that there is compliance with the Academies Financial Handbook and the funding agreement
- To advise the Board in writing if they appear to be failing to act where required to do so by the terms and conditions of the Handbook or funding agreement. If the Accounting Officer considers that the action proposed by the Board is in breach of the articles, the funding agreement or this handbook, the Accounting Officer will notify the ESFA's accounting officer immediately, and in writing

Chief Financial Officer Responsibilities

- To play both a technical and leadership role for the financial management of the Trust
- To ensure sound and appropriate financial governance and risk management arrangements are in place
- To be responsible for the Trust's detailed financial procedures
- To prepare and monitor Trust budgets including the three year plans
- To ensure the delivery of annual accounts

LGB Responsibilities

- To ensure the efficient, economical and effective management of the resources and expenditure, including funds, capital assets and equipment and staff of the school for which they are responsible within the Trust
- To recommend to the Trust for approval the three year budget plan for the academy
- To recommend to the Trust for approval the annual budget for the academy
- To regularly review and monitor the academy budget
- To recommend acceptance of expenditure or contracts with limits agreed in the financial handbook or as advised by ESFA guidance
- To recommend for approval to the Trust any expenditure over OJEU limits

- To approve disposals or write off of stock, assets or debts from head of school limits to LGB limits
- To recommend for approval to the Trust expenditure or contracts from LGB limits up to limits laid out in the financial handbook
- To approve compensation payment from £10,001 to £49,999
- To propose to the Trust Board compensation payments of £50,000 and over

Headteacher/Head of School/Principal Responsibilities (Individual Schools)

- To advise the LGB on the discharge of their responsibilities
- To ensure the internal financial framework of the Trust is followed that includes:
 - To co-ordinate the planning and budgeting processes
 - To apply discipline in financial management, including the management of banking, debt and cash flow, with appropriate segregation of duties
 - To oversee preparation of monthly budget monitoring reports
 - To ensure that delegated financial authorities are respected
 - To ensure the effective planning and oversight of any capital projects
 - To oversee the management and oversight of assets
 - To ensure the propriety and regularity of financial transactions
 - To reduce the risk of fraud and theft
 - To ensure efficiency and value for money in the organisation's activities
 - To oversee a process for independent checking of financial controls, systems, transactions and risks
- To propose to the LGB the annual budget plan, three year budget forecast and budget updates
- To ensure that all financial reports are accurate and on time
- To review from time to time with the business leader the financial regulations for the supervision and control of financial procedures, accounts, income and expenditure of the school and advise the Chief Financial Officer of any recommended changes
- To receive regular reports on the school's income and expenditure, showing a comparison of these against annual budget
- To sign off all pay variations
- To approve new staff appointments except for those posts which will be approved by the LGB and/or those covered in the Scheme of Delegation
- To sign off month end reports including bank reconciliations
- To approve expenditure or awards of contracts up to the head of school limit
- To approve disposals or write off of stock, assets or debts up to the head of school limit
- To propose for LGB approval disposals or write off of stock, assets or debts from head of school limit to LGB limit
- To approve compensation payments p to £10,000
- To propose compensation payments for LGB approval from £10,001 to £49,999.

Business Leader Responsibilities

- To provide such assistance to the LGB as necessary for the satisfactory completion of their financial responsibilities, including access to all financial documents and accounting systems

- To ensure with finance staff that all aspects of school financial management requirements are implemented with reference to the DfE Financial Handbook and the ESFA business cycles, especially in the critical area of periodic reporting of the Trust's financial position to the ESFA/DfE, Companies House and Charities Commission
- To provide regular reports on the school's financial position for the relevant governor committee and report variations in the budget
- To ensure full and complete observance by the financial administrative staff of financial procedures and arrange for these to be amended in the light of changing requirements
- To arrange for all financial activities at the school to be fair and honest
- To agree with the Headteacher/Head of School any funds to be delegated to cost centres taking into account their forecasted requirements
- To be responsible for all matters not covered by specific budget holders

Budget Holder Responsibilities

- To work with the Business Leader or their designate to forecast an appropriate level of funding for each category
- To exercise responsibility for routine control and monitoring of their budget expenditure

3. REGISTER OF INTERESTS

All Directors, Governors and members of the Senior Leadership Team and finance function must declare any direct or indirect pecuniary interests at all times and should enter any on-going interests that may raise a conflict of interest in a Register of Interests kept in each school (and for Directors in the registered office). This Register should be drawn to director, governor and staff attention at least once a year and amended as needed. The Register of Interests must identify close family relationships between members/directors and Trust employees as well as relevant business or pecuniary interests. The Trust will publish the relevant business and pecuniary interests of directors and local governors on its website.

4. LGB FINANCE/RESOURCES TERMS OF REFERENCE

The LGB must ensure appropriate scrutiny of the financial records of the school. This can be either through a formal committee structure or, alternatively, through a portfolio management process.

Committee Structure

Membership	A minimum of three members of the LGB and the head of school/headteacher (if not already a governor). The business leader will be in attendance. The committee may make recommendations to the LGB for the co-option of non-governor member.
Chair	To be members of the LGB. To be appointed by the LGB at the first meeting of members for the academic year. In the absence of the chair, the quorate membership will appoint a chair for that meeting.
Clerk	Clerk to the Governors. In their absence, one of the members present.
Quorum	Three members or, where greater, any one-third of members eligible to vote

Portfolio Structure

The LGB shall appoint one lead and one buddy governor to scrutinise the financial and resource management of the school

Both committee and portfolio structures will adhere to the following:

Meetings	Frequency	Minimum of one per term, prior to the regular LGB meetings.
	Minutes	To be circulated within two weeks of meeting.
Purpose	To guide and assist the head of school/headteacher and LGB in all matters concerning budgeting, finance and premises, including grounds, security and health & safety for the school's public and private resources.	

Finance

- To contribute to and monitor the financial impact of priorities within the School Development Plan (SDP)
- To ensure value for money when reviewing any major expenditure recommendations from the SLT
- To consult with other committees/portfolio members where necessary
- To recommend the annual budget to the LGB, taking account of the SDP
- To monitor at least termly the actual income and expenditure and revised forecast against the annual budget for the school, making recommendations where necessary
- To monitor and review relevant policies, making recommendations to the LGB as required
- To assist the Trust in ensuring that the annual financial statements are produced in accordance with company and charity law and ESFA requirements
- To award contracts by tender up to the level of authority delegated by the LGB and within the limits set down in the Financial Management Handbook
- To ensure Voluntary Funds are administered properly and audited as required
- To agree annually the level of delegation and cheque signing authorities
- To be aware of and to ensure compliance with the Academies Financial Handbook
- To receive auditors' reports and other correspondence and recommend to the LGB action as appropriate in response to audit findings
- To delegate management of the budget to the head of school/headteacher subject to agreed restrictions as detailed in the Finance Policy

Premises

- To consider recommendations for accommodation in relation to student numbers
- To ensure the effective implementation of significant operational contracts (ie catering, cleaning)
- To ensure effective stewardship of the premises is undertaken
- To monitor and review all policies and legislation relevant to premises, making recommendations to the LGB as required

Health & Safety

- To ensure that accident reporting and first aid provision are appropriately managed within the school
- To ensure that the school discharges its duty to assess the risk of activities both on and off the school site
- To ensure that termly inspections take place and to report the outcome to the LGB
- To monitor and review all policies relevant to health and safety, making recommendations to the LGB as required
- To ensure procedures are in place to allow staff to follow health and safety procedures and that appropriate risk assessments for all school activities are completed
- To receive and respond to information or regulations concerning health and safety

Human Resources

- To monitor the implementation of performance management and appraisal for all staff
- To receive and approve recommendations from the Pay Committee

5. FINANCIAL CALENDAR - see ESFA calendar

Detailed information is provided on the ESFA calendar annually, but the key dates are:

- Audited accounts must be submitted to the ESFA by 31 December each year
- The annual accounts must be published on the Trust's website by 31 January following the financial year to which the accounts relate
- the BFRO (budget forecast return outturn) and BFR (budget forecast return) are submitted to deadline

6. POLICIES

The Trust and its schools adhere to a range of policies that are detailed as appendices to this financial management handbook as follows:

- Appendix 1 – Finance Policy
- Appendix 2 – Investment Policy
- Appendix 3 – Reserves Policy
- Appendix 4 – Capitalisation & Depreciation of Assets Policy
- Appendix 5 – Acquisition and Disposal of Assets Policy
- Appendix 6 - Fraud
- Appendix 7 – Special Payments Policy
- Appendix 8 – Gifts & Hospitality Policy
- Appendix 9 – Debt Recovery Policy
- Appendix 10 – Governor, Director and Trustees Allowances Policy
- Appendix 11 – Charging & Remissions Policy
- Appendix 12 – Staff Expenses Policy
- Appendix 13 – Financial Support Policy
- Appendix 14 – Lettings Policy

Pay Policy – Each school in the Trust has its own policy based on Trust principles

Appendix 15 – Procurement and Liabilities Policy
Appendix 16 – Business Card Policy
Appendix 17 – Trading with Connected Parties Policy
Appendix 18 – Consultancy Income Policy
Appendix 19 – Recharge for Services Policy

7. VALUE FOR MONEY STATEMENT

The Trust will complete a statement every year explaining how the Trust has secured value for money which will be incorporated in the governance section of the financial statements, in accordance with the latest Academy Financial Handbook requirements.

8. DISASTER RECOVERY PLAN

Each school within the Trust will hold its own Disaster Recovery Plan/Business Continuity Plan.

9. RISK MANAGEMENT

Please refer to the Risk Register that is managed by the Trust.

Appendix 1

Finance Policy

Purpose

- To define the responsibilities of the management levels in the Trust
- To provide guidance on the application of regulations
- To identify procedures to ensure integrity of internal controls
- To set out guidelines to ensure effectiveness of resources

Rationale & Accountability

Basis of preparation - The financial statements will be 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 ESFA and the Companies Act 2006. A summary of the principal accounting policies, which will be applied consistently, except where noted, is set out below.

Going Concern - The Trustees will assess whether the use of the "going concern principle" 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 Trust to continue as a going concern. The Trustees will make the assessment in respect of a period of one year from the date of the approval of the financial statements.

Trustees have statutory responsibility for the oversight of financial management of the Trust.

The Trust board has statutory responsibility for the oversight of the financial management in all schools and is supported in this by the Trust's Audit Committee. It does this by:

- Setting the terms of reference for the Audit Committee
- Setting the terms of references for individual school Finance/Resources Committees/portfolios as incorporated in the Trust Financial Management Handbook
- Receiving regular reports from schools against KPI
- Producing the annual financial statements and accounts in accordance with the Companies Act 1985 and the ESFA/DfE guidance issued to academies
- Reviewing and maintaining finance policies including levels of authority for spending through the approval of the Trust Financial Management Handbook
- Receiving external auditor reports and reviewing systems of internal financial control on the advice of the Audit & Risk Committee and/or internal audit team

The LGB has responsibility for the oversight of financial management within its school and is supported in this by the Finance/Resources Committee or portfolio holder. It does this by:

- Approving the local annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves

- Working with the CFO to prepare a three year plan updated at least annually
- Monitoring the annual budget
- Considering the affordability of the SDP and any other supporting plans
- Considering the impact of student numbers on the budget over short, medium and long terms
- Receiving and responding to reports of the Audit Committee
- Receiving and reviewing monthly finance reports
- Providing the Trust board with termly reports

Authority to Incur Expenditure

Individual schools may have lower authorities but these are the maximum:

- The budget holder with responsibility for a cost centre can approve up to £500
- The budget holder and the Finance Manager will approve expenditure between £500 and £2499
- Expenditure over £2500-£9999 is approved by the Business Leader.
- The Headteacher/Head of School has authority to incur expenditure and make payments which are consistent with the Revenue and Capital budgets up to a value of £50,000
- The Finance/Resources Committee/portfolio leads have authority to approve all revenue or capital purchases costing more than £50,000 but less than £100,000 for which provision has been made in the budget
- The LGB must agree any expenditure for which there is no budget and/or any purchases over £100,000

Purchasing

- The Trust shall maintain a policy of best value for all purchases and produce an annual value for money statement
- All purchases should be made through a school's ordering system
- The finance office shall keep records of all purchases made including quotations received but not accepted

The policy of best value will be applied using the four principles:

1. Challenging how a service or supply is provided and why it is required
2. Comparing performance with other schools
3. Consulting with relevant stakeholders
4. Competing as a means of securing efficient and effective services and supplies

The Trust aims to ensure that no Trustee, governor, employee or related individual or organisation gains from their position by receiving orders or being awarded tenders as a direct result of that relationship and/or under terms that are preferential to those that would be offered to an individual or organisation with no connection to the Trust.

Internal Controls

Internal delegation, subject to the limits above, will be as follows according to individual school practice:

	Certifying Officers
Expenses forms	Line Managers/Budget Holder
Order requisitions & initial invoice approval	Budget Holder (in some cases this means the Headteacher/Head of School or Business Leader)
Orders & invoice approval	Budget Holder/Headteacher /Head of School or Business Leader
Service return	Headteacher/Head of School or delegate
Petty cash, cheques	Business Leader/Finance Manager/Budget Holder
Payment signatories	As per individual organisation mandate
Business Card Payments	Approved card holders

Payments over £250 require two signatures.

In the event that there are business interests with family members, these must be stated on the register of business interests. Furthermore, a signatory must not approve a payment to a relative and related signatories must not be the sole approvers of payments.

Financial Reporting Timetable

Frequency	Report/s	Distribution
At least termly	Termly management reports	Board
Annually	Statutory accounting returns	Audit Committee & Statutory bodies
Termly	Audit Report	Audit Committee
Annually	Final Budget Plan	LGB & Board
Annually	Draft & final budget plan	Relevant Committee
Monthly	Financial Monitoring Reports	Headteacher/head of school
At least termly	Financial Monitoring Reports	Committee
Monthly	Period End documentation	Business Leader/Chief Financial Officer
Monthly	Bank Reconciliations	Finance Manager/Headteacher/Head of School
Monthly	Cost Centre Reports	Budget Holders

Any change in policy requires the approval of the Board or the Audit Committee if in line with their terms of reference.

Budgetary Planning & Control

Organisational Structure of Financial Responsibilities

Board	Receive & approve Trust budgets
LGB	Authorise local budget
Relevant Committee/ portfolio	Review & propose budget to LGB
Headteacher & Business Leader	Prepare provisional budget
School Staff	Input

The Budget

The budget planning process consists of five phases:

1. Planning
2. Budgeting
3. Implementation
4. Monitoring
5. Review/Evaluation

Careful planning ensures that monitoring of realistically determined budgets provide an accurate indicator of a school's economic health. Success in meeting the budget aims can only be achieved if care has been taken in determination of policies and expenditure is strictly controlled throughout the budget life span. A continuous review of the aims and priorities of the strategy should follow from evaluation and analysis of performance. Responsibility for control of budgetary affairs lies with all those involved in the process.

Budget Planning

The size of the school and the wish to retain wide representation suggests the separation of the budget into distinct and manageable categories. The budget will ensure resource allocation matches school priorities within the limits of available funding.

The budget managers will control expenditure in their category of the final budget. These operating budgets must be prepared within the context of the SDP.

A clear statement of the assumptions supporting the budget must be maintained by the Finance Manager. This budget is based on department/cost centre expenditure plans rather than by nominal/ledger code income & expenditure reports.

Budget Control and Monitoring

Budget managers are responsible to the headteacher/head of school for routine control and monitoring of their budget expenditure. Variations to predicted expenditure are investigated by the business leader and if significant, the headteacher/head of school is informed.

Review of Budget

This process of budget review is continuous and effective monitoring must be made over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken must be made. These reports and in particular the action taken on variances will be regularly reviewed by the business leader and headteacher/head of school. Any further action taken must be clearly documented.

Financial Responsibility

The LGB has delegated responsibility for routine financial control to the relevant committee. The relevant committee will meet at least once a term to review the financial position.

Conclusion

A realistic and achievable budget is fundamental to school planning. Budget planning and control requires decentralisation of responsibility, therefore budget holders responsible for expenditure with definable manageable areas help the finance manager produce a consolidated budget. The budget must be considered by the relevant committee and the headteacher/head of school before approval by the LGB and the Board. The timescale for preparing and approving the budget must take into account the ESFA business cycle and requirements for statutory and financial returns. The relevant committee has delegated authority from the LGB to exercise control and advice over financial affairs.

Appendix 2

Investment Policy

Aims

This policy aims to ensure 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
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

Legislation and Guidance

The Academies Financial Handbook states that academy trusts are required to have an investment policy to:

- Manage, control and track their financial exposure
- Ensure value for money

This policy is based on the Academies Financial Handbook and guidance from The Charity Commission. This policy also complies with our funding agreement and articles of association.

Roles and Responsibilities

Academy Trustees

Academy trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers to invest, as set out in the articles of association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional adviser, as appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust and command broad public support

Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

Novel transactions are those of which the Trust has no experience, or are outside the range of normal business activity for the Trust.

Contentious transactions are those which might give rise to criticism of the Trust by Parliament, the public, and the media.

Repercussive transactions are those which are likely to cause pressure on other trust to take a similar approach and hence have wider financial implications.

Finance Committee

Academy trustees delegate responsibility for the trust's investments to the Strategy & Resources Committee. The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the trust's investments
- Reporting to trustees on investments

The Chief Financial Officer (CFO)

The CFO is responsible for producing cash flow forecasts and for making decisions on investments. The CFO also provides information to the Strategy & Resources Committee and academy trustees, as appropriate.

Investment Principles

The Trust schools will only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks.

Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximization.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

Procedures

The following people are authorised signatories:

Accounting Officer
Chief Financial Officer
Headteacher/Head of School

Before any funds are invested, two authorised signatories will sign to indicate they agree to the investment. An investment authorisation form can be found in Appendix 2.1.

The following information will be recorded about investments:

- Date
- Amount and description of the investment
- Length of investment
- Interest rates/expected return

The CFO will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the individual finance managers to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments. When there are funds surplus to immediate cash requirements in the current account, the Trust may transfer these to an account with a higher interest rate.

Investments will normally be for a fixed-term that does not exceed one year unless there is a clear rationale for longer-term investment that would benefit the Trust.

A maximum of £85,000 will be placed with one financial institution. This is because the first £85,000 of an investment is protected by the Financial Services Compensation Scheme.

Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

Monitoring Arrangements

The CFO monitors the implementation of this policy.

Appendix 2.1

Investment Authorisation Form

Date of Investment		Duration of Investment	
Amount			
Interest Rate		Expected Return	
Description of Investment			
<i>State what type of investment is being made and how it will benefit the Trust</i>			
Details of where the investment is held			
<i>Insert name and address of bank or building society</i>			
Signatory name print		Signatory name print	
Signature		Signature	
Date		Date	

Appendix 3

Reserves Policy

Aim

Maintaining an appropriate level of financial reserves is considered essential to protect the Trust from financial risk in its schools generated by, for example;

- income reduction due to Government funding changes
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies
- funding protections received by schools and the likely increases/decreases in these protections such as Minimum Funding Guarantee and changes in levels of Pupil Premium and deprivation funding

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the Trust's primary objective is preserved. At the same time, the Trust wishes to ensure that it uses its funding to benefit the students in the schools in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Trustees will monitor levels of reserves in financial reports provided by the CFO and in the annual financial statement prepared by the Auditor. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision.

Expenditure projections should take into consideration:

- Contingencies depending on the stage of development of the school
- Reasonable cost increase projections
- Working reserve
- Major projects
- An externally or internally commissioned condition survey of the site to identify the life span of major assets not covered by annual maintenance budgets

The governors of each school will review the level of their reserves annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The agreed level of reserves and the assumptions on which it is based will be reviewed by governors and the total level of reserves kept under review by the board. In principal the board believe an appropriate level of reserves for this year would be six weeks of expenditure.

Appendix 4

Capitalisation & Depreciation of Assets Policy

Introduction

International Accounting Standard (IAS) 16 defines fixed assets as “assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably”. The purpose of this policy is to ensure that the Trust’s balance sheet correctly reflects the assets and liabilities of the Unity Schools Trust. The policy is written in accordance with Accounting Standard FRS102 to ensure that fixed assets are accounted for in a consistent manner.

The policy defines the treatment of non-current, current, tangible and intangible fixed assets. Related procedures are included in this document. A fixed asset register will be maintained and reconciled to the financial statements of the Trust.

Fixed Asset Register

The fixed asset register consists of a list of high value items (or specific group of items) purchased within the accounting period that are considered to have a life longer than the financial year in which they were purchased. For individual items any asset with a purchase value of £2,000 will be capitalised.

Capitalised assets are not necessarily bought on one order; a group of items purchased within the same accounting period will be capitalised where the value is over £5,000.

Fixed Assets are categorised as follows:

- Land and buildings
- Fixtures, fittings and equipment
- Computer equipment and software
- Assets under construction

Assets excluded from the fixed asset register are current assets and stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis.

The appropriate accounting transactions for all capitalised assets will be recorded on the fixed asset register and recorded at least annually within the Fixed Asset Fund account in addition to the transaction to the balance sheet.

Physical counts are undertaken against the fixed asset register annually and discrepancies between the physical count and the registers are investigated promptly by the Operations Manager. Any discrepancies over the value of £500 will be reported to the relevant committee.

All disposals of assets are recorded in the fixed asset register and the appropriate transactions recorded through the financial statements on the finance system.

All working papers for the purchase of assets, including invoices, are retained.

Attractive and portable items of equipment that fall below the capitalisation limit of £2,000 are recorded on the equipment inventory. Asset control is as for the assets held on the fixed asset register.

Depreciation

Non-current assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the relevant committee will discuss these items on an individual basis.

ASSET GROUP	DEPRECIATION METHOD
Land (leasehold)	No depreciation until it reaches a remaining life of 50 years.
Buildings and Building modifications	26-50 years - straight line
Fixtures, Fittings & Equipment	5 yrs - straight line with nil residual value
Computer Equipment and Software	3 yrs - straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use.

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the fixed asset register.

A reconciliation will be completed between the independent fixed asset register and the carrying balances held on the finance system.

Appendix 5

Acquisition and Disposal of Assets Policy

The directors of the Unity Schools Trust recognise that the following are valuable assets of the Trust:

- (a) Staff;
- (b) Land;
- (c) Buildings;

The Trust will seek and obtain prior written approval from the ESFA for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally

For the purpose of the disposal policy, 'assets' shall be fittings, furniture, equipment, apparatus, books and other materials originally purchased for the purpose of running the school and having an original individual value of £2,000 or more.

It shall be the responsibility of the appropriate head of department/subject leader or budget manager to identify any such assets which are surplus to requirements. They shall identify surplus assets to the operations manager who, upon endorsing the identification, shall recommend disposal to the headteacher/head of school. Where possible surplus assets shall be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the assets register kept by the school.

Equipment no longer required by the school must be disposed of in a manner which does not compromise the security of the school or stakeholders. IT equipment must be disposed of in an environmentally and socially responsible way in accordance with the WEEE (Waste Electrical and Electronic Equipment) directive with security of data a priority at all times. It should not be sold on unless it is in the best interests of the school to do so. Pecuniary interests must also be considered at all times.

The directors will obtain approval from the Secretary of State for the disposal of any freehold land or buildings or disposing of any heritage assets. Under the Academy Funding Agreement the approval of the Secretary of State is required before the sale, or disposal by other means, or reinvestment of proceeds from the disposal, of an asset (or specific group of assets) for which a Capital Grant in excess of the value for the time being specified by the Secretary of State for the asset; or where the asset was transferred to the Company from an LA for no or nominal consideration. Reinvestment of a percentage of the proceeds of disposal of a capital asset paid for with a capital grant from the Secretary of State shall require the Secretary of State's consent.

Funds obtained by the sale of surplus assets shall be identified in the school accounts and accessible for audit.

Acquisition of any asset excluding freehold of land or buildings must follow the purchasing policy.

Appendix 6

Fraud Policy

The Unity Schools Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in respect of recognising a potential fraud, preventing and detecting fraud. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud. It is the duty of all staff, governors and Trustees to take reasonable steps to limit the possibility of corrupt practices, and to take advice from the internal or external auditors on the adequacy of the measures taken by the Trust to ensure financial compliance.

Any investigation carried out in relation to alleged irregularities will be investigated in accordance with the relevant procedures.

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf they act, even if these “others” are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

Corruption is defined for the purpose of this policy as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Unity Schools Trust, its staff, governors or trustees.

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- Theft - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
- Fraud - the intentional distortion of financial statements or other records by persons internal and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- Bribery and corruption involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
- Failure to observe, or breaches of, Scheme of Delegation and financial regulations;
- Failure to observe, or breaches of, financial procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences

Examples of what could constitute fraud and corruption are:

- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- travelling and subsistence claims for non-existent journeys/events;

- travelling and subsistence claims inflated;
- manipulating documentation to increase salaries/wages received, eg false overtime claims;
- payment of invoices for goods received by an individual rather than the Trust;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;
- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.

The above list is not exhaustive and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, please refer to the CEO, headteacher/head of school, finance manager or business leader who will ensure the required action is taken.

Appendix 7

Special Payments Policy

Special payments are transactions that fall outside the Trust's planned range of activities. They are non-statutory or non-contractual and so are subject to greater control than other payments. They include:

- staff severance payments
- compensation payments
- ex gratia payments

Staff Severance Payments

Staff severance payments are paid to employees outside of normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. They are different to ex gratia payments.

If a school in the Trust is considering making a staff severance payment above the statutory or contractual entitlements, it must consider the following issues:

- whether the Trustees will reasonably consider the proposed payment to be in the interests of the Trust
- whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at employment tribunal. If there is a significant prospect of losing the case then a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the Trust is likely to be successful, then a settlement should not be offered
- if the settlement is justified, the Trust would then need to consider the level of settlement

Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

Delegated authority to make non-statutory/non-contractual staff severance payments under £50,000 without ESFA approval is before income tax and other deductions.

The table below shows the delegated authority the Trust has to approve individual staff severance payments.

Statutory/contractual payment		Non-statutory/non-contractual payment	ESFA prior approval required?
£30,000	+	£30,000	No
£60,000	+	£30,000	No
£30,000	+	£50,000	Yes - for £50,000

Schools within the Trust should demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation, using the ESFA's guidance.

Should the Trust apply for approval of non-statutory/non-contractual staff payments and ex gratia payments Trustees should allow sufficient time for proposals to be considered as the ESFA may need to refer these to HM Treasury.

Compensation Payments

Compensation payments are made to provide redress for loss or injury. If a school within the Trust is considering making a compensation payment it must base its decision on a careful appraisal of the facts, including legal advice where relevant, and ensure that value for money will be achieved.

Ex Gratia Payments

Ex gratia payments are another type of transaction that go beyond statutory or contractual cover, or administrative rules.

Statutory and contractual payments made to staff in accordance with the individual school's pay policy would not be ex gratia.

Ex gratia transactions must always be referred to ESFA for prior authorisation.

Novel or Contentious Payments

Novel payments are those of which the Trust has no experience, or are outside the range of normal business activity for the Trust. Contentious transactions are those which might give rise to criticism of the Trust. Novel and/or contentious transactions must always be referred to ESFA for explicit prior authorisation.

Schools should discuss all special payments with the Chief Financial Officer.

Appendix 8

Gifts & Hospitality Policy

Aims

This policy aims to ensure that:

- The Trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the latest Academies Financial Handbook
- The Trust and those associated with it operate in a way that commands broad public support
- The Trust has due regard to propriety and regularity, and ensures value for money, in the use of public funds
- Trustees fulfil their fiduciary duties and wider responsibilities as charitable trustees and company directors
- Members, trustees and staff are aware of what constitutes acceptable gifts and hospitality, and the process that must be followed if they are presented with any of the same

Legislation and Guidance

This policy is based on the Academies Financial Handbook, which states that academy trusts should have a policy and register on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise the personal judgement or integrity of members, trustees, staff and/or any other representative of the Trust.

This policy also complies with our funding agreement and articles of association.

Definitions

Gifts are any items, cash, awards, prizes, goods or services, offered without expectation of payment or benefit. Gifts also include goods or services offered at a discounted rate, or on terms not available to the general public.

Hospitality is defined as food, drink, accommodation or entertainment (such as cultural or sporting events) provided free of charge, heavily discounted or on terms not generally available to the general public.

Roles and Responsibilities

Members, trustees and staff:

- Must not give or accept gifts or hospitality to or from a third party where it might be perceived that their personal integrity has the potential to be compromised, or that the Trust might be placed under any obligation as a result of acceptance
- Must not use their official position to further their private interests or the interests of others
- Must not solicit gifts or hospitality
- Must record any gifts or hospitality offered to them or the trust with a value of over £25.00 on the gifts and hospitality register (see appendix 8.1) within seven working days, even if declined

- Must consult either the Chief Financial Officer, Head of School, Chief Accounting Officer or Chair of Trustees (as appropriate) before accepting or offering any gifts or hospitality with a value of £25.00 or more

Trustees:

Trustees will ensure that the Trust's funds are used in a way that commands broad public support, pays due regard to propriety and regularity, and provides value for money.

Headteachers/Heads of School:

The Headteachers/Heads of School are responsible for ensuring that staff are aware of and understand this policy, and that it is being implemented consistently.

The Headteachers/Heads of School will act with the utmost integrity on all matters relating to gifts and hospitality, ensuring that they set a good example to the rest of the school and Trust and to those outside the organisation.

They will also ensure, alongside the Chief Financial Officer (or other senior officer where appropriate), that decisions on whether individuals or the trust can accept or offer gifts or hospitality with a value of over £25.00 are in line with this policy.

Chief Financial Officer:

The Chief Financial Officer will ensure that:

- The Trust maintains a gifts and hospitality register
- Figures for transactions relating to gifts made by the trust are disclosed in the Trust's audited accounts, in accordance with the Academies Financial Handbook
- The academy trustees, Chief Accounting Officer and Heads of School are provided with information on gifts and hospitality received and given, as appropriate

They will also ensure, alongside the Chief Accounting Officer and Trustees, that decisions on whether individuals or the Trust can accept or offer gifts or hospitality with a value of over £25.00 are in line with this policy.

The Headteacher/Head of School's PA:

The Headteacher/Head of School's PA is responsible for maintaining the gifts and hospitality register on a day-to-day basis.

Parents:

The Trust do not wish to discourage all gift-giving, and small tokens of gratitude are always appreciated. Appropriate gifts to staff may be accepted as a token of appreciation at the end of the academic year, or a student's attendance at the school, or other notable occasion, but must be below a value of £25.00.

Acceptable Gifts and Hospitality

Offers of Gifts and Hospitality Received

Members, trustees and staff can accept gifts and hospitality that have a value of up to £25.00. These do not have to be pre-approved or recorded on the gifts and hospitality register. Generally, gifts of nominal value, such as small tokens of appreciation, may be accepted. If in any doubt, members, trustees and staff must consult the Chief Financial Officer.

Similarly, hospitality such as working lunches may be accepted in order to maintain good relationships with key contacts, provided the hospitality is reasonable in the circumstances. If in doubt, guidance must be sought from the Chief Financial Officer.

Any gifts or hospitality offered with a value of over £25.00 must be recorded on the gifts and hospitality register within seven working days, even if declined. Any member, trustee or member of staff who is offered such gifts or hospitality must consult the Chief Financial Officer before accepting.

If the Chief Executive Officer is the recipient, or intended recipient, of **any** offer of gifts or hospitality, they must inform the chair of the board of trustees and record the offer on the gifts and hospitality register.

Failure to declare any offer of gifts or hospitality on the register in line with this policy will be treated as a staff disciplinary matter.

Offers of Gifts and Hospitality Given

Any gifts or hospitality provided by the trust, such as a working lunch for visitors, must not be extravagant. A maximum value of £10.00 should be used as a guideline.

The Trust may make gifts to staff. The circumstances where this might be done are:

- Serious illness
- Recognition of a serious life event
- Recognition of long service

Alcohol must not be purchased out of the school budget.

Expense claims should be made to the Head of School of each school and receipts must always be enclosed.

The Chief Financial Officer, Chair of Trustees/Board or Head of School must be consulted about any proposal to provide gifts or hospitality with a value of over £10.00.

The circumstances for claiming staff expenses is detailed in the staff expenses policy.

Unacceptable Gifts and Hospitality

The following must never be offered or accepted:

- Monetary gifts
- Gifts or hospitality offered to family members, partners or close friends of members, trustees or staff
- Gifts or hospitality from a potential supplier or tenderer in the immediate period before tenders are invited or during the tendering process
- Lavish or extravagant gifts or hospitality, even if they relate to activities the recipient undertakes in their own time

This list is not intended to be exhaustive.

Declining Gifts and Hospitality

Any members, trustee or staff member who is offered any of the unacceptable gifts or hospitality outlined above should politely decline the offer. If they feel it would not be appropriate for them to decline, they should refer the matter to the Head of School, Chief Financial Officer or Chair of Trustees who may decline the offer, or donate the gift or hospitality to a worthy cause, and must also record the offer on the gifts and hospitality register.

Disciplinary action will be taken against anyone who fails to decline gifts or hospitality the trust has deemed unacceptable.

Failure to declare any gifts or hospitality offered on the gifts and hospitality register, in line with this policy, will be dealt with as a staff disciplinary matter.

**UNITY SCHOOLS TRUST
HOSPITALITY/GIFT REGISTER**

SECTION 1 – ENTRY ONTO HOSPITALITY/GIFTS REGISTER
Would you please record and authorise my proposed action with regard to the following hospitality/gift which I have been offered:

Name Date of Offer

Company offering hospitality/gift

Person offering hospitality/gift (if known)

Hospitality/gift offered

Proposed Action: Accept Decline Already Declined

Signature Date

SECTION 2 – RECORD OF HEAD OF SCHOOL/CHIEF FINANCIAL OFFICER/CHIEF EXECUTIVE OFFICER/CHAIR OF TRUSTEE'S ACTION

Agree acceptance Acceptance of hospitality/gift not authorised

Agree action to decline Noted that hospitality/gift has been declined

Signature Date

SECTION 3 – RECEIPT
(To be completed by Head of School/Chief Financial Officer/Chief Executive Officer/Chair of Trustees and return to person making entry in register)

I acknowledge receipt of your entry onto the hospitality/gift register:

I agree your acceptance of this hospitality/gift

Your acceptance of the hospitality/gift is not authorised on this occasion

Your decision to decline the hospitality/gift is noted

Signature Date

Appendix 9

Debt Recovery Policy

Overview

In accordance with the Funding Agreement, the Trust is required to apply financial and other controls which conform to the requirements of both propriety and good financial management. To this end the Trust and Local Governing Bodies are responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed irrecoverable.

In principle:

- the Trust should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled
- the Trust should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor, the Trust's insurers, or the risk protection arrangements, and should be satisfied that there is no feasible alternative
- the amounts for write-offs are before any successful claims from an insurer or the risk protection arrangements

Recognition of Debtors

A debt is recognised when a sales invoice or credit note request has been issued. It is not deemed to be the non-payment for school meals which will be dealt with through the financial hardship processes. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, a debtor's account will be opened. All debts will be recorded and VAT will be charged accordingly. The aged debtors account must be reviewed as part of the month end routines and the list signed by the finance team to acknowledge that it has been reviewed.

Bad Debts

Non-payment of debts will be followed up by issuing reminders at the following intervals:

- 4 weeks from date of account – first reminder;
- 8 weeks from date of account – second reminder;
- 12 weeks from date of account – final reminder.

If, after twelve weeks from the date of account, the account has still not been settled, legal action will be considered by the Trust. If considered appropriate and legal action is to be pursued, the debtor will be informed in writing. The debtor is informed that they will be liable for costs and that the debt will be subject to statutory interest from the day it became due.

If legal action is not pursued, or has been unsuccessful, individual irrecoverable debts may be written off in accordance with the following procedures:

- All schools to keep a record of write-offs
- Debts relating up to a value of £100 per transaction or a cumulative value of less than £500 can be written off by the Business Leader
- Debts above £500 and less than £2,000 per transaction or a cumulative value of less than £5000 may be written off by the Chief Financial Officer.
- The Audit Committee will be informed of all debt write offs and must approve debt write offs over £5,000 or cumulative values over £10,000
- The Trust will retain a Bad Debt write-off summary
- ESFA approval will be applied for if any debt write-off falls into categories outlined in the Academies Financial Handbook.

Appendix 10

Governor, Trustee and Directors Allowances Policy

Aims

The Trust has decided to allow reasonable allowances to be paid from the individual school's delegated budget to cover any costs that LGB members incur through carrying out their duties. It has also been agreed that reasonable allowances can be paid from the Trust central budget to cover any costs that Trustees incur through carrying out their duties.

This policy sets out the terms on which such allowances will be paid.

By adopting this policy, we will ensure that no member of the community is prevented from becoming a governor on the grounds of cost.

Legislation and Guidance

The [Governance Handbook](#) (section 4.6.1, paragraph 52) says that boards in academies are free to determine their own policy on the payment of allowances and expenses. This policy complies with our funding agreement and articles of association.

Overview

Members of the governance of the Trust and LGBs may claim allowances to cover expenditure necessary to enable them to perform their duties. This does **not** include an attendance allowance, or payment to cover loss of earnings.

Members may claim allowances by completing a claim form (see Appendix 10.1) and submitting it to the Chair of the LGB of each individual school for members of the LGB, or the Chair of Trustees for Trustees. Allowances will only be paid on the provision of a receipt, and will be limited to the amount shown on the receipt.

Members may claim for:

- Childcare
- Care for elderly or dependent relatives
- Extra costs incurred because they have a special need or English as a second language
- Travel and subsistence costs
- Telephone charges, photocopying, postage, stationery, etc
- Other justifiable allowances

Claims will be paid in arrears on a case-by-case basis. Reimbursable costs should be agreed in principle by the Chair of the LGB or Trustees **before** they are incurred.

The chair of the LGB or Trustees may investigate claims that appear excessive or inconsistent. All claims will be subject to an independent audit.

Travel expenses where a governor uses their own vehicle must not exceed the HM Revenue and Customs (HMRC) approved mileage rates of 45p per mile (see Staff Expenses Policy).

Governor/Trustee Expenses Claim Form

[School name]

Governor/Trustee Expenses Claim Form

Name:

Address:

Claim period:

I claim the total sum of £_____ for governor/Trustee expenses as detailed below. I have attached relevant receipts to support my claim.

Signed: _____ Date: _____

Expense type	£
Childcare	
Care arrangements for dependent relatives	
Support for a special need or English as a second language	
Travel or subsistence	
Telephone charges, photocopying, postage or stationery	
Other (please specify)	
Total expenses claimed	

This form should be submitted to **[name of individual and, where appropriate, postal address]** along with any relevant receipts.

The form should be submitted within six weeks of the expenses being incurred.

Appendix 11

Charging & Remissions Policy

This policy ensures that statutory requirements are met and is intended to reflect the general principles of the 1996 Act which identifies activities for which:

- 1) Charges will not be made
- 2) Charges will be made
- 3) Charges may be waived

Voluntary Contributions

The Trust will seek voluntary contributions for any activity in order to benefit an individual school or support a school activity whether during or outside school hours, residential or non-residential and including inviting parents to pay for materials or ingredients where they wish to own the finished product. However all requests for voluntary contributions will emphasise their voluntary nature and the fact that students of parents who do not make such contributions will be treated no differently from those who have. Such contributions must be genuinely voluntary.

There is no limit to the level of voluntary contributions which parents or others can make to school activities, nor is there any restriction placed on the use which can be made of such contributions, provided they are used for the purpose specified in the request for them. They could, for example, be used to subsidise students from low-income families, or the cost of travel for accompanying teachers. The law says that if the activity cannot be funded without voluntary contributions the parents will be notified of this from the outset.

No child will be excluded from an activity because the parents are unable to pay. If insufficient contributions are raised the trip or activity may have to be cancelled. If a parent is unwilling or unable to pay their child will be given an equal chance to go on the visit.

Education Provided Within School Hours

Education provided by any school for its registered students should be free of charge if it takes place wholly or mainly during school hours, school hours being those hours when a school is actually in session and not including the break in the middle of the day. This means that neither the student nor his or her parents or guardian may be required to pay for, or to supply, any materials, books, instruments or other equipment for use in connection with education provided during school hours.

Education Provided Out of School Hours

Where education is provided out of school hours, charging is permitted, except where the education is provided:

- to fulfil any requirements specified in the syllabus for a prescribed public examination; or
- specifically to fulfil statutory duties relating to the National Curriculum;
- to fulfil duties relating to Religious Education.

In these cases the only charge that may be made is for board and lodging or for residential trips.

Is an Activity in or out of School Time?

If the number of school sessions on a residential trip is equal to or greater than 50% of the number of half days spent on a trip it is deemed to have taken place during school hours (even if some of the activities take place in the evening). Whatever the length of the school day, regulations require that the school day is divided into 2 sessions. A 'half day' in this context means any period of 12 hours ending with noon or midnight on any day.

A statutory minimum is the complete remission of board and lodging charges to students whose parents receive Income Support, Child Tax Credit, Income Based Job Seekers Allowance and support under part of Immigration and Asylum Act 1999 but not Working Tax Credit even if it is paid with other benefits e.g. Child Tax Credit. If the activity is deemed to take place during school hours, or is out of school hours but is covered by the criteria set out above, the governing body may not charge for anything unless it has drawn up a statement of general policy on charging.

Music Tuition

The main exception to the principle of free education, which the law allows is that a charge may be made in respect of individual tuition in playing any musical instrument, even if such tuition takes place during school hours. Parental agreement must be obtained before a student is given that tuition.

Activities Run by a Third Party

The Act permits an organisation other than the governing body to levy a charge directly on parents for activities organised in school hours by a non-school organisation. The school will not be involved in collection of charges on behalf of the third party organisation.

Where students are granted leave of absence to attend these activities it would be for parents and any staff members similarly released to satisfy themselves about the adequacy of the arrangements made by the third party to secure the safety and welfare of the children.

Charging Policy

If a charge is made for each student it should not exceed the actual cost. If further funds are needed for additional costs e.g. to help hardship cases this must be by voluntary contributions or general fund raising.

The permitted charge may include an allowance for the costs of teachers from the school who supervise the activity.

Board and Lodging on Residential Visits

Board & lodging on residential visits may be charged for whether or not the visit takes place within school time and whether or not the activity is provided to fulfil the

requirements of the syllabus of a prescribed public examination; or of the National Curriculum; or to fulfil statutory duties relating to religious education.

Charges for board and lodging must not exceed the actual cost to the student. They must not, for example, include any element representing a share of the costs of staff accompanying the visit. This may, however, be covered by voluntary contributions. Governors will, as a statutory minimum, remit any charges for board and lodging in the case of students whose parents are in receipt of Income Support or Child Tax Credit etc where the activity is deemed to take place in school hours.

Optional Extra Activities

'Optional extra' activities are those which take place wholly or mainly outside school hours, but which are not provided as part of the syllabus for a prescribed public examination and are not required in order to fulfil statutory duties relating to the national curriculum or to religious education.

Participation will be on the basis of parental choice and a willingness to meet such charges as are made. Any charge made in respect of individual students may include an appropriate element for the following: a student's travel costs; a student's board and lodging; materials, books, instruments and other equipment; non-teaching staff costs; entrance fees to museums, theatres etc.; insurance costs.

It should be noted that any charge for an 'optional extra' activity, as distinct from a request for a voluntary contribution, should not exceed the actual cost of providing that activity, divided equally by the number of students willing to participate. It may not, therefore, include an element of subsidy for any other students wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.

The costs of teaching staff involved in optional extra activities may only be passed on through charges if:

- they are engaged specifically by the governors for the purpose of providing the activity;
- they are employed by the governors to provide instrumental music tuition; or
- they are teachers already employed by the governors, who have been engaged on a separate contract for services to provide the optional extra.

VAT and School Journeys

To enable schools to reclaim VAT on school journeys the visit should be part of the curriculum and the school should have purchased all elements, apart from accommodation directly and not via a travel/tour operator.

Public Examination Entries

The Trust is required to enter a student for each examination in a syllabus for a prescribed public examination for which the student has been prepared. A student is regarded as having been prepared for the syllabus at the school if the school has provided any part of the necessary preparation. The requirement to enter a student may only be lifted where, in the opinion of the Trust, there are educational reasons for not entering the student, or where the student's parents request in writing that the student should not be entered.

If a student fails, without good reason, to complete the examination requirements for any public examination for which the governing body has paid or is liable to pay an entry fee, that fee can be recovered from parents.

School Minibuses or Other Transport

Any transport provided in school hours by the school or another public body to carry particular students between parts of the school's premises or between the school and any other place where education is to be provided by the school or another public body must be provided free of charge. However, if a student makes use of transport not provided by the school or another public body to travel direct from home to an activity sanctioned, then parents may be asked to meet the cost of such travel. An example of this would be travel direct from home to work experience and vice versa. Schools may not make a profit by charging for travel in their minibus.

Charging in Kind

The cost of ingredients, materials, equipment etc. needed for practical subjects such as craft or food technology, must be budgeted for and borne by the school. Parents who are willing to contribute in cash or kind can however be encouraged to do so on a voluntary basis. The school may charge for, or require the supply of, ingredients and materials if parents have indicated in advance a wish to own the finished product, if there is one. Schools should obtain written confirmation from parents that they wish to supply or pay for materials on this basis.

Students must not be treated differently according to whether or not materials are being provided by their parents. The governors' charging policy should make their policy on this clear. It should be recognised that much of the practical work in craft or food technology is of an investigative nature and will not necessarily result in a "finished product", however this is an essential part of the learning process.

Breakages and Fines

Schools will ask parents/carers to pay for breakages, such as the cost of replacing items broken or defaced or a damaged or lost textbook where this is the result of a student's behaviour. Parents cannot, however, be taken to court for this money.

Other Charges

The Trust may levy charges for miscellaneous services up to the cost to provide such services.

Appendix 12

Staff Expenses Policy

Introduction

The principles of this policy are:

- To ensure staff are reimbursed on a timely basis for all reasonable expenses incurred wholly, necessarily and exclusively in the course of the Trust's business;
- That staff should not incur any personal financial benefit through their employment with the Trust other than their agreed salary. Any breach of this principle may lead to disciplinary action;
- To ensure staff are aware that only by complying with the policy can the academy make reimbursements of expenses without deduction of tax

The Trust recognises there are situations where an employee may be entitled to benefits in addition to their salary; this policy sets out the relevant provisions in this regard:

- To ensure the Trust complies with its legal and tax obligations;
- To ensure staff are aware that public relations and perceptions require the Trust not only has a rigorous, effective and transparent staff expenses policy in place but also that no misleading or unfortunate impression can be created in the application of this policy.

Accordingly the Internal auditors will be requested to carry out periodic reviews of the application of this policy.

The Chief Executive Officer (CEO) is the Accounting Officer of the Trust and is accountable to Parliament for regularity compliance of the Trust, ie ensuring public funds are used for their intended purpose. The CEO is therefore ultimately responsible for the application of this policy and for delegation of authoritative responsibility in respect of this policy

This claims procedure ensures that the Trust manages this part of its financial transactions with due diligence. The policy and procedure are mandatory to all staff. They provide guidance to all individuals claiming reimbursement of travel, subsistence or other expenses incurred in connection with Trust business. The policy applies to governors, directors, trustees, members of committees, full and part-time members of staff, agency staff working for the Trust, other temporary staff, and volunteers.

Authorisation Procedures

Payments to members of staff for personal expenditure (i.e. mileage, subsistence etc.) must be made using a travel and expenses claim form (see Appendix 1). This form must not be used by an individual to reclaim, for example, the costs of equipment, which should be ordered using the requisition/purchase ordering system and paid with an invoice.

The procedures for the reimbursement of expenses incurred by staff while engaged on Trust business are set out below. All staff wishing to claim reimbursement of expenses should pay particular attention to these procedures, which also include mileage, and

subsistence rates. Supporting documentation (e.g. receipts, proof of stay, and other supporting information) must be attached to the travel and expenses claim form.

Before any expenses are paid they will require approval and authorisation.

A representative of the Trustees will approve all claims relating to the CEO. The CEO will approve all claims relating to the Heads of School and Chief Financial Officer. The Chief Financial Officer will approve all claims relating to centrally employed staff. All other claims will be approved by the line manager of individual staff and should have been budgeted for in individual area or departmental budgets. Claims which are not authorised in compliance with these procedures will not be processed and will be returned unpaid.

Payment will be made via BACS payments.

If a member of staff attempts to submit a false claim this will be treated as a serious offence which may lead to disciplinary action and a referral to the police.

Car Mileage

Members of staff who have to use their own private car on Trust business must seek prior authority to do so from their Line Manager.

Before travelling, staff members are required to compare standard class public transport costs, and, if cheaper and practical, should opt for rail travel when a direct rail service is available.

The Trust will only fund the cost of mileage within England unless previously approved by the appropriate line manager.

Staff authorised to use their own car on Trust business must claim on the appropriate expenses form (please obtain this from the finance manager of the organisation).

The Trust policy is to reimburse all mileage at 45p per mile. If travelling with another member of staff the mileage will be reimbursed at 50p per mile.

Normally mileage claims will be paid only for journeys which start and end at school or from home to the destination, whichever is the shorter distance. If travelling directly from or to home the normal mileage which would have been travelled from home to school should be deducted from the total mileage claim for the journey. Total mileage should ideally be confirmed by the attachment of a print out from a route planner website.

Business mileage will never be paid for a journey from home to a normal place of work.

Full details of all journeys including the date, reason for the journey, starting point and destination should be shown on the travel and expenses claim form and petrol receipts provided.

The Trust will not, under any circumstances, reimburse parking or speeding fines.

Insurance

The Trust provides insurance cover for staff using their own vehicles for Trust business. However, staff should check to ensure that there are no restrictions on this use by their own insurer and that driving in the performance of the Trust's business is covered by the insurance policy.

Public Transport

Wherever possible employees should travel by train or bus or car share when making the same journey.

Where staff use public transport, reimbursement will be on a receipts basis, provided the expenses are reasonable.

Rail Travel

Wherever possible employees should travel by train at 2nd class passenger rate. Staff may choose to travel at 1st class public transport but they will only be reimbursed the cost of 2nd class travel.

The Trust is only liable for the costs relating to a member of staff's travel. Any accompanying persons will be responsible for their own costs. The exception to this is where their attendance is required as a representative of the school and in such circumstances, prior approval must be obtained from the relevant line manager.

Subsistence Allowance: Daily and Overnight

The subsistence rates listed below represent the maximum permissible rates available. Where staff travel on Trust business and an overnight stay is necessary, an overnight subsistence allowance may be claimed. The Trust will reimburse the reasonable costs of accommodation, food and drink when supported by receipts. Approval for overnight accommodation must be obtained in advance.

The Trust will only bear the cost of accommodation required for business purposes and will not meet the costs of any extensions to a stay for personal reasons or for accommodation provided to a spouse or other family members.

Members of staff should note that items of a personal nature, such as alcoholic drinks, mini-bars, newspapers, video hire etc. will not be reimbursed by the Trust and these should be deducted from any bills submitted for reimbursement.

Subsistence: Only claimable if an overnight stay is involved, this must reflect the actual cost of meals/beverage up to a maximum of:

Breakfast £ 8.00

Lunch £ 10.00

Dinner £ 20.00

Overnight Stay (B&B) £100.00

Entertaining

The general principle regarding the reimbursement of entertainment expenditure is that staff members will be reimbursed reasonable entertaining costs for themselves and guests where guests are present for a professional purpose, their presence is considered to be beneficial to the Trust and where prior approval from has been granted.

Expenses for entertaining will only be reimbursed for staff who have a valid reason for being present. An appropriate cost for entertaining is considered to be £15 per head for lunch and £25 for dinner to include wines and gratuities.

It is stressed that no reimbursement of entertaining expenses will be made unless the above guidelines are followed. In addition it should be noted that under no circumstances will the Trust contribute to the cost of entertaining when only members of staff are involved.

The following information should be included on/with expense claim forms regarding entertaining expenditure:

- names of attendees
- the organisation they represent
- the purpose of the entertainment (e.g. negotiation of contract)
- appropriate receipts.

Foreign Visits (this could include ski trips, cultural trips, return exchange visits)

While abroad a maximum of £10 per day per person may be claimed for additional expenses such as coffee, tea etc. Receipts will be required.

If staying with a foreign family then up to £20 may be spent on gifts for the foreign family. Receipts are required for this.

School Journeys Undertaken in One Day

For one day visits in this country each member of staff may claim up to a maximum of £7 as an allowance for additional expenses such as coffee, tea etc. Receipts are required for this.

Miscellaneous Expenses

Telephone Calls and IT Related Expenses:

Home and telephone calls – staff required to make business calls on their home or mobile telephones must attach the appropriate bill to the staff expenses claim form with the relevant business calls highlighted and only these will be reimbursed. In all cases provision of top up cards for Pay as you Go services are not permitted as HM Revenue & Customs rules cannot be met.

The Trust provides mobile phones for operational purposes to some staff. Such phones can be used for personal use (for example to let someone know you will be late home) on occasion but bills will be monitored and any excessive personal use will need to be reimbursed by the individual.

Broadband and Internet Connections:

The Trust will not reimburse staff for personal broadband or internet connections as the Trust cannot demonstrate sole and exclusive business use to satisfy HM Revenue and Customs guidelines.

The Trust recognises there will be exceptional cases where it is an absolute necessity for staff to work from home, using a dedicated 3G or 4G internet dongle. In these circumstances the Trust will arrange for direct provision of the service, following approval by the relevant line manager.

Interview Expenses

Expenses will be paid to a candidate where agreed in advance. In the case of the successful candidate, these will be reimbursed in the first month's salary unless requested otherwise.

For candidates travelling from abroad travel expenses will only be paid from the first point of arrival in England and, in exceptional circumstances, one night's bed and breakfast accommodation will also be paid.

Expenses Claimable

- Subsistence (breakfast, lunch, dinner, tea, hotel, B&B) – only claimable on an overnight stay and must reflect actual cost up to a maximum (see above)
- Public transport (trains, buses, ferries)
- Car travel
- Taxis
- Airfare (internal flights only, as long as this is the overall cheapest option). Proof of this will be required.
- Car parking
- Congestion charge
- Toll charge
- Telephone calls
- Interview expenses as detailed above
- Eye tests for DSE users

Expenses Not Claimable

- Employees acting as agents for the Trust – where an employee pays for any goods and services which are not specifically consumed by the employee then the reimbursement should be made via accounts payable (cheque request form)
- Relocation expenses
- Parking and speeding fines

Tax Considerations

Claims adhering to the procedures in this Policy will be paid without the deduction of income tax. However, it is the claimant's responsibility to ensure payment for any due tax is made.

Other expenses will be paid via payroll. These will be treated as benefits-in-kind and taxed accordingly.

Staff Benefits

There are certain staff benefits which have been agreed with the Trust and are made in addition to salary:

- Free tea and coffee in the staff room

Cash Advances

Members of staff who are about to do extended work or to embark on extended travel on behalf of the Trust, and who will be required to incur expenditure while on the trip or doing business for the Trust may claim a cash advance.

Only the CEO, or in the case of the CEO the Trustees, can authorise cash advances.

Requests for cash advances should be made well in advance of the work or travel to allow for payment before the travel/work date.

Claimants must state:

- That it is an advance
- How much is required
- The purpose for which this is required
- The planned dates of travel/work
- The requirement for authorisation for cash advances is the same as for other expenses claims
- Within 21 days of returning from the travel or completing the work claimants must provide an expenses claim and/or reimbursement of the advance to the Finance Office.

Display Screen Equipment (DSE) Users

For members of staff required to operate Display Screen Equipment in order to carry out their duties an appropriate risk assessment will be carried out by appropriate members of staff. as a member of staff will receive appropriate training to do so.

The Trust may pay an amount towards the cost of an eye test for those members of staff designated and agreed as habitually using DSE as a significant part of their day to day duties as an employee.

In this regard the Trust will cover any costs associated with the test in so far as their requirement relates to the use of DSE. Claims as normal must be authorised by the appropriate line manager and submitted using the staff expenses claim form.

Training Courses

The Trust provides training courses to enable employees to improve their effectiveness at work.

All costs and expenses of in-house training courses are borne by the Trust.

Where it is necessary for staff to travel to attend such courses, any travel and subsistence expenses incurred may be claimed as business expenses as detailed in this policy.

The Trust will also meet the cost of external courses where the training leads to the acquisition or improvement of knowledge, skills or personal qualities which are likely to prove useful in carrying out the member of staff's current or potential duties of their employment. These courses for which the Trust will pay, must be authorised by the appropriate line manager with the agreement of the Head of School, CEO or Trustee (as appropriate), before the training takes place. A request may be refused but in this case reasons will be given.

Car Parking

Parking costs incurred in the course of Trust business travel may be claimed via the expenses system, but the costs of parking otherwise at the normal place of work may not be claimed.

Hired Vehicles

The cost of fuel used for Trust business purposes in cars and vans hired by the Trust should be entered on Appendix 12.1.

Professional Subscriptions and Membership of Professional Bodies

Normally personal professional subscriptions for members of staff are the personal responsibility of individual members of staff. No reimbursement will normally be provided by the Trust for such costs, although individual staff members may be able to claim tax relief for such costs either through their tax code or on their own tax self-assessment returns.

However, if there are benefits to the Trust, by being a member of an organisation, payment may be allowable but this must be agreed, prior to the expense being incurred, by the appropriate line manager.

Appendix 12.1

UNITY SCHOOLS TRUST EXPENSES CLAIM FORM								
Name			Charge Department					
Date	Description of Approved Activity	Start Location	Destination	Miles Claimed A	Passenger Miles Claimed B	Public Transport and Parking Expenses C Type £		Subsistence & Other Expenses D
Signed		Dated		Authorised by				

- | | |
|---|---|
| A | The mileage claimed should normally be for the shortest distance between locations. A valid driving licence and appropriate insurance cover is required |
| B | Please write the names of passengers in the appropriate table overleaf |
| C | Show type of transport – T = Train, B = Bus, X = Taxi/Minicab, P = Parking (Please ensure you attach receipts) |
| D | Please complete details in the appropriate table overleaf |

For Office Use only				
PSF Reference		Date Received		

Payment Reference		Payment Date		Cost Centre	
Payment Approved 1		Payment Approved 2		Ledger Code	

Passenger Details (for mileage claims)			
Date	Name	Company (if applicable)	Reason for Travel

Subsistence & Other Expenses			
Date	Description of Item	Prior Approval Obtained/Name (where applicable)	Arrival/Departure Time (where applicable)

Appendix 13

Financial Support Policy

Introduction

The school recognises that education places financial demands on parents and there are some occasions when parents/carers will find it hard to meet these demands. Although funds are very limited the school would like to support parents/families where possible. We realise that it is hard for parents/carers to ask for financial support but funds are very limited so the school will have to apply certain criteria in deciding whether or not support can be given.

Criteria

Consideration will be given to students whose parents/carers are:

Eligible for Free School Meals

In receipt of Employment Support Allowance

In receipt of Disability Living Allowance

Experiencing temporary situations which are causing difficulty, for example caused by recent job loss, bereavement or other serious and unforeseen circumstances

Priority will be given to parents/carers who have not already been supported by this policy.

Qualifying Resources

Application for financial support will be considered for:

Obligatory items of school uniform

Costs of educational visits that are integral to the curriculum

Educational equipment e.g. text books

Making an Application

Applications are made according to school practice. This can be completed by the parent/carer or a member of staff in their place. Evidence should be provided to support the eligibility criteria. Any information provided will be kept in the strictest confidence.

Notification

If support is agreed, the parent/carer and the Finance Office must be notified.

Appendix 14

Lettings Policy

Introduction & Purpose of Policy

The Unity Schools Trust (“the Trust”) encourages the wide use of the schools within the Trust by the general community. The education of children is the prime purpose of the Trust; however, we believe education is a life long process which should be open and accessible to all. The overriding aim of the Trust is to support the schools to provide the best possible education for its students. Any lettings of the premises to outside organisations will be considered with this in mind.

Definition of a Letting

A letting may be defined as ‘any use of a school premises by either a community group or a commercial organisation’, regardless of whether a letting fee is charged. It must not interfere with the primary activity of the Trust, which is to provide a high standard of education for all its students.

Conditions of Letting

The use of the school premises within the Trust is permitted by the Trust on the understanding that the terms and conditions of hire are adhered to at all times.

The person signing the application form (known as the hirer), on behalf of their organisation, is personally responsible for ensuring that all terms and conditions of hire are adhered to.

The use of the premises for school functions will take priority over other lettings and the headteacher/head of school will make the final decision when conflicting requests are received for the use of the premises.

The Site Manager is responsible for the operational management of individual lettings but the Trust retains overall responsibility for any letting.

The Trust has the right to refuse an application and no letting should be regarded as ‘booked’ until approval has been given in writing. No public announcement of any activity or function taking place should be made by the organisation concerned until the booking has been confirmed in writing.

Charges

The Trust will set charges for lettings and these will be reviewed annually and implemented from 1 September in each year. Income derived from lettings will be retained by the Trust and costs to the Trust of lettings will be met by income.

Hirers will be invoiced according to the payment term specified on the Application for Hire Form. Hire fees are to be paid in accordance with the invoice and any event payments must be received in advance of the booking.

Once the hirer accepts a permit to use the school premises, they are automatically bound by all terms and conditions of hire of the premises. The Trust has the right to vary these terms and conditions at any time.

Safeguarding

The hirer shall ensure that where a hiring involves activities aimed predominantly at children, and/or the activity is positively supported by the Trust for the attendance of children, they have appropriate safeguarding policies and procedures in place and that they, themselves and those persons likely to have contact with children, have been subject to Enhanced Disclosure and Barring Service checks. The Trust reserve the right to require the Hirer to produce evidence that enhanced DBS checks have been carried out on all persons and to review safeguarding policies and procedures and to impose any additional requirement they consider appropriate in connection with the hiring. If for any reason the Trust are not satisfied then they reserve the right to cancel any hiring and there shall be no liability to the Hirer other than to refund any hiring fee or deposit paid.

Management and Administration of Lettings

The headteacher/head of school is responsible for the management of lettings, in accordance with the Trust's policy. Where appropriate, the headteacher/head of school may delegate all or part of this responsibility to other members of staff, whilst still retaining overall responsibility for the lettings process. If the headteacher/head of school has any concern about whether a particular request for a letting is appropriate or not, he will consult with the Trust for clarification.

Terms and Conditions of Lettings and Booking Form

Each school within the Trust has an individualised booking form for lettings but with terms and conditions that are standardised across Trust schools.

Appendix 15

Procurement & Liabilities Policy

The aim of the procurement and liabilities policy is to ensure best value in purchasing decisions.

Borrowing

In line with funding agreements, academy Trusts must seek the ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Credit or business cards must only be used for business (not personal) expenditure, and balances cleared before interest accrues.

Liabilities

Before accepting any liabilities by:

- issuing specific guarantees, or
- providing a letter of comfort, or
- providing indemnities

the Trust should secure value for money by appraising the proposal through an assessment of the costs and benefits of relevant options. The Trust must ensure that the value of any liability is within its delegated authority to commit.

Outright Purchases

- It is the headteacher/head of school's responsibility to ensure that all those who spend public funds on behalf of the school are aware of the importance of obtaining best value for money
- The Governors shall set limits to budget heads of spending, and the headteacher/head of school shall have authority to spend funds within but not in excess of the budget heads set
- The headteacher/head of school shall be responsible wherever possible to ensure that the school seek at least three estimates from different suppliers before purchasing any single item in excess of £5,000
- The headteacher /head of school shall be responsible for ensuring that the school invite tenders, and wherever possible shall accept the lowest, for any contract for goods or services in excess of an annual total of £25,000. If other than the lowest is to be accepted, the headteacher/head of school will provide a business case/explanation, and shall report the reason at the next meeting of the relevant Committee.
- The agreement of the Chair of Finance/Resources Committee shall be subject to ratification by governors at the next scheduled meeting

Lease Purchases

There are two types of lease: operating leases and finance leases.

The Trust does not require the ESFA's approval for operating leases except for some transactions relating to land or buildings.

The Trust must obtain the ESFA's prior approval for the following leasing transactions:

- taking up a finance lease
- taking up a leasehold or tenancy agreement on land or buildings for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

The Trust will ensure that any lease arrangement maintains the principles of value for money, regularity and propriety whether or not the ESFA's prior approval is required.

Please refer to Trading with Connected Parties policy in considering any purchase.

Business Card Policy

Introduction

It is recognised that there are many occasions when schools are required to make direct payment for goods through internet/telephone services to companies that offer value for money. There are also companies who will not accept a school order and wait to be paid after the goods or services are supplied. In addition, there are incidences where regular small item purchases are required but the value of the purchases would exceed the school petty cash limit. Each school's governing body can therefore authorise the use of business cards.

The primary method of payment remains invoicing and this will generally be used in preference to business card purchases where such is offered by the supplier. Where possible the finance office will seek to establish trade accounts with local suppliers.

The operation of business cards has been delegated to the school's Finance Manager and governed by procedures outlined below:-

- Business Cards are issued by the designated bank for the Trust. Business card balances are repaid monthly in full, by direct debit
- The business limit will be set by schools within the Trust. The Trust bank will not issue generic business cards; they must be issued to named individuals and each card will have its own business limit
- The business cards shall not be used for personal expenditure in any circumstances
- Cash withdrawals are not allowed
- Supporting receipts and transaction details will be maintained for all uses of the business cards and authorised in accordance with the usual procurement procedures of the academy
- Transactions are entered as soon as possible onto the finance system and reconciled monthly in accordance with academy procedures. Balances must be cleared before interest accrues
- All items ordered (telephone or internet) and related paperwork must be delivered to the school address
- The cardholder shall authorise the school to recover the cost of any unauthorised transactions and where reimbursement is not received, then the school is authorised to make a salary deduction for the unauthorised amount
- Responsibility for the use and operation of the business card is explained and agreed by the card holder by completing the cardholder consent form – See Appendix 16.1.

Appendix 16.1

UNITY SCHOOLS TRUST

Business Charge Card Holder Consent Form [“the card”]

I consent to be a cardholder on the following Business Charge Card account held by

School Name _____ [“the School”]

Card issuer _____

Card Number _____

I confirm that I have read the Business Card Policy [“the policy”] within the UST Financial Management Handbook and that I will abide by its terms and conditions.

In particular I acknowledge and agree that:

1. I will use the account only to purchase items/services on behalf of the School and not use the account for any personal expenditure.
2. I will only purchase items/services in accordance with the Policy.
3. I will provide VAT receipts on all expenditure for reconciling.
4. I will take care of the card whilst in my possession to avoid its loss or theft.
5. I will not disclose to any other person, or write down, the Card PIN number.
6. I will only use the Card security number for online purchases where a security number is requested and only on a secure (indicated by padlock symbol) Internet website.
7. I will not use the Card to withdraw cash.
8. I understand that upon discovery of loss or theft of the Card, I must as soon as possible notify:
 - a. The issuing bank; and
 - b. School finance manager or headteacher/head of school: and
 - c. The police (only in the event of theft)
9. I understand that I am personally liable for all charges on the account which relate to transactions which have not been conducted in accordance with the Policy.
10. I accept that I must reimburse the School promptly should I cause the Account to incur any unauthorised charges and in the absence of prompt reimbursement, I authorise the School to recover all unauthorised charges by deduction from any amounts otherwise owing to me by the School, including but not limited to salary and expenses.
11. I agree that, when not required for purchases, I will return the Card for safekeeping in the School safe.
12. I agree that if I cease to be employed by the School I will return the card to the School finance manager.

Agreed by	Authorised by
Name	Chief Finance Officer
Date	Date
Signature	Signature

Appendix 17

Trading with Connected Parties Policy

Definition

Connected parties arise where one party has control or influence over the other, or where the parties are subject to common control. This includes parent companies and their subsidiaries, key management personnel including company directors, their close family members and other entities in which these parties have a controlling interest. Accounting standards require transactions between related parties to be disclosed in company financial statements as connected party transactions. Such transactions are permitted under company law, charity law and under the Academies Financial Handbook provided that open and transparent procurement procedures have been followed and any potential conflicts of interest are adequately and appropriately managed.

The ESFA's Academies Accounts Direction sets out that, for academy Trusts, connected parties include:

- parties with control over, or controlled by, the entity (for example parent and subsidiary companies)
- parties having significant influence over the entity
- key management personnel of the entity, including any director, whether executive or otherwise
- close family members
- others subject to control or significant influence by any individual referred to above

Policy

The policy of the Unity Schools Trust is that wherever possible there should be no trading with connected parties. This should be avoided because of the following:

- The potential risk to public funds because transactions cannot be demonstrated to be properly entered into or reasonable
- That the transaction may be considered irregular because it does not comply with legislation, with the terms of the Trust's funding agreement and/or the Academies Financial Handbook, and/or comply with internal Trust procedures
- That the transaction may be considered improper because it fails to meet the requirement that expenditure and receipts must be dealt with in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance
- That the transaction may bring the Trust into disrepute because it could be viewed negatively by the community or stakeholders

The Trust will only allow trading with connected parties if the trade can clearly be shown to be beneficial on a financial, operational and/or governance level, to the local community or to the quality of education delivered and thereafter educational outcomes for students.

Beneficial trading can be considered under the following circumstances:

- Sharing experienced staff or providing school to school support:

- in order to benefit from economies of scale
- because of their existing knowledge of the Trust operations and its objectives
- because there are established working relationships with the Trust's senior management team
- because there are known quality of outcomes
- for school improvement support
- trading subsidiary: to manage services provided by a Trust (school to school support, nurseries, sports facilities that also benefit the wider community)
- Shared services: with local authorities or strategic partners which offer reduced costs through economies of scale or benefits as described above
- MAT central services functions

In most cases the financial transactions would be between the institutions involved and this would be within the current rules as the transaction would be deemed to be 'at cost'

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services. Full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services)
- indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads)

Full cost must not include an element of profit.

Managing Procurement and Potential Conflicts of Interest

In the event that a transaction lies outside the examples above which the Trust considers obviously beneficial, the following must be undertaken to ensure proper procurement processes are followed and conflicts of interest considered:

All connections must be recorded in the Trust's Register of Interests

Relevant business and pecuniary interests and connections with other employees or relatives of close family members of individuals already on the register

The connected party must be removed from the decision making process

Where a potential conflict of interest is identified, the individual concerned must remove themselves from the decision making process for the duration of the transaction. This will include, but is not limited to, the original decision to enter into a contract with the connected party, periodic contract performance reviews and/or contract renegotiation/renewal

Competitive procurement procedures must be followed

The Trust must demonstrate that funds have been applied to the purposes intended by Parliament, that they have achieved value for money and that a competitive tendering policy is in place and applied

Decision making must be based on a value for money assessment

Quotations should be obtained for the supply of the services following the Trust's own financial regulations. All transactions are on a non-profit basis and the procurement procedures undertaken followed the Trust's own financial regulations

De Minimis

The 'at cost' requirement applies to contracts for goods and services from a connected party exceeding £2,500, cumulatively, in any one financial year of the Trust. For these purposes, where a contract takes the Trust's cumulative annual total with the connected party beyond £2,500, the element above £2,500 must be at no more than cost.

Professional Services

In relation to organisations supplying legal advice or audit services to the academy Trust, the 'at cost' requirement applies where the organisation's partner directly managing the service is a member or director of the Trust.

Disclosure in the Event of Trading with Connected Parties

The policy of the Unity Schools Trust is that wherever possible there should be no trading with connected parties but where connected party transactions occur, the Academies Accounts Direction stipulates that disclosure must be made and should include:

- the names of the connected parties
- a description of the relationship between the parties
- a description of the transactions
- the amounts involved
- the amounts due to or from connected parties at the balance

In the event that trading with a connected party is considered unavoidable the following statement of assurance must be completed.

Appendix 17.1

Pro-forma statement of assurance

Section 1: Supplier details

Name and address of supplier	
Company number (if applicable)	
Start date	
End date	
Estimate of commercial price, including profit	
Connection with Trust, e.g. Trustee is also a director of the supplier of goods and services	
Value of goods or services to Trust (cost without profit)	
Does this value include direct costs and indirect costs only?	Yes / No
Nature of contract (<i>such as building supplies or professional services</i>)	

Section 2: Details of contract

Explanation of how the supplier is charging the academy Trust
<p><i>This should include a sufficiently detailed explanation setting out that the supplier understands its direct and indirect costs in such a way to demonstrate to the academy Trust that it is supplying goods and services at cost, without any element of profit.</i></p> <p><i>[Please extend the rows below if the contract is longer than three years]</i></p>

Section 3: Supplier certification

Certification of supplier	
<p>I certify, on behalf of [<i>name of supplier</i>] that:</p> <ul style="list-style-type: none"> the goods and services detailed in this form will be supplied to the academy Trust on the basis of direct cost plus indirect costs, with no element of profit we are supplying the goods and services on an open book basis and we will provide more information on request; and we will make an adjustment in the following year if we identify a miscalculation on our direct or indirect costs, and supplied goods or services which included an element of profit. 	
Name and position	<i>Should be sufficiently senior to sign this declaration</i>
Date	
Signature	
<p>Notes</p> <p>Direct costs means the costs of any materials and labour used directly in producing the goods or services. Indirect costs means a proportionate and reasonable share of fixed</p>	

Certification of supplier
and variable overheads. At cost means without profit as it includes direct and indirect costs only. Estimate of commercial price acknowledges that the value of such contracts varies depending on a number of factors and negotiations. The supplier should identify a reasonable and fair price, eg from previous similar contract

Section 4: Academy signoff

Certification of Academy Trust	
In signing this document I am satisfied that: <ul style="list-style-type: none"> • the goods and services being supplied comply with the requirements on trading with connected parties as set out in the handbook, and represent value for money; • there is full compliance with the Trust's scheme of delegation; • open and fair procurement and compliance with the Trust's procurement procedures have taken place; • potential conflicts of interest within the academy Trust have been robustly managed; • the Trust's register of interest captures relevant business and pecuniary interests as set out in the handbook, and will be updated to reflect this contract (if not already); • the supplier understands that open book arrangements are in place and they will provide more information on request, if needed; and • both the Trust's accounting officer and chair of board of Trustees have agreed to trade with this connected supplier, and that the measures and safeguards listed above are in place. 	
Name and position (in academy Trust)	
Date	
Signature	
Notes Direct costs means the costs of any materials and labour used directly in producing the goods or services. Indirect costs means a proportionate and reasonable share of fixed and variable overheads. At cost means without profit as it includes direct and indirect costs only. Estimate of commercial price acknowledges that the value of such contracts varies depending on a number of factors and negotiations. The supplier should identify a reasonable and fair price, e.g. from previous similar contract	

Section 5: Annual record of transactions

	Direct costs	Indirect costs	Total
Year 1	£	£	£
Year 2	£	£	£
Year 3	£	£	£
Total	£	£	£

Appendix 18

Consultancy Income Policy

Purpose

The purpose is to consider the treatment of income coming into the Trust under the heading of consultancy income in terms of whether it should be considered consultancy income or should be treated as reducing costs, whether the income is business or non-business and whether its further use should be restricted or unrestricted. Such judgement will take into account the initial funding for the activity.

Background

Considerable income can be created, particularly in a multi academy Trust, because of the following:

- Sharing experienced staff or providing school to school support
- in order to benefit from economies of scale
- because of their existing knowledge of the Trust operations and its objectives
- because there are established working relationships with the Trust's senior management team
- because there are known quality of outcomes
- for school improvement support
- shared services: with local authorities or strategic partners which offer reduced costs through economies of scale or benefits as described above
- MAT central services functions

Treatment of Income

Long term 100% seconded staff within the Trust for whom we are charging salary cost only.

- Preferably, if intercompany, staff to move to new school's payroll
- Receipt is considered non business as it is solely a refund of salary costs
- Salary costs to be credited in the provider school and show in receiving school
- Receipt is restricted as initially wholly funded from GAG

Staff delivering a part time professional service within the Trust (such as IT, Finance, EAL, SEN or music services)

- Income is considered non business for teaching staff and will be charged at a day rate to cover all salary and service costs
- Income is considered business for non-teaching staff and will be charged at a day rate to cover all salary and service costs
- Salary costs will continue to show in the provider school
- Cost to show as a professional services cost in the receiving school
- Income is consultancy income as is provided in addition to their school role
- Income is unrestricted

Trust centrally funded services within the SLA

- Receipt is considered non business for all staff
- Salary costs to continue show in the provider school and as a professional services cost in the receiving school
- Salary costs to be credited in the provider school and show in the UST against same salary codes
- Receipt is restricted as initially wholly funded from GAG

Centrally funded staff providing a costed service in excess of the SLA

- Income is professional services income
- Income is unrestricted

Professional services charged at a day rate outside the Trust

- Income is considered non business for teaching staff and will be charged at a day rate to cover all salary and service costs
- Income is considered business for non-teaching staff (VAT must be charged if outside the Trust) and will be charged at a day rate to cover all salary and service costs
- Income is consultancy income
- Income is unrestricted

Mentor income (e.g. trainee teachers)

- Income is professional services income

Seconded staff outside the Trust

- Invoice raised for professional services income
- Income is unrestricted

Legal and Regulatory Factors

The Trust must take precautions to avoid conflicts of interest, or the perception of conflicts, involving committee or board members. Any decision on the treatment of income should be considered in conjunction with the Trading with Connected Parties Policy.

Appendix 19

Recharge for Services Policy

Purpose

The purpose is to consider the provision of services from the Trust to parties outside the structure of the Trust and the treatment of income from this service.

Background

Income can be created by the Trust through the provision of formal services to organisations outside the Trust structure. These could be through a formal contractual arrangement on a long-term basis or one-off support for particular services for which there exists internal expertise and capacity and taking into account internal and external costs.

Consideration may need to be given to the formation of a trading subsidiary should income or regulation require this.

Contractual Arrangements

An appropriate contract for the services provided will be entered into. The services will be costed and a business plan formulated for approval. The contract should not be entered into should it detract from the prime accountabilities of the Trust.

Treatment of Income

- Payment for services will be made following appropriate provision of invoices
- Income will be recorded separately to enable appropriate scrutiny and cost benefit analysis
- Income is professional services income
- Income will be charged at an appropriate rate as detailed in the contractual arrangements entered into
- Income is unrestricted

Treatment of Expenditure

- Expenditure will be fully covered by income
- Expenditure is professional services expenditure

Legal and Regulatory Factors

The Trust must take precautions to avoid conflicts of interest, or the perception of conflicts, involving committee or board members. Any decision on the treatment of income should be considered in conjunction with the Trading with Connected Parties Policy.