

LiFE Finance Policy					
DOCUMENT INFORMATION – FRONT SHEET					
Please note - this policy cannot be changed and will be published on the Trust website with a link published on the School Website. Physically printed copies of this policy may be out of date. For the most up to date policy please go to the Trust website here					
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Version Log

Date	Version No	Change
04/07/2023	23.1	ABR – Created Plan for 23/24 Cycle
08/2024	24.1	ABR – Changes for 24/25 Cycle
25/11/2024	24.2	ABR – Added Change to 15.4

Change Log

- Section 2.4 – Reworked rules around budget virements
- Section 4.4 – Added section on depreciation postings
- Section 5.3 – Changed daily payment limit to correct the limit with Lloyds of £750,000
- Section 5.4 – Clarified rules around nominal payments.
- Section 5.5 – Rewrote credit card to reflect new processes and forms
- Section 6.15 (previous) – Removed rules for all invoice over £1,000 to be reviewed by hub manager due to new IRIS System
- Section 6.17 Leases - Updated to reflect FRS 16 and ESFA AH points 5.25 and 5.26
- Section 14.3 Severance and non-contractual payments – Updated as per pay and people committee.
- Section 15.4 – added paragraph related to insurance
- Section 15.6 School Trip Subsistence – Added rules regarding what staff can claim for on school trips.
- Section 15.1 – Added a time limit to expenses
- Appendix 19.6 – Added Credit Card Code of Conduct
- Appendix 19.7 – Add Temporary Credit Card Authorisation Form

Aims

This document has been adopted by Life Multi Academy Trust (the MAT)'s Board of Trustees, as the basis for the administration and management of the Trusts finances. The aim of the policy is to create a framework within which, individual members of staff, Trustees and other interested parties, can exercise financial management, probity and stewardship in an efficient and effective way.

This policy ensures that the Board of Trustees retains responsibility for the management of the Trusts budgets, whilst providing a framework within which the Chief Executive Officer (CEO) can manage the budgets on a day-to-day basis. It is essential that all parties are aware of their roles in the financial management of the MAT.

Introduction

The LiFE Multi Academy Trust was formed in October 2016. It is a company limited by guarantee incorporated in England & Wales under company number 07992438. The Trust is also a registered charity (charity number XT36606).

The Trust also operates a subsidiary company called LiFE MAT Services Ltd under company number 8166524 which runs any activity outside the main purpose of the schools i.e. nursery, lettings, swimming, Professional services etc.

This policy has been written with reference to the Academy Trust Handbook (ATH) and covers the duties and obligations of the academy Trust arising from the Master Funding Agreement.

The Chief Executive Officer (CEO) is designated as the Accounting Officer (AO) and takes personal responsibility for assuring the Trustees that there is compliance with the ATH and all relevant aspects of company and charitable law.

The Trust Board of Trustees have a collective responsibility for the overall direction of the Trust and its strategic leadership and have a responsibility not only to be effective but to be seen to be effective.

The Board will manage and administer its affairs in accordance with high standards of Public Sector administration, based on a distinct set of values, the fundamental principles of which are:

- Behave with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Developing the MAT's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit, to deliver effective accountability
- Adhering to the 'seven principles of public life':
 - o Selflessness
 - o Integrity
 - o Objectivity
 - o Accountability
 - o Openness
 - o Honesty
 - o Leadership

1. Committees & Scrutiny

1.1. Trust Finance and Infrastructure Committee

The Board delegates the regular monitoring of the Trust financial activity to the Trust Finance & Infrastructure Committee. This body will ensure that the Board is kept fully informed about financial issues through the presentation of minutes and briefing at the Trustees meetings.

The Trust Finance and Infrastructure Committee is a subcommittee of the Board. The role of this committee is to:

- Review and recommend to the Board the budget strategy for the coming year
- Monitor the Trusts performance against budget and alert the Board to any significant variances
- Act as a 'Critical Friend' to the CEO by providing advice, challenge and support
- Developing the Trusts strategies for procurement and value for money
- Developing and recommending to the Board, the Trusts strategy for the management of assets
- Overseeing the capital programme for the Trust
- Seek approval from the Board for writing off debts and losses and entering into guarantees, indemnities and letters of comfort beyond limits as specified in the AFH
- Ensure that the range of financial competencies of Trustees and staff involved in financial management is such that the Trust is not over-reliant on one individual
- Consider the annual insurance premiums for risk and ensure they are appropriate and adequate.

1.2. Audit and Risk Committee

The Board delegates the regular monitoring of the Trust financial activity to the Audit and Risk Committee. This body will ensure that the Board is kept fully informed about financial risks and audit processes within the Trust.

The Trust Finance and Infrastructure Committee is a subcommittee of the Board. The role of this committee is to:

- Consider and respond to the recommendations from external and internal audit (RO) reports and ensure that any required action is implemented promptly
- Keep the bank mandate and banking provision under review
- Maintain the stability of the Trusts financial position by monitoring cash flow and ensuring the effectiveness of financial controls
- Overseeing the Trusts investment policy
- Obtain approval from the Board for borrowing, including operating leases of any duration (Also see 6.16)
- Refer any novel or contentious transactions to the Board for prior authorisation, these will relate to situations in which the Trust has no experience or are outside the range of normal business and which in turn might give rise to criticism of the Trust by the public and media

1.3. Internal Audit/Scrutiny

In accordance with the ESFA Academies Financial handbook section 3, the Trust must have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

Interim audit reviews of financial and procedural matters are carried out by the Responsible Officer (Internal Audit) annually.

This programme is overseen by the Audit and Risk Committee. The Trust currently operates a bought in service on a 3-year cycle.

1.4. External Audit and Annual Accounts

The Trust must produce fully audited company accounts as at the 31st August each year. The members must appoint

a Statutory Auditor, which is registered under the requirements of the Companies Act, to conduct an audit in line with the Company Accounts requirements, SORP for charities and certify the accounts are 'true and fair'.

Final accounts must be published in accordance with the current regulations and ESFA guidelines.

The Trust currently reviews its external audit and annual accounts services every 3-year cycle.

2. Financial Planning and Monitoring

2.1. School Finance Meetings

The Lead Person in each school will meet with the School Business Hub Lead (SBHL) at least quarterly to review the school's budget and monitor expenditure.

The Trust Finance and Infrastructure Committee will sit at least termly to review the Trusts consolidated financial position and individual school financial performance.

2.2. Budget Planning

The headteacher and SBHL for each school are responsible for setting the annual school budget, for submission to the trustees for approval. The annual approval route for annual budgets is as follows:

- Lead person in each school and the SBHL agree the draft budget
- Draft budgets will be presented to the Finance and Infrastructure Committee
- Budgets will be presented and approved by the Board
- Budgets will be submitted to the ESFA by the required deadline by the Operational Finance and Compliance Lead, Hub Business Leaders and the Chief Finance Officer (CFO).

Each school in the Trust must develop a three-year budget plan to identify trends in income and expenditure, this plan should be reviewed annually by the Lead Person and SBHL in each school.

2.3. Monitoring at school level

The process of monitoring actual expenditure against the budget is continuous. Day to day responsibility for monitoring and control lies with the budget holders. The Finance Assistants in each hub will issue a monthly report to each budget holder detailing committed and actual expenditure. SBHL provides monthly monitoring reports to each school leader, Trustees, the CEO and CFO.

Schools are asked to undertake an Integrated Curriculum Financial Plan (ICFP) review annually to ensure that key performance indicators are met:

- % of total income spent on staffing in a Primary school should be 76.5%
- % of total income spent on staffing in a Secondary school should be 74.5%

Schools should also complete a School Resource Management Self-Assessment during the Autumn and Spring term.

2.4. Reallocation of funds between budgets (virements)

Virement are allowed where the in-year surplus or deficit remains the same from the original approved by trustees.

Where the surplus in year deficit increases it need to be approved by:

- Up to £50,000 –Chief Finance Officer
- Over £50,000 – the Trust Board of Trustees

All virements must be recorded in the appropriate committee minutes.

2.5. Reporting

The following reports will be produced by the SBHL for the CFO:

- Monthly management accounts with forecasted year end outturn
- Monthly interim IRIS financials and planner extract reports showing actual spend against budget

The following reports will be produced by the Operational Finance Governance Team Lead (OFGTL) for the CFO:

- Balance Sheet

- Cashflow forecasts
- Debtors and Creditors Reports
- Key Financial Performance Indicators

2.6. Scheme of Delegation

The board recognises the importance of clearly defining the roles and responsibilities of its committees, the CEO and other staff. The terms of reference for the Board and its committees are laid out in a separate document.

The board members, subject to their terms of reference, will decide how to spend the individual GAG budget allocated by the ESFA subject to:

- Any conditions in the DfE/Master Funding Agreement to protect its legal duties
- The budget only being spent for the purposes of the MAT
- Specific grant funding only being spent to meet the conditions appertaining to that grant A copy of the schemes of delegation for each school are available on the Trust website.

For financial scheme of delegation see 6.5 Procurement Thresholds.

3. Financial Administration

3.1. Accounting Systems

The Trust uses IRIS Financials accounting software and IRIS PLanner software.

Access to IRIS is restricted to the finance staff of the Trust, with individual access rights set according to job role.

The Finance Trustee has restricted access to both software packages. Accountants / Auditors are given a view only access. The system is password protected with restricted access. The system is backed up daily as per the Disaster Recovery Plan.

- Orders are prepared by the finance team following authorisation from the budget holder.
- Goods received will be noted by the admin team in each school and dispatched to the relevant department. Order discrepancies should be reported to the finance team for them to follow up.
- Invoices are checked against the original order by the hub finance assistants and prepared for payment. All invoices must be approved and authorised by the budget holder before payment can be processed
- Payments should only be made on receipt of a VAT invoice

3.2. Accounting Records

Only authorised staff are permitted access to the accounting records which are securely retained when not in use.

All accounting records are retained either electronically or as hard copies for six years, plus the current year, in a secure area.

3.3. Income

Income received is recorded on IRIS by the finance team and receipts produced. Cash and cheques are paid into the relevant bank account. Bank statements are reconciled on a monthly basis.

The Trusts cashless machines are emptied on a regular basis. All income is banked and reconciled to the catering software and entered onto the IRIS accounting system.

The school may retain income received from the sale of assets purchased with non-delegated funds. The sale of assets purchased with delegated funds must be decided by the ESFA.

3.4. Tax

The CFO should ensure that all relevant finance and administrative staff are aware of VAT Income Tax and the Employment Status Indicator (ESI) regulations.

When appointing consultants, advisors, trainers, instructors or other individuals who supply services to the Trust, the employment status of the person must be determined before commissioning the work.

If the person works for a company and can provide a company invoice on headed paper, then terms of engagement should be agreed in writing. Payment will be made to the company.

If the person states that they are self-employed – an Employment Status Indicator (ESI) reference must be obtained from HMRC. Guidance can be found on line using the following link: <https://www.gov.uk/guidance/check-employment-status-for-tax>

Only valid VAT invoices will be paid, as the Trust will not be reimbursed in the absence of such documentation. A valid VAT invoice is the only basis on which VAT can be reclaimed. It contains the following elements:

- The supplier's name, address and VAT registration number
- The date goods/services were supplied

- The name and address of the supplier
- The goods or services supplied
- Amount payable excluding VAT
- Amount of VAT
- VAT rate
- Declaration stating that 'I am registered as self-employed and submit a self-assessment tax return'.
- Unique tax reference number

If the total invoice cost, inclusive of VAT, is less than £100, less detail is required.

3.5. Financial Adjustments

The Trust operates the following minimum limit on financial adjustments:

Type of Adjustment	Limit per year
Accrued Income	£2,400
Accrued Expenditure	£2,400
Prepaid Expenditure	£2,400
Deferred Income	£2,400

Where a contract term is not equal to a year, the limit will be prorated to reflect this. (E.g. £200 pcm)

Where an item is below these limits a request can be made to the Operational Finance Team to include it in the adjustment for that period.

3.6. Journals

Only appropriate trained members of staff may enter journals in the finance system. These staff are the Operational Finance Team, Hub Team leader and Hub Managers.

3.7. Document Retention

The CFO must ensure that documents are retained for periods in accordance with the requirements of HMRC, details can be obtained on the IOC website. The Trust considers digital records to be compliant with this requirement.

4. Assets

4.1. Assets, Depreciation and Inventory

The Trust benefits from an annual capital grants for the ESFA such as Devolved Formula Capital grant and a School Capital Allocation Grants. All capital expenditure will be approved as part of the Trust's budgeting process and approved by the Board.

Depreciation will be calculated as follows:

Asset Class	Deprecation Rule	Useful Economic Life
Land	No Deprecation	Unlimited
Buildings:	2% Straight line (Freehold)	50 Years
	0.8% Straight line (Leasehold)	125 Years
Building Improvements:	2% Straight line (Freehold)	50 Years
	0.8% Straight line (Leasehold)	125 Years
Plant and Machinery:	5% Straight line	20 Years
Furniture & fittings:	10% Straight line	10 Years
Computer equipment:	25% Straight line	4 Years
Vehicles:	20% Straight line	5 Years

All capital purchases with an individual value of £5,000 will be added to the fixed asset register.

The fixed asset register is updated as purchases are made. All discrepancies should be investigated.

Any school IT property taken off site should be entered into the log held by the IT Technician teams in each school. The IT Technicians are responsible for ensuring that any items of IT equipment assigned to staff are returned to the school upon that member of staff leaving.

The board should be advised of all write-offs and disposals of surplus stocks and equipment. This is a standing agenda item for the Finance and Infrastructure meetings.

4.2. Insurance

The Trust must ensure that all insurance cover is adequate.

The Trust has an annual contract managed by the Local Authority (LAIS). Insurance for educational visits and the fleet of minibuses is also arranged by Leicestershire County Council. Insurance cover is reviewed annually.

The CFO has delegated authority to ensure that the school complies with all the conditions relevant to the insurance policies.

The Trust will notify its insurers, or other agents as appropriate of all new risks, property, equipment and vehicles which require insurance or of any other alteration affecting existing insurance.

The Trust will not give any indemnity to a third party without the written consent of its insurers, or other agent as appropriate.

The Trust will immediately inform its insurers, or their agent of all accidents, losses and other incidents that give rise to an insurance claim.

Before Trust property is taken off the premises, the individual school must have evidence that the items will be insured on the site the items are taken to, e.g. on the person's home contents insurance. The Trust insurance policy covers laptops at individual's homes but not if stolen from cars. All staff, when issued with equipment, are asked to sign a document that states when items are or are not insured. The Trust insurance policy also covers pupil/students' electronic devices that have been acquired through the Government Home Learning Scheme.

4.3. Letting of Trust Premises

The letting of Trust premises or grounds should always be subject to a formal contract, even when the hirer or user is connected to the Trust. A detailed lettings policy together with charges is contained in a separate document. (see the Policy section of the Trust Website).

4.4. Trust Depreciation Policy

Depreciation will be recorded on a monthly basis, following the rates specified in Section 4.1. A full month's depreciation will be applied in the month an asset is acquired, while no depreciation will be charged in the month an asset is disposed.

5. Bank

The Trust banks with the following banks:

- Lloyds Bank, Commercial Client Servicing Team 2 Bankhead Crossway North Edinburgh EH11 4DT
- Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW
- Flagstone Cash Deposit Platform, 1st Floor, Clareville House, 26-17 Oxendon Street, London SW1Y 4EL

The Trust operates the following bank accounts:

- A Single central bank - used for all expenditure transactions and for the Trust GAG income
- Collection Accounts for each academy - is used for adhoc school specific income, which enables the Trust to identify the source of such payments.
- Charge Cards as appropriate in per Section 5.5
- Investment accounts as detail in the 'Annual Investment Strategy'. These are:
 - Instant Saver Account
 - 35/95 Notice accounts
 - Long Term Fixed Rate accounts
- Foreign Currency pre-paid card

LiFE Mat Services operates the following bank accounts:

- A single central account – used for all expenditure transaction for LiFE MAT Services
- Collection Accounts for
 - o Desford Primary School (Extra Time Club)
 - o Dove Bank (Wrap Around Care)
 - o Braunstone Frith (Wrap Around Care)

Signatories on the above accounts are:

- Chief Executive Officer
- Chief Financial Officer
- Operational Finance and Governance Team

Individuals should not use their private bank accounts for any payment or receipt related to the school's budget. However, the school recognises that on occasion the only way to purchase items is by paying by card, wherever possible, the academy's commercial charge card should be used. Any member of staff wishing to be reimbursed for a purchase must produce a valid receipt. **See section 15.9.**

The Trust's bankers should be advised that Trust should not be allowed to go overdrawn or negotiate overdraft facilities.

Once budgets have been approved by the Trustees, purchase orders and invoices relating to budgeted expenditure, regardless of value, do not require individual approval by Trustees. Purchase orders should be raised, and invoices authorised by the relevant budget holder.

The Operational finance team have delegated responsibility to maintain a list of all bank and building society accounts held and the signatories for each.

5.1. Online Banking

On-line access is restricted to the Operational Finance Team. Other users may be granted read only access.

Administration of online banking set up is also operated under dual control, with two Senior Finance Staff required to make any alteration to the setup, or access rights for staff.

All changes made to the online banking accounts are subject to dual control.

5.2. Bank Reconciliations

Bank statements are received monthly and reconciled with the IRIS system within 10 days of the end of the month of which the statement relates. Any discrepancies should be immediately investigated, and corrections made.

All bank reconciliations should be signed by the person performing the reconciliation. The bank statements should also be reviewed and countersigned periodically by operational finance lead or operational finance manager.

Bank reconciliations have the following segregation of duties:

Bank Reconciliation Segregation of duties Matrix

	Collections and Charge Cards	Life Central and Central Charge Cards
Postings	Finance Assistants	Operational Finance Officer
Reconciliations	Finance Team Leaders	Operational Finance Officer
Check and sign off	Operational Finance and Governance Lead	Operational Finance Lead/Manager

Staff responsible for undertaking bank reconciliations should not be solely responsible for the processing of receipts or payments.

5.3. Payments

The Trust's preferred method of payment for all invoices is BACs.

The BACs file is prepared by the Operational Finance Assistant, then checked by Operational Finance Manager/Lead and perform verification tests. These tests will be:

- Checking Named Individual for appropriate self-employment verification and/or propriety off the expenditure for items permitted by ESFA and Trust guidelines.
- Check invoices over the amounts for authorisation by Trustees as per the financial Scheme of delegation in section 6.5
- Check invoice over the asset de minimis limit for appropriate nominal combination in the Financial management System (FMS).
- Random Spot check of supplier details to ensure accuracy in the details held within the FMS.

Once checked and authorised the file is uploaded to the bank by Operational Finance assistant, the file is then authorised online by a bank signatory.

The authorisation limit for one signatory is set at £250,000. A payment exceeding £250,000 would also require on-line authorisation by a second signatory.

The total single limit for a BACS Payment is £750,000. The total daily limits for all payments is £750,000.

Any single payment over the limits in the delegated threshold in section 6.5, must bear the signature of one signatory approved by the Chair of the Board, Finance or Audit.

In certain circumstances it is deemed appropriate to make a 'faster payment' directly through Lloyds Banking online service. These transactions must be recorded with supported documentation and authorised at the appropriate level in accordance with the Scheme of Delegation.

No bank payments are to be authorised by the same user that entered the payment.

5.4. Nominal Payments

Where a nominal payment (not a supplier payment), this needs to be authorised in accordance with the financial scheme of delegation a per section 6.5. Where no budget holder is available for example, control accounts then the headteacher or CFO will approve the expenditure.

Where payroll payments are made, such as on costs (pension) or net wages, these are exempt for these limits, as

these items are checked in the payroll procedures.

5.5. Charge Cards

The Trust operates an online card management programme with a total limit of £50,000. The Operational Finance Team is responsible for managing the issuance of credit cards, including determining who receives a card and setting individual card limits. The following individuals are authorised to hold a school charge card:

- **School Hub Business Leaders:** Each will be issued a card with a limit appropriate to their Hub.
- **Nominated Persons within Schools:** May be issued a card with a limit of up to £1,000, intended for purchases that cannot be made centrally.
- **Central Staff:** May be issued a card with a limit of up to £5,000.

All new cards must be approved by the Chief Finance Officer.

The preferred method of payment for all purchases is the purchase order and invoice process; however, card purchases are permitted when this is not possible or to secure best value. Each card purchase must be authorised by the cardholder.

The Finance Team is responsible for processing transactions and ensuring that goods have been received. The balance on the commercial charge card is paid in full each month, and statements are reconciled monthly in IRIS.

Cardholders are responsible for the security of their cards and must ensure that invoices or receipts are submitted to the Finance Team, along with the card statement, by the last day of each month.

Each cardholder is required to sign the Trust's Code of Conduct, as outlined in Appendix 19.6.

If a cardholder is on extended leave, the card may be temporarily reassigned to a new cardholder by using the form in 19.7.

5.6. Foreign Currency Cards

The Trust operates a foreign currency prepaid card scheme. This is in order to reduce the risk of theft or loss of foreign currency on overseas and residential trips.

- These cards are preloaded and are unable to be overdrawn.
- The Operational Finance team manage the cards and issue them as appropriate to staff.
- Each staff member issued with a card must ensure that invoices / receipts are submitted to the Finance Team on return.
- Each month a reconciliation of the foreign cards will take place.
- On-line access to the scheme is restricted to the Operational Finance Team.

5.7. Safe Limits

The operational finance team will keep a record of all safes, combinations, keyholder and limits of each safe approved to store cash.

Cash balances held in safes should not exceed the insurance limit if the relevant safe. The Insurance limit is currently £5,000. This amount may be lower for different safes depending on their size and robustness.

5.8. Cash and Cash Collection

The Trust authorises cash collections for the following scenarios:

- Charity collections
- Parent Teacher Association collection
- Some items in relation to LiFE Mat Services

All cash must be counted and countersigned by 2 people. Each school must have a record of all cash collected and amount currently held on site within the safe. Cash will not be left on site for more than 4 weeks before banking.

The Hub Finance team will verify amounts held and usually arrange collection within 2 weeks. Trust staff are not permitted to take cash to the bank in order to deposit.

Cash is routinely collected by a security organisation to be deposited at Lloyds Bank. Bank paying in slips must be completed in full.

The Trust does not allow the encashment of personal cheques or income collections to be used for other payments.

5.9. Petty cash

The Trust does not operate petty cash across its schools. The Trust accepts that new schools joining the Trust may currently operate a petty cash system, but they will be asked to close it within 12 months of joining the Trust.

6. Procurement

The Trust must ensure that spending decisions represent value for money and are justified as such. An important value for money consideration is also the cost of the internal effort involved in managing the purchasing process. Significant service contracts will demand a major effort in terms of preparing specifications, drafting contracts and evaluating tenders. This effort can be greatly increased where Public Contract Regulations (PCR) apply. Therefore, in the interests of managing the Trust's own effort and costs, it is good practice to use multi-year contracts wherever the service requirement is enduring.

There are also potential advantages whereby the supplier would be prepared to invest in order to make the service provision more efficient, if guaranteed a long-term contract. It is not possible to provide universal guidance on what would constitute an option period of contract. For example, market conditions can change, and, during the latter period of the contract, the Trust may feel that it is paying more than necessary or conversely the supplier may feel it is no longer able to cover their costs. Neither situation is comfortable; hence, where the market is more subject to change, the period should be shorter than for more stable situations.

The precise period should be agreed with the CFO as early as possible. A practical default position for large, high value contracts such as grounds maintenance is to aim for a maximum three-year contract.

A large proportion of the Trust's purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

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

6.1. Financial Flow Diagram

Appendix 19.1

6.2. Requisitions

All purchases must be detailed on a Trust requisition from and signed in accordance with the procurement thresholds, along with any supporting documentation. Form can be found in Appendix 19.3.

6.3. Purchase orders

All purchases must follow be made using official Trust purchase orders. No member of staff should order without an official purchase order unless allowed under exempt routine purchases 6.11.

6.4. Procurement Total Sum

Procurement sums are as follows:

Type of Purchase	Total Sum
Purchase of Goods and Services	Total Amount of goods and services received
Contracts for Goods and Services	The total amount payable over the life of the contract
Capital Purchases	The total cost of the Capital Project

6.5. Procurement Thresholds

The thresholds for procurement are as follows:

Purchasing Threshold	Revenue Value (ex VAT)	Capital Value (ex VAT)	Quotes and Tenders	Approver
Routine	£0 - £9,999	£0 - £9,999	Evidence of price	Budget Holder/ Estates Lead
Low	£10,000 - £29,999	£10,000 - £74,999	Written quotes from at least 3 suppliers	Headteacher/Estates Lead
Medium	£30,000 - £99,999	£75,000 - £250,000	Formal tenders from at least 3 suppliers (where practicable)	Chief Finance Officer
High	£100,000 +	£250,000+	Formal tenders from at least 3 suppliers (where practicable)	Trustees
Public Contracts Regulations (PCR, formerly OJEU)	£177,897 supplies and Services £4,447,897 Works	£177,897 supplies and Services £4,447,897 Works		Full Trustees

6.6. Routine Purchases

Budget holders are authorised to commit expenditure in line with their departmental improvement plans and agreed budget allocations. Requisition orders must be completed and signed by the budget holder for processing and entering on the school financial management system.

Purchases orders will require authorisation within the accounting software by a Senior Member of Finance Staff usually the SBHL before submitted to the supplier. Some purchases are exempt from the requirement for purchase orders, these exemptions are:

- Routine catering (not equipment)
- Routine cleaning
- Premises related emergency call-outs purchases
- Taxis
- Supply Agency

Requests for purchases using the Charge Card must also be submitted on an official order form and signed by the relevant budget holder.

Where urgency requires a verbal order to be made, this should be confirmed by an official order as soon as possible.

Some schools may request an additional authorisation of routine items, but this is at the school's discretion. School headteacher can request this from the Operational Finance and Hub Finance Teams.

6.7. Low Threshold

Three written quotes should be obtained for all goods and services in excess of £10,000, unless no other equivalent goods or services are available, or where the board have previously committed themselves to a particular service/supplier, brand/type of goods.

Where the lowest quote is not selected it requires consideration for value for money and formal approval by the CEO (Accounting Officer).

6.8. Medium Threshold

Three written quotes should be obtained for all goods and services in excess of £20,000, unless no other equivalent goods or services are available, or where the board have previously committed themselves to a particular service/supplier, brand/type of goods.

Once obtained approval must be sought from the chair of the finance committee.

6.9. High Threshold

Three written tenders should be obtained for all goods and services in excess of £50,000, unless no other equivalent goods or services are available, or where the board have previously committed themselves to a particular service/supplier, brand/type of goods.

Once obtained approval must be sought from the chair of the finance committee.

6.10. Public Contracts Regulations (PCR, formerly OJEU)

If what you are buying is over the PCR procurement threshold then you must follow this process.

You should:

- assess the market
- see if you can get what you need using our find a DfE recommended framework tool or another framework agreement
- prepare your contract and invitation to tender
- consider whether to use the restricted procedure to reduce the number of bids you have to assess later, or the open procedure to let anyone bid

Then you must:

- advertise a contract notice using the UK e-notification service, Find a Tender (FTS).
- make your invitation to tender and all other documents available electronically from the time that the contract notice is published
- assess all the bids you get fairly, using the same process
- choose the supplier that offers best value for money
- award the contract to the highest scoring bid supplier

Guidance can be found here: <https://www.gov.uk/guidance/buying-procedures-and-procurement-law-for-schools/buying-things-that-are-over-the-eu-procurement-threshold>

6.11. Exceptions

Some routine purchases are exempt from the purchase order process. These are detailed in 6.6. These items must be signed in accordance with the purchasing threshold but can be signed after the invoice is received by the Trust.

6.12. Frameworks

A procurement Framework is an agreement put in place with a provider or range of providers that enables buyers to place orders for services without running lengthy full tendering exercises. An approved framework will already have complied with the PCR/OJEU requirements.

There are over 50 DfE approved frameworks covering a wide range of goods and services for the things schools buy regularly. Currently, get help buying for schools can only offer advice for using DfE-approved frameworks through Find a DfE-approved framework on GOV.UK. Other providers also have available list of frameworks.

It is good practice to run a 'mini-competition' where multiple suppliers from the same framework are invited to quote/tender. These are then evaluated, and the work is awarded to the supplier which demonstrates best value for money.

6.13. Goods Received

All invoices must be signed by an appropriate person in order to confirm good/services have been received and the invoice is correct for payment.

6.14. Invoice Tolerance

Where invoices are within the Trusts tolerance these invoices can be paid without further approval. Where invoices are outside the Trust the tolerance these must be resigned in accordance with the thresholds.

The current threshold is 5% (with a minimum of £50) of the order value compared to the invoice total.

E.g. where an order is for £1,000 and the invoice is received for £1,100. The difference is £100 which is 10% difference from order value. This would need further approval.

6.15. Purchase of Prohibited Items

The Trust's funds must not be used to purchase alcohol for consumption. Where schools have bar facilities for lettings, alcohol must be purchased through the subsidiary company.

6.16. Contracts & Leases

The Academy trust categories leases as one of the following:

- **Operating Leases** – the trust is able to into relevant operating agreements as per the ESFA. The trust must recognise the lease payment as an expense in the academy accounts. The trust currently has the following leases:
 - Photocopiers and Printers
 - IT Lease Scheme
 - Site Improvements to Energy Efficiency Systems (Leics. C.C. / Bouygues)
 - Buildings
 - Franking Machine
 - Vehicles (minibus)
- **Finance Leases** – The Trust is able to enter a finance lease that is pre-approved by the ESFA. The trust must recognise the Asset and liability in the balance sheet and depreciate the asset accordingly. The trust must also recognise the cost of borrowing as an expense. The list of of preapproved finance leases are:
 - all existing leases in place before 1 September 2024 for items included in this list
 - leases related to IT
 - leases related to telephony
 - leases related to catering and cleaning equipment
 - leases related to furniture
 - leases related to bathroom and sanitary items
 - leases related to gym equipment
 - leases related to groundskeeping equipment
 - leases related to LED lighting systems or to support renewable activity) - consent is granted where the product has been sourced with support from the DfE
 - leases related to minibuses and other vehicles for the use of the school
 - leases related to temporary classrooms and equivalent structures

Academy trusts do not need to make a specific request for consent where a finance lease is covered in the list.

Trusts must still obtain ESFA's prior approval for the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and 5.34

- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of 7 or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

6.17. **Proforma**

Where a new company is to be used, and they issue a pro forma invoice, the Trusts preferred method of payment will be via Charge Card in order to benefit from the protection offered by Charge Card schemes, in the event that goods or services were not received.

7. Related Party transactions

Trusts must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party where a contract or other agreement exceeds the limit in a single financial year.

The current limit is £40,000.

7.1. Related Parties

Related parties include persons and entities with control or significant influence over the academy trust. This includes:

The following 'natural persons' are classed as related parties:

- A) any charity trustee and custodian trustee of the charity;
- B) a person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity); and
- C) any person who is:
 - 1) a child, parent, grandchild, grandparent, brother or sister of any such trustee (A) or donor (B) of land;
 - 2) an officer, agent or a member of the key management personnel of the charity;
 - 3) the spouse or civil partner of any of the above persons (A, B, C1 and C2)
 - 4) carrying on business in partnership with any of the above persons (A, B, C1, C2 and C3);

The following entities, which are not 'natural persons', are classed as related parties of a reporting entity if any of the following conditions apply:

- the entity and the reporting charity are members of the same group
- Entities that are involved in a joint venture
- the reporting charity provides/receives key management personnel services to/from the entity;
- an entity that is controlled or jointly controlled by a person, or two or more persons, identified in A, B or C;

7.2. Exceptions

Transaction with the following entities are exempt where the provision is made "at cost":

- colleges, universities and schools which are sponsors of the academy trust
- any state funded school, academies and colleges (this does not apply to subsidiaries)

7.3. Register of Interest

The trust keeps a register of interests of all appropriate persons as per section 17 (Member/Trustee Business Interests and Staff Pecuniary Interests)

7.4. Novel, contentious and repercussive transactions

Novel, contentious and/or repercussive transactions must always be referred to ESFA for approval, and the request must be made to ESFA before the transaction occurs.

- Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business
- Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

8. Aged Payables

8.1. Payables Control

The aged payables report will be monitored on a monthly basis. Any invoices that have been outstanding for more than 1 - 2 months will be followed up by a phone call.

If after 3 months a query is still outstanding the Operational Finance Lead will investigate the situation.

8.2. Payable Write off

Where a company has entered administration and is owed money by the Trust, the Trust will keep the amount on the ledger for at least 6 years or their companies house status is "dissolved".

The following levels of authorisation apply to the write off of all payables:

Amount	Authority
£0 - £49	Operational Finance Lead
£50 - £499	Chief Financial Officer
£500+	Trustees

8.3. VAT Implication

If the Trust has claimed VAT on an invoice that you have not paid for more than 6 months since the relevant date, then this input VAT must be paid back to HMRC on the next VAT return as per HMRC requirements.

This should be included as a negative in your Box 4 reducing the amount recoverable.

8.4. Aged Receivables

Each month at a given date the Operational finance team will reconcile the aged payables report to the trial balance.

9. Aged Receivables

9.1. Debt Chasing

The aged debtor report will be monitored on a monthly basis. Any debts that have been outstanding for more than 1 - 2 months will be followed up by a statement and/or phone call.

If after 3 months a settlement date has not been agreed or the debtor is disputing the invoice this must be brought to the attention of the SBHL, where a course of action will be agreed.

9.2. Debt Collection

Where a debt is above £500 the matter will be passed onto legal services in order for the debt to be chased. Under £500 will only be escalated to legal action on request.

9.3. Debt Write off

The following levels of authorisation apply to the write off of all debts:

Amount	Authority
£0 - £49	Operational Finance Lead
£50 - £499	Chief Financial Officer
£500+	Trustees

9.4. VAT Relief

Bad debt relief is available on unpaid sales invoices when all the following conditions are met:

- 6 months or more has passed since the date of the supply or the date the payment was due, whichever is later
- You have already accounted for the VAT and paid this to HMRC
- You have written off the debt in your VAT accounts and transferred it to a separate bad debt account
- The value must not be more than the normal selling price
- The debt must not be factored or in a similar arrangement

If these conditions are met, then the relief can be claimed on your next VAT return by including the amount of bad debt claimed in Box 4 of the return.

9.5. Aged Receivables

Each month at a given date the Operational finance team will reconcile the aged receivables report to the trial balance.

10. Funds

10.1. Funds

The Trust, as an exempt charity uses the charity SORP as its financial framework when completing the annual accounts. As part of this, the Trust is required to produce a statement of financial activities (SOFA). This is a single accounting statement with the objective of showing all incoming resources and resources expended in the year and how these are in furtherance of its charitable objectives.

The SOFA requires an analysis of incoming resources and resources expended in two ways. The first is through 'funds' and the second is through functional or subjective account headings. Academies as exempt charities and companies limited by guarantee, follow the requirements of the charities SORP and the Companies Act. However, the Education and Skills Funding Agency (ESFA) 'Accounts Direction' sets out a format for the accounts to ensure consistency across the sector.

The SOFA columns required under the Accounts Direction are headed up:

- Unrestricted General funds
- Restricted General Funds
- Restricted Fixed Assets
- Endowment Funds (if applicable)

There is also the option of splitting the unrestricted General Fund to include unrestricted designated funds and restricted funds to include pension funds.

A definition of unrestricted and restricted funds, taken from the Charities SORP is shown below:

App 3.1 Unrestricted Funds	1(a) Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the charity's objects. If part of an unrestricted fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Trustees' discretion to apply the fund.
App 3.2 Restricted Funds	Restricted funds are funds subject to specific Trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the charity.

Key tests to determining whether income is restricted or unrestricted are;

- Has the donor set a restriction?
- Is the income a contract or a donation?

10.2. Allocation of Income to Funds

The following sources of income will be treated as:

Unrestricted	• Gift aid from the trading subsidiary • Income from other academy Trusts • Private music tuition • School meals (other than specific income from Government grants which are restricted) • Proceeds from other trading activities (examples would be uniform sales,
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revision book sales)

- Donation with no restrictions attached
- Transport
- Non-Government revenue
- School trips
- Investment income
- Designated – designating unrestricted funds for specific use

Restricted Funds

- ESFA General Annual Grant (GAG), including:
 - School budget share
 - Minimum funding guarantee
 - Education services grant
 - Allocation protection
 - Pre-16 high need funding
 - Post-16 high needs funding
- Other DfE/ESFA grants such as pupil Premium
- DfE Group revenue grants
- Other Government revenue grants, including local authority funding for high needs pupils.
- Donations with restrictions attached

Restricted Fixed Asset Fund

- School Condition Allocation
- DfE capital grants
- DfE Group capital grants
- Devolved Formula Capital
- Other Government capital grants
- Sponsorship monies received for capital projects
- Donated fixed assets such as academy buildings transferred from local authority
- Local authority capital grant

Endowment Fund

A gift of endowment, where there is no power to convert the capital into income, is known as a permanent endowment fund. A permanent endowment fund must normally be held indefinitely. Where Trustees have the power to convert endowment funds into income, such funds are known as expendable endowments.

A gift of expendable endowment provides the Trustees with a power to convert all or part of it into income. This could be used for awarding prizes or rewards to individuals meeting specified criteria e.g. a scholarship fund that has been set up in memory of a deceased member of staff and that funds the further education of students.

10.3. Donations

The Trust will accept a monetary donation made in good faith. However, any restriction or condition attached to the donation must be in line with Trust priorities otherwise the donation will be returned or paid to a charitable cause as agreed by the board.

11. Investments

The Trust systems of internal financial control can be found within the Trusts Investment Policy and Trust Investment Strategy. (see the Policy section of the Trust Website).

12. Risk Management

The Trust systems of internal financial control can be found within the Trusts Risk Management Policy. (see the Policy section of the Trust Website).

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties; and
- identification and management of risks.

Each school within the Trust is responsible for ensuring that there is an up to date Business Continuity Plan in place and that it is reviewed annually.

13. Security and Document Retention

13.1. Cash Security

All monies on Trust premises are kept in the fireproof safe. Cash on each school site should not exceed £5,000, except in exceptional circumstances (i.e. a deadline for payments on a high value trip). Staff and students are advised that cash for trips, purchase of items, etc should be handed into the designated school office immediately.

Headteachers have the delegated authority to manage access to the school safe. It is the responsibility of the Headteacher to ensure that access to the safe is restricted to those who handle cash and that the key is securely stored at all times.

13.2. Data Security

The MAT Network Manager has delegated responsibility to ensure that computer systems used by the Trust should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly and updated for staff changes.

The MAT Network Manager will be responsible for ensuring that data is backed up daily and that 3 weeks' worth of backups are rotated with the latest week being taken off site and the others being held securely in each school, or that data is backed up remotely and stored in a secure cloud, or by a third-party provider. Each school within the Trust has a disaster recovery plan, which the Hub Business Managers have delegated responsibility to keep up-to-date and review annually with the MAT Network Manager.

The MAT Network Manager has delegated responsibility to ensure that systems are in place to safeguard Trust software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.

The MAT Network Manager has delegated responsibility to register all relevant systems with the Data Protection Commissioner.

Any GDPR breaches need to be brought to the attention of the person with specific responsibility at the relevant institution who will then take professional advice from the Trusts legal GDPR support - J A Walker Solicitors 03337 729763

13.3. Finance Information Security Policy

In order for the Trust to be able to receive payments from cards providers, the Trust must have a Finance Information Security Policy. This is a separate policy. (see the Policy section of the Trust Website).

This policy details the Trusts PCI compliances.

14. Personnel, Payroll & Non-contractual severance payments

14.1. Personnel

The board has delegated responsibility to establish procedures for the administration of personnel activities, including appointments, terminations, promotions and Disclosure and Barring Service (DBS) checks.

The SBHLs have responsibility for authorising pays claims, placing adverts (in line with budgetary constraints) and terminating contracts.

The CEO, DCEO, CFO and Headteachers are the only members of staff authorised to make appointments or make contractual changes to staff pay.

The HR Manager will ensure that only authorised staff have access to personnel files (CEO, DCEO, CFO, Headteachers, SBHL and PA to Heads of School) and that arrangements for staff to gain access to their own records are in place.

The HR Manager will ensure that at least two people are involved in the process of completing, checking and authorising all documents and claims relating to appointments, terminations of employment and expenses.

14.2. Payroll

Pay claim forms, overtime, casual staff, etc will be authorised and signed by either the HR Manager, SBHL (where applicable), Line Managers or the Strategic Operations Manager.

The payroll provider, who administers the Trusts payroll, should be advised of any changes to the names and specimen signatures of certifying officers.

The Hub Business Managers undertake monthly checks between payroll reports and school documentation to ensure:

- There are no ghost employees
- Staff are being paid the correct rates and allowances
- Old employees have been removed from the payroll
- Payroll transactions will be processed only through the payroll system.

The HR Manager and Heads of Schools are responsible for ensuring that the school maintains an accurate database of staff employed. School procedures should ensure that this database is updated promptly to reflect new starters and leavers.

Payroll transactions will be processed only through the payroll system.

Each month the Operational Finance Team and School Hub Business Leaders will reconcile the payroll to the FMS.

Each month the Operational Finance Team will reconcile the Payroll control accounts

The Hub Business Managers have delegated responsibility to obtain regular reports on payroll transactions and check them against the school's documentation on staffing and pay to ensure that they match.

14.3. Severance and non-contractual payments

Special severance payments are paid to employees, contractors and others 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.

When considering a staff severance payment above statutory or contractual entitlements, the Trust will consider the following issues in line with ATH before making a binding commitment:

- that the proposed payment is in the Trust's interests

- whether the payment is justified, based on legal assessment of the Trust's chances of successfully defending the case at an employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high. Where a legal assessment suggests the trust is likely to be successful, a settlement should not be offered
- if the settlement is justified, the Trust would need to consider the level of settlement which must be less than the legal assessment of what the relevant body (for example an employment tribunal) is likely to award.

As set out in the ATH, the Trust will require ESFA prior approval for special severance payments where any of the following scenarios arise individually or collectively:

- the proposed special staff severance payment is for £50,000 (gross, before income tax or other deductions) or more
- a special staff severance payment for any value is proposed and the trust is under a Financial Notice to Improve (FNtI) or a Notice to Improve (NtI)
- an exit package which includes a special severance payment is at, or above, £100,000 (gross)
- the employee earns over £150,000 (gross). For this purpose, earnings will not include employer pension contributions.

For any severance payments over £15,000, prior approval from the Trust Board Pay and People Committee is required.

15. Travel and Subsistence

15.1. Expenses

The LiFE Multi Academy Trust will reimburse staff for all necessary travel, accommodation and other expenses incurred whilst engaged in authorised Trust business. This does not include normal day to day travel between home and school.

All Expense claim must be supported by an Expense Claim Form (appendix 19.4) and all appropriate evidence of expenditure. Where no evidence is supplied expense claim may be rejected.

All expenses must be submitted monthly, any expenses over 3 months may be rejected.

15.2. Staff Expenses Limit

The limit for personal expense claims is £250. The Trust can reclaim VAT on purchases (as long as receipt or invoice showing the key details, i.e. the name and address of the supplier, nature of the goods supplied, the rate of VAT and the seller's VAT number) is supplied with the claim. Typically, this type of receipt is produced by shops and garages.

In some circumstances it is appropriate for expense claims to be in excess of £250. Where there is a need to expense claim above the limit, prior approval must be sought from CFO, Hub Managers or Operational Finance Team.

15.3. Staff expenses and loyalty rewards scheme

No staff should not submit receipts where personal loyalty rewards have been claimed, such as Nectar or Clubcard points.

15.4. Travel

All staff are required to travel in the most cost-effective way possible. Car sharing should be used wherever possible and public transport should be considered if it is a cheaper option.

- **Train Travel** - Wherever possible train travel should be booked by the school directly rather than individuals making their own bookings. If staff need to travel by train and choose to travel by first class, they will be expected to pay the difference between standard travel and first class.
- **Car Travel** - Staff can claim mileage, at the current HMRC approved mileage rate. When submitting mileage claim form all staff will be required to attach a relevant fuel receipt. Car parking and toll charges incurred on Trust business are reimbursable. Under no circumstances will the school pay for any fines incurred. These include speeding, parking, unpaid congestion and low emission zone penalty charges.
- **Public Transport** - staff must retain all receipts for public transport and attach them to the claim form. If staff are unable to provide receipts, then it may not be possible to make a refund.
- **Flights** – where possible flights should be booked by the Trust. In the event of a staff member booking a flight for themselves an appropriate VAT receipt must be supplied.

The Trust does not provide car insurance for staff using their own vehicles. Staff members are responsible for ensuring they are appropriately insured prior to travel. Staff must also ensure that their vehicle is safe and legal to drive.

15.5. Subsistence

If any staff are away on school business overnight, they may also claim the cost of a meal and drink to the total value of £25 per day. Under no circumstances will staff be reimbursed for alcoholic beverages.

15.6. School Trip – Subsistence and Expenses

The Trust will cover reasonable expenses related to subsistence for staff staying overnight during school trips. The following guidelines apply:

- Meals: The Trust will pay for breakfast, lunch, and dinner that are included in the trip package. If meals are not included, staff may claim up to £25 per meal. Additional food items outside the package cannot be claimed.
- Approval for Exceeding Limits: Any expenses exceeding these limits, including standard meals and basic drinks, require approval from the headteacher. Alcoholic beverages are not eligible for reimbursement.
- Extras: Snacks and drinks outside of main meals cannot be claimed unless they are part of the trip or essential items like bottled water.
- Gifts: Trip funds must not be used to purchase gifts. If staff/students wish to give gifts, they must do so using their own personal funds, as this is a private transaction and should not involve trip funds.

15.7. Lunches on Trust premises

Lunch will be provided by the Trust to any staff who undertake a lunch duty up to the rate allowed plus VAT. Each school within the trust currently has their own rate

15.8. Mobile phones/laptops

These will be provided to staff where they are deemed necessary in the performance of their duties. They will be registered in the name of the Trust. They must be returned when the staff member ceases employment with the Trust.

The Trust will pay any costs associated with the use of this equipment. Mobile phones should not be taken abroad without prior permission.

15.9. Staff Purchases

Staff should where possible use the Trust procurement system for goods. Staff should only pay for goods from their own money if this has previously been agreed with the budget holder and up to the Trust limit. A VAT receipt must be provided. Reimbursement will be made directly to the bank account of the claimant.

15.10. Spectacles for Display Screen Equipment (DSE) Users

The Trust will cover the costs associated with an eye test where they member of staff is considered a DSU user. HSE considers workers who use display screen equipment (DSE), such as PCs, laptops, tablets and smartphones, for continuous periods of an hour or more. The trust will cover the cost up to £30.

Due to HMRC rules regarding Benefit in Kind and NIC Class 1 contribution, the Trust can only reimburse the cost of glasses if it is found that the employee needs glasses or contact lenses specifically for use with the display screen equipment they use in the course of their official duties.

The Trust will reimburse the cost of glasses up to £80 (*average cost of glasses*).

HSE guidance can be found here: <https://www.hse.gov.uk/msd/dse/eye-tests.htm#article>

15.11. Salary and Cash Advances

Salary advances will not be made to staff unless there are extenuating circumstances which would need to be agreed by the Board of Trustees via the CFO.

15.12. Lost Receipt and claims

Where evidence/receipts have been lost and all reasonable steps have been taken to acquire copies. The Trust may consider an expense claim made using the "Expenses Exception Form" (Appendix 19.5). This form must detail a description of item being claimed and reasons for missing evidence/receipts and any bank statement or other available proof. This must be signed by the member of staff, relevant budget holder, Headteacher and Hub Manager.

15.13. Abuse of Expenses Policy

If an employee is found to be abusing the expense policy for personal gain, this may result in disciplinary action and/or the involvement of law enforcement. For more details on this please see the Fraud Policy. (see the Policy section of the Trust Website).

15.14. Interview Expenses

The trust will pay reasonable expenses incurred for interviews up to £100.

15.15. Foreign Currency Cards

Foreign currency card expenditure must follow all the rules as set out in Section 15.6.

16. Gifts and Hospitality

16.1. Gifts and Hospitality from Suppliers

Employees of LiFE Multi Academy Trust should take guidance from the following general rules relating to the receipt of gifts and hospitality as an employee of the Trust

A member of staff must declare any and all gifts, hospitality, awards, prizes or other benefits that might compromise their judgment or integrity. These should be reported to the Operation Finance and Governance Team. This will then be recorded on a register along with the decision on how the gift will be treated. For example, whether it was donated, returned or allowed to be kept.

Any gift, hospitality, award, prize or other benefits must be refused. Low intrinsic value items such as promotion calendars, diaries, or small token of gratitude can be accepted as it is not more than 1 gift per donor per term.

The Operational finance team should be notified of any gifts offered above a low intrinsic value, for entry in the Register of gifts and hospitality.

Gifts should be refused if it is believed the giver has an ulterior motive such as the receipt of a prompter service or preferential treatment.

Gifts or hospitality should never be accepted from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust, seeking employment with the Trust or is in dispute with the Trust, even if you are not directly involved in that service area.

Where items purchased for the Trust include a 'free gift', such a gift should either be used for Trust business or handed to the Hub Business Manager to be used for charity raffles.

Members and staff should not encourage business contacts to provide hospitality to them, or indirectly to other colleagues, friends or relatives.

Offers of hospitality should be reported to the Chief Executive Officer or Chief Finance Officer. Some examples of hospitality which should be refused are payments for lunch or dinner, and tickets to sporting or leisure events.

In the following circumstances, it may be considered appropriate to accept a working lunch, dinner or attendance at an annual stakeholder event, where it is:

- not lavish in nature;
- not a frequent occurrence; and
- there is no suspicion of a conflict of interest.

Such hospitality must be recorded on the Gifts and Hospitality Register. The details required in that form must be completed as fully as possible.

- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been considered, it may be acceptable to join other company/organisation guests at:
 - sponsored cultural and sporting events, or other public performances, as a representative of the Trust;
 - special events or celebrations.

But, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.

- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the Chief Financial Officer or Hub Business Manager must be consulted, or in the case of the Chief Executive Officer, with the Chair of Trustees.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.

- Staff visiting a company to view equipment that the Trust is considering buying, you should ensure that expenses of the trip are paid by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust's purchasing and/or tender procedures are not compromised.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to work are acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the Trust must be agreed in advance with the Chief Executive Officer or in the case of the Chief Executive Officer with the Chair of Trustees. Where a spouse or partner is included in the invitation, and approval has been given to attend, it will be acceptable for a spouse or partner to attend as well, but if expenses are incurred, these must be met personally.
- Any invitation accepted should be made in a professional/working capacity as a representative of the Trust.

16.2. Gifts from Parents

Gifts from parents can be accepted as long as the gift is concerned low value and there is no conflict of interest. Where a conflict of interest may arise, gifts cannot be accepted.

Where a collective contribution is giving from a number of students/parents, the value is judged by the individual contributions.

17. Member/Trustee Business Interests and Staff Pecuniary Interests

17.1. Declaration of interest Policy (Trustees and Governors)

More detailed information on the process of governance and Trustees declarations can be found within the Trusts “Declaration of interest Policy (Trustees and Governors)” (see the Policy section of the Trust Website).

17.2. Member and Trustees Register

A central register of business interests is held for:

- Members
- Trustees
- Central Senior Leadership

This is completed by all of the above staff with significant financial responsibilities. Financial responsibilities can be defined as but not limited to:

- An individual deemed to have significant influence on the decision making
- Responsible for key decisions of the company
- Bank account signatories
- Finance staff and those
- members of staff with specific budgetary responsibilities

These declarations are disclosed on the Trust website. Entries in the register are kept up-to-date and, in all instances, reviewed and amended (where relevant) on an annual basis. This annual review can be evidenced simply by staff re-signing and dating existing declaration forms, making any amendments as necessary.

This register is held and maintained by the Trust Head of Governance.

17.3. Local Governing Body and School Senior Leadership Register

A register of business interests is maintained by each academy for:

- Local Governing Body (LGB) members
- School Senior Leadership

This is completed by all LGB members and senior leadership staff with significant financial responsibilities. These declarations are disclosed on the appropriate school website.

This register is held and maintained by the school governance professionals.

17.4. Staff Pecuniary Interest

A register of pecuniary interest will be sought from all staff where they have:

- Control of a school budget
- Influence over the decision of budget holders

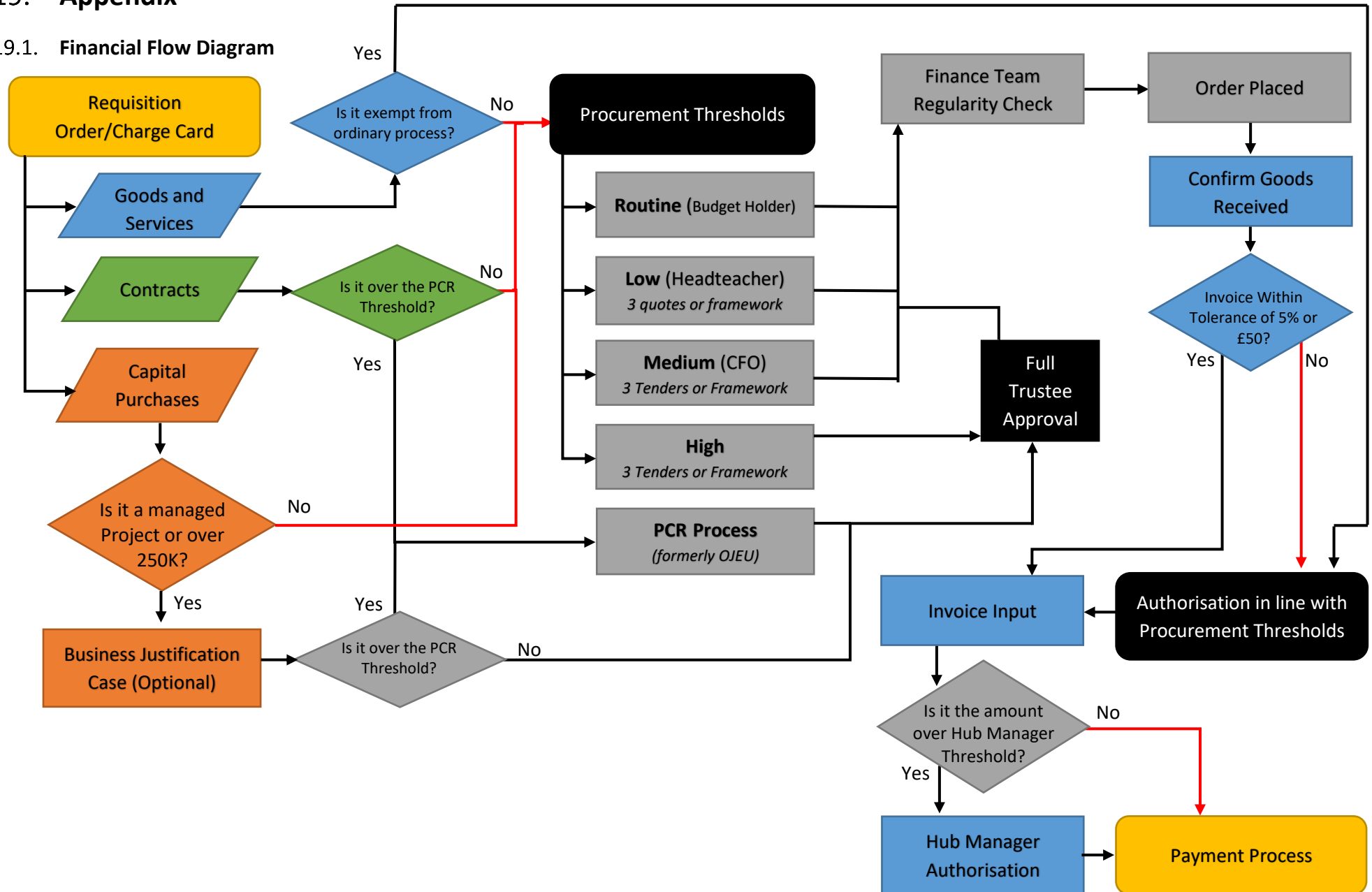
This register is not public and is held with operational finance team.

18. Fraud Prevention

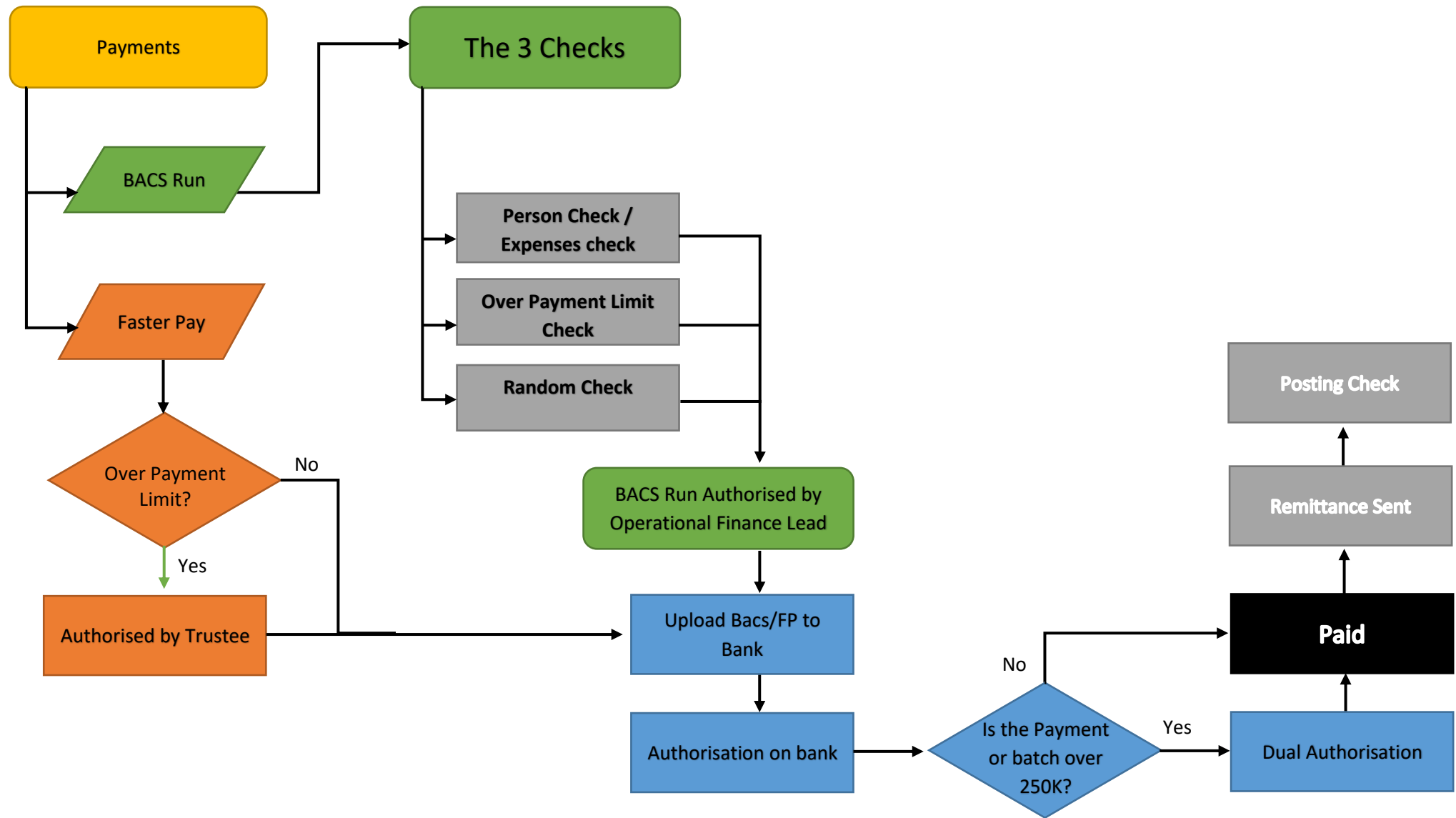
Please refer to the Anti-Fraud, Corruption, Bribery & Related Party Transaction Policy with Fraud Response plan (see the Policy section of the Trust Website).

19. Appendix

19.1. Financial Flow Diagram



19.2. Payment Flow Chart





LIFE MAT

PURCHASE REQUISITION FORM

19.3. Requisition Form

1. All purchase requisitions must be signed by the relevant budget holder.
2. No purchase requisitions should be submitted that exceed £1,000 without joint signatures of the Hub Business Manager and the relevant budget holder (*as per the LIFE MAT Finance Policy*).
3. Departmental budget balances must be confirmed by the hub finance office before **any** orders can be placed.
4. Email this completed purchase order requisition form to your appropriate hub team

Supplier details <i>(Business Name, Address, Email, Telephone)</i>			Department <i>Dept Code if known</i>	
Business Name				
Address				
Email				
Telephone				
Has this supplier been used before?			Yes	No

Quote / Booking Reference (if Applicable)		
Quote attached	Yes	No

[illegible]

Budget Holder	
---------------	--

Date	
------	--

Office Use only:

Process by	
------------	--

Date	
------	--

PO Number	
-----------	--

Hub Business Manager	
----------------------	--

Date	
------	--

19.4. Staff Expense and Mileage claim Form

1. All staff expenses must be signed by the relevant budget holder.
2. If a budget holder is claiming expenses against their own budget this must be signed by their line manager.
3. All receipt must be kept, and copies attached to this claim.
4. Where possible a VAT receipt must be obtained.
5. If you are claiming travel, please attach a Fuel Receipt from before the first day of your claim.
6. If you are claiming travel and have travelled from and back to your home, remove the number of miles of your regular commute from your claim. (see over the page)
7. If any staff are away on school business overnight, they may also claim the cost of a meal and drink to the total value of £25. Staff cannot claim for alcoholic beverages.
8. Please complete you bank details so we can ensure your expenses are paid dot the correct account
9. Email this completed purchase order requisition form to <mailto:hub3finance@lifemultiacademytrust.org.uk> your appropriate hub team.

Name:		School:	
Role:		Date:	

Amount (£):		Department:	
Description of Expense:			
Receipt Attached:	Yes	No	

Bank Details:

Sort Code:							Bank Acc Number:										
Building Society Roll No:																	
Bank Account Name:																	
Bank Name:																	

Employee Signature:		Date:	
Budget Holder:		Date:	

If claiming travel, please complete the below:

Type of Car:	Petrol	Diesel	Hybrid	Plug in Hybrid	Electric	Engine Size:	e.g. (2 litre)
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Please also complete the journey log over the page.

Office Use only:

Process by		Date	
		PO Number	



LIFE MAT

Staff Expense and Mileage Claim Form

[illegible]

19.5. Expenses Exception Form

1. This form is for when receipts for various reason either cannot be obtained or have been lost.
2. The form must be signed by the Person Responsible, Relevant Budget Holder, Headteacher and the Hub Manager.
3. This form must be sent to the Operational Finance & Governance Team via finance@lifemultiacademytrust.org.uk
4. This information will then be submitted to the Audit and Risk Committee along with any relevant action taken by the Operation Finance & Governance Team.

Name:		School:	
Role:		Date:	

Description of Items being claimed for:	
Reasons for No receipt being available:	

Total amount: (£)	
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I confirm that the above items have been purchased for the school and all efforts have been made to recover the receipts.

Employee Signature:		Date:	
Budget Holder:		Date:	
Headteacher:		Date:	
Hub Manager:		Date:	

Office Use only:

Process by		Date	
System Code:			

19.6. Academy Trust Credit Card Code of Conduct

This Code of Conduct outlines the responsibilities and expectations for all employees issued with an Academy Trust credit card. Compliance with these guidelines is mandatory to ensure the proper and ethical use of Trust funds.

1. Permissible Use

- The Trust credit card is to be used exclusively for official Academy business. Personal use is strictly prohibited.
- All purchases must be in line with the Academy's financial policies and budgetary constraints.
- In order to use the credit card staff are required to follow all the rules for purchase orders.
- Where the supplier doesn't exist on the system, "Credit Card Supplier" can be used.
- In order to use this supplier Hub Manager and/or CFO permission must be sought

2. Prohibited Purchases

- The purchase of alcohol, tobacco, and other restricted substances is strictly forbidden.
- Cash withdrawals using the credit card are not permitted.
- Purchases that are not directly related to the educational or operational needs of the Academy are prohibited.

3. Use of Academy Purchasing Channels

- Employees must use the Academy's approved suppliers and purchasing channels whenever possible.
- The credit card should only be used if the approved purchasing channels are unavailable or impractical.

4. Receipt and Documentation Requirements

- All transactions must be supported by itemised receipts, detailing each item purchased.
- Receipts and corresponding purchase documentation must be submitted to the finance department last working day of the month.
- In cases where receipts are lost or unavailable, a Expenses Exception form in appendix 19.5, must be completed.

5. Transaction Limits

- The cardholder must adhere to the transaction and monthly limits as set by the Academy Trust.
- Splitting purchases to circumvent these limits is not allowed.

6. Record Keeping and Reconciliation

- Cardholders are responsible for maintaining accurate records of all transactions.
- Finance Hub Teams will be responsible for reconciling the statements with the information provided.
- Any discrepancies must be reported immediately to the Operational Finance Team.

7. Approval Process

- Prior budget holder approval must be obtained from the relevant budget holder for any purchase.
- Purchase must be approved in line with the academy finance policy.

8. Misuse and Disciplinary Action

- Failure to adhere to the rules may result in loss of access to a credit card.
- Any misuse of the Trust credit card, including but not limited to unauthorised purchases, failure to provide receipts, or personal use, may result in disciplinary action.

9. Card Security

- The credit card must be kept secure at all times and must not be shared with or used by anyone other than the authorized cardholder.

- Credit Cards must only be taken home unless their specific need.
- Card details must not be given out over the phone.
- Lost or stolen cards must be reported immediately to the issuing bank and the Academy's finance department.

10. Card Surrender

- Upon leaving employment or at the request of the Academy Trust, the credit card must be surrendered immediately.
- All outstanding transactions must be reconciled prior to the surrender of the card.

By accepting and using the Academy Trust credit card, the cardholder agrees to abide by this Code of Conduct and to use the card responsibly and ethically in the best interests of the Academy.

Employee Signature:		Date:	
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19.7. Credit Card Temporary Change of Card Holder

The **Temporary Credit Card Authorization Form** is used to grant temporary credit card access to a designated individual, ensuring all transactions are authorized and comply with Trust policies.

Date:	
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Employee Information

Employee Name:	
Department:	
Contact Number:	

Temporary Cardholder Information

Temporary Cardholder's Full Name:	
Reason for Temporary Change:	
Start Date of Temporary Authorisation:	
End Date of Temporary Authorisation:	

During this period, the temporary cardholder will have the authority to make transactions using the specified credit card. It is imperative that we ensure all transactions made by the temporary cardholder are in line with our policies and procedures. By signing below, both parties acknowledge and agree to the terms stated above:

Employee Signature:		Date:	
Temporary Cardholder Signature:		Date:	

Operational Finance Team Approval

Staff Name:				
Signed		Date:		

Please submit this form to the appropriate department for processing. If you have any questions or require further assistance, please contact Finance Department.

Foreign Currency Cards – Code of Conduct and Terms of Use

1. Use of Cards
 - a. Staff issued with a card will take all appropriate steps to keep the card secure and in safe deposit where reasonably possible.
 - b. Staff will endeavour to collect a receipt for all transactions where the card is used. This includes ATM receipts.
 - c. At the end of visit the trip leader will collate all expenditure receipts by card, and give these to the finance office for reconciliations.
2. Pin numbers
 - a. Pin numbers will be sent to you by the Finance Officer or Senior Finance Assistant
 - b. Pin numbers must be kept separate from cards at all times
3. Lost/Stolen Card
 - a. When a card is discovered lost or stolen, Caxton FX must be notified immediately to reduce the risk of fraudulent transactions. They can be notified on +44 (0) 20 7201 0526.
 - b. When a card is discovered lost or stolen, the Finance Office must be notified immediately in order to re-allocate balances on lost/Stolen cards. Finance can be reached on:
 - i. Email : finance@lifemultiacademytrust.org.uk
 - ii. Inside UK working Hours: 0116 303 3787
 - iii. If out of UK working hours: +44 (0) 78 2582 9710
4. Lost Pin
 - a. A reminder of Pin Numbers can be request from the Finance office using the details above.
5. Fees, Charges and Limits
 - a. Cards can be used at both Automatic Tender Machines (ATM) or at Point of sale (Card machines). Limits for transaction are:
 - i. Number of Point of sale transaction per 24hr period: 20
 - ii. Number of ATM withdrawals per 24hr period: 2
 - iii. Maximum value of ATM Withdrawal per 24hr period: £300.00
 - iv. **Please note that withdrawals limits are in GBP and may change in abroad due to exchange rates.**
 - b. Balance enquiries at an ATM are charged at £0.30.
 - c. International payments are free when the currency of the transaction is the currency loaded onto the cards. When the currency of the transaction is not the currency of the transaction, a 2.49% charge is added to the transaction after the currency exchange.
 - d. Domestic charges are classed as transaction within the United Kingdom. Domestic Charges are:
 - i. Point of a sale: £1.50
 - ii. ATM Withdrawal: £1.50
 - iii. Cash Back: £4.50 + 2%
6. Exempt Items
 - No alcohol can be purchased.
 - No personal purchases.

<u>Cards</u>	<u>Initial Balance</u>	<u>Staff Member Name</u>	<u>Staff Signature</u>
☐ Card A	_____	_____	_____
☐ Card B	_____	_____	_____
☐ Card C	_____	_____	_____
☐ Card D	_____	_____	_____
☐ Card E 2	_____	_____	_____
☐ Card F	_____	_____	_____

Notes