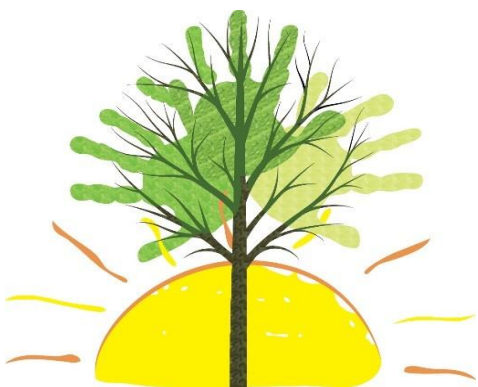


# SHINE Multi Academy Trust Finance Handbook



## Management log

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Signed	



Chair of the Board

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## Introduction

- 1.1** The purpose of this handbook is to ensure that SHINE Multi Academy Trust (SHINE) maintains and develops effective systems of financial control that conforms with the requirements of statutory & regulatory authorities, as well as complying with established principles of good financial management and common sense. It is essential that these systems operate properly to meet the requirements of the Funding Agreement between SHINE and the Department for Education (DfE); the Scheme of Delegation in force between SHINE and individual academies; the Articles of Association; the Academy Trust Handbook published by DfE.
- 1.2** SHINE's academies must comply with the principles of financial control outlined in the Academy Trust Handbook published by the DfE. This handbook converts this into practical detailed information on accounting procedures and should be read and absorbed by all staff interacting with SHINE's finances.
- 1.3** It is an obligational duty of members, trustees, staff, and all parties engaged by or with SHINE to observe both the letter, but also the spirit of the Finance Handbook. SHINE is responsible for public money and as such the duty of care is naturally set very high. Whenever in doubt and where this handbook does not specifically set out an appropriate approach, the highest principles should be observed to ensure SHINE is able to fully stand behind the approach taken by the decision maker.

## Organisation

- 2.1** SHINE is a Company limited by Guarantee, registered in England and Wales and is a multi-academy trust. The company has charitable status.
- 2.2** The Board of trustees (Board) have defined the responsibilities of each person involved in the administration of both SHINE level and individual academy finances, to avoid the duplication or omission of functions and to provide a framework of accountability for trustees, governors, and staff. The financial reporting structure is illustrated below.

## The Board

- 3.1** The Board led by the chair, has overall responsibility for the management and administration of SHINE's finances. It is the Board's statutory responsibility to safeguard the assets of the company

and to meet all requirements of the Companies Act. The main DfE prescribed responsibilities are set out in the Master Funding Agreement issued to SHINE by the DfE include:

- ensuring that educational grants are used for the purpose intended
- managing budgets to be balanced, and annual approval of those budgets
- approval and issuing of annual audited accounts to the DfE
- instructing & reviewing internal audit reports to ensure high internal rigour
- appointment of accounting officer, chief finance officer and recommending the appointment of the external auditors to the members

**3.2** The accounting officer is the chief executive officer (CEO) of SHINE. They are ultimately accountable for all trust related activity. As well as signing off the annual accounts, and being first contact point for all external stakeholders, they are also required to submit to the DfE an annual statement indicating SHINE has secured value for money.

**3.3** The chief financial officer (CFO) is responsible for the day-to-day management of SHINE's finances. They will ensure annual trust level accounts are delivered in accordance with all statutory and regulatory bodies. They are responsible for budget setting at SHINE level and ensuring an appropriate control environment exists across all the academies.

**3.4** The Board must operate within limits set out by the DfE:

**3.4a** Writing off bad debts, or entering into guarantees, indemnities, and letters of comfort – the lower of 1% of total annual income or £45,000 for individual items, or cumulatively 2.5% of total annual income (rises to 5% when 2 years unqualified annual accounts have been submitted). Anything above these limits requires approval from the DfE.

**3.4b** Severance payments made to staff are restricted to an assessment made of an employment tribunal award. Any amount >£50,000 compensation requires specific DfE approval (note: this does not include any contractual amount. For example, statutory redundancy which should not be included in this assessment).

**3.4c** Prior approval from DfE is required for a finance lease on any asset not on the DfE approved list, taking or granting a leasehold or tenancy agreement. Operating leases do not require DfE approval.

**3.4d** Any fraud or irregularity >£5,000 must be reported to DfE. Unusual or systematic fraud, regardless of value must also be reported. Permission from DfE must be obtained to pay

any cyber ransom demands. The Board is handling public funds and the standards expected within SHINE are suitably high. All examples of suspected irregularity or fraud will be investigated by the accounting officer and reported to the Board at the first available opportunity. If the accounting officer is in anyway implicated in the fraud, responsibility for the investigation will move to the Board and a trustee will investigate.

**3.5** The trustees will authorise any additional academy expenditure >£25,000 that was not in the approved budgets, unless it is CIF bid expenditure.

**3.6** SHINE central expenditure will be authorised by CEO and payment approved by two authorised signatories.

**3.7** All Board expenses will be authorised by another trustee of the Board or CFO.

### **The finance and business committee**

**4.1** The finance and business committee has delegated responsibility for the administration of SHINE's finances. The main responsibilities include:

- ensuring that income relating to the charitable objects of SHINE is used only for the purposes intended
- recommend the approval of the annual budget
- reviewing and approving requested data for submission to the Board
- considering reports from the CFO

**4.2** The finance and business committee meet at least three times per year and at least once per term, but more frequent meetings can be arranged if necessary. The main responsibilities of the finance and business committee include:

- the review and recommendation of the annual budget
- the monitoring of actual expenditure and income against budget
- reviewing business cases for expenditure not in the budget for £5000 or over reviewing
- recruitment business cases for leadership/UPS or TLR

## The academy headteacher

5.1 Within the framework of the academy development plan as approved by the LGB and the Board, the HT has overall executive responsibility for the Academy's activities including financial activities. The HT retains responsibility for:

- committing academy funds only for the purpose intended
- approving new staff appointments within the authorised establishment, in conjunction with the Board's scheme of delegation
- authorising contracts agreed in the original budget
- signing cheques in conjunction with the office/business manager or other authorised signatory – all payments require two signatories
- ensuring payments to suppliers by Bankers Automatic Clearing System (BACS) are authorised before the BACS run
- ensuring the academy complies with the Board's prescribed Scheme of Delegation both in letter and spirit

## Chief financial officer

6.1 The CFO works in close collaboration with the CEO and SHINE's appointed HTs through which they are responsible to the Board.

The main responsibilities are:

- preparing the annual SHINE and academy budgets and medium-term financial plans for review and approval by the Board with the CEO and HTs
- managing day-to-day financial issues of SHINE including the establishment and operation of a suitable accounting system
- managing SHINE's financial position at a strategic and operational level within the framework for financial control determined by the Board
- maintaining effective systems of internal control across the whole of SHINE
- ensuring the annual accounts are presented properly and supported adequately by the underlying books and records of SHINE
- preparing monthly management accounts for SHINE
- authorising purchases between £1,500 and £5,000 in conjunction with the senior leadership team within each academy
- authorising purchases between £5,000 and £10,000 in conjunction with the accounting officer

- ensuring forms and returns are sent to the DfE in line with the timetable it prescribes
- controlling procurement procedures and acting as the 'Procurement Champion' for SHINE
- supporting and overseeing the office/business managers
- identifying and addressing financial training needs within SHINE

### **The individual academy office/business manager**

**7.1** The office/business manager works in close collaboration with their HT and the Chief Financial Officer (CFO) through whom they are responsible to the local governors and the Board as a whole.

Their main responsibilities are:

- the day-to-day management of financial issues including the operation of an accounting system in line with the requirements of SHINE
- the management of the Academy financial position at an operational level within the framework for financial control outlined by the Academy Trust Handbook
- the maintenance of effective systems of internal control
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy
- the preparation of monthly management accounts
- ensuring the correct procurement procedures are followed by the Academy
- signing cheques in conjunction with the HT or other authorised signatories
- ensuring all supplier details are correct and authorised before a BACS run
- assisting the CFO in ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance
- Keeping financial records for at least 6 years

### **Auditors**

**8.1** The external auditors are appointed by SHINE's members to provide an independent oversight of SHINE's financial affairs. The main duties of the auditors are to provide SHINE's members and the Board of trustees with independent assurance that:

- the financial responsibilities of the Board and their committees are being properly discharged
- sound systems of internal financial control are being maintained and are consistent across academies

- procurement procedures are being followed correctly
- risks relating to procurement procedures, authorisation limits and governance are being kept under review
- financial considerations are fully taken into account in reaching decisions

The auditors will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board. A report of the findings from each visit will be presented to the Board<sup>1</sup> and any recommendations will be delivered to the board's appointed committees.

### **Other trust/academy staff and partners/subcontractors/suppliers**

**9.1** Other staff/partners/subcontractors/suppliers will have varying degrees of access to SHINE's assets and all will have some financial responsibilities. All such persons are responsible for:

- the security of academy property, for avoiding loss or damage
- for ensuring economy and efficiency in the use of resources
- for conformity with the requirements of SHINE's financial procedures
- for declaring any third-party connections

### **Register of interests**

**10.1** It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all members, trustees and their appointed governors and any staff/partners/subcontractors/suppliers with significant financial or spending powers are required to declare any relevant business and financial interests they have in companies or individuals from which SHINE and its academies may purchase goods or services.

**10.2** The register includes all interests such as directorships, shareholdings, or other appointments of influence within a business or organisation, which may have dealings with SHINE and its academies. The disclosures should also include interests from close family relationships where influence could be exerted over a member, trustee, governor, or a member of staff by that person.

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<sup>1</sup> The Board have delegated audit controls, as defined by DfE, to their appointed finance and business committee rather than constituting a separate audit committee.

**10.3** The existence of a register of relevant business and financial interests does not, of course, detract from the duties of trustees, governors, and staff to declare interests whenever they are relevant to matters being discussed by the Board, its LGBs or a committee. Where an interest has been declared, the trustee, local governor or staff should not attend that part of the meeting.

**10.4** When trading with connected parties, you must pay no more than 'cost' for goods or services provided by the following persons:

- any member, trustee or governor appointed to support SHINE
- any individual or organisation connected to a member, trustee, or governor
- any individual or organisation that is given the right under SHINE's articles of association to appoint a member, trustee or governor or anybody related to such individual or organisation
- any individual or organisation recognised by the Secretary of State as a sponsor of SHINE; or anybody related to such individual or organisation

## **Accounting system**

### **11.1 PS Financials (PSF) accounting system**

All the financial transactions of SHINE and its academies must be recorded on the PSF accounting system. The PSF system is operated by the CFO, office/business manager and anyone appointed by the Board with appropriate skills and experience, and consists of:

- orders/invoices/journals
- payments/receipts/nominal ledger bank postings
- monthly reconciliations
- recording of all transactions
- aged purchase ledger and sales ledger
- balance sheet management
- payroll input
- asset system management and depreciation
- all routine reporting.

## **System access**

**12.2.1** Entry to the PSF system is password restricted and passwords are changed regularly. At no time should an individual disclose their password to anyone else. It is expressly forbidden for more than one person to access the financial system using the same username/password.

**12.2.2** Access to the PSF system is to be restricted to the CFO, office/business manager and anyone delegated by this post, the HT or any signatory given authorising responsibility in the HT's absence as well as those responsible for auditing the financial systems of the academy. Budget holders (if applicable) will have password secured access to the online module for the purposes of requisitioning goods and authorising goods received notes.

Where it is suspected that unauthorised access to the system has taken place, the Board's appointed finance and business committee (who have delegated responsibility for all audit matters) shall be notified immediately.

## **Back-up Procedures**

**13.3.1** The CFO is responsible for ensuring that there is effective back up procedures for PSF data and that provision is made for restoring data in a disaster.

**13.3.2** The CFO will prepare a disaster recovery plan in the event of loss of a financial system. This should link in with the annual assessment made by the Board and its LGBs of the major risks to which SHINE and its academies are exposed and the systems that have been put in place to mitigate those risks.

## **Transaction processing**

**14.4.1** All transactions input to the accounting system must be authorised in accordance with the procedures specified in this handbook. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the handbook.

**14.4.2** Detailed information on the operation of the PSF system can be found in the user manuals held by the academy and available from PSF.

## Reconciliations

**15.5.1** The CFO, office/business manager are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- payroll control account
- assets system to nominal ledger balance sheet
- bank balance per the nominal ledger to the bank statement
- petty cash is physically counted should this be held
- prepayment and deferred income tracker

**15.5.2** Any unusual or long outstanding reconciling items must be brought to the attention of the HT and the CFO. The HT will review and sign all reconciliations as evidence of this review.

## Financial planning

**16.1** The academy prepares medium term (3 years) and annual financial plans.

**16.2** The medium-term financial plans are prepared as part of the development planning process.

**16.3** The development plan indicates how the academy's educational; premises and other objectives are going to be achieved within the expected level of resources over the next three-year period.

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

**16.5** The development planning process and the budgetary process are described in more detail below.

## Development plan

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

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

**17.3** Each year the HT will propose a planning cycle and timetable which allows for:

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

**17.4** The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the HT.

**17.5** The completed development plan will include detailed objectives for the coming academic year and outline broad objectives for the following two years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

**17.6** For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned to a senior member of staff. That staff member should monitor performance against the defined success criteria throughout the year and report to the senior management team on a termly basis. The senior management team through the HT will report to the CEO if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

## **Annual budget**

**18.1** The office/business manager is responsible for preparing the annual budget with the HT and CFO. The Board's finance and business committee review recommended annual budgets and recommend the Board approve the annual budget which is submitted to DfE.

**18.2** The approved budget must be submitted to the DfE by the specified deadline each year and the CFO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met.

**18.3** The annual budget will reflect the best estimate of the resources available to SHINE for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

**18.4** The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable
- review of other income sources available to the academy to assess likely level of receipts
- review of past performance against budgets to promote an understanding of the academy cost base
- identification of potential efficiency savings and review of the main expenditure headings considering the development plan objectives and the expected variations in cost. For example, pay increases, inflation, and other anticipated changes

## **Balancing the budget**

**19.1** Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

## **Finalising the budget**

**20.1** Once the different options and scenarios have been considered, a draft budget should be prepared by the office/business manager in conjunction with the HT for consideration by the CFO and the Board's finance and business committee, the Board will finalise the budget. The budget

should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

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

### **Monitoring and review**

**21.1** Monthly budget monitoring will be undertaken by the CFO, office/business manager. Reports will be prepared and will detail actual income and expenditure against budget at a summary level for the HT.

**21.2** Any potential overspend against the academy budget must in the first instance be discussed with the CFO and HT, and then highlighted at the Recourse Committee meetings if required.

**21.3** The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate.

### **Staff**

#### **22.1 Staff appointments**

**22.1.1** The academy with the Central team will review their personnel establishment for the academy and seek the Board's approval. Changes can only be made to this establishment with the express approval in the first instance by the Board's finance and business committee who must ensure that adequate budgetary provision exists for any establishment changes, then confirmed by the Board.

**22.1.2** The HT has authority to appoint staff within the authorised establishment in conjunction with the Board and the Scheme of Delegation. The office/business manager maintains personnel files for all members of staff which include contracts of employment, ID, and relevant qualifications

**22.1.3** HT appointments are made by the Board.

## **Payroll administration**

**23.1** SHINE payroll is administered by an external provider. The office/business manager is responsible for updating the information passed to them in a timely manner on a monthly basis.

**23.2** All staff are paid monthly by BACS. A master file is created for each employee which records:

- salary
- duty information and hours
- bank account details
- taxation status
- personal details
- any deductions or allowances payable

**23.3** Changes to contracts, including details of any new appointments, terminations, contract changes or additional payments are prepared by administrative staff and must be authorised by the HT in conjunction with SHINE's Terms of Reference before being submitted to the payroll/HR provider.

**23.4** New staff can only be added to the payroll with the express authorisation of the HT. New staff must complete all relevant payroll documents issued by the office/business manager. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.

**23.5** The payroll payment must be authorised by the HT via the payroll provider portal and also a hardcopy copy of the payroll should be authorised by the HT.

**23.6** The office/business manager is responsible for liaison with the payroll provider to ensure all pay and other pay related matters, including sickness and unpaid leave are correctly determined prior to payments being authorised and that any errors are corrected as soon as is practically possible.

## **Payments**

**24.1** After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total will be provided. The print must be reviewed and authorised together with authority to release payment by the office/business manager and the HT.

**24.2** All salary payments are made by BACS.

**24.3** The office/business manager should prepare a reconciliation between the current months, the contract of employment record and the budget and investigate and deal with discrepancies. This reconciliation should be carried out promptly and identified discrepancies reported to the HT.

**24.4** The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions, but this list is not exhaustive. The amounts payable are summarised on the gross to net pay and these amounts should be checked by the office/business manager and authorised for payment by the office/business manager and the HT (or authorised SHINE central team) by the due date.

**24.5** After the payroll has been processed, PSF will need to be updated. Postings will be made both to the payroll control account and to individual cost centres. The office/business manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

### **Changes to payroll**

**25.1** Changes to payroll documents (including payment of extra hours, change to pay scale etc.) must be signed by the relevant member of staff and submitted by the office/business manager. The documents will then be given to the HT for authorisation and signing, in conjunction with the Board and in line with their Terms of Reference. The relevant details will then be forwarded to the payroll provider. Any documents relating to changes to payroll must be retained in the member of staff's personnel file.

**25.2** Staff can claim expenses for travel etc as per the SHINE Staff Expenses policy.

### **HR documentation**

**26.1** All staff members should have their own files kept locked away with access restricted to named employees.

The following information should be kept in each staff member file and signed accordingly:

- checklist
- new starter forms
- offer letter
- references
- contract
- ID
- qualifications
- job description
- all documentation evidencing variations to any of the above

## Purchasing

**27.1** The Board will attempt to achieve the best value for money from all purchases. This means getting what is needed in the correct quality, quantity, and time at the best price possible. A large proportion of purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:

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

The Board will work closely with all the academies within SHINE to support the development of Cross-Trust buying power.

**27.2** When a payment covers all or part of the next financial year it should all be coded as a prepayment and a journal released each month to the appropriate cost code. However, if the total net cost is less than £1,000, this does not need to be recognised on the tracker each month, only the part that falls into the following academic year.

**27.3 The Purchase of Alcohol.** The trust's funds **must not** be used to purchase alcohol for consumption, except where it is to be used in religious services.

## Charge cards/multi pay card

**28.1** Where appropriate, the academy charge card can be used to make payment.

- this should be used if a cost saving can be demonstrated
- for course fees and travel costs

- or is unavailable from a supplier that accepts credit
- evidence like a vat receipt should be gained for purchases or email confirmation must be kept for audit purposes for licences etc

A charge card form must be completed before purchase and authorised; if the value of the purchase is unknown then a projected cost should be included on the form. All purchases should be confirmed as “goods received”.

**28.2** The HT must approve all transactions before purchases are made. All receipts must be reconciled to the statement on a monthly basis and input onto the finance system. Monthly limit cannot be exceeded. Individual users must agree to terms and conditions before use. VAT numbers must be evident on receipts in order to claim any VAT applicable.

### **Routine purchasing**

**29.1** Budget holders will be informed of the budget available to them before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. The office/business manager will ensure that budget holders are given live data on request from the PSF system to enable them to proactively monitor and manage their budget. The officer ordering the work, goods, materials, or services must always take reasonable steps to achieve the best value for money.

**29.2** All purchases are approved by HT. In the first instance, a supplier should be chosen from the list of approved suppliers maintained by the Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list, the reasons for this decision must be discussed and agreed with the office/business manager and a new supplier form completed. Internal orders forms must be completed and signed off by the HT before processing by the office. If the items are to be purchased by an individual and not through PSF, a permission to buy form must be completed and signed by the HT before the goods are purchased to ensure the individual will be reimbursed.

**29.3** All orders for curriculum goods and services must be made using an official order form generated using the PSF system, unless:

- it is in respect of utilities, rates, or catering
- the work is of an urgent nature and must be carried out immediately
- the cost is related to trip expenditure

- a formal contract has been entered into
- an alternative process has been agreed with the HT

**29.4** Authorised orders are dispatched electronically to the supplier by the office/business manager.

**29.5** All invoices should be sent to the office/business manager. Invoice receipt will be recorded in the purchase ledger. Note; if there is no delivery note the invoice must be signed that goods have been received.

**29.6** If a budget holder is pursuing a query with a supplier the office/business manager must be informed of the query and periodically kept up to date with progress.

**29.7** At the end of every month the office/business manager will review all outstanding invoices from the purchase ledger. This is to ensure any old items are resolved, credits chased and cleared, and payments made on a timely basis. This review should be performed before finalisation of monthly management accounts.

**29.8** The office/business manager will generate cheques and/or BACS payments. The cheques or BACS report and associated paperwork must be authorised by two of the nominated cheque signatories.

**29.9** The office/business manager will check all outstanding orders in PSF to ensure that they are rightly still open. They will ensure that any deliveries/services received are accurately reflected. This review should be performed before finalisation of monthly management accounts.

### **Orders less than £30,000**

**30.1** Orders between £1-£5,000 purchasers must ensure getting value for money.

At least three written quotations should be obtained for all orders between £5,000 and £30,000 to identify the best source of the goods/services. Written details of quotations obtained should be retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made. Screen prints from website which identify the goods and clearly show a price, including delivery charge, are also acceptable.

**30.2** If three quotes or like for like quotes are unattainable due to the nature of the service or goods required i.e.: specialised curriculum program (Read Write Ink), or extending/adapting a

contract or service. The HT can agree a waiver form giving reasons why the quotes were not gained.

### Orders over £30,000

**31.1** All goods/services ordered with a value over £30,000 or for a series of contracts which in total exceed £30,000 must be subject to formal tendering procedures in accordance with Public Contracts Regulations 2015 and DfE Find a Tender service are observed.

### Forms of tenders

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

- **Open tender:** This is where all potential suppliers are invited to tender. The HT must discuss and agree with the office/business manager how best to advertise for supplier's e.g., general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
  - there is a need to maintain a balance between the contract value and administrative costs
  - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements
  - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering
- **Negotiated tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
  - the above methods have resulted in either no or unacceptable tenders
  - only one or very few suppliers are available
  - extreme urgency exists
  - it would build on previous works already done (For example, previous supplier knowledge of site specifics)
  - additional deliveries/services by the existing supplier are justified

## Preparation for tender

**33.1** Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract

**33.2** It may be useful after all requirements have been established to rank requirements (For example, mandatory, desirable, and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

## Invitation to tender

**34.1** If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

**34.2** An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender
- form of response

## Aspects to consider

### 35.1 Financial

- like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision
- care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- is there scope for negotiation?

### 35.2 Technical/suitability

- qualifications of the contractor
- relevant experience of the contractor
- descriptions of technical and service facilities

- certificates of quality/conformity with standards
- quality control procedures
- details of previous sales and references from past customers

### **35.3 Other considerations**

- pre-sales demonstrations
- after sales service
- financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc

### **Tender acceptance procedures**

**36.1** The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders received after the submission deadline should not normally be accepted.

### **Tendering procedures**

**38.1** For the Board and individual academies, the evaluation process for tendering should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

**38.2** Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

**38.3** Full records should be kept of all criteria used for evaluation and a summary should be prepared highlighting the relevant issues and recommending a decision. It is normal practice within SHINE that contracts that will have a significant material impact regardless of whether they are over the appropriate thresholds are discussed at Board or its finance and business committee and approval is gained before work is undertaken (For example, irregular work, sets a precedent, key staffing, etc).

**38.4** Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

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

## **Income**

**39.1** The main sources of income for the academy are the grants from the DfE for GAG and Local Authorities for Early years or SEN. The receipt of these sums is monitored directly by the office/business manager who is responsible for ensuring that all grants due to the academy are collected.

**39.2** The academy can also obtain income from:

- pupils, mainly for trips, clubs, dinner money and events
- the public, for lettings and use of accommodation

## **Trips**

**40.1** A trip organiser must be appointed for each trip to take responsibility for liaising with the office/business manager regarding costs and organising the collection of sums due. In conjunction with the office/business manager the lead teacher must prepare a record for each student intending to go on the trip showing the amount due. For the majority of local trips, the lead teacher can delegate responsibility for managing these records to the office/business manager.

**40.2** Pupils can make payments to the Office or trip organiser who then records the individual payments received. Payments can also be made through Parent Pay or Sum Up. Monies received should be recorded on the finance system and banked promptly.

**40.3** With residential trips the office/trip leader should maintain an up-to-date record for each pupil showing the amount paid and the amount outstanding. This record should be regularly updated as payments are made, and parents kept informed through a payment record of amounts outstanding.

**40.4** Evidence needs to be maintained to show Value for Money has been obtained on trip costs – as the same for other purchases.

**40.5** Payments for lunch are made at least weekly by parents and are recorded individually by administrative staff. A record of the lunches paid for is kept electronically. All monies are to be banked promptly.

## Lettings

**41.1** The office/business manager is responsible for maintaining records of letting charges.

Payments must be made in advance for the use of facilities.

**41.2** The office/business manager will establish a sales ledger account and produce a sales invoice from the PSF system. Outstanding debts will be chased to ensure payment is made on a timely basis, and/or the account is put on stop until debts are recovered.

**41.3** No debts should be written off without the express approval of the Board's finance and business committee (the Board & DfE)'s prior approval is also required if debts to be written off are above the value set out in the annual funding letter or the value set in this Handbook).

**41.4** Organisations using the facilities of the academy should be instructed to send all payments to the Office.

**41.5** Booking forms for lettings should be completed and authorised by the HT before the lettings take place to assist in the management of lettings, income and chasing of debts.

## Custody

**42.1** All income should be recorded in the PSF system on receipt. All cash and cheques must be kept in the safe and banked every week or more frequently if the cash sums collected could exceed the limits prescribed by the academy's insurance cover.

**42.2** Monies collected must be banked in their entirety in the appropriate bank account. The office/business manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The depositing of monies is undertaken jointly with other office staff both for security and for propriety in handling the reconciliation process. The reconciliations must be prepared promptly after each banking.

**42.3** The cash limit to be kept in SHINE's academies is limited to £500 for those that have direct payment systems such as Parent Pay, and £1,000 academies with non-direct payment.

## Cash management

### Bank accounts

**43.1** The opening of all SHINE and its academies accounts must be authorised by the accounting officer who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and authorising payment arrangements. The operation of systems such as BACS and other means of electronic transfer of funds must also be subject to the same level of control.

### Deposits

**43.2** Particulars of any deposit must be entered on a paying-in slip, counterfoil or listed in a supporting book. The details should include:

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

### Payments and withdrawals

**43.3** All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of two of the following authorised signatories:

- HT
- office/business manager
- other listed specifically on academy bank mandate
- BACS approval at the bank is completed by the Central team

**43.3.1** This provision applies to all accounts, public or private, operated by or on behalf of the Trust. Wherever possible, there should be a different signatory to payments than that of the authoriser of the purchase.

**43.3.2** Payments made through the bank automated clearing service (BACS) should utilise an appropriate password system of authorisation. The principle of separation of duties requires that two members of the SHINE team approve the BACS payments on the bank portal. No BACS payment run other than payroll should exceed £50,000. In exceptionally circumstances the CFO will in form the bank prior to agreeing any BACS payments.

## Administration

**43.4** The office/business manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's cash book
- reconciliations are prepared by the office/business manager
- reconciliations are subject to an independent monthly review
- adjustments arising are dealt with promptly

## Petty cash accounts

**43.5** The academy must not hold a petty cash account. Monies for reimbursement for staff and other small items of expense are paid through the staff ledger in the PSF system and by BACS.

## Cash flow forecasts

**43.6** The office/business manager is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day-to-day operations on a monthly basis. Where cash flow forecasts predict a lack of available funds to service commitments, this should be notified to the HT and CFO immediately and reviewed by their finance and business committee on a regular basis.

## Investments

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

**43.7.2** All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost, and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## Fixed assets

### Asset register

**44.1** All items purchased with a value over the academy's capitalisation limit must be entered in an asset register; this also includes group purchases totalling the academy's capitalisation limit. The capitalisation limit has been set at £2000. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

#### **44.1.1** The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system
- support insurance claims in the event of fire, theft, vandalism, or other disasters

### Inventory

**44.1** All valuable/removable assets must be recorded on the Inventory register. Maintenance of this register must be kept up to date with regular physical verifications undertaken.

## Security of assets

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

**44.3.1** All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the HT. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

## Disposals

**44.4** Items which are to be disposed of on the academy inventory must be authorised for disposal by the HT and CFO and, where the original cost >£10,000, by the Board.

**44.4.1** Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner, or that the hard drive has been cleaned prior to the computer being handed over.

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

**44.4.3** All disposals of land, building and heritage assets must be agreed in advance with the Board, Secretary of State, and the local authority.

**44.4.4** Must ensure that any disposal of fixed assets achieves the best price that can reasonably be obtained and maintains the principles of regularity, propriety, and value for money.

## Loan of assets

**44.5** Items of academy property must not be removed from academy premises without the authority of the HT. A record of property loan must be recorded in a property loan book and

booked back in at the academy when it is returned. This does not apply to staff laptops which are used in the academy and taken home daily.

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