

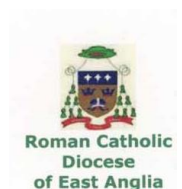
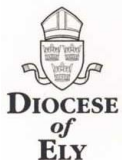


Financial Regulation Manual

Reviewed by the Directors: April 2022

Our Mission Statement

To create and sustain, with God's help, a learning, caring and serving community where all people are valued for who they are and who they may become in the light of Jesus Christ.



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1. Introduction

The purpose of this manual is to ensure that the Academy (St Bede's Inter-Church School) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Academy complies with the principles of financial control outlined in the Academy Trust Handbook published by the Education & Skills Funding Agency (ESFA). This manual expands on that and provides detailed information on the Academy's accounting procedures and systems – the manual should be read by all staff involved with financial systems.

2. Organisation

The Academy has defined the responsibilities of each person involved in the administration of Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for directors and staff.

The Directors

The Board of Directors has overall responsibility for the administration of the Academy's finances.

The main responsibilities of the Board of Directors are prescribed in the Funding Agreement between the Academy and the DfE and in the Academy's scheme of government. The main responsibilities include:

- ensuring that grant from the DfE is used only for the purposes intended;
- ensuring that funds from sponsors are received according to the Academy's Funding Agreement, and are used only for the purposes intended;
- approval of the annual budget;
- appointment of the Headteacher and
- appointment of the Finance Director, in conjunction with the Headteacher.

The Finance Committee

The Finance Committee is a committee of the Board of Directors. The Finance Committee meets five times per year.

The main financial responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the Board of Directors. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- reviewing the reports of the Responsible Officer (or equivalent) on the effectiveness of the financial procedures and controls. These reports are also reported to the Board of Directors and ESFA.

The Headteacher - The Accounting Officer

Within the framework of the Academy development plan as approved by the Board of Directors the Headteacher has overall executive responsibility for the Academy's activities including financial activities. Much of the financial responsibility has been delegated to the Finance Director but the Headteacher still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Directors have agreed should be approved by them;
- authorising orders and invoices in excess of £1,000
- authorising contracts over £5,000 in conjunction with the Finance Director
- authorising BACS payments in conjunction with other authorised signatories.

The Finance Director

The Finance Director works in close collaboration with the Headteacher through whom he or she is responsible to the Board of Directors. The Finance Director also has direct access to the Board of Directors via the Finance Committee. The main responsibilities of the Finance Director are:

- the day-to-day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the Board of Directors
- 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;
- authorising all orders (subsequent to authorisation by the budget holder); and
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

The Responsible Officer - Internal Audit

In line with the ESFA's Academy Trust Handbook the Governing body have appointed an external auditor to provide some of the internal audit duties, taking on the role of the Responsible Officer (RO) to provide directors with an independent oversight of the Academy's financial affairs. The main duties of a RO are to provide the governing body with independent assurance that:

- the financial responsibilities of the Board of Directors are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer (or equivalent) will undertake a sixth monthly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Board of Directors. A report of the findings from each visit will be presented to the Finance Committee, Board of Directors and the ESFA.

Finance Staff

Other members of staff, primarily the Finance Manager and Finance Officer and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures.

Register of Interests

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

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

The existence of a register of business interests does not, of course, detract from the duties of directors and staff to declare interests whenever they are relevant to matters being discussed by the Board of Directors or a committee. Where an interest has been declared, directors and staff should withdraw from that part of any committee or other meeting.

3. Accounting system

All the financial transactions of the Academy are recorded on the Academy's Sage 50 Cloud Accounts accounting system consisting of:

Journals

General Ledger

Bank Transactions

Purchases Ledger

Sales Ledger

System Access

Entry to the Sage system is password restricted. Access to the component parts of the Sage system can be restricted and the Finance Director is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

The Finance Director is responsible for ensuring that there is effective back up procedures for the system. Monthly Management Reports are filed in teams.

The Finance Director should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by Board of Directors of the major risks to which the Academy is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

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

All journal entries are posted by the Finance Director. Purchase and sales ledger transactions are input by the Finance Manager and Finance Officer.

Transaction Reports

The Finance Director will review transactions reports weekly and purchase ledger reports on a fortnightly basis.

Reconciliations

The Finance Director is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- bank
- sales ledger control account
- purchase ledger control account
- payroll control account
- VAT control account
- all suspense accounts

The bank account reconciliation should be provided to the Headteacher monthly for review.

4. Financial planning

The Academy prepares both medium term and short-term financial plans. The medium-term financial plan is prepared as part of the development planning process and forms a basis to the School Development Plan. The development plan indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

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

School Development Plan

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

For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned to a responsible manager who should monitor performance against the defined success criteria throughout the year and report to the senior leadership team on a quarterly basis. The senior leadership team will report to the governing body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The Finance Director is responsible for preparing and obtaining approval for the annual budget. The budget is approved by the Headteacher, Finance Committee and the Board of Directors. The approved budget is submitted to the ESFA by the published submission date each year and the Finance Director is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

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

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income 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

Once the different options and scenarios have been considered, a draft budget should be prepared by the Finance Director for approval by the Headteacher, the Finance Committee and the Board of Directors. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. 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

Monthly management reports will be prepared by the Finance Director. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Headteacher and the Finance Committee. Any potential overspend against the budget is in the first instance discussed with the Finance Director and the responsible budget holder.

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. If a budget overspend is forecast it may be appropriate to divert money from another budget or from the contingency.

5. Payroll

The main elements of the payroll system are:

- staff appointments
- payroll administration
- pension payments
- payments.

Staff Appointments

The Board of Directors has approved a personnel structure for the Academy. Changes can only be made to this structure with the express approval in the first instance of the Finance Committee who ensures that adequate budgetary provision exists for any establishment changes. The Headteacher has authority to appoint staff within the authorised establishment except for Deputy Headteachers and the Finance Director whose appointments follows consultation with the Board of Directors. The Headteacher maintains personnel files for all members of staff which include contracts of employment.

Payroll Administration

The Academy payroll is outsourced to Education Personnel Management (EPM). All staff are paid monthly through the payroll provider. A master file is created for each employee by the Resources Manager which records:

- salary
- bank account details
- taxation status
- personal details
- any deductions or allowances payable.

Timesheets are completed by staff for overtime. The details are input onto the EPM portal by the Finance Director to calculate the cost for the Headteacher to approve before the payroll for is prepared for the month.

Payments

The Finance Director reviews the monthly draft payroll, comparing to prior month and known changes, as provided the Resources Manager (e.g. leavers, joiners, changes in rates of pay, hours worked etc.) and overtime claimed.

The Finance Director's review should also select one employee at random each month and check the calculation of gross pay to ensure that the payroll system is operating correctly.

The draft payroll reviewed by the Finance Director is then subject to the Headteacher's review. Once the Finance Director and Headteacher have approved the draft payroll, EPM is given authority to release payment. All salary payments are made by BACS.

The Finance Director is responsible for posting salary costs on Sage and for ensuring that subsequent payments clear the relevant payroll related liability accounts e.g. net pay, HMRC and pension liability accounts.

6. Purchasing

The Academy wants to achieve the best value for money from all purchases. This means getting the correct quality and quantity at the best price possible on a timely basis. A substantial proportion of purchases will be paid for with public funds and the following general principles should be adhered to:

- **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 purchase of alcohol is not allowed unless it is to be used in religious services.

Routine Purchasing

Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A report detailing actual expenditure against budget will be supplied to each budget holder each half term.

Routine purchases up to £1,000 can be ordered by budget holders. All orders should be sent on an official order form to the Finance Manager detailing the supplier, item required, quantity and price and be signed by the budget holder. The School's preferred suppliers should be used in the first instance. 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 Finance Manager will review as appropriate for the Finance Director to approve.

The Finance Director will check to ensure adequate budgetary provision exists before countersigning the order. Countersigned orders are entered onto Sage, allocated a reference number, and dispatched to the supplier by the Finance Manager. A copy of the order is emailed to the budget holder.

The Finance Manager makes appropriate arrangements for the delivery of goods to the Academy. On receipt the budget holder undertakes a detailed check of the goods received against the goods received note (GRN) and makes a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Finance Manager will keep a central record of all goods returned to suppliers.

All invoices should be sent to the Finance Office email inbox.

The Finance Manager will check:

- the invoice agrees to the purchase order in respect of the no. of goods/ services received
- prices are correct
- VAT is correct

The invoice will then be given to the budget holder for authorisation. The budget holder makes a detailed check against the order and the GRN. Budget holders undertake these checks without undue delay. When the budget holder has authorised the invoice, it is ready for payment. The Finance Director will authorise all invoices for payment. The Finance Manager will collate the details of payments and generate payment (by BACS). The BACS report and associated paperwork are authorised by two of the nominated bank signatories. After two signatories authorisation has been obtained the BACS is approved for payment by the Finance Director on the internet banking system.

The Finance Manager will then update Sage for the payments, store BACS reports and associated paperwork on teams and send remittances to suppliers.

Orders over £5,000 but less than £40,000

At least three written quotations should be obtained for all orders between £5,000 and £40,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and confirmation of quotes has been received before a purchase decision is made.

Orders over £40,000

All goods/services ordered with a value over £40,000, or for a series of contracts which in total exceed £40,000 are subject to formal tendering procedures.

Forms of Tenders

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

- i) **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder discusses and agrees with the Finance Director how best to advertise for suppliers e.g., general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

- ii) **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,
 - many suppliers would come forward or because the nature of the goods is 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.

- iii) **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

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

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

Invitation to Tender

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

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

Financial

Like should be compared with like and if a lower price means a reduced service or lower quality this is 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?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

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

Tender Acceptance Procedures

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

Tender Opening Procedures

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

- For contracts up to £50,000 - two of the budget holders, the Finance Director or the Headteacher;
- For contracts over £50,000 - either the Finance Director or the Headteacher plus a member of the Finance Committee

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

Tendering Procedures

The evaluation process 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 withdraws from the tendering process. Those involved in the decision-making process must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for Finance Committee highlighting the relevant issues and recommending a decision. For contracts under £50,000 the decision and criteria should be reported to the Finance Committee. Where required by the conditions attached to a specific grant from the DfE, the department's approval is obtained before the acceptance of a tender.

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

7. Income

The main sources of income for the Academy are grants from the DfE. The receipt of grants is monitored directly by the Finance Director who is responsible for ensuring that all grants due to the Academy are collected.

The Academy also obtains income from:

- parents - for trips, transport, and catering
- the public - for lettings
- PTFA - resources

The Finance Officer is responsible for obtaining details of Wisepay receipts for trips, catering and transport and entering these on Sage.

Trips

A lead teacher is appointed for each trip. The Finance Officer prepares a budget for each trip in conjunction with the lead teacher and liaises with tour operators/venues as appropriate. Trip budgets need to include costs of travel, accommodation, entry fees, insurance including cancellation cover for pupils and teachers, supply teacher costs (if needed to cover lessons missed by accompanying students on the trip), mobile phone provision etc. as applicable. The total cost is then divided by the best estimate of the costs of the numbers of students expected to participate. Trips should aim to break-even.

The Finance Officer prepares a letter to be emailed via Wisepay to relevant year group parents/carers offering the trip with the estimated costs. The email will refer to financial assistance to help cover the cost of the trip being available if needed by parents/carers. The Finance Officer will liaise with the Assistant Head or other relevant member of staff with bursary funding responsibility to agree the level of bursary to be offered.

Payments for all trips are to be made via Wisepay. The Finance Officer is responsible for entering trip income on sage and reminding parents/carers when instalments are due.

After a trip has taken place all costs and income should be summarised.

Catering

School lunches are paid for through Wisepay. The Finance Officer is responsible for communicating with parents when dinner monies are low. As a last resort if parents/carers are unresponsive to emails and texts accounts may be locked when accounts overdrawn. If this action is taken the parent/carer and kitchen are informed. Students would be advised to bring a packed lunch in this instance but if they fail to do so students will not be allowed to go without lunch. The Finance Officer will continue to liaise with parents/carers to resolve the issue.

School staff also operate Wisepay accounts to purchase lunches. Staff Wisepay accounts should not be allowed to go overdrawn. Staff will be reminded by email to add credit when their account balances are low. If accounts balances are not kept in credit they will be locked.

Transport

Payment for school transport is also via wispay. The Resources Manager will calculate the cost of transport for the various routes prior to the beginning of the academic year. The Finance Officer is responsible for communicating costs to parents/carers prior to the beginning of the academic year and for seeking payment termly.

Lettings

The Resources Manager is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. Payments can be made in advance for the use of facilities. Details of organisations using the facilities should be kept by the Finance Office who will establish a sales ledger account and produce a sales invoice from the Sage accounting system. Details of payments made and outstanding accounts will be monitored by the Finance Director each month and the Finance Officer is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

No debts should be written off without the express approval of the governing body (the DfE's prior approval is also required if debts to be written off are above the value set out in the annual funding letter). Organisations using the facilities should be instructed to send all payments to the Finance Office.

Custody

St Bede's Inter Church School aims to be cashless. All income is paid either directly into the bank account or via Wisepay. Records are kept electronically.

8. Cash Management

Bank Accounts

The opening of all accounts is authorised by the Board of Directors setting out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and BACS authorisations.

Payments and withdrawals

All BACS payments and other instruments authorising withdrawal from Academy bank accounts bear the signatures of two of the following authorised signatories:

- Headteacher
- Deputy Headteachers
- Assistant Headteacher

This provision applies to all accounts, operated by or on behalf of the Board of Directors of the Academy.

Administration

The Finance Director downloads bank statements regularly and reconciles the bank on a monthly basis. Reconciliation procedures ensure that:

- all bank accounts on the Academy's accounting system are reconciled to the Academy's bank statements;
- reconciliations are subject to an independent monthly review carried out by the Headteacher
- adjustments arising are dealt with promptly.

Petty Cash Accounts

The Academy maintains a maximum cash balance of £20 only. The Finance Officer is responsible for recording any petty cash transactions.

Payments and Withdrawals

Any payments should be made by BACS directly from the main bank account.

Credit cards

The Academy has a corporate credit card account. Nominated individuals have named cards for use in case of last resort where items cannot be purchased on trade credit, for example the purchase of stamps on the Royal Mail website. Staff must not share cards and are responsible for the safe keeping of their card and pin number. Cards are stored in the safe when not in use.

Each allocated card has a set maximum spend. The maximum facility provided to any staff member is £1,000. All purchases on the credit card go through the normal purchasing approval process and card holders are required to obtain receipts for all purchases. Credit card holders can access details of their monthly spend on line. The Finance Director has on line access to the whole account to see balances on all cards during the month.

The combined credit account balance is paid by direct debit monthly. The Finance Manager posts the payments for transactions on sage once the direct debit has cleared the bank (around 15th of each month).

Cash Flow Forecasts

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

Higher Interest Accounts

Funds allocated to High Interest Accounts are made in accordance with written procedures approved by the Board of Directors. Interest received from these accounts is identified in the accounts on an annual basis. See Investment Policy.

9. Fixed Assets

Asset register

All items purchased with a value over the Academy's capitalisation limit of £1,500 are entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register helps:

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

Security of assets

Stores and equipment are secured by means of physical and other security devices. Only authorised staff may access the stores. All the items in the register should be permanently and visibly marked as the Academy's property. Spot checks of a sample of assets should be undertaken a regular (at least annual) basis by someone other than the person maintaining the register to verify that assets on the register are still at the Academy and are in a fair condition. Discrepancies between the spot checks and the amount recorded in the register should be investigated and any necessary amendments should be reflected in the fixed asset register and on sage. Where significant, any losses or damaged assets should be reported to the Board of Directors. Where items are used by the Academy but do not belong to it this should be noted.

Disposals

Items which are to be disposed of by sale or destruction are authorised for disposal by the Finance Director and, where significant, should be sold following competitive tender. The Academy seeks the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant more than £20,000 was paid. 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.

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 repays to the DfE a proportion of the sale proceeds. All disposals of land are agreed in advance with the Secretary of State.

Loan of Assets

Items of Academy property are not be removed from Academy premises without the authority of the Head of Department. A record of the loan is recorded in a loan book and booked back in Academy when it is returned.

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

10. VAT

The Finance Manager will reclaim VAT monthly via HM Revenue and Customs.

VAT can only be reclaimed provided:

- The goods or services are for the use of the school
- A valid VAT invoice is obtained
- Invoices obtained by staff on behalf of the school show the customer as the school.