



The Futures Trust Financial Management Policy 2023

Date of last review: Formerly TFT Finance Policy – September 2023

Reviewed by: Trust Finance Director

Agreed by Trustees: 2 October 2023

Date of Next Review: September 2024

Contents

1. Introduction
2. Interaction with other Trust policies
3. Organisation
 - Board of Trustees / Trustees Sub-Committee: Finance, Resources, Audit and Risk
 - Board of Trustees
 - Finance, Resources, Audit and Risk Committee (FRARC)
 - The Chief Executive Officer
 - The Trust's Headteachers
 - The Finance Director
 - The Business/Finance Manager
 - Internal Audit
 - Other Staff
4. Conflict of Interest
5. Trading with Related Parties
6. Accounting System
 - System Access
 - Back-up Procedures
 - Transaction Processing
 - Reconciliations of Balance Sheet Accounts
7. Financial Planning
 - Development Plan
 - Annual Budget
 - Balancing the Budget
 - Finalising the Budget
 - Monitoring and Review
8. Payroll
 - Staff Appointments
 - Payroll Administration and Payments
9. Procurement - Detailed in Appendix 1
 - Routine Purchasing
 - Forms of Tenders
 - Credit Cards and Purchasing Cards
10. Income
 - Trips
 - Pricing
 - Custody
11. Cash Management
 - Bank Accounts
 - Payments and withdrawals

- Cash Flow Forecasts
12. Fixed Assets
 - Fixed Asset Register
 - Security of Assets
 - Loan of Assets
 - Disposals
 - Depreciation Policy
 13. Leases
 14. Companies Policy
 15. Reserves & Investments Policy
 16. Charging & Remission Policy
 17. Staff Expenses
 18. Trustees' and Governors Expenses
 19. Taxation
 20. Insurance
 21. Bad Debts – Discretion as required
 22. Novel, contentious and/or repercussive related party transactions
 23. Monitoring Outcomes & Review

1. Introduction

- 1.1 The purpose of this policy and associated procedures is to ensure that The Futures Trust (TFT) maintains and develops systems of financial control which conform to the requirements both of propriety, value for money and of good financial management. It is imperative that these systems are complied with in order to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).
- 1.2 The Trust, and each and every academy within the Trust, must comply with the principles of financial control detailed in the Education and Skills Funding Agency (ESFA) Academy Trust Handbook published by the DfE. This policy provides detailed information on the Trust's accounting procedures, which should be read by all staff involved with financial systems, management and reporting.
- 1.3 The policy covers all finance related policies.
- 1.4 This policy relates to all of the Trust's Academies. Adherence to the principles and procedures contained in this policy is mandatory for all staff.
- 1.5 This policy is designed to be consistent with:
- i ESFA Academy Trust Handbook
 - ii The Trust Memorandum and Articles of Association / Constitution / Scheme of Delegation
 - iii HM Treasury's Regularity, Propriety and Value for Money
 - iv iv. Master and Supplemental Funding Agreements

2. Interaction with other Trust policies

2.1 This Policy also contains the following appendices:

- Appendix 1 TFT Procurement Policy
- Appendix 2 TFT Corporate Card Policy
- Appendix 3 TFT Petty Cash Policy
- Appendix 4 TFT Reserves Policy
- Appendix 5 TFT Staff Expenses Policy
- Appendix 6 TFT Trustee and Governor Expenses Policy

3. Organisation

3.1 The Trust has defined the responsibilities of each person involved in the administration of the Trust finances to avoid the duplication or omission of functions and to provide delegation of duties and a framework of accountability

for Trustees and staff. The financial reporting structure is outlined below in line with the Scheme of Delegation:

Board of Trustees / Trustees Sub-Committee: Finance, Resources, Audit and Risk

3.2 The Board of Trustees and Sub-Committees of the Trust have overall responsibility for the administration of its Academies' finances and the effectiveness of internal controls. The main responsibilities of the Board are prescribed in the Trust Articles of Association, its Constitution and in the Funding Agreement between the Trust and each of its Academies with DfE. These responsibilities in relation to financial matters include:

Board of Trustees

3.3 Trustees are responsible for ensuring that high standards of corporate governance are maintained, addressing such matters as:

- i. finance policy development and strategic planning;
- ii. approval of the Trust consolidated budgets
- iii. ensuring sound management and administration of the Trust and its academies and ensuring that managers are equipped with relevant skills and guidance;
- iv. ensuring compliance with general legislative requirements;
- v. establishing and maintaining a transparent system of prudent and effective internal controls;
- vi. management of the Trust's financial, human and other resources, with the Chair receiving Monthly Management Accounts as stipulated in the Academy Trust Handbook;
- vii. monitoring performance and the achievement of objectives and ensuring that plans for improvement are acted upon;
- viii. setting the Trust's standards of conduct and values;
- ix. assessing and managing risk, including the preparation of a statement on academies risk management, for its annual report and accounts;
- x. to hold to account each Trustee.

3.4 The Board is responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity, most particularly by:

- 3.5 assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
- 3.6 promoting a climate of financial discipline and control the opportunity for financial mismanagement.

Finance, Resources, Audit and Risk Committee (FRARC)

3.7 The FRARC is responsible for scrutinising the Trust and Academy budgets and finance, internal controls systems and risk management arrangements, most particularly by:

- i. assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds
- ii. improving the quality of financial reporting by reviewing internal and external financial statements on behalf of the Board;
- iii. promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement; and
- iv. promoting the development of internal controls and risk management systems which will help satisfy the Board that the Trust and its Academies will achieve their objectives and targets and are operating in accordance with any statutory requirements for the use of public funds;
- v. applying delegated authorities laid down by Board of Trustees;
- vi. ensuring a system which will make most economic and effective use of resources available.

The Chief Executive Officer

3.8 The Chief Executive Officer (CEO) is the Accounting Officer with responsibilities as described in HM Treasury's "Regularity, Propriety and Value for Money". The Accounting Officer has personal responsibility for the propriety and regularity of the public finances for which he / she is answerable. It must be ensured that, in considering proposals relating to the expenditure or income for which they have responsibilities, all relevant financial considerations are taken into account and full regard is had to any issues of propriety or regularity.

3.9 The main responsibilities of the CEO include:

- i. the development of the annual budget;
- ii. the development of medium term financial planning
- iii. the regular monitoring of actual expenditure and income against budget;
- iv. ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- v. ensuring that the regular reports provided to the Board are timely and accurate;
- vi. authorising orders and the award of contracts within the approval limits shown in Appendix 1;
- vii. authorising payments within the approval limits shown in Appendix 1
- viii. authorising changes to the Trust's personnel establishment within the authorised establishment.

The Trust's Headteachers

3.10 Within the framework of the Trust's Development Plan, each academy Headteacher has overall executive responsibility for his/her academy's activities including financial activities. Much of the financial responsibility has been delegated to the Finance Director and the Business Managers but the Headteacher still retains responsibility for:

- i. approving new staff appointments within the authorised establishment, except for any senior staff posts which the Board of Trustees have agreed should be approved by them;
- ii. authorising orders within the approval limits shown in Appendix 1;
- iii. authorising invoices within the approval limits shown in Appendix 1;
- iv. ensuring the delivery of the academy annual budget as approved by the
- v. Trust;
- vi. monitoring the regular budget reports with the Business Manager and acting on overspends or risk.

The Finance Director

3.11 The Finance Director works in close collaboration with the CEO through whom he or she is responsible to the Trust Board. The Finance Director has direct access to the Board. The main responsibilities of the Finance Director are:

- i. the management of the Trust's financial position at a strategic and operational level within the Finance Policy and procedures determined by the Board;
- ii. the maintenance of effective systems of internal control;
- iii. ensuring that the annual accounts are properly presented for external audit and adequately supported by the underlying books and records of each academy;
- iv. the consolidation of budgets and medium term financial plans, presenting them to the FRARC for approval;
- v. ensuring returns to EFSA and other funding agencies completed correctly and on time:
 - ensuring returns to statutory bodies are completed
 - cashflow and treasury management including managing investments
 - functional management of the financial element of Academy Business Managers
 - authorising orders and the award of contracts within the approval limits shown in Appendix 1;
 - authorising payments within the approval limits shown in Appendix 1.
 - provide reports at each FRARC Meeting on various financial matters, as appropriate, including latest Management Accounts, Cashflow projections and uses of delegated authority, as applicable.

The Business/Finance Manager

3.12 It is envisaged that each academy will have a Business/Finance Manager or a person who undertakes that role albeit with a different job title e.g. in a smaller school, Business Manager. The Business Managers work in close collaboration with the Finance Director and their respective Headteacher. The main financial responsibilities of a Business Manager are:

- i. the day to day management of financial issues;
- ii. authorising invoices within the approval limits shown in Appendix 1;
- iii. the preparation of the academy annual budget and medium term financial plans for approval by the LGB and the Trust;
- iv. ensuring that financial controls are working effectively at academy level
- v. actively monitoring expenditure versus budget;
- vi. monthly reporting of Management Accounts to the Finance Director together with explanations of variances;
- vii. identification and management of financial risks and escalating these to the Finance Director.

Internal Audit

3.13 The Internal Auditors are appointed by the Trustees (through the FRARC) and provide Trustees with an independent oversight of the financial control. The main duties of the Internal Auditors are to provide the Trustees with independent assurance that:

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

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

Other Staff

3.15 Other members of staff, primarily Finance Officers, Administration Assistants and budget holders, will have some financial responsibilities and these are detailed in the following sections of this policy and/or in each school's financial procedures.

3.16 All members of 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.

4. Conflict of Interest

4.1 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 Trust directors and senior staff are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. The register is open to public inspection with its need to be published on the relevant website.

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

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

4.4 The Board of Trustees must ensure that the requirements for managing connected party transactions are applied across the Trust. The Chair of the Board of Trustees and the Accounting Officer must ensure that their capacity to control and influence does not conflict with these requirements. They must manage personal relationships and **Related Parties** to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the **seven principles of public life**.

4.5 **The Seven Principles of Public Life** are:

- a. **Selflessness:** Holders of public office should act solely in terms of the public interest.

- b. **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- c. **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- d. **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- e. **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- f. **Honesty:** Holders of public office should be truthful.
- g. **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

5. Trading with Related Parties

5.1 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 agreed on or after 1 September 2023 where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August.

5.2 For the purposes of reporting to and approval by ESFA, contracts and agreements with related parties do not include salaries and other payments made by the Trust to a person under a contract of employment through the Trust's payroll.

6. Accounting System

6.1 The Trust uses the financial software Xero for all of its academies. All financial transactions of the Trust must be recorded on this system.

System Access

6.2 The Finance Director is responsible for user access. Entry to the Xero accounting system is password restricted with multi factor authentication enabled for all users.

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

Back-up Procedures

6.4 Xero is a cloud-based software system. The supplier performs backup operations at regular intervals during the day and overnight. Therefore, local backups at the Trust level is not necessary.

Transaction Processing

6.5 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy.

Reconciliations of Balance Sheet Accounts

6.6 The Finance Director is responsible for ensuring the following reconciliations are performed monthly at each Academy within the Trust, and that any reconciling or balancing amounts are cleared:

- i. sales ledger control account
- ii. purchase ledger control account
- iii. payroll control account
- iv. any suspense accounts
- v. accruals and prepayments
- vi. bank balance per the nominal ledger monthly to the bank statement.

7. Financial Planning

7.1 The Trust and each academy will prepare both short term and medium term financial plans. Medium term is defined as a period of three to five years.

7.2 The medium term financial plan is prepared as part of the Trust and Academy Development planning process. The Development Plan indicates how the Trust's and each academy's educational and other objectives / priorities need to be achieved within the expected level of resources over the next three years. The assumptions will be set by the CEO/Trustees.

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

Development Plan

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

7.5 The form and content of the Development Plan will be set by the CEO and due regard should be given to any annual guidance issued by the DfE in the Academy Trust Handbook.

Annual Budget

7.6 The Finance Director is responsible for working with the Headteachers, the Business Managers and others to prepare a draft consolidated annual budget for consideration by the CEO. Business Managers are required to provide draft budgets and supporting rationale for their individual schools in accordance with a timetable notified by the Finance Director. The CEO is responsible for obtaining approval of the budget by the Board of Trustees.

7.7 The approved budget must be submitted to the DfE by the specified date (normally 31 August), 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. A Financial Calendar will be prepared which details all of the submission dates required by the ESFA.

7.8 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 Action Plan objectives and the budgeted utilisation of resources.

Balancing the Budget

7.9 Each Academy should set a balanced budget, taking into account short and medium term projections and the need to invest to meet the longer term business plan. Any proposed use of reserves requires approval of the Accounting Officer.

Finalising the Budget

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

Monitoring and Review

- 7.11 Monthly reports will be prepared by the Business Managers, supported by the Finance Director. The reports will detail actual income and expenditure against budget for budget holders and at a summary level for the CEO, Headteachers and Finance Director.
- 7.12 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. Monthly management accounts will always include a latest financial forecast for the year.
- 7.13 If a budget overspend is forecast it will not be appropriate to transfer money from another budget or from the contingency.

8. Payroll

- 8.1 The main elements of the payroll system are staff appointments, together with payroll administration and payments.

Staff Appointments

- 8.2 As part of the annual budget process, the Trust Board will approve a staff establishment for the Trust and each academy. Substantial changes (e.g. the addition of permanent full-time posts) can only be made to this establishment with the express approval in the first instance of the CEO who must ensure that adequate budgetary provision exists for any establishment changes.
- 8.3 Where changes are in line with agreed budgets and in line with the approved Academy Development Plan, Headteachers may have authority to change the FTE size or scope of posts within their Academy.
- 8.4 The CEO and Headteachers have authority to appoint staff within the authorised establishment except for the roles of the senior leadership group, when other Trust directors will generally be involved. The CEO will approve all appointments to the senior leadership group of the Trust.

Payroll Administration and Payments

- 8.5 Payroll is currently outsourced to a single provider for the entire Trust and the approval of the FRARC is needed to change any such arrangements.
- 8.6 The Trust has a Pay Policy and all appointments and changes to salary must be consistent with this. Any variations to this must be approved by the CEO.
- 8.7 Approval of the CEO's remuneration will be by the Trustees.

- 8.8 Approved adjustments to the monthly payroll or standing data must be administered by the Business Manager and reviewed subsequently by the Headteachers and Finance Director, prior to payroll processing.
- 8.9 All severance payments must be approved by the CEO and the CEO will seek prior approval from the ESFA as required by the Academy Trust Handbook.

9. Procurement - Detailed in Appendix 1

- 9.1 The Trust wants to achieve the best value for money from all of its purchases. This means getting goods at 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:
- 9.2 Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
- 9.3 Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- 9.4 Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis.
- 9.5 It is particularly important in the case of the Trust that any tenders where a Trust director may have a conflict of interest are managed with utmost probity.

Routine Purchasing

- 9.6 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, working with the Business Manager, and to ensure that any expenditure is consistent with the objectives of the academy.
- 9.7 Appropriate authorisation limits are reviewed annually and approved by the Trust's Board (see Appendix 1).
- 9.8 It is necessary to take the principles of best value into account at all times although this will not necessarily be at the lowest cost. An explanation will need to be provided when the lowest cost quotation or tender is not accepted.
- 9.9 Procurement routes are outlined in Appendix 1.

Forms of Tenders

9.10 Details of forms of tenders and how to run a tender process are included in Appendix 1.

Credit Cards and Purchasing Cards

9.11 This is detailed in Appendix 2 TFT Corporate Card Policy.

10. Income

10.1 The main sources of income for the Trust are the annual funding grants received from the DfE / ESFA. The receipt of these sums is monitored directly by the Finance Director who is responsible for ensuring that all grants due to the Trust are collected.

10.2 Grant funding is received from sources such as the local city and county councils for a variety of purposes including SEN funding.

10.3 The Trust also obtains income from:

- students, for example trips, activities, uniforms, school dinners; and
- the public, mainly for lettings.

Trips

10.4 Each academy has a specific procedure on Trips. A designated staff member must be appointed for each trip to take responsibility for the collection of sums due. The appointment must be approved by the Headteacher.

10.5 The designated staff member will be responsible for estimating the costs, ensuring that payments are collected, producing a reconciliation etc.

Lettings

10.6 Letting and hire of the Trust facilities will be conducted in line with the Debtors and Lettings Policy for each academy which includes a tariff of charges, which will be reviewed annually.

Pricing

10.7 The Trust will set a tariff of charges for its chargeable services at full cost, but may apply an additional rate of return when in a commercial environment.

Custody

10.8 Receipts should be provided (and copies retained) by the member of staff receiving money from students, parents and third parties, then signed at the point that those monies are handed over to the Business Manager or designated person. Monies collected should be held securely in the Academy Finance Office Safe and should be banked and reconciled promptly, whilst notifying the Trust Central Team.

10.9 Wherever possible, 'cashless' payment systems should be introduced.

11. Cash Management

Bank Accounts

11.1 The opening of all accounts must be agreed and authorised by the CEO and Finance Director who will set out, the arrangements covering the operation of accounts, including any transfers between accounts, BACS authorisation and cheque signing arrangements. Opening of new accounts and changes to existing mandates may require approval by FRARC or Trustees if the banks require necessary relevant information. 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.

Payments and withdrawals

11.2 All cheques and other instruments authorising withdrawal from the Trust bank accounts must bear the authorisation and signatures of authorised signatories as detailed in the Trust bank mandates.

11.3 This provision applies to all accounts, public or private, operated by or on behalf of the Board of Directors of the Trust.

Administration

11.4 All bank accounts must be reconciled monthly and checked by the Trust accountant where applicable, within ten working days of month end. The Finance Director will regularly review the bank reconciliations.

Petty Cash Accounts

11.5 This is detailed in Appendix 3 TFT Petty Cash Policy.

Cash Flow Forecasts

- 11.6 The Finance Director is responsible for preparing monthly cash flow forecasts for up to twelve months ahead to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

12. Fixed Assets

- 12.1 All fixed asset additions must be approved by the Finance Director.
- 12.2 All expenditure on IT equipment, IT infrastructure and related IT developments must be approved by the Finance Director, who will liaise with the Chief Executive Officer and ICT Director to ensure that investment is consistent with the Trust's overall IT strategy.

Fixed Asset Register

- 12.3 All items or groups of similar items purchased with a value over the Trust's capitalisation limit of £2,000 must be capitalised. Assets below this value of £2,000 will be charged to the income and expenditure in the year of purchase.
- 12.4 All assets with a value above £2,000 will be entered into the Fixed Asset Register.
- 12.5 Business Managers will review the Fixed Asset Register on a yearly basis to ensure completeness and identify any discrepancies. Any discrepancies over £1,000 must be reported to the Trust's Finance Director.
- 12.6 The Fixed Asset Register helps:
- i. ensure that staff take responsibility for the safe custody of assets;
 - ii. enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
 - iii. to manage the effective utilisation of assets and to plan for their replacement;
 - iv. help the external auditors to draw conclusions on the annual accounts and the Trust's financial system and support insurance claims in the event of fire, theft, vandalism or other disasters;
 - v. security & disposal of assets.

Security of Assets

- 12.7 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 12.8 All the items in the fixed asset register should be permanently marked as the Trust's property and there should be a regular (at least annually) 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 Trust Finance Director.
- 12.9 Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it, this should be noted.

Loan of Assets

- 12.10 Items of Trust property, except staff and student laptops or tablets, must not be removed from academy premises without the authority of the Headteacher.
- 12.11 If assets are on loan for extended periods or to a single member of staff on a regular basis for personal use, the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust's auditors.

Disposals

- 12.12 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance Director and, where significant, should be sold following competitive tender.
- 12.13 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.
- 12.14 All disposals of land must be agreed in advance with the Secretary of State.

Depreciation Policy

12.15 The Trust will depreciate fixed assets in line with recognised Accounting Policies agreed with the External Auditors, best practice and DfE guidelines.

12.16 Depreciation rules will be approved by the Board in advance of preparing the annual statements.

13. Leases

13.1 The Trust is able to enter into operational leases as outlined in the Academy Trust Handbook.

13.2 Finance leases are a form of borrowing and may only be entered into with the specific authority of the ESFA.

13.3 All operating leases will be signed off within the procurement policy limits and with the CEO's approval.

14 Companies Policy

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

15 Reserves & Investments Policy

15.1 This is detailed in Appendix 4 TFT Reserves Policy.

16 Charging & Remission Policy

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

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

16.3 Academies may charge for some optional activities which take place wholly or mainly outside academy hours. The Trust may invite voluntary contributions

for these activities from parents. Parents who wish to discuss financial matters are able to discuss them in confidence with the Headteacher.

- 16.4 In all cases, where a charge is made it will not exceed the costs of the provision.

17 Staff Expenses

- 17.1 This is detailed in Appendix 5 TFT Staff Expenses Policy.

18 Trustees' and Governors Expenses

- 18.1 This is detailed in Appendix 6 TFT Trustee and Governor Expenses Policy.

19 Taxation

- 19.1 The Trust will account for VAT strictly in compliance with the rules and regulations applicable at that time. It is the responsibility of the Finance Director to ensure compliance with VAT regulations.
- 19.2 The Finance Director will ensure that Corporation Tax returns are completed on time and in accordance with legislation.
- 19.3 Any payments to contractors and subcontractors will be made in accordance with the Construction Industry Scheme and any consultant will only be paid gross, when that is following PAYE guidance.

20 Insurance

- 20.1 The Trust reviews all risks continually to ensure that the cover available and the sums insured are adequate.
- 20.2 The Trust will notify the insurers of any new risks or any other alterations affecting existing insurance.
- 20.3 The Trust will not enter into indemnities which are not in the normal course of business.
- 20.4 The Trust will immediately advise the insurers of any accident, loss of other incident which may give rise to an insurance claim and Business Managers or Headteachers must provide such information promptly to the Trust Commerce and Risk Manager.

21 Bad Debts – Discretion as required

- 21.1 The procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable will follow this guidance.
- 21.2 Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, an invoice will be issued.
- 21.3 Income from lettings will be collected in accordance with the Lettings Policy.
- 21.4 If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off after approval by the Finance Director up to £1,000, otherwise by FRARC and in accordance with the guidance provided in the Academy Trust Handbook. The Trust must obtain the ESFA's prior approval for writing off debts above limits specified in the Handbook.
- 21.5 To ensure sound internal control, staff who raise invoices, will not have the authority to write off debts. The VAT element of any debt must not be written off, as this contravenes HM Revenue & Customs statutory requirements.
- 21.6 The Academies will retain a Bad Debt Write-Off Summary.

22 Novel, contentious and/or repercussive related party transactions

- 22.1 Novel, contentious and/or repercussive related party transactions are subject to separate arrangements. Trusts must obtain ESFA's prior approval for any contracts and other agreements with related parties that are novel, contentious and/or repercussive, regardless of value. Approval must be sought using ESFA's related party on-line form. Trusts should carefully consider the impact of this requirement and its relevance to transactions involving the board chair and/or the accounting officer

23 Monitoring Outcomes & Review

- 23.1 Outcomes will be monitored and reviewed by regular internal checks and scrutiny by senior management including an annual review with Business Managers and the Finance Director.
- 23.2 Effectiveness of this policy and any associated procedures will also be monitored by the FRARC, supported by External Audit, including the Regularity Audit, and regular testing by Internal Audit. Audit results will be presented by regular written reports to FRARC.

23.3 Findings and recommendations will be used to revise this policy and associated procedures; this will be undertaken by referring any recommendations for changes to FRARC.

Appendix 1	TFT Procurement Policy
Appendix 2	TFT Corporate Card Policy
Appendix 3	TFT Petty Cash Policy
Appendix 4	TFT Reserves Policy
Appendix 5	TFT Staff Expenses Policy
Appendix 6	TFT Trustee and Governor Expenses Policy



TFT Procurement Policy 2023

Date of Review date: September 2023

Reviewed by: Trust Finance Director

Agreed by Trustees: 2 October 2023

Date of Next Review: September 2024 or earlier in response to statutory changes

Contents

1. Introduction	
2. Principles	
3. Valuing the Contract	
4. Connected parties	
5. Using Frameworks	
6. Contracts over 1 Year	
7. Purchasing collaboratively	
8. TUPE	
9. Low Value Contracts (less than £10,000)	
10. Medium Value Contracts (up to £164,000)	
11. High Value Contracts (over £164,000)	
13. Scheme of Financial Delegation Summary	
14. Record Keeping	10
15. Exceptions to this Policy	11
16. Management of Contracts	11
17. Contract Variations or Extensions	12
Appendix 1 – Stages of a tender process	12

1. Introduction

- 1.1 This policy covers all individuals working in The Futures Trust (TFT) and its member schools, including those who are employed, contractors, volunteers, directors and local governors. It sets out the rules by which the Trust spends money on goods, contracts and services.
- 1.2 The Futures Trust is committed to ensuring that the governance of the Trust is conducted in accordance with the highest standards of integrity, probity and openness.
- 1.3 The intention of the policy is to ensure that the Trust can demonstrate all contracts entered into by the Trust have been done so in a way that is fair to potential suppliers, avoids the opportunity for private gain, is in line with the regulations and represents value for money for the Trust.
- 1.4 The Trust is obliged to comply with the ESFA Academy Trust Handbook, Trust and school funding agreements and the Public Contracts Regulations 2015.

2. Principles

- 2.1 More attention to the procurement process will be needed for higher value or contentious contracts. Contentious contracts are those that might give rise to criticism of the Trust, perhaps because they are with connected parties.
- 2.2 Achieving the best value for money does not always mean choosing the cheapest price. Other factors such as quality, longevity, timing and whether the contract is fit for purpose should be considered.
- 2.3 The Trust considers the full cost of purchase, including administration time and effort.
- 2.4 It is allowable to purchase from connected parties, but the individual in the Trust with the connection should not form part of the decision-making process.
- 2.5 The use of framework contracts is recommended.
- 2.6 The Trust is always aware that the money being spent is public money and consideration is always given as to whether the purchase is a good use of public money and is seen to be a good use of public money.

- 2.7 Businesses may be fragile and so we make sure we understand our obligations under the contracts that we are entering into and avoid significant payment in advance wherever possible.
- 2.8 Care is taken to ensure contract terms are not disadvantageous to the Trust.
- 2.9 The end of the contract is considered fully before entering into it.
- 2.10 Rolling over a single year contract repeatedly is unlikely to provide best value. These contracts should first be recorded and then re-procured for value.
- 2.11 In a tender process all suppliers are treated fairly, given the same information and time limits and no favouritism is shown.

3. Valuing the Contract

- 3.1 It is important that contracts are properly assessed for value. The total value of the contract is obtained by making reasonable assumptions on:

The annual spend x the number of years of the contract x the number of schools in the Trust that the contract is being awarded for

- 3.2 It is not permissible to split the value of the contract in order to appear to be below procurement thresholds.
- 3.3 If a contract is for a number of years with the option to extend at the end of that time then the number of years of the contract is the maximum time it could run. A typical example would be for a contract that is 3 years with an option to extend for a further 2; the total number of years that needs to be considered in determining value is then 5 years.
- 3.4 Care must be taken concerning the number of schools entering into a contract. If the Trust enters into a contract for all the schools in the Trust then the number should be considered to be the total number of schools in the Trust together with any schools reasonably expected to join the Trust if they would be included in the contract when they join. Even if each school individually signs their own contract, the procurement should be considered to be for all the schools involved in the process.
- 3.5 Similarly, if a group of schools in the Trust enter into a contract together (eg: all primary schools) then the number of schools should be the number of primary schools in the Trust or reasonably expected to join the Trust.

3.6 When the Trust enters into a framework contract available to all schools in the Trust for purchases, then it should take into account a reasonable estimate of the number of schools in the Trust together with those likely to join over the length of the contract in order to calculate the cost of the contract.

3.7 Recoverable VAT is excluded from the assessed value of the contract.

4. Connected parties

4.1 The Trust has a process in place where all members, trustees, governors and staff must declare their pecuniary interests. This is done annually in the autumn term and individuals must update them through the year should interests change.

4.2 The pecuniary interests of members, trustees, and governors are published on the Trust website, www.thefuturetrust.org.uk and are kept up to date with all notified changes after every Board meeting. The pecuniary interests of staff are kept locally in each school and in the Central Team. When carrying out a procurement exercise, it is important to check both the Trust register of interests and the local register to identify any potential conflicts. Any person with a pecuniary interest in a supplier or potential supplier must not take part in the procurement process.

4.3 Under the ESFA Academy Trust Handbook the Trust must pay no more than “cost” for goods and services provided to it by a member, trustee or a connected party of a member or trustee. The rules on this are very specific so if a procurement potentially involves a person or organisation declared by a member or trustee as being a pecuniary interest then advice should be sought from the Finance Director before any procurement decision is made.

5. Using Frameworks

5.1 Framework contracts are those where a number of suppliers have been pre-procured with all the public sector rules complied with. It is therefore possible to purchase directly from frameworks with no further procurement process being necessary, irrespective of the value being procured. This can be very efficient as it saves a significant administration costs as well as ensuring tendered low prices.

5.2 There is also often the opportunity to run a mini-competition through a framework which can be much quicker than a full procurement tender. This is where a number of suppliers have been pre-approved by the framework and then compete to fulfil the contract with the contract being awarded to the offer that gives best value for money.

5.3 Examples of frameworks that the Trust has used include Crown Commercial Services, Eastern Shires Purchasing Organisation (ESPO) and frameworks developed by Local Authorities. There are others. The Trust can also create frameworks for Trust schools to purchase from.

5.4 Despite frameworks being a very attractive way to procure, it is sensible to make some open market comparisons between what is on offer to ensure value for money, particularly for purchases where the price may fluctuate over time. It is also important to make sure that the framework is set up to allow us to purchase (ie: it applies to academies), the specification and contract terms are suitable for our needs and that we understand the framework mechanism of purchase (how to order, etc) so that we are compliant.

6. Contracts over 1 Year

6.1 Under the Trust's Scheme of Financial Delegation, all contracts over one year must be signed by the Accounting Officer. All contracts over one year must be approved according to the Trust's Scheme of Financial Delegation.

7. Purchasing collaboratively

7.1 It is expected that collaborative purchasing on a Trust or hub basis will lead to economies of scale. The Trust may also procure collaboratively with other Trusts.

7.2 The Trustees and Central Team may make procurement decisions on behalf of all schools in the Trust, whether the cost is paid from the central budget or from the budgets of individual schools.

7.3 When purchasing collaboratively it is necessary to ensure that:

- There is commitment from the schools involved at the start of the process to a collaborative procurement

- The lead person driving the procurement is identified
- Contract valuation is carried out correctly
- The specification is agreed on behalf of all parties
- Decisions on awarding the contract are clear and made according to the scheme of delegation
- Consideration is given on what to do if the best value contract is not the best value for each individual participant in the procurement

8. TUPE

8.1 There are some contracts that involve the provision of services to the Trust which mean that members of staff employed in the provision of these services may have employment rights when the contracts are re-negotiated. Examples include cleaning and catering contracts but may extend further to estate management and extended schools provision. If considering the letting of contracts such as these then the Trust's HR team should be contacted well in advance to advise on the TUPE (Transfer of Undertaking Protection of Employment) transfer process. It should be noted that TUPE increases the complexity of letting the contract and therefore the time allowed should be extended.

9. Low Value Contracts (less than £10,000)

9.1 For purchases and contracts under £10,000 excluding VAT, the purchase can be made under the Scheme of Financial Delegation without the need for competitive quotes. However, it is often beneficial to obtain quotes to ensure good value for money or to browse framework agreements or the internet to reassure the purchaser that the price is competitive. Decisions on these actions are made locally.

9.2 Corporate cards are provided to key individuals in the Trust to enable purchases at this level to be made efficiently, including taking advantage of online prices or where time is of the essence. The TFT Corporate Charge Card Policy deals with the matters that should be taken into account when purchasing in this way, but care should be taken to make sure that value for money is obtained regardless of the purchasing method.

10. Medium Value Contracts (up to £164,000)

10.1 For purchases and contracts up to £164,000 excluding VAT, at least 3 written quotations should be obtained. A written specification must be provided in advance of the quotation that details as a minimum:

- A description of the requirement
- Quantity required
- Timescale for provision or completion
- Deadline to submit quotation and all details of how to submit
- Details of schools to which the contract applies

10.2 The purpose of the specification is to be fair to all potential suppliers.

10.3 The quotations should be considered to provide the best available outcome taking into account price, quality and timing and this choice should be justified in writing when seeking approval. Authorisation limits specified in the Trust's Scheme of Financial Delegation should be complied with.

Note: If purchasing from a framework there is no requirement to obtain 3 written quotations. It is also acceptable to go to a full tender process rather than quotations if it is felt this will obtain a better result.

11. High Value Contracts (over £164,000)

11.1 For purchases and contracts over £164,000 it is necessary to either purchase from a valid framework as previously discussed, or to use a full tender process. A full tender can be a complicated process and the use of procurement consultants or project managers who specialise in the area should be considered. The contract for the use of procurement consultants should itself be procured correctly in line with this policy, which means ample time should be allowed to complete the procurement cycle.

11.2 The formal stages of a tender process are:

- Put together a detailed **invitation to tender** including information on how the tender is going to be evaluated
- Either advertise as an **open tender** or operate a **restricted tender**
- **Accept** and **open** the tenders
- **Evaluate the tenders** in accordance with the criteria in the invitation to tender
- **Award the contract**

11.3 These stages are discussed further in **Appendix 1**.

12. Public Sector Procurement Thresholds

12.1 Following the UK's exit from the EU, the UK government overhauled public procurement policies and practices, to an updated and simplified framework for public procurement.

12.2 The UK is no longer subject to EU regulations and now follows UK domestic legislation. From the 1st of January 2021, the UK were no longer subject to EU procurement regulations and therefore no longer follow rules outlined for OJEU tenders. Tenders will now be published on a new e-tendering portal, called Find a Tender Service (FTS) instead of on OJEU

12.3 New procurement thresholds are summarised below. It is important to note that these values are now inclusive of VAT, which effectively reduces the thresholds from their previous EU 2020/21 values. The effect of these changes will therefore be to bring more procurements within the scope of the fully regulated regime.

Supply, Services & Design Contracts	£213,477 incl VAT	
Light touch (services where there is little EU interest)	£663,540 incl VAT	(includes catering, training, legal advice or educational services for pupils)
Works contracts	£5,336,937 incl VAT	Buildings, renovations and development projects

12.4 Once a contract is assessed as being valued above these thresholds then either it can be purchased through a framework that has already been to EU tender, or the latest procurement rules must be complied with. The rules are stringent, including the requirement to advertise the contract in the Find a Tender Service (FTS). If the Trust does not follow the regulations for purchases above the current thresholds, suppliers may be able to challenge spending decisions and contracts on the grounds that they have been treated unfairly. This can lead to large fines and compensation payments.

12.5 When the Trust enters into an FTS process then it will ensure that specialist procurement advice is used to make the purchase, either internally or by the use of external procurement consultants. Therefore, before beginning a procurement over the size of the procurement limit, advice must be sought from the Finance Director in order to ensure any subsequent procurement is compliant.

13. Scheme of Financial Delegation Summary

Approval	Procurement	Best Value Process
Board of Trustees	£300k + Competitive Tender unless light touch	Public contracts regulations (PCR) compliant process
TFT FRC	£164,176-£300k goods and services £589,148 services used solely to deliver education (e.g. staff salaries)	Public contracts regulations (PCR) compliant process
CEO	£30-£164k	*3 quotations minimum or formal tender (framework)
HT & Trust FD	£20-£30k	* 3 quotations
HT	£5-£20k	* 3 quotations over £10,000 and if under £10,000: <ul style="list-style-type: none"> • compare similar products and prices • choose the supplier that offers best value for money
SBM	£2-£5k	<ul style="list-style-type: none"> • compare similar products and prices • choose the supplier that offers best value for money
Budget Holder	£0-£2k	<ul style="list-style-type: none"> • compare similar products and prices • choose the supplier that offers best value for money

*Where 3 quotations are not possible or appropriate then justification for this should be documented on the finance system.

Note: Decision to appoint staff is delegated to Headteachers regardless of financial value in accordance with the Trust's Scheme of Delegation

14. Record Keeping

14.1 For all purchases, a clear audit trail should be kept. The level of detail required will increase with the value of the procurement. The written record must include:

- details of the purchase itself, for example, what was purchased, from whom and the assessed value of the contract
- information on the framework used for purchasing and why it was suitable for this contract; or copies of the quotations or tenders submitted
- how the supplier complies with data protection (GDPR) requirements and agreements on any data sharing
- who was responsible for evaluation of tenders, and details of the evaluation scoring, if applicable
- tender and response from successful supplier
- who was responsible for making the decision to procure, and details of their decision making process
- where the lowest cost is not adopted the reason for this must be documented
- either full minutes or a link to the minutes of any Board/ LGB meeting at which the procurement was discussed and/or approved
- where the contract is for more than one year, the appropriate approval and a copy of the contract signed by the Accounting Officer
- a record of the order, of receipt and checking the goods or services and of authorising payment

14.2 The Trust holds a central contract register in order to monitor all contracts for compliance and to determine where there is an opportunity to merge contracts to achieve better value for money across the Trust. All contracts over 1 year and single year contracts that are renewable (including Service Level Agreements (SLAs)) should be entered onto this register. Information required:

- A description of the contract and what it is for
- The name of the supplier
- The date the contract was entered into and the date the contract expires
- The value of the contract
- A scanned copy of the contract

15. Exceptions to this Policy

15.1 Occasionally it is necessary to procure without following this policy. This may be done with the authorisation of the Finance Director for procurements up to £40,000 and with the authorisation of the Accounting Officer over this amount. Authorisation will only be given on very rare occasions and such authorisations will be reported to the next meeting of the Board of Trustees.

15.2 Potential reasons for an exceptional procurement are:

- In an emergency to resolve an issue that has a Health & Safety or other consequence where a proper procurement process would take too long.
- Where there is only a single supplier of the goods or services and this can be demonstrated.
- Where no suitable suppliers have come forward through the tender process it may be acceptable to negotiate a contract with a suitable alternative supplier.

16. Management of Contracts

16.1 For ongoing contracts (particularly services contracts), it's important to hold regular contract management meetings to:

- make sure both parties involved in the contract understand their responsibilities and fulfil them as effectively as possible
- check progress against contract requirements and deal with any issues preventing those requirements from happening

16.2 It should be agreed as soon as possible after awarding the contract who should attend these meetings and what the agenda items are likely to be.

16.3 In the meetings following may be discussed:

- progress against the contract's requirements
- the service-level agreement (the standards of service agreed with the supplier)
- any key performance indicators (how the performance of that service is measured)
- identifying areas of concern as early as possible and what the supplier will do about them
- discussing necessary changes
- how to manage planned maintenance

- possible upgrades or improvements to the product or service
- unforeseen problems and what to do about them
- exit from the contract if not fulfilling requirements

16.4 Any actions and timescales agreed with the supplier should be noted and circulated promptly after the meeting. If the supplier isn't doing enough to address poor performance, the matter may need to be escalated according to the contract terms and conditions.

17. Contract Variations or Extensions

17.1 Any changes to a contract should be made using a variation agreement. Such variations must be agreed with the supplier. The most common variation is to extend the contract.

17.2 The contracts register details the date when each contract comes to an end. Preparation to let a new contract should be made in good time as the procurement process can be lengthy.

17.3 If there is an option to extend a contract in the original invitation to tender, it can be extended for the length of time set, using a variation agreement.

17.4 If this option is not included, the contract can only be extended in certain circumstances. Seek advice from the Trust's Finance Director.

Appendix 1 – Stages of a tender process

Invitation to Tender

An invitation to tender should give potential suppliers all the information they need to bid for the work. Suggested contents are:

- an introduction about the school and/ or the Trust
- a precise description of the goods, works or services required
- if appropriate, an explanation of what the goods, works or services should do to meet the requirements (sometimes known as an 'output specification')
- the quantity
- the quality
- the length of the contract
- when you want the supplier to deliver it by
- data sharing requirements under GDPR
- details of the implementation of the project

- The KPIs that will measure performance of the contract
- the terms and conditions of the contract
- TUPE information if relevant
- the criteria by which tenders will be evaluated including information on how the various criteria will be weighted
- precise information about how the tender should be submitted and the closing date
- a form of response

Advertise an open tender

Advertisements are placed in trade journals, websites and on the Trust and/ or school website to invite interested suppliers to make contact and tender. Open tender is considered to be the most open and competitive method for receiving tenders. The decision as to where to advertise should be taken on a case by case basis and should be proportionate and reasonable with the aim to elicit a good response from qualified suppliers. A sensible amount of time should be left from the advert for interested parties to respond.

A restricted tender

Specific suppliers are identified and asked to bid by completing a tender. This method avoids the cost of advertisement and can be useful where there are a limited number of specialist suppliers.

Acceptance of tenders

Invitations for tender always state the date and time the completed tender documents are to be received. Suppliers are required to submit documents in one of the following ways:

- in clearly marked envelopes, which state that they are tender documents.
- By email to a designated email address; or
- On electronic storage media in a clearly marked envelope; or
- On a secure electronic portal that can be secured at the end of the procurement period

All tenders are clearly marked upon arrival and securely stored. Tender documents received after deadlines are not considered, unless the supplier provides proof of exceptional circumstances.

Opening of tenders

The following procedure ensures that all potential suppliers are treated fairly:

- all offers for tender are opened at the same time, with a minimum of two members of staff present.
- a record is kept of all the suppliers who submitted tenders, along with the amount tendered.
- the record is signed by all members of staff who are present at the opening of a new tender.

Evaluation of tenders

The tenders are evaluated against the criteria and weighting stipulated in the original tender document. Such criteria should include:

- price
- financial stability of the supplier
- insurance cover
- ability to supply the contract
- best match of the goods or services to the specification required
- quality control procedure
- conformity with required standards
- references from current or previous customers
- helpdesk or other responsive services
- how well supplier can match timescales

At least 2 people should independently evaluate the submitted tenders and their combined scores should be moderated to award the contract to the highest scoring bidder.

Award the contract

The final contract that both parties sign should include:

- a copy of the goods, works or services
- a pricing schedule completed by the supplier
- the terms and conditions agreed with the supplier
- data sharing arrangements and protections
- the SLA, if agreed with the supplier

- any contract management agreements
- an 'implementation plan', with the responsibilities of the Trust and supplier
- the tender specification as an appendix

It is also necessary to debrief unsuccessful suppliers. Feedback should concentrate solely on the supplier's bid and not provide commercial information on other suppliers.



The Futures Trust Corporate Charge Card Policy 2023

Reviewed by: Trust Finance Director

Agreed by Trustees: 2 October 2023

Date of Next Review: September 2024

Contents

1. Introduction
2. Eligibility
3. Restrictions
4. Record keeping, reconciliation and payment
5. Security

APPENDIX 1 Credit Card ["the Card"] Cardholder Consent Form

1. Introduction

- 1.1 The Futures Trust (TFT) is committed to ensuring that its systems of financial governance conform to the requirements of both propriety and sound financial management.
- 1.2 This includes making sure that there are adequate controls in place over the use of the corporate charge cards. These enable the schools in the Trust to purchase goods/services where the company being used provides the best value but an invoice cannot be raised, or a credit account cannot be set up. They are particularly useful for making purchases over the internet.
- 1.3 The corporate charge cards are provided by our bankers, Lloyds Bank. They are not a credit card, as academy trusts are unable to borrow under ESFA regulations but are a payment card which are paid in full each month. Purchases are charged to the budget and must be authorised in accordance with the Scheme of Financial Delegation.
- 1.4 This policy provides guidance and assistance in the correct and responsible use of the business charge cards.

2. Eligibility

- 2.1 Executive Directors and Head Teachers are eligible to apply for cards, all other TFT staff applications are available after recommendation by their Head Teacher or Finance Director. The maximum credit available is £5,000 per cardholder and limited to a maximum £12,500 total per secondary school and £5,000 for primary schools. It is recommended that each school has at least two different cardholders. The cardholder's limit will be set during the application and may vary to the suggested limit, below, within their school limit.

- 2.2 Limits to spend per month are suggested:

Secondary school Business Manager/Finance Officer £5,000

Primary school Office/Business Manager	£2,500
--	--------

Headteacher	£500
-------------	------

Finance Director	£1,500
Facilities Manager	£500

2.3 Variations to these amounts should be explained during application.

2.4 Should an emergency arise which requires the card limit to be exceeded, a temporary increase can be agreed by the Finance Director in exceptional circumstances, this is after all other payment methods have been investigated. An email must be sent to the Trust Finance Director explaining the reason for the overspend. Any agreed temporary increase will last for the current month and then the card limit will revert to the cardholder pre-agreed limit.

2.5 Each card issued will be in the name of the individual on behalf of the school the member of staff is attached to, or to the Trust if they are linked to the central team. Each card will have an identification number.

2.6 Each member of staff who has a card issued to them is to be made aware of the limit of their individual card and keep within this limit. They must sign an agreement which states they understand the conditions of issue.

2.7 Any staff member who has been issued with a card and subsequently terminates their employment with The Futures Trust must return their card which will be destroyed on receipt. The Headteacher or Business Manager of the school must inform the Finance Director by email, that the member of staff will be or has left employment, confirming whether the card has been destroyed. TFT central will cancel the card with the bank, either immediately or before the member of staff departs from TFT employment.

2.8 Members of staff found to be breaching the terms and conditions for use of their card will have the card cancelled and disciplinary action may also be taken.

3. Restrictions

3.1 Limits for authorising expenditure, at order stage, are as detailed in the Trust's Scheme of Financial Delegation. Use of the card by a cardholder who is not the budget holder should only be made on receipt of an order signed by the authorised budget holder.

- 3.2 The Corporate Charge Card must not be used for any non-business or personal expense. Selected merchant/retailer types may be restricted by the card issuer to prevent expenditure on non-approved items.
- 3.3 The Corporate Charge Card must not be used for regular payments, e.g., Direct debits, standing orders and subscriptions.
- 3.4 The Corporate Charge Card must not be used to obtain cash from an automatic transaction machine (ATM).
- 3.5 The Corporate Charge Card should not be used to obtain goods/services which can be procured via a normal credit account.
- 3.6 The school/academy Corporate Charge Card should not be used to purchase fuel while travelling in a personally owned or leased vehicle. Reimbursement of this expenditure must be made via the travel expense claims process. The card may be used to purchase fuel for the school minibus and may also be used to purchase train tickets or toll road fees for business use as covered by the Staff Expenses Policy.
- 3.7 Only secure sites should be used to make online purchases (for example the website shows the padlock symbol). If there is any doubt as to whether it is a secure site, the purchase should not be made.
- 3.8 Corporate charge card insurance and/or subscriptions for card protection services must not be purchased.
- 3.9 Any costs/charges incurred arising as a result of a card being misused will be charged to the person responsible.

4. Record keeping, reconciliation and payment

- 4.1 Receipts/invoices are required to support every item of expenditure and a VAT receipt/invoice obtained if any purchases contain any VAT charges.
- 4.2 Statements will be issued by the bank which must be reconciled with receipts and signed off in accordance with the Scheme of Financial Delegation.
- 4.3 In the event of there being any expenditure on the statement that has not been authorised by the cardholder, the cardholder must contact Lloyds bank immediately and the matter investigated with the bank. Then the central team

should be alerted as soon as possible, either by email to the Trust Finance Director or telephone, confirming Lloyds have been informed and whether investigations are on-going.

4.4 Authorised statements and supporting documents must be kept locally for a period of six years plus the current financial year so that they can be produced if an audit is undertaken.

4.5 All Corporate Charge Cards will be paid off in full monthly within 20 working days after monthly statements are produced.

5. Security

5.1 The Corporate Charge Card must be signed on receipt and activated as per the instructions for new card users, ensuring that personal details are updated through the online portal, particularly contact details. These will be used during security checks when using the card to ensure SCA (Strong Customer Authentication).

5.2 The Corporate Charge Card must be always kept secure and either held personally or stored in a locked drawer or filing cabinet.

5.3 PIN numbers must be secure and must not be written down nor disclosed to anyone.

5.4 Lost or stolen cards must be reported immediately to the Lloyds Bank helpline and then to the Trust Finance Director.

5.5 The cardholder must adhere to all the terms and conditions, including updates, of Lloyds Bank. The Corporate Charge Card must not be used by anyone other than the card holder.

APPENDIX 1 Credit Card [“the Card”] Cardholder Consent Form

I consent to be cardholder on the following credit card account held by The Futures Trust.

School: _____

Credit Card Issuer: _____

Card Number: _____

I confirm that I have read The Futures Trust Credit Card Policy [“the Policy”] and that I will abide by its terms and conditions.

I acknowledge and agree that:

1. I will use the account only to purchase items/services on behalf of the school or The Futures Trust and not use the account for any personal expenditure.
2. I will only purchase items/services in accordance with the Policy and where invoicing through the normal purchasing process is not available.
3. I will take care of the card whilst in my possession to avoid its loss or theft.
4. I will not disclose to any other person, or write down, the Card PIN number.
5. I will only use the Card security number for online purchases where a security number is requested and on a secure (indicated by padlock system) Internet website.
6. I will not use the Card to withdraw cash unless prior permission is obtained from the Finance Director.
7. I understand that upon discovery of loss or theft of the Card, I must as soon as possible notify: a. The issuing bank; b. Finance Director and c. the police (only in the event of theft)
8. I understand that I am personally liable for all charges on the account which relates to transactions which have not been conducted in accordance with the Policy.
9. I agree that if I cease to be employed by The Futures Trust that I will immediately return the card to the Finance Director.
10. I understand that unauthorised use of the card may lead to disciplinary action by The futures Trust.

Staff member:

Signed

Dated:

Finance Director:

Signed

Dated:



The Futures Trust Petty Cash Policy 2023

<p>Reviewed by: Trust Finance Director</p> <p>Agreed by Trustees: 2 October 2023</p> <p>Date of Next Review: September 2024</p>
--

Contents

1. Introduction
 2. Use of Petty Cash
 3. Responsibility for Petty Cash Management
 4. Petty Cash Security
 5. Issuing Petty Cash
 6. Advances from Petty Cash
 7. Receipts
 8. Recording of Petty Cash Expenditure
 9. Finance Petty Cash Reconciliation
 10. Float Reimbursement
 11. Prohibited Expenditure
 12. Audit
- Appendix 1 – Summary Sheet & Reconciliation Sheet

1. Introduction

- 1.1 This document gives guidance on when it would be appropriate to pay for goods and services via petty cash and the procedures to be followed when processing petty cash payments.
- 1.2 Petty Cash is not a Trust requirement, but is an option for schools that regularly require cash purchases. If ad hoc cash float balances are required for specific events, a one-off cash delivery from the Trust's cash carrier can be provided.
- 1.3 Each academy maintains a maximum cash balance of up to £1,000

2. Use of Petty Cash

- 2.1 Petty Cash should be used for purchases only. Any income should be dealt with separately through local banking or cash collection. The use of petty cash should be kept to a minimum.
- 2.2 In general, the use of petty cash is the most practical payment method in situations where the amount involved is small and either:
 - use of a charge card is not practicable
 - the supplier requires payment by cash.

3. Responsibility for Petty Cash Management

- 3.1 The petty cash box is to be located within the main school office/finance office. The following are responsible for the petty cash boxes:
 - Office Manager (Primary Schools)
 - Finance Officer/Assistant (Secondary Schools)
- 3.2 These members of staff (hereafter referred to as Petty Cash Officers) have responsibility for the day to day management of the petty cash balance. All requests for petty cash reimbursements should be directed to the relevant Petty Cash Officer.
- 3.3 Petty cash floats are to be set up by the approval of the Trust Finance Director.
- 3.4 At times when the Petty Cash Officer is absent for a period of a week or more, another staff member within the office will take over the role.

4. Petty Cash Security

- 4.1 The petty cash box should be a lockable container and must be securely locked away in the departmental safe at all times when not in use and overnight. The key must be securely stored by the relevant Petty Cash Officer.

- 4.2 The Petty Cash spreadsheet, which records all transactions in the period, must also be maintained and kept up to date (refer to section 8).

5. Issuing Petty Cash

- 5.1 Each petty cash account will have a stock of petty cash vouchers. A template can be obtained from the finance team. For each item of expenditure funded from petty cash, a petty cash voucher should be completed by the Petty Cash Officer. This will show the amount of petty cash issued, the nature of the expenditure and the department(s) that is funding the spend.
- 5.2 The petty cash vouchers must be named, signed and dated by the person receiving the cash (the recipient).
- 5.3 The petty cash voucher is always held by the Petty Cash Officer.
- 5.4 The recipient must be able to provide sufficient information to allow appropriate identification of the budget for the expenditure to be charged to.
- 5.5 Where possible, reimbursements from petty cash should be made rather than advances. The staff member makes a purchase and receives payment from petty cash after the transaction has taken place and where a receipt can be provided in advance.

6. Advances from Petty Cash

- 6.1 On occasion, a member of staff may require petty cash in advance of making a purchase. The staff member must visit the Petty Cash Officer to obtain the advance. They must sign a petty cash voucher which details the amount advanced and the nature of the expenditure.
- 6.2 Any change together with the original receipt for the purchase, which in total is the amount advanced, must be returned to the Petty Cash Officer as soon as is practical.
- 6.3 The original petty cash voucher completed when the advance was given should then be updated to reflect the actual amount spent. If after a reasonable amount of time no receipt and change have been received, the Petty Cash Officer will follow up with the recipient and, if necessary, the Headteacher.

7. Receipts

- 7.1 An original receipt, providing details of the goods or services purchased must be obtained for all items of expenditure requiring reimbursement from the petty cash box.

8. Recording of Petty Cash Expenditure

- 8.1 The Petty Cash Officer should record all petty cash expenditure on the Petty Cash Spreadsheet immediately after the reimbursement or advance has occurred. (See Appendix 1)
- 8.2 The sheet records the voucher number, transaction date, name of the supplier, description of the transaction, the amount paid, expenditure coding information and VAT paid. If there is no VAT number shown on the receipt, then it is unable to be re-claimed.

9. Finance Petty Cash Reconciliation

- 9.1 On a termly basis the Petty Cash Officer should complete the Petty Cash Reconciliation Sheet (see Appendix 1) and count and record funds in the petty cash box. If the funds do not reconcile back to the sheet, the variance needs to be investigated before any further action is taken.
- 9.2 Once the fund has been reconciled, the Petty Cash Reconciliation Sheet should be approved as required by the school's internal processes.
- 9.3 A copy of the sheet should be sent to your usual finance team, for entry on to the finance system.
- 9.4 At year end, a copy of the reconciliation sheet for the whole year should be sent to the Trust Accountant ready for the external audit.

10. Float Reimbursement

- 10.1 If there is a request for additional funds to reimburse the petty cash float, this should be made via email to the finance team. A cash delivery will be organised directly to the school from the Trust's cash carrier.
- 10.2 The cash book transfer will be posted to the finance system by a member of the central team.

11. Prohibited Expenditure

- 11.1 Petty Cash must not be issued for personal purposes, for the cashing of personal cheques or for the payment of salaries or wages. It also cannot be used to make payments on which income tax must be considered such as travel expenses, working lunches and subsistence.
- 11.2 Alcohol should not be purchased using petty cash.

12. Audit

- 12.1 Routine spot checks of the petty cash boxes and a count and reconciliation of the monies will be led by one of the Trust Accountants to ensure these procedures have been followed. The processes followed and spreadsheets maintained will also be reviewed by internal and external auditors.

Appendix 1 – Summary Sheet & Reconciliation Sheet

<u>Cash</u>			<u>Petty Cash</u>	<u>Reconcillation 30/08/2023</u>		
<i>adv</i>	-		01/09/2021	Opening balance	305.00	
<i>20</i>	-		25/05/2022	Cash tin top up	695.00	
<i>10</i>	260.00		31/08/2022	Cash tin top up	-	
<i>5</i>	180.00		31/08/2022	Cash tin top up	-	
<i>2</i>	56.00		31/08/2022	Less expenditure	- 418.60	
<i>1</i>	40.00					
<i>0.5</i>	17.50				581.40	
<i>0.2</i>	10.00					
<i>0.1</i>	10.40					
<i>0.05</i>	7.40			Agrees to cash tin	581.40	
<i>0.02</i>	0.08					
<i>0.01</i>	0.02					
Total in Tin	581.40					

Date	Description	Amount (£)
07/06/2022	S. GOLDING-MINIBUS VALET	60.00
21/06/2022	S. GOLDING-MINIBUS VALET	20.00
	Total expenditure	80.00



The Futures Trust Reserves Policy 2023

Reviewed by: Trust Finance Director

Agreed by Trustees: 2 October 2023

Date of Next Review: September 202

Contents

1. Introduction
2. Relationship between the Trust and its schools
3. Policy

1. Introduction

- 1.1 The Board of Trustees is able to hold reserves to further the Trust's charitable aims. The ESFA (Education and Skills Funding Agency) previously set limits on the amount of GAG (General Annual Grant) that could be carried forward by Trusts from year-to-year. These limits have now been removed. The ESFA Academy Trust Handbook notes that Trusts should use their allocated GAG funding for the full benefit of their current pupils. If a Trust has a substantial surplus they should have a clear plan for how it will be used to benefit pupils.
- 1.2 The Trust's funds are nominally allocated to individual schools within the Trust, excluding the restricted fixed asset fund and the pension reserve. However, there is no central endowment and all funds held by the Trust are contributed by the schools within the Trust. Therefore, should a school go into deficit, it is effectively being funded by all other schools within the Trust.
- 1.3 Reserves transferred in upon conversion, are designated for use so far as possible by the academy which generated them.

2. Relationship between the Trust and its schools

- 2.1 Trustees are mindful of the Academy Trust Handbook and requirement that GAG funding should be spent on current pupils.
- 2.2 However, trustees are also aware of significant volatility in the funding of education. As an independent academy Trust, the Board of Trustees is responsible for managing the fluctuations in financial fortunes.

2.3 Individual schools within the Trust are expected to propose a budget each year using the GAG and other grants reasonably foreseen and matching expenditure to that income.

2.4 Should an individual school in the Trust go into a deficit (negative fund balance) at the end of a year, the Headteacher must enter into a recovery plan that repays the deficit over not more than 5 years. In the event that the recovery plan is not in place or is not kept to, trustees will act to return the school to financial stability.

2.5 Reserves at the end of each year are generally held in support of:

- Contribution to capital projects planned or in development
- Financial commitments made but not yet come to fruition
- Investment in future educational initiatives
- Cashflow requirement
- Contingency against unforeseen events
- School Fund balances
- Capital Fund balances

2.6 The Headteacher can ask the Accounting Officer each year for access to their agreed reserves for one of these specific events, but it is up to the Accounting Officer whether they allow access to the individual school reserves as they have the responsibility of securing the financial stability of the Trust as a whole.

2.7 Balances held in respect of Voluntary School Funds can be spent by the Headteacher without needing to be referred to the Accounting Officer. This is because these balances are built up solely by fundraising or charitable donation and can only be spent locally. Similarly balances held by the school in respect of capital funds can be spent by the Headteacher in subsequent years without needing to be referred to the Accounting Officer. This is because capital allocations are typically made late in the year (June) and are often carried forwards.

3. Policy

3.1 Trustees wish to target a level of reserves for each school and in total across the Trust that equates to the sum of:

- Planned or anticipated future commitments to capital projects
- Financial commitments made but not yet entered into
- Planned investment in educational initiatives
- Salary and related costs of £500,000 to cover cashflow and contingency requirements

3.2 Progress against these measures will be reviewed on a termly basis.



The Futures Trust Staff Expenses Policy 2023

Reviewed by: Trust Finance Director

Agreed by Trustees: 2 October 2023

Date of Next Review: September 2024

Contents

1. Introduction
2. Claiming Expenses
3. Tax considerations
4. Travel Expenses
5. Vehicle Insurance
6. Travel by Rail, Bus or Aeroplane
7. Cost of Meals and Accommodation
8. Telephone and Mobile Expenses
9. Cleaning of Uniforms/Equipment
10. Overseas Travel
11. Receipts
12. HRMC Mileage Allowances

1. Introduction

- 1.1 At The Futures Trust (TFT), staff may claim reimbursement for reasonable expenses incurred wholly, necessarily, and exclusively in the course of the business of the school or the Trust. These may arise from attending meetings, training or conferences, or purchases made on the school or Trust's behalf. Any purchase made must be approved by the budget holder prior to purchase.
- 1.2 It is essential that Inland Revenue regulations are met and therefore this policy must be adhered to when making an expense claim.

2. Claiming Expenses

- 2.1 Payments for the personal expenditure of staff must be made using either an Expense Claim Form (non-travel) or a Travel & Expenses Claim form.
- 2.2 The purchase of classroom equipment and items should normally be completed using the purchase ordering system and paid for directly by the school. A Staff Expenses Claim Form may be used for reclaiming the cost of such purchases on occasion and if approved by the budget holder.
- 2.3 Staff should make reasonable efforts to get the best value possible when purchasing items, food, or travel tickets.
- 2.4 Supporting documents are required as evidence, such as receipts and bills, must be attached to the Staff Expenses Claim Form.
- 2.5 Claim forms must be approved and signed by the budget holder in accordance with the Scheme of Financial Delegation
- 2.6 Staff Expense Claims are approved by a Headteacher, claims by a Headteacher, Central Team or the Accounting Officer must be authorised by Finance Director.
- 2.7 Claims which do not meet approval will not be processed and will be returned.
- 2.8 The submission of false claims will be treated as a fraud and will lead to disciplinary action.

3. Tax considerations

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

4. Travel Expenses

4.1 Payment for mileage will be paid at the HMRC rate; see section 12 for current rates. Staff are encouraged to lift share where possible and sharing is expected where staff start from and return to the same location after making the same visit. Lift sharing may result in additional passenger payments being claimed.

4.2 Mileage claims must have attached a VAT receipt for fuel used. The claimant is responsible for attaching the receipt and the person authorising the claim is responsible for checking the receipt is valid prior to payment.

4.3 An appropriate receipt must:

- Be dated before the date of the journey claimed for
- Show the amount of fuel purchased in litres
- Show the name of the fuel supplier and their VAT registration number
- Account for at least 25% of the total amount of the mileage claim.

4.4 If several low mileage claims are submitted, a single receipt showing fuel purchased to cover all the miles claimed is sufficient.

4.5 The date of, reason for, starting point and destination of the journey should all be shown on the travel and expenses claim form.

4.6 Claims should be submitted termly. Claims submitted over 6 months after the expense was incurred will not be reimbursed.

4.7 Parking or speeding fines will never be reimbursed. Toll road charges may be reimbursed if the budget holder's permission has been granted before the journey is made.

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

4.9 If a journey starts at home or finishes at home, the mileage claimed should be the distance actually travelled less the normal home to work mileage. If the journey is less than the normal home to work journey, then nothing can be claimed.

Example 1:

Jackie travels to workplace and then visits School A then returns to workplace before going home.

Home to work mileage = 15 miles

Work to School A = 25 miles

Travel from Home to Work – no claim can be submitted.

Travel from workplace to School A and return to workplace: Jane can claim 25 miles for each journey therefore 50 miles can be claimed.

Example 2:

Paul travels from home to School B then goes to the workplace and later travels home.

Home to work mileage = 15 miles

Travel from Home to School B = 25 miles.

Travel from School B to workplace = 10 miles

Travel from home to School B: Paul can claim 25 miles less home to work 15 miles therefore (25 miles less 15 miles) 10 miles can be claimed

Travel from School B to work: Paul claims 10 miles. There is no claim possible for the 15 miles from Paul's workplace to home. Total claim for the day 20 miles (10 miles plus 10 miles)

Example 3:

Sophia travels from home to School C then to School D and then returns home

Home to work Mileage = 7 miles

Travel from Home to School C = 40 miles

Travel from School C to School D = 5 miles

Travel from School D to home = 35 miles

Sophia has travelled 80 miles (40+5+35). Although she has not been to her normal workplace, she cannot claim her normal journey of 14 miles (7 miles each way). Sophia can therefore claim 66 miles in total (80 less 14).

5. Vehicle Insurance

- 5.1 The Trust does not provide car insurance for staff using their own vehicles. The Trust does purchase a cover for occasional business use to allow staff to use their own car for business purposes in an emergency only. Staff members are responsible for ensuring they are appropriately insured prior to travel.
- 5.2 Staff must also ensure that the car is safe and legal to drive and comply with the Driving for work policy.

6. Travel by Rail, Bus or Aeroplane

- 6.1 The use of public transport for eligible journeys will be reimbursed upon receipt, provided the expenses are reasonable. Staff should ensure they travel by the most economical method bearing in mind both the cost and travel time. Any overseas travel should be approved by a Headteacher (accompanying overseas school trips for pupils) or the Accounting Officer for any other category before booking to confirm that it is in the interests of the Trust.
- 6.2 Staff should use the most economical class of travel. Generally, this is standard or economy class unless the cost of first class is at the same cost. If a member of staff wishes to travel first class, they may do so on reimbursement to the Trust of the difference in the fare and must provide quotes for the same journey using standard or economy class.
- 6.3 The school will not pay for the travel of any accompanying person unless their attendance is required as a representative of the school or the staff member requires assistance by means of reasonable adjustments.

7. Cost of Meals and Accommodation

- 7.1 The cost of meals purchased by staff required to work at a location away from their home or the normal place of work may be claimed. No reimbursement will be made for an activity or visit where the staff member would normally have provided their own lunch e.g. school trips. However, the cost of meals will be reimbursed when on a course or otherwise away overnight.
- 7.2 Reasonable expenses for the cost of accommodation, food and non-alcoholic drink will be reimbursed when supported by receipts.

7.3 Only the cost of accommodation required for business purposes will be reimbursed by the school or Trust. It will not meet the cost of additional parties or accommodation provided to a spouse or other family members.

7.4 Personal items, such as alcoholic drinks, mini-bars, newspapers, movies etc. will not be reimbursed and their total should be deducted from any bills submitted for expenses purposes.

7.5 If an employee chooses to stay with friends or relatives instead of in a hotel, an allowance of £30 per night may be claimed.

8. Telephone and Mobile Expenses

8.1 Business calls made from a home telephone or personal mobile phone may be reimbursed subject to provision of an itemised telephone bill showing additional charges were incurred and their inclusion on the Staff Expenses Claim Form. Line or equipment rental will not be reimbursed.

8.2 The school provides mobile phones for operational purposes and to some senior staff. Such phones can be used for personal use but bills will be monitored, and any personal use above the package required for school or Trust use will need to be reimbursed to The Futures Trust.

9. Cleaning of Uniforms/Equipment

9.1 A limited number of staff are provided with branded uniforms or other equipment as part of their role in the Trust. The uniforms should be maintained by the staff member, so they are clean and tidy in use. No expenses can be claimed for cleaning unless the cost is exceptional (and more than would be expected for other work attire).

10. Overseas Travel

10.1 When travelling overseas the same general principles for staff expenses as above apply. Travel arrangements should be made through an ABTA registered agent. Insurance provision should be investigated before the trip and if necessary additional cover purchased.

10.2 It is recognised that on some occasions, when not accompanying children, a member of staff may wish to extend their stay into the weekend or school holidays for personal reasons. This is permitted as long as any additional expenditure (flight cost, hotel room, subsistence) is paid for by the member of staff.

11. Receipts

11.1 Original signed, approved forms and original receipts must be stored by the finance team for the current financial year plus six previous years.

12. HRMC Mileage Allowances

12.1 Mileage allowances are paid free from NIC and PAYE deductions and do not impact on pension. The rates used as at 5 April 2023 are from the HMRC – Travel – Mileage and fuel rates and allowances:

From tax year 2011 to 2012 onwards	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
*Passenger payments	5p	5p
Motorcycles	24p	24p
Bicycles	20p	20p

*Passenger payments are payable for TFT employees who carry other TFT employee(s) in their own car or van for a TFT business journey. Both journeys must be to and from the same venues and are only payable for mileage as described in section 4.

Passenger payments must be shown separately on the claim form and are only available for journeys in cars and vans.



The Futures Trust Trustee and Governor Expenses Policy 2023

<p>Reviewed by: Trust Finance Director</p> <p>Agreed by Trustees: 2 October 2023</p> <p>Date of Next Review: September 2024</p>
--

Contents

1. Introduction
2. Claiming Expenses
3. Travel Expenses
4. Cost of Meals and Accommodation
5. Assistance Allowances
6. Miscellaneous Allowances
7. Payment of Expenses
8. Publication of Expenses

1. Introduction

1.1 The Futures Trust (TFT) acknowledges the role of Trustees and Governors in setting the strategic direction and monitoring the performance of the Trust. Although the role is voluntary the Trust wishes to provide a facility for Trustees and Governors to be reimbursed for expenditure which they may incur in the course of their duties. This policy applies equally to all Trustees and Governors within the Trust and details which expenses are payable for attendance at 'Approved Duties'. However, it is always open to any individual to choose whether or not to claim, irrespective of this policy.

2. Claiming Expenses

2.1 The expenses which may be claimed are summarised below:-

- Travel expenses;
- Subsistence expenses;
- Governor assistance;
- Miscellaneous expenses.

2.2 All claims submitted for payment must be supported by a valid receipt.

Approved Duties

2.3 The following is a list of activities that The Futures Trust has deemed an "Approved Duty" for the purpose of claiming expenses under this policy:

- Properly convened meetings of the Trust board and committees, including School Standards Committees
- Other duties designated by the Trust or School Standards Committee, e.g. acting as a member of a panel convened for recruitment, disciplinary, pay or other approved reason
- Attendance at a meeting or conference arranged or approved by the Trust, The Futures Teaching Alliance or School Standards Committee.

Allowable Expenses

2.4 Trustees and Governors may only claim expenses in respect of actual expenditure incurred whilst attending the above meetings, undertaking training/development

and otherwise acting on behalf of The Futures Trust. These expenses are not subject to tax as long as only actual expenditure is reimbursed and a valid receipt has been attached to the claim form.

Expenses that cannot be claimed by law

2.5 Governors cannot claim 'attendance allowances' i.e. payment for actually attending School Standards Committee meetings.

2.6 Governors may not be reimbursed for loss of earnings.

3. Travel Expenses

3.1 Consideration should be given to the mode of transport to ensure that the most cost effective means of travel is used. The costs of travel by car should be checked against other forms of public transport including rail travel prior to the journey being made.

3.2 All payments are on the basis that the journey was actually undertaken and expenditure necessarily incurred. Trustees and Governors are encouraged to coordinate travel arrangements where possible to minimise the costs to the Trust. If Trustees and Governors share transport, a passenger rate of 5p per mile is payable. The following may be claimed:

- the approved mileage rates currently in force as set out on HMRC website
- the actual cost of standard rate public transport including bus and train fares (cheap rate fares should be used where they are available)
- the actual cost of car parking
- toll road charges
- taxi fares (in exceptional circumstances i.e. no other transport options available and attendance essential).

3.3 Mileage claimable must be calculated on the basis of the shortest, most practical route for the journey. Where it is reasonable and practical to use public transport then Trustees and Governors will be expected to do so.

3.4 Under no circumstances will The Futures Trust reimburse car parking fines, speeding tickets, damage to a vehicle whilst on official duties or the costs associated with any offences under the Road Traffic Acts.

3.5 Trustees and Governors should only travel by air if approved in advance by the Accounting Officer.

4. Cost of Meals and Accommodation

4.1 The cost of meals purchased by Trustees and Governors required to be at a location away from their home may be claimed. The cost of meals and accommodation will be paid when on a course or otherwise away overnight.

4.2 Reasonable expenses for the cost of accommodation, food and drink will be reimbursed when supported by receipts.

4.3 Only the cost of accommodation and meals required for the purposes of The Futures Trust will be reimbursed by the school or Trust. The Trust will not meet the cost of additional parties or accommodation provided to a spouse or other family members.

4.4 Personal items, such as mini-bars, newspapers, movies etc. will not be reimbursed and their total should be deducted from any bills submitted for expenses purposes.

5. Assistance Allowances

5.1 Trustees and Governors may claim an allowance for costs relating to additional needs incurred on approved duties. These may include:-

- Support for the cost of a signer;
- Audio equipment;
- Braille transcription;
- Translation of documents.

6. Miscellaneous Allowances

6.1 Trustees and Governors may claim reasonable expenses for the following costs incurred in carrying out their approved duties:

- Photocopying or printing;
- PC ink cartridges;
- Stationery including paper;
- Postage.

6.2 The Trust will pay up to £10 per annum of this category of expense. Often the school can print documents far cheaper than can be achieved on a home printer and therefore, if printed documents are required, these should be requested from the school in the first instance.

7. Payment of Expenses

7.1 Expense claims will only be paid if submitted on the approved form. Payments for personal expenditure must be made using either an Expense Claim Form (non-travel) or a Travel & Expenses Claim form.

7.2 Unless substantial sums are involved, claims should be submitted termly in arrears and claim forms must be submitted to the Finance Director for Trustees or the Headteacher in the case of Governors for review and approval. Payment will be made by the finance team by BACS transfer.

7.3 The Chair of the Trust or Local Governing Body, Headteacher, Executive Directors or school finance staff have the right to ask for additional evidence to support any expense claims made under this policy. The school or Trust finance staff will maintain a record of claims made including date, name, amount and reason for budget monitoring purposes. Trustees and Governors' expenses are subject to audit.

7.4 All claims must be supported by a valid receipt, e.g. bus ticket, phone bill, till receipt etc. All receipts which contain VAT must be retained by the Trust in accordance with current VAT legislation. In the case of telephone calls, an itemised phone bill must be provided where possible identifying the relevant calls where a claim is being made. Where an itemised bill is not available full details of the calls must be provided. Claims outstanding for more than six months will not be accepted.

8. Publication of Expenses

8.1 The Futures Trust is obliged to publish details of all allowances and expenses paid to Trustees and Governors on its public website and in its annual accounts.