

FINANCE POLICY



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Approved by:	The Beckmead Trust Board of Trustees
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Reviewed by:	Jennifer Faulkner, Chief Financial Officer
Next review due by:	April 2027

Summary of Changes

Date	Updates	Page No.
April 2026	Reviewed alongside the following documents: <ul style="list-style-type: none"> ● Academy Financial Handbook ● Scheme of Delegation ● Accountability Schedule ● Scheme of Financial Delegation ● Lettings Policy ● Reserves & Investments Policy ● Anti-fraud and corruption Policy ● Expenses Policy ● Whistleblowing Policy 	

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1. Introduction and Objectives

The purpose of this manual is to ensure the Trust maintains and develops systems of financial control that conform to the requirements of both propriety and good financial management. It is essential that these systems meet the requirements of our Funding Agreement with the Secretary of State for Education and the Academy Trust Handbook (ATH). This manual expands on the Financial Scheme of Delegation to provide detailed day-to-day operational guidance.

2. Financial Planning & The Budget Cycle

The Trust prepares rolling **3 to 5 year budgets** within the **IMP budgeting & forecasting system**. Trustees must set a balanced budget for the Trust as a whole. Individual academies are expected to present a balanced budget but may, with Trustee permission, operate a deficit budget.

2.1 The Budget Milestone Cycles

- **Cycle 1 (Jan – Mar):** Completion of the January Census to confirm pupil numbers. Income updates from Local Authorities (LAs) are factored into the first draft, and Headteachers propose staffing changes to the Executive Team.
- **Cycle 2 (Mar – May):** Funding amounts are confirmed by LAs and the DfE. The final staffing structure is agreed upon, and the **Finance and Operations Committee (FOC)** reviews initial budget proposals.
- **Cycle 3 (Apr – Aug):** The FOC recommends the finalized budget, which is then formally approved by the Trustees. **The Budget Forecast Return (BFR)** is submitted to the DfE by the CFO.

2.2 Sustainability & Climate Action

In accordance with the DfE strategy for sustainability in education, the Trust is committed to achieving Net Zero. The **Estates Directorate** is the designated **Sustainability Lead** for the Trust, responsible for the development and oversight of the Trust's **Climate Action Plan**.

All financial planning and procurement decisions must consider the environmental impact. The Estates Directorate will work with the Central Finance Team to ensure that capital investment plans include provisions for energy efficiency, carbon reduction, and the DfE's environmental targets. Progress against the Climate Action Plan will be reported to the Finance and Operations Committee (FOC) annually to ensure financial resources are appropriately allocated to meet sustainability goals.

3. Budget Management & Reporting

3.1 Responsibilities

CFO: Responsible for preparing and obtaining approval for the annual budget.

Board of Trustees: Retains formal responsibility for approving the Trust Budget and the annual budget of each academy.

3.2 Monthly Management Accounts

As mandated by the ATH and Trust policy, the CFO and Regional Finance Leads (RFLs) prepare reports including:

Actuals vs. Budget: Detailed month-to-date and cumulative variance analysis.

Forecasts: A revised forecast outturn for the financial year.

Cash Flow: An 18-month cash flow forecast, which is a standing item for the FOC.

Balance Sheet & Debt: Inclusion of the Balance Sheet and Aged Debt reports.

Academy Specifics: Admissions reports and Capital reports.

4. Financial Schemes of Delegation

The Trust operates a strict hierarchy for expenditure approval. Thresholds are calculated based on the **total duration of a contract**, not just the annual cost. These authority limits are reduced if under conditions of an Ntl (all large spends need to be presented to the Board for approval)

4.1 Expenditure & Authority Limits

Authority Level	Expenditure Limit	Source Alignment
Senior Leadership Team	Up to £1,000	
Headteacher / Director	Up to £5,000	
CEO / DCEO / CFO	Up to £150,000	
Board of Trustees	Above £150,000	

5. Procurement & Tendering Procedures

The Trust must achieve **Value for Money (VfM)** on all purchases.

5.1 Routine Purchasing & Quotes

- **Under £3,000:** Budget holders may order goods subject to their limits. Approval limits are set by the CFO in Spendesk and these can be viewed on individual approval workflows. A quote must be obtained before any order is placed.
- **£3,000 to £50,000:** At least **three written quotations** must be obtained to identify the best source of goods/services.
- **Quote Waivers:** If 3 quotes cannot be obtained, a waiver form stating the business case must be agreed upon by the CEO and CFO.

5.2 Formal Tenders (Over £50,000)

- **Thresholds:** All goods/services with a total contract value exceeding **£50,000** must be subject to formal tendering.
- **Public Sector Rules:** Contracts over **£180,000** (Services) or **£4.5M** (Works) must be dealt with via the public sector procurement rules and the **Find a Tender** system.

6. Income and Debt Management

6.1. High-Needs and Grant Income

- **DfE and LA Funding:** The primary income streams for the Trust are General Annual Grant (GAG) from the DfE and high-needs "top-up" funding from commissioning Local Authorities.
- **Monitoring:** The Trust Finance Lead is responsible for ensuring all DfE grants are collected, while the CFO monitors the receipt of all other grants.
- **Reconciliation:** A school-level financial synopsis is provided to Headteachers to ensure transparency regarding local funding levels.

6.2. Sundry and Local Income

- **Pricing:** Income from sources such as educational consultancy or lettings is priced in consultation with the CFO.
- **Lettings:** Regional Finance Leads (RFL's) must identify sums due and provide details to the Trust Finance Lead , who will issue a formal sales invoice.

6.3. Debt Control and Recovery Procedures

The Trust maintains a rigorous approach to debt management to ensure the financial sustainability of its specialist provisions.

- **Aged Debt Reporting:** An Aged Debt report is a mandatory component of the monthly management accounts reviewed by the CFO and the Finance & Operations Committee (FOC).
- **Escalation Timeline:**

- 30 Days: The Trust will actively chase all monies due via telephone or letter if payment is not received within 30 days of the invoice date.
- **60 Days (Internal Review):** For specialized AP or high-needs debts, the Regional Finance Lead (RFL) will review the account with the Headteacher to identify any commissioning or "top-up" disputes.
- **90 Days (Legal Action):** If a debt remains unrecoverable after three months, the Trust Finance Lead will submit a formal report to the CFO to approve the commencement of legal recovery actions.
- **Debt Write-Offs:** The CFO has the authority to write off debts where the legal costs of recovery outweigh the potential return, subject to the limits and "freedoms" defined in the **Academies Trust Handbook** and the **Scheme of Financial Delegation**.
- **Governance Oversight:** The Audit and Risk Committee (ARC) monitors the **Financial Risk Register**, which includes high-level risks associated with bad debt and LA funding volatility.

7. Audit, Risk & Compliance

7.1 Audit Arrangements

- **External Audit:** The CFO manages the external audit process, ensuring accounts are prepared for the period ending 31 August.
- **Internal Scrutiny:** An internal audit firm reports findings to the **Audit and Risk Committee (ARC)** regarding the effectiveness of controls and risk management.

7.2 Review of Regularity

The CEO, **as Accounting Officer**, is responsible for the regularity, propriety, and compliance of the Trust. This includes ensuring public money is spent for intended purposes and maintaining high standards of corporate governance.

8. Banking & Cash Management

- **Authorised Signatories:** All instruments authorising withdrawal from Trust bank accounts require two signatures from the DCEO, CFO, DCFO or Regional Finance Lead.
- **BACS Payments:** Electronic payments are conducted through secure online systems and must be authorised by two signatories in accordance with banking policy.
- **Debt Recovery:** The Trust chases all monies due. Debts unpaid after 3 months are evaluated for legal action or write-off by the CFO. (please see Section 6)

9. Payroll & HR Controls

9.1 Staff Contracts

- **Staff Appointments:** New staff can only be appointed to the authorised establishment if adequate budgetary provision exists. All decisions regarding appointments MUST be approved by the CFO.
- **Severance Payments:** The Trust can self-approve the non-contractual element of severance payments only up to the limits set in the ATH, unless under Ntl Conditions (please see point 9.2)
- **Authorisation:** The payroll is authorised by the DCEO & CFO via exception reports, and the DCFO reconciles the BACS file before payment.

9.2 Senior Pay, Severance, and Regulatory Compliance

Executive Pay Transparency

- **Benchmarking:** The People and Pay Committee (PPC) must ensure that all executive pay decisions are supported by a robust, evidence-based process.
- **Proportionality:** Pay must be defensible and proportionate to the individual's responsibilities, using independent benchmarking data to ensure value for money.

- **Website Disclosures:** The Trust is required to publish the number of employees whose benefits exceed £100k (in £10k bands) on its website and within the annual audited accounts.

Special Staff Severance Payments

- **Self-Approval Limits:** The Trust may only self-approve the non-contractual element of a severance payment up to £50,000 or three months' gross salary, whichever is the lower amount.
- **Prior DfE Approval:** Prior approval from the DfE must be obtained before an offer is made if the payment exceeds the self-approval limits or if the employee earns over £150,000, unless under an Ntl where these limits are removed and all payments require DfE approval.
- **Confidentiality Clauses:** Any severance agreement that includes a non-disclosure or confidentiality clause must be reported to the DfE as part of the annual compliance return.

Special Payments & Benefits

- **Ex-Gratia Payments:** Any payment made where the Trust has no legal obligation (ex-gratia) must be submitted to the DfE for prior approval regardless of the value.
- **Compensation Payments:** Payments made to provide redress for loss or injury are subject to the same £50,000 self-approval ceiling as severance payments.
- **Prohibited Payments:** In accordance with the ATH "Musts," the Trust will not reimburse claims for alcohol or enter into any financial leases that do not provide value for money.

Payroll Audit and Oversight

All special payments are reviewed by external auditors during the year-end process to facilitate the signing of the Review of Regularity by the Accounting Officer.

9.3 Staff Expenses and Subsistence

- **Expense Submission:** All staff expenses must be submitted via the **Spendesk** system.
- **Receipt Requirements:** A valid VAT receipt must be uploaded to the system within **7 days** of the transaction taking place.
- **Reimbursement Timeline:** Validated and approved expenses will be reimbursed to the staff member within **14 days**.
- **Mileage Claims:** All mileage claims must be logged via Spendesk, which calculates the reimbursement amount automatically based on the Trust's approved rates.
- **Payment Method:** Staff are expected to use their physical or virtual Spendesk cards for all business-related purchases.
- **Personal Refunds:** Expenses should not be claimed as a personal refund except in documented emergency circumstances where a Spendesk card was unavailable or non-functional.
- **Subsistence Limits:** When traveling for work on overnight stays, the Trust permits a daily subsistence allowance of:
 - **Lunch:** Up to £10.
 - **Dinner:** Up to £25.
 - **Combined Allowance:** These limits can be combined for a total daily subsistence of £35 where applicable.
- **Alcohol Prohibition:** In strict accordance with the **ATH "Musts"** regarding the use of public funds, the Trust will not reimburse any claims for alcohol. Any receipts containing alcohol will have that portion of the claim rejected.
- **Oversight:** The People and Pay Committee (PPC) monitors staff welfare and remuneration strategies, ensuring that expense policies are implemented fairly and in line with Trust strategy.

10. Asset Management

10.1 Fixed Asset Register

Items with a value over **£5,000** must be capitalised. The register includes Land, Buildings, ICT infrastructure, Furniture, and Vehicles.

- **Security:** Assets must be permanently and visibly marked as Trust property.
- **Disposals:** Items for disposal require CFO authorisation. Disposal of land or buildings requires written DfE approval.

11. Additional Compliance Areas

- **Insurance:** The Trust opts into the DfE's **Risk Protection Arrangements (RPA)**.
- **Gifts & Hospitality:** Any gifts or hospitality in excess of **£26** must be reported to the Accounting Officer and recorded in the register.
- **VAT:** The Trust Finance Lead is responsible for monthly **VAT 126** submissions, which the DCFO reviews before filing.
- **Cyber Security and Ransomware:** The Trust maintains robust digital controls to protect financial data and systems in line with the DfE's Digital and Technology Standards. In strict compliance with the ATH, the Trust maintains a **blanket prohibition on the payment of cyber-ransom demands**. Any cyber-security incident must be immediately reported to the CFO and the Audit and Risk Committee. In the event of a significant incident, the Trust will notify the DfE/ESFA as required by the handbook. The Trust will prioritize investment in preventative measures, including Cyber Essentials certification and regular staff training, to mitigate these risks.