



Finance Policy and Financial Regulations

Finance Policy

This document has been adopted by the Board of Trustees as the basis for the administration and management of finances. It applies to funds delegated or devolved within the provisions of the Schools Standards and Framework Act 1998.

The aim of the policy is to create a structure within which individual members of staff, Trustees and other interested parties can exercise financial management and stewardship in an efficient and effective way.

The Trustees regard proper control of the Trust finances as being of the utmost importance. Staff and Trustees will manage their affairs in accordance with the expected high standards of public sector administration, based on a distinct set of values, the fundamental principles of which are:

- Openness – an open approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny;
- Integrity, honesty and completeness;
- Accountability – individuals responsible for their actions and decisions;
- Minimum standards – financial management as set out in the following Financial Regulations;
- Advice and Guidance – relating to the financial performance of the School arising from the work of the Department for Education (DfE), OFSTED, the Trustees the Internal auditor and the External Auditors.

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Financial Regulations

1. Introduction

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

The Trust must comply with the principles of financial control outlined in the academies' guidance published by the DfE. This manual expands on that and provides detailed information on the Trust's accounting procedures and system manual should be read by all staff involved with financial systems.

2. Organisation

The Trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff. The financial reporting structure is illustrated below:

The Board of Trustees

The Trustees have overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trustees are prescribed in the Funding Agreement between the Trust and the DfE and in the Trust's scheme of government. The main responsibilities include:

- ensuring that grant from the DfE is used only for the purposes intended;
- ensuring that funds from sponsors are received according to the Trust's Funding Agreement, and are used only for the purposes intended;
- approval of the annual budget;
- appointment of the Chief Executive Officer (CEO) and
- appointment of the Chief Finance & Operations Officer (CFOO), in conjunction with the CEO
- the Board will meet at least three times per year.

The Finance, Audit and Risk Management Committee

The Finance, Audit and Risk Management Committee is a team of at least three Trustees and the CFOO. This must contain the Chair of the committee, or their deputy. Quorum is defined within the terms of reference of the Finance, Audit and Risk Management committee. The Finance, Audit and Risk Management

Committee meets at least five times per year but more frequent meetings can be arranged if necessary.

The main responsibilities of the Finance, Audit and Risk Management Committee are detailed in written terms of reference which have been authorised by the Board of Trustees. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- authorising the award of contracts as per delegated authority **Annex 1**
- authorising changes to the Trust personnel establishment and
- reviewing the reports of the internal auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the full board of Trustees.

The CEO

Within the framework of the Trust development plan as approved by the Board of Trustees the CEO has overall executive responsibility for the Trust's activities including financial activities.

School Headteachers

School Headteachers retain responsibility for:

- approving new staff appointments in conjunction with the CEO and Executive Team within the authorised establishment.
- authorising purchases as per delegated authority **Annex 1**
- with approval from the CFOO

The CFOO

The CFOO works in close collaboration with the CEO/School Headteachers through whom the CFOO is responsible to the Trustees. The CFOO also has direct access to the Chair of the Finance, Audit & Risk Committee. The main responsibilities of the CFOO are:

- the day-to-day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees;
- the maintenance of effective systems of internal control;

- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- the preparation of monthly management accounts;
- authorising purchases, per delegated authority **Annex 1** in conjunction with budget holders;
- authorising payments/signing cheques in conjunction with other authorised signatory and
- ensuring forms and returns are sent to the DfE (Education and Skills Funding Agency) in line with the timetable in the DfE guidance.

The Internal auditor (IA)

The Internal auditor is appointed by the Board of Trustees and provides Trustees with an independent oversight of the Trust's financial affairs. The main duties of the IA are to provide the Board of Trustees with independent assurance that:

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

The Internal auditor will undertake an annual programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust board. A report of the findings from each visit will be presented to the Chair of Finance, Audit and Risk Management Committee.

Other Staff

Other members of staff, primarily the Central Finance Team, School Admin Teams and School Budget Holders, will have financial responsibilities, and these are detailed in the following sections of this policy. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Trust Trustees, school local governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as Trusteeships, 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 Trustee, local governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of Trustees, school governor and staff to declare interests whenever they are relevant to matters being discussed by the Board of Trustees or a committee/portfolio team. Where an interest has been declared, Trustees, school governors and staff should not attend that part of that meeting.

3. Accounting system

All the financial transactions of the Trust must be recorded on the accounting software. The system is operated by the Finance Teams of the Trust and consists of:

- Nominal Ledger
- Journals
- Bank Transactions
- Purchase & Sales Ledger
- Payroll Reconciliation

The Trust utilises a separate reporting system for the creation of management information.

Payroll is currently operated by Devon County Council and iTrent Personnel System is used by all employees of the Trust.

All school trip income is made on online school payment systems.

Access to Trust finance systems are password restricted to individuals with financial responsibilities only, and to areas pertaining to that responsibility. Passwords must not be shared in any circumstances

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

Back-up Procedures

The CFOO is responsible for ensuring that there are effective back up procedures for the systems.

The CEO should also prepare a disaster recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by Trustees of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks. This risk forms part of the Trust Risk Register.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. Monthly reconciliation of the bank accounts should be completed by the Central Finance Team, checked and signed by the Head of Finance (HoF).

Recharges between schools must be by journal and authorised by the HoF, or budget holder for recharges between departments, within a school. This should be prior to being input to the accounting system.

Accruals and prepayments for costs above £10K will be processed within the reporting system on a monthly basis throughout the financial year. With the exception of Utilities due to the volatile invoicing and crediting by suppliers. Utilities will be monitored and re-forecasted monthly, using the forecasting software. Year-end Accruals will be processed for all costs deemed material.

Detailed information on the operation of the Finance software accounting system can be found in the user manuals held in the Trust Office and online.

Transaction Reports

The Central Finance Team review the following reports to ensure that only regular transactions are posted:

- Bank and Credit Card statements and reconciliations
- Monthly payroll reports
- Summary record of debtors/creditors reports at year end

Supplier set-up is limited to the Central Finance Team to ensure robust checking and consistent application of checks, for example creditworthiness, validity of bank details, intermediaries' legislation and impact (for example IR35 legislation).

Reconciliations

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

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- VAT control account (monthly when returns submitted)
- bank balance per the nominal ledger to the bank statement.

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

4. Financial planning

Schools

- Each School within the Trust has a School Improvement plan (SIP), which includes a statement of its educational goals to guide the planning process.
- The SIP outlines the school's educational priorities and budget plans for the next three years, showing how the use of resources is linked to the achievement of the school's goals.
- The SIP states the school's priorities in sufficient detail to provide a basis to construct budget plans for the next financial year.
- .
- School SIPs should state intended expenditure on any significant changes from the previous financial year. The school SIP should have a clear identifiable link to the school budget.

The Role of the Trust

- The medium-term financial plan is prepared as part of the strategic planning process and supported by 3-year budgets. The Strategic Plan indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the planning period.
- The Strategic Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year.

Strategic Plan and Strategic Intent

The strategic plan is concerned with the future aims and objectives of the Trust and how they are to be achieved, including matching the Trust's objectives and targets to the resources expected to be available. The plan is 'big picture' within

which more detailed plans may be integrated. The strategic plan of the Ivy Education Trust is reviewed annually and includes:

- contextual information.
- the Trust's vision and values.
- a review of the growth plan.
- definition of strategic priorities.
- our objectives, success criteria, 'lead' for action and timescales.

Annual Budget

The CFOO is responsible for preparing and obtaining approval for the annual budget. The budget process will be consistent with the GAG Pooling policy, reviewed by the Finance, Audit and Risk Management Committee and recommended for adoption and approval by Trust Board.

The Budget Cycle

The budget cycle is as follows:

<u>Month</u>	<u>Budget Planning Activity</u>
September	Phase 1 planning for next Financial Year (ICFP) Reconciliation and closure of the previous financial year Submission of BFR
October	Audit Autumn School Census
November	Core Curriculum Plan finalised (ICFP)
December	Accounts submission to DfE
January	Mid-year review of actuals to budget Preparation of mid-year reforecast if necessary

	Submission of AAR ICFP Financial Model deadline & CEO review Spring School Census
February	Phase 2 planning for next financial year (non-staff I&E) SBS Allocations published
March	Review of draft budget for new financial year
April	Asset Lifetime Review
May	Summer School Census
June	Preparation of final budget for new financial year
July	Seek Board approval for final budget sign off
August	Upload approved budget into finance system

All requirements of the DfE, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

The budgetary planning process will incorporate the following elements:

- realistic forecasts of the likely number of pupils to estimate the amount of General Annual Grant.
- latest estimate of other DfE funding e.g. pupil premium, or other specific funds adjusted for cohort size.
- review of other income sources available to the academy to assess likely level of receipts.
- review of past performance against budgets to promote an understanding of the Trust's costs including lessons learned.
- identification of potential efficiency savings.
- review of the main expenditure headings in light of the improvement plan

objectives, curriculum resource needs and the expected variations in cost e.g. through pay increases, inflation and other anticipated changes.

- provision to sustain capital assets.
- any unspent grants from the previous financial year.
- any funds held in Trust.

The Trust must set a balanced budget, which can draw on unspent funds brought forward from previous years. This requirement applies to the Trust as a whole, not to constituent academies, allowing financially struggling academies access to relevant, focussed support.

The approved budget is entered onto the finance system at the start of the new financial year and monitored monthly. The 'original' (Board-approved) budget will be frozen on the system and remain unaltered.

Other Grants and Specific Funding

In addition to the GAG funding from the DfE, the Trust may be awarded additional grants from time to time relating to specific projects. All applications for additional external funding must be approved and supported by the CFOO (with FAR approval if appropriate). All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.

Funds Held in Trust

Where funds are held in trust the CFOO is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately.

Designated Funds

Where designated funds are established, the CFOO is responsible for recording of allocations, ensuring full accountability (to include, e.g. funds designated by schools for cyclical replacement of IT etc.).

Monitoring and Review

Monthly reports will be prepared by the HoF. The reports will detail actual income and expenditure against budget both for assigned budget holders and at a summary level for the CEO, Headteachers and the Finance, Audit and Risk Management Committee.

Reports include:

- an income and expenditure account, with variances to budget and re-forecast.
- balance sheet.
- cash flow forecast.

Accounts are shared with the Chair of Trustees and Finance, Audit and Risk Management Committee every month, and other Trustees at least six times a year (appropriately summarised). The Board and Finance, Audit and Risk Management Committee consider the accounts at each meeting, ensuring appropriate action is taken to maintain viability including addressing variances

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast, it may be appropriate to vire money from another budget or from the contingency. The School Headteachers will authorise virements from one cost centre to another to the value of 1% of the total School budget. Any such virement will be recorded and reported to the next meeting of the Finance, Audit and Risk Management Committee.

Asset Management Plan

The Trust's estate is managed centrally to guide asset management and maintenance activities and to provide transparency of decision-making processes for capital spending. Capital expenditure, including the formulation and management of the school capital / condition allocation, is managed by the Executive Team.

The Trust's Asset Management Plan sets out the vision and objectives of the estate, the organisational structure and responsibilities, policies and procedures including those around:

- asset acquisition and disposal.
- condition suitability and sufficiency.
- reporting requirements.
- procurement and funding.
- premises related emergencies.
- insurance.
- facilities management.

Estate priorities are reviewed on an ongoing basis but structured around an annual process reflective of five-year needs, the longer-term vision and lead / planning times.

- Summer term (June / July)
 - Meetings with headteachers, premises and site managers.
 - Budget requirements and parameters considered (to include both capital and revenue, based on whole-life costing).
- Autumn term (September – Dec)
 - Central team to prioritise need within budget parameters and update draft Asset Management Plan (key projects for delivery).
 - Finance, Audit and Risk Management Committee advised of priorities giving broad agreement to the direction and prioritising.
 - Finance, Audit and Risk Management Committee to agree necessary capital budget (noting any revenue implications) with contingency for emergency works (within virement limits).
 - Detailed planning commences for the following academic year. Designs and specifications drawn-up, quotations sought.
- Spring term (Jan - March)
 - Pricing confirmed and orders placed for summer works.

Revenue budgets reviewed for premises implications including those from current and planned projects to maintain five-year view.

5. Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration; and
- payments.

Staff Appointments

The Trustees have approved the staffing structure for the Trust. Changes 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.

Changes to the Trust central team require the agreement of the CEO.

Payroll Administration

The Trust payroll is administered through Devon County Council's payroll office.

All staff are paid monthly on 25th of each month. A master file is created for each employee which records:

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

The People Team maintain personnel files for all members of staff which include contracts of employment. The People Team are responsible for obtaining the relevant DBS checks and ensuring these are retained on file. The People Team update the DCC's iTrent payroll system.

All changes to staff appointments (starters, movers, changes and leavers), must be notified to the Director of People (DoP) and the Central Finance team in writing. Budgets are only updated by finance where changes are independently verified.

All casual, Supply and additional hours, overtime, emergency call outs and travel are input into iTrent once authorised by the relevant budget holder. An authorisation audit trail will either be maintained within iTrent or with paper copies.

Payments

After the payroll has been processed by DCC, but before payments are dispatched, a print of salary payments by individual and showing the amount payable in total should be obtained from the system and reconciled against management Information system (MIS).

All salary payments are made by BACS.

The People Team should prepare a reconciliation between the current month's expected gross salary from MIS and actual gross salary payments, resignations, pay increases etc. This reconciliation should be reviewed by the CFOO.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.

The CFOO should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.

After the payroll has been processed, the nominal ledger will be updated by the Central Finance team. Postings will be made both to the payroll control account and to cost centres. The Central Finance Team should review the payroll control account each month to ensure the correct amount has been posted into the finance software, into each school location, into the payroll control account and deducted from the bank.

Intermediaries' legislation (IR35)

The Trust has a responsibility for ensuring that payments to workers are subject to tax and national insurance deductions, where appropriate. When the Trust engages with a supplier (person/company) and the working arrangements are within the scope of the IR35 legislation, the working arrangements will be assessed for the Off-payroll working rules, by the Trust.

The Trust will evidence compliance, by ensuring good record keeping of assessments and the outcomes.

The working arrangements will be reassessed annually, or sooner in instances where the previously assessed working arrangements have changed.

Salary Advances

The Trust does not award salary advances.

Cycle to work Scheme

The Trust participates in the government cycle to work scheme, via a salary sacrifice arrangement. The procedure is overseen by the People team using a standardised process, with support from the Central Finance Team.

Other Payroll payments

Any payments outside of the normal payroll process must be made only in reference to the current and most up to date requirements within the [Academy trust handbook 2026: effective from 1 October 2026 - GOV.UK](#)

6. Purchasing

The Trust must achieve the best value for money from all purchases. This means the correct quality, quantity and time at the best value possible. A large proportion of purchases will be paid for with public funds, and they need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
- Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis.
- The Trust funds will not be used to purchase alcohol for consumption, except where it is to be used in religious services.

Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget holders are encouraged to keep their own records of orders placed but not paid for (outstanding commitments).

Routine Purchasing

Requests for purchases of goods or services are made via the purchase order requisition (PO Req) process, within the finance system. Purchase requisitions are approved by the Budget holders and are converted to Purchase orders (POs) by the Central Finance Team. POs are submitted to delegated authority approvers, as appropriate. See Purchasing (Via Invoice) Workflow **Annex 2** and Purchasing (Via Credit card) Workflow **Annex 3**.

Delivery of all goods must be to Trust premises only and not to an employee's home address. On receipt of goods, the department receiving the goods must undertake a detailed check against the delivery note, make a record of any discrepancies and query with the supplier immediately.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the relevant finance/admin team should be notified.

All invoices should be sent or forwarded to the Central Finance Team (invoices@ivyeducationtrust.co.uk).

If a Budget holder is pursuing a query with a supplier, the Central Finance Team must be informed of the query and periodically kept up to date with progress.

All suppliers are paid by BACS, and each payment is authorised by two of the authorised signatories.

Purchase Order Exemptions

The following purchases are exempt from the standard purchasing process. The budget approval provides the authorisation for these purchases.

- Emergency premises call out/repairs
- Emergency agency supply - first week
- Emergency legal costs
- Utilities (Gas/Electricity/Water)
- Catering provisions – food
- Examination Fees

Reimbursement payments will be claimed using a reimbursements form, and must be approved in line with the permitted process. VAT only invoices must be approved by the HoF.

- Parent/Staff reimbursement payment
- VAT only invoices

Credit Card Purchasing

Credit card purchasing should be kept to a minimum. This will assist in mitigating the risk of fraudulent activity or misuse of Trust funds.

Payment for purchases should not be made via credit card, where the Trust has the supplier account set up for invoice payment.

The credit card should only be used as payment, in instances where we are unable to make payment on a supplier account invoice. For example, train tickets or supermarket groceries. The frequency of grocery purchasing should be managed efficiently, to keep the card use to a minimum.

Requests for purchases of goods or services to be paid by credit card should be made via the purchase order requisition (PO Req) process, within the finance system as per our standard process). See Purchasing (Via Credit card) Workflow **Annex 3**.

The HoF and the CFOO will review the usage of the credit card and escalate any queried charges with the relevant Cardholder.

Card holders and limits of credit for each card are to be individually agreed, according to need and any changes to be agreed by the CFOO.

The card will be issued by Lloyds bank and each card issued will be in the name of the individual, on behalf of Ivy Education Trust. The card holder must sign the card user agreement, prior to being issued with a card.

When not in use the card must be kept within the school safe. No cash withdrawals are allowed. Only staff members who have been issued a card in their name are allowed to make purchases with the card. The PIN number for each card shall be known only by the cardholder and not disclosed to anyone else.

Any staff member who has been issued with a card and subsequently leaves Ivy Education Trust must return their card to the Central Finance Team. The card will be destroyed, upon return.

Any staff member who is found to be mis-using the card in any way will have the card removed from them; appropriate action will be taken, and the disciplinary process will be followed. The FAR Committee of Trustees will be informed.

The cardholder is responsible for obtaining receipts for any purchases (VAT receipts where VAT paid and reclaimed) for input into the Finance system, by the Central Finance Team.

No personal purchases are to be made on the card.

Lost or stolen cards must be reported immediately to the Central Finance Team. During school holidays this must be reported to Lloyds Bank (Customer Services 0800 096 4496) and the Police in the case of theft or fraud. The CFOO or CEO should also be notified by email if not available by telephone.

Leases

All operating leases must be approved CFOO, as per delegated authority **Annex 1**. All operating and finance leases must only be entered into in accordance with the [Academy trust handbook 2026: effective from 1 October 2026 - GOV.UK](#)

Procurement

For procurement, the Trust will follow the latest Government guidelines on thresholds which is updated from time to time and can be found in the Academy Trust Handbook

Useful Links:

[Procurement Act 2023 - Guidance documents - GOV.UK](#)

[Public-sector procurement - GOV.UK](#)

[Buying for schools: how to buy what you need - Guidance - GOV.UK](#)

[Get help buying for schools](#)

[Supply Teachers and Education Recruitment - Get help buying for schools](#)

[Energy and utilities - Get help buying for schools](#)

[Reducing procurement risk: good practice for academy trusts - GOV.UK](#)

[Procurement advice for governing boards - GOV.UK](#)

[Procurement in schools and trusts | National Governance Association](#)

7 Related Party Transactions

Definition of a related party

For the Trust, our related parties include the Members of the Trust, the Board of Trustees, the Executive Leadership Team and Trust leaders. Close family members and business partners of the foregoing are also included.

Supporting Trustees to Manage Conflicts of Interest

To support trustees in managing conflicts of interest and to demonstrate complete transparency:

- The Trust Governance Officer maintains a comprehensive “Register of Declarations of Business Interest” which is shared with key finance personnel within the Trust. This register covers Trustees, Executive leaders and Governors. The register is updated annually before the start of the academic / financial year and published on the Trust’s website.
- The Trust Governance Officer reviews the Register and ‘Register updates’ to ensure potential related parties are identified and notifies the Central Finance Team so that they are captured within the Trust’s accounting system, such that any transactions are appropriately identified and routed.

All related party transactions are considered and agreed by the Finance, Audit and Risk Committee (FAR) prior to any new orders being placed (schools are asked in advance of the year to identify the extent of likely transactions with our related parties).

- The FAR considerations to be supported by evidenced quotations and tendering (as appropriate to the circumstances) and an informed assessment

of value for money. Individuals are required to remove themselves from meetings when a potential transaction is identified.

- (Nb. Agreement may be to a 'generic approval' to a theme of transactions, eg. in relation to outdoor education where Statements of Assurance are in place').
- The requirements around related party transactions are regularly discussed with Declaration of Interest being a standard agenda item at each committee.

Reporting and approval of related party transactions

All related party transactions must be recorded using the DfE's online form: [Using the online form: report or seek approval for related party transactions - GOV.UK](#), before the agreement / contract starts.

For contracts / agreements over £40,000 prior DfE approval is required.

The following exemptions apply to related party transactions:

- contracts and other agreements for the supply of goods or services to a trust by the following educational establishments:
- colleges, universities and schools which are sponsors of the academy trust
- state funded schools and colleges, including academies. This concession does not apply to transactions with a subsidiary of such a related party.
- the provision of services to an academy trust with a religious designation, for essential functions fundamental to the academy trust's religious character and ethos which can only be provided by their religious authority.

Any contract / agreement deemed to be novel / contentious / repercussive must obtain prior DfE approval, irrespective of contract value and also applies to the exemptions listed above.

Please see [Academy trust handbook 2026: effective from 1 October 2026 - GOV.UK](#) Sections 5.4-5.5.

Fraud, theft and irregularity

The Trust takes its responsibility to safeguard public funds seriously and ensures it does this by regularly reviewing the financial controls that are in place to identify fraud, theft and irregularity. Where a suspicion of fraud theft or irregularity exists,

that Trust will take the appropriate action in accordance with our Code of Conduct.

Any instance of fraud, theft or irregularity exceeding £5,000, individually or cumulatively, must be reported to the DfE by the Board of Trustees, including:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss.

Cybersecurity in financial transactions

The Trust takes cybersecurity seriously and ensures that staff are aware of the threats that they may encounter.

Cybersecurity is everybody's responsibility and should an incident be suspected staff must report it immediately to their direct line manager and / or the IT Department. The Trust Executive team will co-ordinate a response in accordance to the Business Continuity Plan.

<https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/cyber-security-core-standard>

The Trust must not pay any cyber ransom or extortion demands. DfE supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom or extortion demands. Payment of ransoms or extortion demands has no guarantee of restoring access or services and is likely to result in repeat incidents.

Audit

The Finance, Audit and Risk Management Committee and internal audit procedures are a key element of the Trust's control system. Internal audit carries out a risk-based series of audits designed to assess the school's identification and management of fraud risks. The external Audit Team provides an independent appraisal of the integrity of all internal control systems.

Anti-bribery

It is the responsibility of the Trustees, CEO, Head Teachers, and employees to prevent and help detect fraud, bribery and corruption. In high-risk areas specific controls aimed at preventing and detecting frauds will be in place.

Governors, CEO and CFOO have a duty to inform the Board of Trustees and the Finance, Audit and Risk Management Committee of any potential fraud, bribes, corruption or other suspected irregularities.

The CFOO will ensure that a log is maintained of all reported incidents at the school which will be reported to the Trustees. Any incidents above £5,000 will be reported to the DfE.

A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer also has the responsibility to report all findings to the Finance, Audit and Risk Management Committee.

It is often the alertness of employees and the Public that enables frauds to be detected. In accordance with the Whistleblowing Policy, any member of staff with any concerns about the Trust or its academies' activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible in certain circumstances. In these cases, contact should be made with the Chair of the Trust or the Finance, Audit and Risk Management Committee; the CEO or the CFOO as appropriate. Concerns may also be raised with the Trust's External Auditor.

All concerns, reported by whatever method, will be treated in confidence and will be reviewed and investigated by the person deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concern raised, that concerns are investigated by the Trust, internal audit or in the case of very serious concerns, the External Auditor or the Police.

8 Income

The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the CEO who is responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- The local authority for exceptional arrangements
- parents, for trips, clubs, wrap-around provision, revision guides and catering
- public, for lettings, photocopying services and car park rental
- Resources are allocated on the basis of the Board's GAG pooling policy.

Trips

A Trip Leader must be appointed for each trip to take responsibility for the organisation of the trip in conjunction with the EVC (Educational Visits Co-Ordinator) of the school once approval has been given by the Head Teacher of the school.

All trip income is received via online school payment systems. In exceptional circumstances cash can be collected at the relevant school office where a receipt will be given.

The school will maintain an accurate list of those who have paid and chase any outstanding money. Any student who has not paid in full before the departure date of the trip for non-curriculum trips will not be allowed to attend and the parent notified by the Trip Leader.

All trips must be planned to ensure parents are allowed as long as possible to make payment to ensure that no student is unreasonably discriminated against due to financial pressures at home.

All overseas trips must be booked via an approved Tour Operator with ABTA, AITO and ATOL. Confirmation that the trip is insured through the Trust insurers must be sought from the Trust office. If not, insurance must be purchased from the Tour Operator and must include any pre-existing medical conditions of those travelling. Insurance must include cover in line with Foreign Commonwealth & Development Office guidance.

- For trips where the costs meet purchasing thresholds, cost comparisons or quotes must be obtained for Audit purposes, as per delegated authority **Annex 1** and copies must be forwarded to the Central Finance Team for approval.
- For trips where costs are likely to meet the threshold for FAR Committee approval, provisional approval can be sought from the CFOO. This is to enable initial communications to parents/guardians, ascertaining if sufficient interest. When acceptable participant numbers are predicted, formal approval must be sought from the FAR committee.

For trips where cost comparisons or quotes are required, a full financial breakdown of the trip and payment plan for parents must be given to the Central Finance Team for approval which includes any extra costs to be paid as part of the approval process. If part of the cost for some students is to be paid from school cost centres, this should be identified within the financial breakdown.

Where external companies are due to receive advance payments, reasonable financial health checks will be undertaken by the Central Finance Team.

Once approval for the trip has been given by the Headteacher and the price of the trip is agreed, the letter sent out to parents for the deposit must state that this is non-refundable unless the trip is cancelled or the student is removed from the trip.

Only at the time that there are enough deposits paid can the trip be officially confirmed with the Tour Operator (if used). A payment schedule from the Tour Operator must be forwarded to the Central Finance Team along with any invoices received.

Any non-payment by parents will be chased by the school. This can be supported by the Central Finance Team.

If payment is not made by deadlines the student may be removed and any money already paid to the Tour Operator may not be refunded unless the space is replaced and paid for.

Any pre-existing medical conditions of any person travelling must be obtained and passed to the relevant insurance company to ensure adequate cover is in place. All EHIC/GHIC details are checked to ensure everybody travelling has cover if relevant to the country of travel.

Insurance cover must be checked if high-value items such as mobile phones are included and, if not, parents are made aware that this will be their responsibility to insure.

If a trip is in surplus and the surplus per student is in excess of £20, refunds will be offered with the first £10 retained to cover the cost of collecting the refund.

Lettings

Lettings are made using an outsourced lettings website. Payments must be made in advance for the use of facilities. All invoices and payments are recorded on the finance system. Any outstanding debts will be chased by the Central Finance Team or School.

Bad debts written off

All reasonable and proportionate action to recover debts and overpayments should be demonstrably taken prior to considering writing off any debt. The CEO and CFOO have delegated powers to write off a maximum of £10,000 (CEO), £5,000 (CFOO) and £1,000 (HoF), cumulatively within the Financial Year. Beyond these delegations, write off/s must be taken to the Finance, Audit and Risk Management Committee up to the value of delegated limits as published in the [Academy trust handbook 2026: effective from 1 October 2026 - GOV.UK](#)

9 Cash Management

Custody

Within the Trust, it is our policy to avoid handling any cash or accepting cheques however we appreciate that on occasion there may be no alternative. It is agreed that such circumstances must be agreed by either the CFOO or the HoF.

Receipts are issued for any cash received where no other formal documentation exists. All cash and cheques must be kept in the Trust office safe or school office safe prior to banking.

Due to the security risk that cash presents, banking should take place frequently to ensure that cash is not held on site for longer than a week. All banking will be input into the finance software system and a deposit slip completed and retained for Audit.

All charity collections must be either paid directly into the relevant charity bank account or the Trust College Awards Fund bank account at the earliest convenience.

Bank Accounts

The Central Finance Team (with the approval of Finance, Audit and Risk Management Committee) is responsible for selecting the banking institution and negotiating the terms and conditions.

The following procedures must be followed when opening a bank account and operating it:

- The Finance, Audit and Risk Management Committee must authorise the opening of all bank accounts.
- The Trust will ensure that in the event of changes to key personnel or governors/trustees, that signatories are changed immediately, and the bank notified. Any on-line access to banking will also be removed.
- Terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted.
- The CFOO / HoF must ensure there are sufficient funds to cover large payments.

Deposits

Where cash deposits are unavoidable, they must be entered onto a bank paying-in slip. Details must include the amount and name of debtor if paying in a cheque. The deposit slip number must be entered into the finance software system.

Cash withdrawals

Lloyds bank has removed the “open credit” facility for commercial customers to withdraw cash. Cash withdrawals are not allowable.

Payments

The CFOO must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the accounting system;
- reconciliations are prepared by the Central Finance team;
- reconciliations are subject to an independent monthly review carried out by the HoF/CFOO or in their absence the Internal auditor and adjustments arising are dealt with promptly.

Fundraising platforms

All proposals to use fundraising platforms must firstly be approved by the HoF/CFOO. The platform accounts must be managed by the central finance team.

Cash Flow Forecasts

The HoF/CFOO is responsible for preparing cash flow forecasts to ensure that the Trust 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. Similarly plans should be made to transfer funds from another bank account or to re-profile potential cash shortages.

Investments

Investments must be made only in accordance with the Treasury Management, Investment & Reserves Policy, approved by the Board of Trustees in accordance with the guidance set out in [Investing charity money: a guide for trustees - GOV.UK](#).

Borrowing

The Trust will manage its cash position robustly. The Trust must take any necessary steps to prevent becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing.

10 Fixed assets

The Trust must obtain prior approval from DfE for the following transactions:

- acquiring a freehold of land or buildings.
- disposing of a freehold of land or buildings.

- disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

Outside of these assets, the Trust may dispose of its other assets without prior approval. The Trust must demonstrate that it has obtained the best price that it can reasonably obtain for the asset whilst also maintaining the principles of regularity, propriety and value for money.

Acquisitions and Disposals of Assets

Acquisitions and disposals may be of freehold, leasehold or other interests. As well as restrictions on the individual titles of land and requirements imposed by land registration, there are also statutory restrictions imposed on disposing of, or making material changes to school land. This may include a requirement to seek government approval.

All proposals concerning land and property must go through the CFOO, who will advise on the necessary statutory requirements, seek the consents and obtain legal advice where needed.

When FF&E (Furniture, Fixtures and equipment) assets are required to be disposed of, it is the responsibility of Schools to notify the CFOO and HoF, who should decide on the most appropriate method of disposal in the best interests of the Trust. The disposed asset, date of sale, and any sale value should be recorded on the School Asset register at the point of disposal.

All items for sale or destruction must be authorised for disposal by the Headteacher and, where significant, should be sold following due process:

- taking reasonable steps to advertise the disposal.
- inviting bids for the asset (sealed bids are preferable.)
- negotiating with potential purchasers.

Nb. That licensing and GDPR issues must be considered.

Disposal of equipment to staff is discouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment.

Complications with the disposal of computer equipment mean that these assets are not suitable for disposal to staff.

Disposals, where applicable, are in line with the Academies Trust Handbook.

Items which are to be disposed of by sale or destruction must be authorised for disposal the Headteacher in liaison with the CFOO and, where significant, should be sold following competitive tender. The academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

The process for disposal requires the school recommend to the Executive Leadership Team (CFOO) that they wish to dispose of assets which will be tabled at the next Finance, Audit and Risk Management Committee.

Asset Register

All items purchased or projects undertaken (unless deemed routine or maintenance under FRS102) with a value over the Trust's capitalisation limit of £1,000 must be entered on the fixed asset register and inventory management system with the following details:

- asset description.
- date of acquisition.
- asset cost.
- source of funding (% of original cost funded from grant and % funded from other sources).
- expected useful economic life or perceived extension to asset lifetime where a project is undertaken.
- depreciation.
- current book value.
- location.

The inventory system for individual schools or departments should include, the:

- serial number/identifier.
- name of member of staff responsible for the asset.
- desirable items up to £1,000

The asset register helps:

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

Examples of items to include on the asset register include:

- ICT hardware
- Reprographic equipment – photocopiers, comb binders, laminators.
- Office equipment – printers, shredders, switchboard.
- Furniture.
- AV equipment
- Cleaning equipment – vacuum cleaners, polishers.
- Catering equipment – ovens, fridges, dishwashers, food processors.
- Technology equipment – sewing machines, craft machinery.
- Premises equipment – lawn mowers, power tools, generators.
- Other equipment – musical instruments, PE equipment.
- Minibuses.

Right-of-Use assets must also be recorded in accordance with FRS102

Responsibility for updating the asset register usually rests with the budget account holders and the Central Finance team

Depreciation

The Trust has determined appropriate depreciation rates, based on the assessment of the useful economic life and expected realised value of assets acquired.

Current rates of depreciation are:

Leasehold land and buildings and freehold property	2%	Straight line
Freehold land	Not depreciated	
Motor vehicles	25%	Reducing balance
Computer equipment	20%	Straight line
Furniture and fittings	20%	Straight line
Plant and equipment	20%	Reducing balance
Where lease terms are less than 50 years, depreciation will be for the remaining term of the lease		

During the budget cycle, an annual review of assets is considered to ensure that provision is made should replacement assets be required. Although assets are not an I&E consideration, they could reduce available funds for I&E consideration and are therefore a significant part of the distribution of budget.

Security of Assets

All the items in the register should be permanently and visibly marked as the academy trust's property. Equipment is, where possible, stored securely when not in use.

An annual count is undertaken by the school Headteacher (or delegate) who is different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Central Finance Team.

Loan of Assets

Items of Trust property must not be removed from academy premises unless for the purpose of discharging the duties of the individuals contracted employment.

POLICY AMENDMENT RECORD

This policy was adopted by the Trustees of Ivy Education Trust on 26 September 2026 and will be reviewed annually or sooner as required.

Date	Reviewed by	Nature of Change	Next Review
Sept 2026	ER / JL / FAR Committee	New policy – replaces the original policy. Effective from 1 October 2026.	As required and no later than August 2027

ANNEX 1 – Delegated Authority

SCHOOLS Goods & Services Net Values	Delegated authority	Best Value evidence required *	3 quotes not available, may be approved by:
£ - to £ 1,999	BH	No quotes required - Best value should always be considered	
£ 2,000 to £ 9,999	BH & HeadT	3 cost comparisons (Email quotes)	CFOO
£ 10,000 to £ 39,999	BH & HoF	3 cost comparisons (Email quotes)	CFOO
£ 40,000 to £ 99,999	BH & CFOO	3 formal written quotes with breakdown / procurement process	CFOO
£100,000 to PCR Threshold	BH & CEO	3 formal written quotes with breakdown / procurement process	CEO
Above PCR Threshold	BH & FAR	As per PCR Procurement rules	

TRUST OFFICE Goods & Services Net Values	Delegated authority	Best Value evidence required *	3 quotes not available, may be approved by:
£ - to £ 1,999	BH	No quotes required - Best value should always be considered	
£ 2,000 to £ 39,999	BH & HoF	3 cost comparisons (Email quotes)	CFOO
£ 40,000 to £ 99,999	BH & CFOO	3 formal written quotes with breakdown / procurement process	CFOO
£100,000 to PCR Threshold	BH & CEO	3 formal written quotes with breakdown / procurement process	CEO
Above PCR Threshold	BH & FAR	As per PCR Procurement rules	

*All best value evidence must be stored with the PO Req

Public Contracts Regulations (PCR) Thresholds

<https://www.gov.uk/government/publications/ppn-1123-new-thresholds/procurement-policy-note-1123-new-thresholds-html>

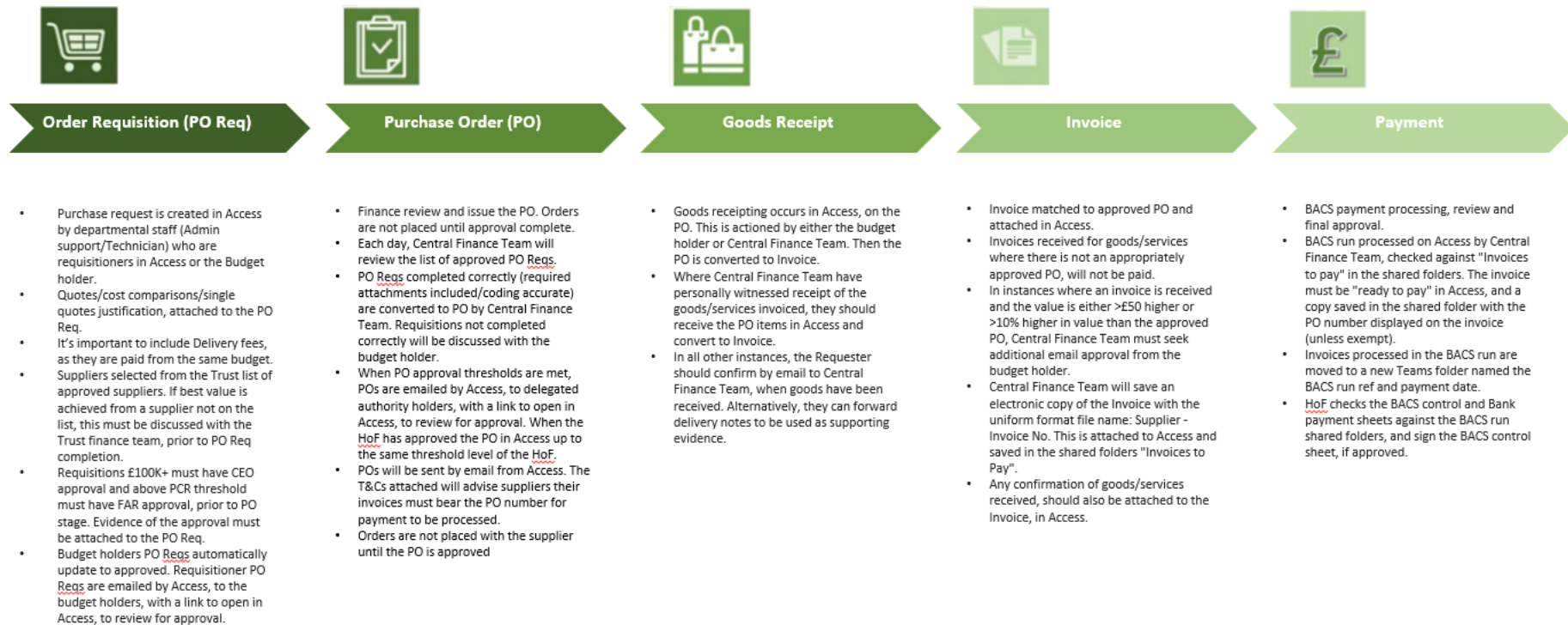
OPERATING LEASES (or finance leases where prior DfE approval exists) **	Delegated authority
£ 5,000 to £ 24,999	BH & HoF
£ 25,000 to £ 74,999	BH & CFOO
£ 75,000 to PCR Threshold	BH & CEO
Above PCR Threshold or beyond 5 years	BH & FAR

** Academy Trust handbook 5.26 - Copy of the signed agreement must be held in the Trust Office

BH	Budget holder	<i>Not permitted to approve spend above budget, without DoF approval</i>
HeadT	Head Teacher	
HoF	Head of Finance	
CFOO	Chief Finance & Operations Officer	
CEO	Chief Executive Officer	
FAR	Finance and Risk Audit Committee	<i>FAR approval meeting date to be added to the Purchase order</i>

ANNEX 2

Purchasing (via Invoice) Workflow



ANNEX 3

Purchasing (via Credit Card) Workflow

