

FINANCE POLICY

Issued: June 2016
Last Reviewed: October 2025
Next Review Due: October 2026

Version	Date	Note of Revision
1.0	1/12/2022	Reviewed policy
2.0	31/10/2023	Added inclusion and diversity p3
	31/10/2023	Added CEO approve restructure/staff settlement p6
	31/10/2023	Added CFO review restructure/settlement payments p
	31/10/2023	Removed Director of Operations
	31/10/2023	Added staff trading model rates p21
	31/10/2023	Updated Insurance to include RPA p25
	31/10/2023	Added only card holder can use credit card p20
3.0	03/09/2024	updated budget software IMP Recruitment has central approval from DoCA p16 Bank Payments – Faster payments p23 Land Depreciation – 0% p25
4.0	01/05/2025	Added banking table to 12.3 p24
5.0	01/09/2025	Introduction of New Finance System (Sage Intacct)

Contents

Ref	Title	Page
	Inclusion, Diversity & equality Statement	3
1.0	Introduction	3
2.0	Principles	3
3.0	Organisation & Responsibilities	4
4.0	Delegated Authority	10
5.0	Register of Interests/Related Parties	11
6.0	Process for Scrutiny – Internal/External Audit	11
7.0	Accounting/Budgeting System	13
8.0	Financial Planning	14
9.0	Payroll	16
10.0	Procurement	17
11.0	Grants, Income and Income Collection	21
12.0	Treasury Management & Banking	23
13.0	Fixed Asset Management	24
14.0	Academy Contribution	26
15.0	Insurance (RPA) & Risk Management	26
Appendix 1	Finance Scheme of Delegation	28
Appendix 2	Summary of Regularity	29
Appendix 3	Glossary of Terms	30

Inclusion, Diversity and Equality

As part of our focus on diversity and inclusion, BDAT pledges that our policies will seek to promote equality, fairness, and respect for all staff and students. Our policies reflect the BDAT values of inclusion, compassion, aspiration, resilience, and excellence. By working closely with a range of stakeholders, such as our school, union, and HR colleagues, we have ensured that BDAT's policies do not unlawfully discriminate against anybody.

1. Introduction

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

Each academy within BDAT must comply with the principles of financial control outlined in the academy's guidance published by the DfE in the Academy Funding Agreement and the Academies Trust Handbook.

BDAT will ensure all staff, including the Accounting Officer, the Trust Chief Financial Officer, Head Teachers/Principals, Academy Business Leaders, and the Finance /Admin Assistants and/or Officers, who deal with financial matters, are trained in the appropriate financial procedures. BDAT's Finance & Resources Committee, a sub-group of the BDAT Board will be responsible for reviewing all controls and procedures of financial systems operating within the trust.

The Bradford Diocesan Academies Trust (BDAT) is a Multi Academy Trust. The trust is a company limited by guarantee with charitable status and is governed by Board of Trustees. The membership and the main responsibilities of the Board are set out in the written terms of reference.

The Trustees have opted to establish separate committees to be known as Local Governing Bodies (LGBs) for each Academy and will ensure that, where possible, each Local Governing Body shall include at least one elected representative of the parents of students attending the relevant Academy.

2. Principles

Each Local Governing Body and Board of Trustees will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life

Selflessness

Holders of public office should take decisions solely in terms of the public interest.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance or their official duties

Objectivity

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interests clearly demand.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.

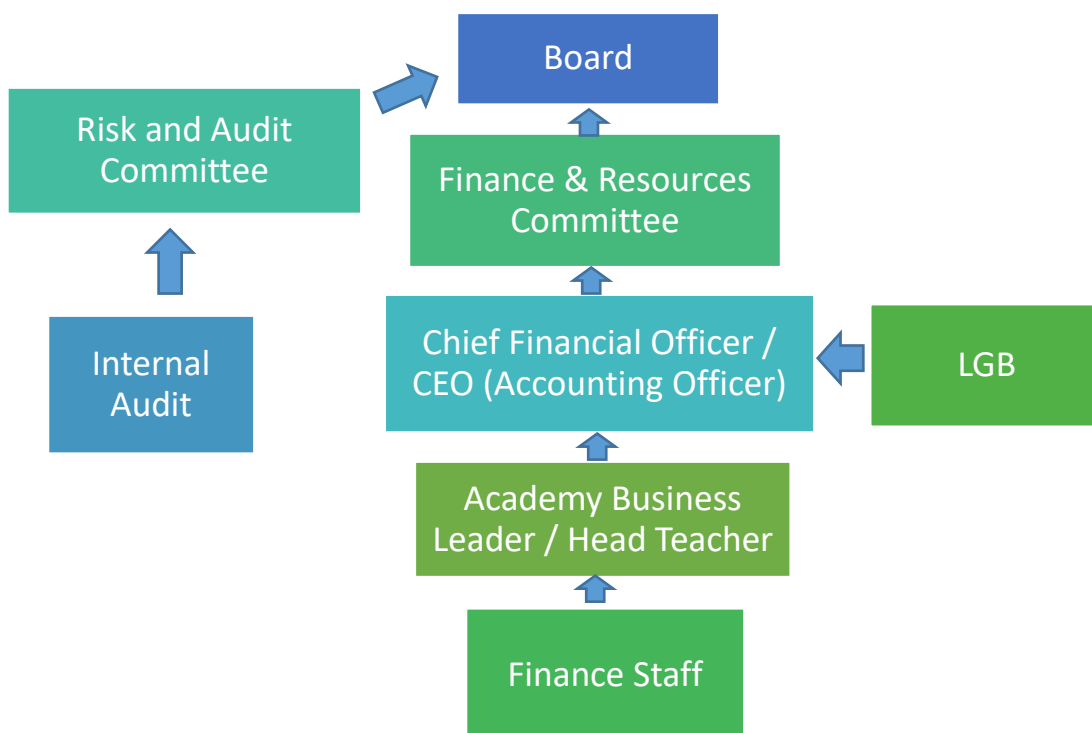
Leadership

Holders of public office should promote and support these principles by leadership and example.

3. Organisation and Responsibilities

The Board of Trustees have defined the responsibilities of each person involved in the administration of the Trust's finances to avoid the duplication or omission of functions and provide a framework of accountability for governors and staff.

Reporting Structure



3.1 Finance and Resources Committee/ Remuneration Committee

This committee has overall responsibility for administration of the Trust's finances, with main financial responsibilities detailed in the Funding Agreement between the Trust, Academy and the DfE.

The main responsibilities include:

- Ensure the GAG from the DfE and Restricted funding is used for the purposes intended
- Ensure a Scheme of Delegation is in place
- Ensure stewardship of assets
- Ensure accurate accounting records are maintained
- Ensure that monthly management accounts present an accurate position of income and expenditure
- Ensure policies are kept up to date
- Ensure the annual accounts are produced in accordance with the requirements of the Companies Act and the DfE guidance issued to academies
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1)
- Scrutinise the 3-year budgets
- Approval of the Trust cash deposits in line with the Investment Policy

3.2 Remuneration Committee

This committee reviews pay setting for the central team and head teachers of the academies. The committee reviews all recommendations of increments highlighting all employees who are at risk of not receiving a progression increment. The committee reviews executive level salaries and benchmarks these salaries nationally against similar roles.

3.3 Audit and Risk Committee

The main responsibilities of the Audit and Risk Committee are:

- to review the reports of the Internal audit process on compliance of the financial procedures and controls
- ensure regularity, propriety, and value-for-money in relation to the management of public funds
- Executive Pay setting by the Board must ensure decisions follow a robust evidence-based process
- Annual letters to the Accounting Officer from DfE regarding the Accountability Framework are discussed by the Board
- to consider and sign the DfE's School Resource Management Self-Assessment tool
- Publish on the Trust website, financial documents in line with the Academies Trust Handbook

3.4 Trustees

In addition to tasks held by the Finance and Resources Committee and Audit and Risk Committee and mentioned above, Trustees are responsible for the following:

- To ensure that the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies.
- Approving the annual statutory accounts.
- Approval of the annual budget and any changes via re-forecast during the year e.g., 3YBFR

3.5 Chief Executive Officer – Accounting Officer

The CEO has overall executive responsibility for the Academies under the MAT and is the named Accounting Officer for each Academy. The CEO retains responsibilities for:

- Approving new staff appointments for headteachers within the authorised establishment.
- Approving any staff settlements with HR partner
- Approving restructures with Director of Education, CFO and headteacher.
- Authorising contracts within the limits set in the Scheme of Delegation (Appendix 1), reporting these decisions to the Finance and Resources Committee.
- Signing cheques, BACs when no other signatories are available, as detailed in the scheme of delegation.
- propriety and regularity of the public finances for which they are answerable (Appendix 2). This covers standards of conduct, behaviour and corporate governance
- keeping of proper accounts
- ensuring that the trust pay policy is implemented
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- efficient and effective treasury management
- management of opportunities and risks

In practice, much of the financial responsibility is delegated to the Chief Financial Officer but the Chief Executive Officer still retains responsibility for:

- approving new staff appointments, outside of the agreed staffing structure and budgets, except for any senior staff posts which the Trustees have agreed should be approved by them
- authorising orders, contracts and signing cheques/BACs / releasing payments in conjunction with other authorised signatory in accordance with the Scheme of Delegation.
- preparing budget plans in conjunction with the CFO in line with DfE guidelines and [BDAT Reserves Policy](#).
- implementing expenditure in line with the Trust budget
- seeking BDAT approval for purchase orders or contracts in excess of delegated thresholds

- submitting reports to the BDAT Board of Trustees giving details of income, expenditure, and commitments to date
- ensuring any actions resulting from the annual audit are implemented
- creating sustainable Trust cash flows that support the investment policy.

3.6 Chief Financial Officer / Deputy Chief Financial Officer

The Chief Financial Officer (CFO) works in close collaboration with the CEO through whom they are responsible to the Board of Trustees. The CFO also has direct access to the Finance and Resources and Risk and Audit Committee. The main responsibilities of the CFO are:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Trust's central budget and individual academies
- Review restructure financial plan and redundancy calculations and pension strain costs.
- Agree settlement notice pay calculations and approve payment with payroll partner.
- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the trustees
- preparation of budget plans in conjunction with the Chief Executive Officer and the Head Teachers/Principals
- the maintenance of effective systems of internal control including a coordinated approach of internal audit across financial and non-financial aspects of BDAT.
- stewardship of fixed asset and maintenance of registers
- liaising with auditors to ensure that the annual accounts are properly presented in accordance with the Annual Accounts Direction and adequately supported by the underlying books and records of the Trust
- the preparation of monthly management accounts, including income and expenditure reports, cash flow forecasts and a balance sheet
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance
- additional roles, some of which are not directly finance related, as outlined in the Chief Financial Officer's job description
- Consideration of Novel, Contentious or Repercussive transactions before they are entered into and reported to DfE
- To maintain a register of related party transactions in accordance with the Academies Trust Handbook
- Ensuring the correct governance is completed for pay increments of teachers

3.7 Role of the Trust Central Finance Team

The duties of the finance team are to provide support for all academies in the following areas:

- Day to day financial transactions
- Trust cash management and reporting
- Banking and reconciliation
- Order and invoice processing

3.8 Local Governing Body - Summary of Responsibilities

- The management of the school is, through its Instruments of Governance, the responsibility of its Local Governing Body, and, to the extent of the delegated powers vested in them, the committees created by the Local Governing Body
- Monitor actual financial performance against budgets at every LGB through monthly management accounts.
- The Local Governing Body delegates day to day responsibility for carrying out the policies and decisions of the Local Governing Body and its committees to the Headteacher/Principal
- Management and administration duties undertaken by the Head Teacher/Principal and the members of the school staff shall be carried out in accordance with the terms of this statement, and within the terms of their contract of employment
- It is the responsibility of the Local Governing Body to agree an annual budget for the school utilising BDAT's budgetary assumptions. The budget should meet the school's aims and objectives, as set out in the current School Improvement Plan, as well as setting a 3-year balanced budget. The budget should be agreed by governors and be clearly minuted by the LGB and be in sufficient time to allow prompt submission of the plan to DfE and BDAT Board

3.9 The Role of the Local Governing Body

The role of the Local Governing Body in academy financial administration is:

- to review the committee's Terms of Reference and membership on an annual basis;
- to plan the overall academy budget, including priorities for future expenditure;
- to agree three-year balanced budget and submit to BDAT Board for approval;
- to maintain a register of pecuniary interests for governors and staff;
- To maintain a register of gifts and hospitality.
- Review Management accounts compared to budgets
- Review capital procurement
- Approve large contractual expenditure in line with the delegated thresholds – Appendix 1
- plan the school budget in accordance with the priorities in the School Improvement Plan
- consider reports from the Head Teacher/Principal comparing expenditure with budget and to approve virements as necessary
- approve teacher pay increments, highlighting any teacher that will not receive a pay increment
- operate the governing body's arrangements for obtaining quotations and inviting tenders
- submit to the Board any proposed write-offs and disposals of surplus stock and equipment
- determine matters relating to building maintenance, health and safety and lettings outside school hours in accordance with the Governors' delegated responsibilities
- determine matters relating to academy security
- the Chair of the Committee shall ensure that minutes are signed at the next meeting to confirm that they are accurate. Copies of the agenda, the approved minutes (subject to

confidentiality exclusions), and papers for each meeting should be made available at the school for anyone to read

3.10 The Role of the Head Teacher/Executive Head Teacher/Head of School/Principal

The day-to-day operation of the budget is delegated to the Head Teacher/Principal, who will be responsible for:

- approving the monthly payroll changes e.g., overtime, new TLRs, change of hours.
- Approving salary reports (Payroll Report 321 pdf) and the IMP budget payroll reconciliation with signature confirmation highlighting known variances.
- preparing the school improvement plan and budget in accordance with agreed priorities before presenting to Local Governing Body for agreement.
- managing internal control systems and internal financial transactions in accordance with the Finance Policy and the Scheme of Delegation.
- maintaining adequate financial records in accordance with Academies Trust Handbook
- providing monthly management accounts to every LGB. This should report any variations in expenditure against the approved budget plan and be signed by Headteacher/Principal.
- Signing monthly bank and credit card reconciliation reports
- Approving invoices and paylists in advance of BACs run in preparation for Trust upload to central bank.
- ensuring that returns to BDAT are submitted according to published deadlines
- providing access to accounting and other relevant records to audit, including academy fund(s), and implementing auditor recommendations where necessary
- ensuring that all capital expenditure is approved in accordance with the Finance Policy and the [School Condition Allocation Policy](#).
- checking that the academy asset register is maintained as accurately and up to date as possible and ensuring that an independent check of the asset register is made at least once a year and reported to the CFO
- recommending to governors' equipment to be written off or disposed of. Ensuring that disposal of such equipment is adequately recorded in the Governors' minutes and that the disposal of assets is conducted in an open manner and where income generated from disposal is maximised. Ensuring that stolen items are reported to the CFO and LGB. before formal approval to delete that item from the asset register.
- ensuring that adequate procedures are in place for the prompt security marking of all items of a portable and desirable nature
- ensure that adequate controls are in place to ensure that all responsibilities delegated are monitored
- maintain a central file of all submitted applications for grant funding and counter sign submissions for audit purposes
- keeping up to date with BDAT policies and ensuring that compliance is maintained
- Ensuring that HMRC tax compliance is maintained
- Ensuring that DfE guidelines are not breached through following the latest ATH.
- Report on surplus balances greater than 15% to the LGB and FARC.
- Any deficit position triggers a "Deficit Recovery Plan" that is reported to the CFO and the FARC

3.11 The Role of the (Executive) Academy Business Leader

Subject to accordance with individual job descriptions the Head Teacher/Principal may delegate financial procedures to the Academy Business Leader. The role includes:

- reviewing the monthly salary reports and signing and dating these to confirm they are accurate and noting any queries
- providing management accounts for the Head Teacher/Principal to present to governors and submission, as requested, to the Chief Financial Officer.
- submitting pay returns to payroll as appropriate
- ensuring that invoice checking procedures are followed
- ensuring that, in conjunction with the Head Teacher/Principal, authorisation of orders, invoices and paylists are in accordance with this Financial Policy and the Academies Trust Handbook
- prompt banking of income and associated recording of income in accordance the Academies Trust Handbook
- operating the local bank account as per the Finance Policy.
- assisting in the maintenance of an accurate asset register and associated security procedures
- preparation of the three-year balanced budget plan.

3.12 The Role of the Finance Staff

The role of staff in school financial administration is:

- to familiarise themselves with this Policy
- to conduct all financial transactions relating to the academy in accordance with the Finance Policy
- to actively seek 'value for money' on all work, goods, materials, or services procured on behalf of the academy
- to ensure that all relevant documents (delivery notes, invoices etc.) are promptly processed.
- to ensure that approval for new suppliers is sought from the Chief Financial Officer prior to any purchase taking place

4. Delegated Authority

The delegated authority is shown in Appendix 1. This template shows the authority thresholds from the Board, Finance and Resources Committee, LGBs, Chair of Trustees, CEO, CFO, Business Leader. Appendix 2 provides a summary of regularity.

5. Register of Interests/Related Parties

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all members, trustees, governors, and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. There is a requirement to maintain a register of related party transactions in accordance with the Academies Trust Handbook on the DfE portal.

The [register of interest](#) is open to public inspections and includes 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 member, director, governor, or a member of staff by that person. It is also important to identify any connected parties and or related parties with any other charity, company, or organisation with which it operates in the pursuit of charitable activities. The register is to be reviewed on a regular basis.

The existence of a register of business interests does not, of course, detract from the duties of members, trustees, governors, and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, members, trustees, governors, and staff should withdraw from that part of any committee or other meeting. The Governance Professionals will at least annually log pecuniary interests as well as noting specific interests in the Governors and Trustee Committee meetings.

6. Process for Scrutiny

Every Trust must have in place a process for independent checking of financial controls, systems, transactions, and risks.

Audit and Risk Committee will oversee the process for independent checking of financial controls, systems, transactions, and risks which the Chief Financial Officer will lead on.

The committee will review the risks to internal financial control at BDAT and agree an annual programme of assurance that our Internal Scrutiny partners will undertake.

6.1 Prevention of Fraud and Irregularity

The personal responsibilities of the accounting officer extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the members of BDAT are also responsible for preventing such losses of public funds, and this means that members, trustees, and governors must be aware of the risk of fraud and irregularity to occur within their organisations, and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. BDAT is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.

All instances of fraud or theft committed against the Trust, whether by employees or governors or third parties, above £5,000 must be reported by the Trust to the DfE. Any unusual or systematic fraud, regardless of value, must also be reported.

The DfE reserves the right to conduct or commission its own investigation into actual or potential fraud, theft, or irregularity in any academy either as the result of a formal notification from the Trust itself or as the result of other information received.

The DfE has provided “fraud indicators” that can identify risks of fraud. This list can be used by all staff to see high risk areas where fraud could occur ([see Anti-Fraud & Anti-Corruption Policy](#)).

The annual scrutiny report will include an update on the preventative measures and training undertaken during the academic year with trustees, governors, headteachers, business leaders and finance staff.

6.2 Appointment of External Auditors

Under the Companies Act 2006, Trusts must appoint an auditor to give an opinion on whether their annual accounts present a true and fair view of the trust’s financial performance and position.

The appointment of external auditors is by the Members, other than where the Companies Act permits the trustees to appoint – for example for the Trust’s first period of account).

Trusts should retender their external audit contract at least every five years and the Audit and Risk Committee must consider the relevant points when evaluating:

- review the external auditor’s plan each year
- review the annual report and accounts
- review the auditor’s findings and actions taken by the trust’s managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust’s members about the auditor’s reappointment or dismissal or retendering. Considerations may include:
 - the auditor’s sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level the quality of auditor comments and recommendations in relation to key areas
 - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust’s managers
 - the auditor’s use of technology
- produce an annual report of the committee’s conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

The audit contract, and regularity engagement, must be in writing and must not cover other services. If additional services are purchased, a separate letter of engagement must be obtained specifying the work and the fee. Trusts should note that auditors are subject to the Financial Reporting Council's Ethical Standard which aims to strengthen auditor independence and prevent conflict of interest where additional services are provided to a client.

The letter of engagement must allow for removal of auditors, before the expiry of the term of office, in exceptional circumstances. Proposals to remove auditors must require a majority vote of the members who must provide reasons for their decision to the board. There must be a requirement in the letter of engagement for the auditors to provide the trust with an explanation if the auditors resign, within 14 calendar days of their resignation.

The board of trustees must notify DfE immediately of the removal or resignation of the auditors. For removal, the trust must notify DfE of the reasons, copying to DfE any statement received from the auditor on this matter. For resignation, the trust must copy to DfE an explanation from the auditors.

7. Accounting/Budgeting Systems

All the financial transactions of BDAT must be recorded on the Sage Intacct accounting system and Budget System (IMP) operated by the Finance Departments in each academy.

Financial records are required to be kept for at least six years as set out in the [Data Retention Policy](#). This is a requirement laid down by Her Majesty's Revenue and Customs.

The Asset Management System is a software platform for maintaining the stewardship of fixed assets and is maintained within each academy.

7.1 System Access

Sage Intacct accounting system and IMP is protected by access permissions to authorised staff. Access permissions should be strictly controlled, and individual logins and passwords should not be compromised. Access to Sage Intacct is restricted and the Chief Financial Officer (in consultation with academy Business Leader) is responsible for determining the access levels for all members of staff using the system.

All leavers with previous access to Sage Intacct and IMP must have their access permissions formally removed.

7.2 Back-up Procedures

The Chief Financial Officer in conjunction with our IT Managed Service partner are responsible for ensuring that there is effective back up procedures for the system. These systems are cloud-based with significant security protocols around the data storage.

The CFO 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.

7.3 Financial Regularity

The Chief Financial Officer will maintain regularity of the key financial processes ensuring that sufficient controls are in place for safe and secure transactions. The reports include:

- monthly payroll reports
- monthly bank statement reconciliations
- monthly procurement card statements
- monthly VAT returns
- management accounts summarising expenditure and income against budget

7.4 Reconciliations

Business Leaders are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- payroll
- bank balance per the general ledger to the bank statement
- procurement cards
- VAT
- trial balance
- Control accounts

Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Financial Officer. The Head teacher/Principal will review and sign all reconciliations as evidence of the review.

8. Financial Planning

8.1 Three Year Budgets

Three-year budgets will reflect the best estimate of the resources available to each academy for the forthcoming years and how those resources are to be utilised by each academy. There should be a clear link between the academy development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of students to estimate the amount of DfE grant receivable based on Local Authority sufficiency place planning over the 3 years, this process should include academy insights to any in-year movements that would further impact grants receivable.

- review of other income sources available to the individual academies within BDAT to assess likely level of receipts
- review of past individual performance against budgets to promote an understanding of the academy cost base
- identification of potential efficiency savings and the use of tools, such as benchmarking and Integrated Curriculum Financial Planning.
- review of the Trust assumptions considering the School Teacher Review Body, unions and the wider sectors expectations. e.g., pay increases, funding increases, inflation, and other anticipated changes
- liaising with external agencies including major suppliers to ensure that the Trust's best financial interests are met
- the central services offer
- the likelihood of restructures – utilising the *Restructure Toolkit*

Individual academy plans and budgets will need to be revised until income and expenditure are in balance. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding.

If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available.

If a potential surplus is identified at an individual academy within BDAT, this may be held back as a contingency or alternatively carried forward to invest in future years' priorities for the students that the academy serves.

It will be the responsibility of each Local Governing Body's to agree a 3-year balanced budget for submission to BDAT board. Such approval should be clearly minuted in sufficient time to allow prompt submission of aggregated plans to the DfE and should be accompanied by a statement of assumptions and explanations behind the plan so that if circumstances change, it is easier for all concerned to take remedial action.

The Chief Financial Officer is responsible for preparing and obtaining approval for BDAT's three-year budget, which aggregates the budgets of each academy in the Trust. The budget must be approved by the. Board of Trustees.

The approved aggregated budget must be submitted to the DfE by the deadline specified by the DfE. The deadline date for submission of the academy budget will be the 15th May each year and will allow sufficient time for the approval process.

The budgets will be frozen following the Board approval with a working version being created for ongoing monitoring. There will be opportunity to review early into the academic year to account for any confirmation/changing of staffing/pay agreements following Board approval.

8.2 Monitoring and Review

Management Accounts have been developed in which variances are highlighted for discussion and appropriate monthly reports should be prepared by each academy. The reports will detail actual income and expenditure against budget and at a summary level for the Head Teacher/Principal, so that up-to-date figures are available for the Chief Financial Officer on Sage Intacct. This process should be effective and timely in highlighting variances in the budget so that differences can be investigated, and action taken where appropriate. Any potential overspend against budget must, in the first instance, be discussed with the Chief Financial Officer. Virements should be used to reallocate budgets and maintaining an overall balanced position.

Each academy should present Management Accounts to LGB at every meeting. Sage Intacct summary report

The trust must complete a self-assessment of financial compliance. The DfE tool is “The School Resource Management Self-Assessment Tool” (SRMSRT) which will also facilitate benchmarking across Trusts. The completed SRMSAT is to be reported to the DfE, Trust and governors so that they understand the position of the academy and can follow any action points to ensure financial compliance.

9. Payroll

9.1 Staff Appointments

The Local Governing Bodies have agreed a staffing structure for each academy on the recommendation of the Head Teachers/Principals. All variations of staffing during the academic year should be budgeted for with all recruitment requiring the approval from Director of Corporate Affairs.

Trustees of BDAT have the authority to appoint the Chief Executive Officer, Chief Financial Officer and the Head Teacher/Principal at each academy.

Each academy in BDAT maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified to the Business Leaders immediately and authorised by the Headteacher.

The Chief Executive Officer is responsible for ensuring that the Trust’s pay policy is implemented.

The Chief Executive Officer is responsible for ensuring that the statutory obligations around the safer recruitment policy and procedures are administered. The Business Leaders will be responsible for maintaining accurate records of all staff employed at their school in the single central record.

9.2 Payroll Administration

BDAT payroll is outsourced and administered by Working with Schools. Amendments to payroll data, e.g., appointments, resignations, pay changes and overtime, should be authorised by the Headteacher and a record kept in personnel files.

All supply teacher, casual working and overtime claims must be checked and confirmed by the Business Leader.

9.3 Payroll Payments

All staff are paid monthly by bank credit transfer to their bank accounts. Working with Schools payroll system automatically calculates the deductions due from payroll to comply with legislation. The major deductions are for tax, National Insurance contributions and pensions.

Business Leaders should undertake a monthly reconciliation between the current month's actual expenditure and the budgeted payroll costs. Any variations should be investigated and reported to the Head Teacher/Principal and queries raised immediately with Working with Schools Team. The reconciliation should be signed by both the Business Leader and the Head Teacher/Principal to verify the accuracy of the payments made.

BDAT has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. To achieve this, the following guidelines should be followed:

- an assessment (IR35) [Check employment status for tax - GOV.UK](https://www.gov.uk/guidance/check-employment-status-for-tax) must be made as to whether the individual is providing a contract of service (i.e., employed) or a contract for services (i.e., self-employed),
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

10. [Procurement - Procurement-Policy-May-2025.pdf](#)

The Trust's Procurement Policy further details procurement requirements based on the approval thresholds. The principle of value for money from all our purchases is a key consideration throughout all procurement. This means we want to get what we need in the correct quality, quantity, and time at the best price possible. A large proportion of their purchases will be paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

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

10.1 Routine Purchasing

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by their Governing Body. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent.

It is essential that all the following controls are adhered to:

- orders should not be entered into verbally
- the use of 'Official Order Forms' through the local system automatically updates the financial records and enables committed expenditure to be included in management information for governors
- in exceptional circumstances (e.g., emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders may be emailed to suppliers, in order to reduce timelines.
- orders should only be approved in accordance with the authorised limits within the scheme of delegation
- orders may only be used for goods and services provided to BDAT. Private individuals and other organisations may not use 'Official Order Forms' to obtain work, goods, materials and services net of VAT
- **orders under £10,000** - can be ordered by Business Leaders, who will be responsible for ensuring that reasonable steps have been taken to achieve Value for Money. Value for Money could be achieved by:
 - supplier chosen from the list of approved suppliers maintained by the Trust Finance Office
 - bulk purchasing of common consumables
 - negotiating discounts
 - taking advantage of sale seasons
 - obtaining alternative quotations wherever possible
- **orders over £10,000 ex-vat but less than £25,000 ex-vat (Primary)** - at least three written quotations are required to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by Business Leader for audit purposes and approved by the Head Teacher/Principal
- **orders over £10,000 ex-vat but less than £50,000 ex-vat (Secondary)** - three written quotations are required to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by Business Leader for audit purposes and approved by the Head Teacher/Principal
- **orders over £25,000 ex-vat but less than £75,000 ex-vat (Primary)** - all goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000, must be subject to three written quotations and must be referred to the CFO/CEO for formal approval

- **orders over £50,000 ex vat but less than £75,000 ex vat (Secondary)** - all goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000, must be subject to three written quotations and must be referred to the CFO/CEO for formal approval
- **orders over £75,000 ex vat– £175,000 ex vat** - all goods/services ordered with a value over £75,000 but less than £175,000, or for a multi-year contract which in total exceed £75,000, must be subject to three written quotations. These contracts will be approved by Trustees in the Finance & Resources Committee.
- **orders over £175,000 ex vat or £213,477 inc. vat (Procurement Act 2023)**– will be subject to a tendering policy and must be published on the e-tendering portal Find a Tender Service (FTS) These contracts will be approved by Trustees in the Finance & Resources Committee – See [Procurement-Policy-May-2025.pdf](#)

The academy budget holder or the academy Business Leader must make appropriate arrangements for the delivery of goods and services to the academy. On receipt of goods and services there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). All discrepancies should be discussed with the supplier of the goods and services without delay.

All invoices should be sent to the academy's Finance Team to be checked against the Sage Intacct numbered order (or equivalent in exceptional circumstances) and the delivery note to evidence the following:

- invoice arithmetically correct
- goods/services received
- goods/services as ordered
- prices correct.

Invoices will be authorised for payment by the relevant budget-holder and then approved for payment on Sage Intacct by the Business Leader and Headteacher (or delegated approver).

10.2 MAT Only Purchasing

The threshold for MAT purchasing for Trust contracts is £20,000.

- **orders over £20,000 ex-vat but less than £75,000 ex-vat (MAT)** - all goods/services ordered with a value over £20,000, or for a series of contracts which in total exceed £20,000, must be subject to three written quotations and must be referred to the CFO/CEO for formal approval.
- **orders over £75,000 ex-vat – £175,000 ex-vat** - all goods/services ordered with a value over £75,000 but less than £175,000, or for a series of contracts which in total exceed £75,000, must be subject to three written quotations. These contracts will be approved by Trustees in the Finance & Resources Committee.

- **orders over £175,000 ex vat or £213,477 inc. vat (Procurement Act 2023)**– will be subject to a tendering policy and must be published on the e-tendering portal Find a Tender Service (FTS) These contracts will be approved by Trustees in the Finance & Resources Committee See [Procurement-Policy-May-2025.pdf](#)

10.3 Multiple Year Contracts

Procurement must ensure that value for money is achieved and multiple year contracts is one way that this can be achieved through additional discounts. The Headteacher/Business Leader can approve up to 3-year contracts and anything more than that requires the approval of the CFO or CEO.

10.4 Dispensations

Dispensations is to be used in exceptional circumstances for emergencies or professional services when a unique or bespoke service is required. The dispensation will compare similar professional rates to ensure value for money is maintained and will continue to be subject to Trustee approval over £75,000.

Dispensations are subject to the scheme of delegation and can be granted for the following reasons:

- Unforeseen Emergencies
- Bespoke professional services and value for money is agreed and benchmarked
- Extension to current contract in order to complete a contract which would require going out to tender again

10.5 Procurement Cards

Procurement cards are held by named cardholders in each academy. Each cardholder is personally responsible for the safe custody of their card. The card should be always held securely, and any loss of cards should be reported immediately. The cardholder, Business Leader and Head Teacher/Principal are jointly liable for the integrity of all transactions and proper and controlled use of the procurement card. Only the cardholder can make purchases, they cannot be loaned to 3rd party colleagues to make purchases. All receipts must be produced and reconciled to the monthly statement by the Academy/Central Finance Team and signed off by the Head Teacher/Principal.

All card transactions exceeding £50 must be accompanied by an appropriate authorised requisition and receipt, retained for accounting purposes, and must be used solely for company purchases.

BDAT company credit cards are NOT used to draw cash. Debit cards can be used to draw cash in exceptional circumstances.

Cards must be kept secure at all times and card numbers and PIN numbers are NOT to be divulged. All debit/credit card transactions must be reconciled monthly and authorised in line with the bank mandate.

10.6 Supplier Maintenance

The Trust finance team are responsible for the maintenance of the Purchase Ledger on Sage Intacct. All new suppliers **must** be approved by CFO before orders are raised. If any supplier changes bank details the academy must also do standard fraud checks and complete a new supplier form “Bank Details Update section” This is verified by the Business Leader and CFO.

11. Grants, Income and Collection

11.1 Capital Grants (including Devolved Formula Capital (DFC) and School Condition Allocation (SCA))

School bids for SCA are invited once a year for the 25% of the SCA awarded for school improvement projects. The Estates manager will provide professional expertise on specification when required. These are agreed with your governors prior to submission.

These are forwarded to the Capital email (Capital@bdat-academies.org) for the Central Team to review and then present to the FARC for approval as per the SCA Policy - [SCA-Policy-March-25.pdf](#)

The amount of DFC awarded to each academy is allocated at school level by the DfE. This is a school-based decision by the Headteacher/Principal and governors.

11.2 Income received from parents

An electronic cashless system is the preferred method of collecting payments from parents, otherwise, all income received must be recorded in Sage Intacct against the income general ledger. Any cash received must be receipted and paid into the bank in a timely manner.

11.3 Lettings/Charging Policy

The Business Leader is responsible for maintaining records of bookings of sports and other facilities and for identifying the sums due from each organisation.

The Academy finance team must establish a sales ledger account and produce a sales invoice from the accounting system for individuals and organisations booking facilities. No debts should be written off without the express approval of the Chief Financial Officer.

BDAT can trade commercially by offering services that other Academy Trust may wish to procure. These services will be provided by senior leaders and have an agreed daily cost for those services. The table provides details:

No.	Title	Daily Rate
Central Team		
1	Executive Leader – Education including CEO	£750
2	Executive Leader – Corporate/Finance	£600
3	Extended Executive – Head of Dept.	£450
4	Officer – Corporate/Admin	£200
School Based Staff		
5	Head Teacher – Secondary	£600
6	Head Teacher - Primary	£550
7	Senior School Leader	£450
8	Academy Business Leader	£350

There is a caveat to these rates when there is a funding agreement in place which provides a maximum value that can be charged, the decision on whether to provide these services will be taken by the CEO.

11.4 Recharging

If there are any internal school to school based transactions whether secondments or resources these will be recharged centrally at cost.

11.5 Grants from External Bodies

Any bids for grants/funding from external bodies should be submitted in conjunction with BDAT's Chief Financial Officer to ensure all BDAT Academies can benefit from the funding source.

12. Treasury Management and Banking

12.1 Custody

Receipts should be issued for all cash and cheques received. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place at least once a month or more frequently if the sums collected exceed the insurance limit on the Finance Office safe. For current insurance limit, please refer to the DfE's Risk Protection Allocation statement.

Monies collected must be banked in their entirety in the appropriate bank account. The finance team is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

12.2 Cash Management

The financial resources of BDAT will be managed through one main operational bank account together with a series of local academy bank accounts managed at the academy level. The current bank for BDAT and its Academies is Lloyds Plc.

12.3 Bank Accounts

- **Bank Deposits**

Particulars of any deposit must be entered on a paying-in slip, counterfoil or listed in a supporting book.

- **Bank Payments and Withdrawals**

All cheques and other instruments authorising withdrawal from bank accounts must bear the signatures of central authorised signatories as per the bank mandate. This provision applies to all accounts, public or private, operated by or on behalf of the board of trustees.

- **Central Authorisation of Academy Payments**

The CFO/CEO/DoCA/dCFO must have reviewed payment list prior to approving the BACS payment and completed sample audit checks. The audit checks involve having reviewed all invoices greater than £10,000 and one ad-hoc sample invoice check per BACS payment.

- **Bank Account Administration**

The Chief Financial Officer or Business Leader must ensure bank reconciliations are completed at least on a monthly basis. The reconciliation process is completed between the Sage Intacct system and the bank statements. An unreconciled list of payments (if appropriate) must be produced once the final bank statement for the month has been reconciled.

- **Bank Account Balance Administration**

All academy bank accounts will be reviewed every term in regard to surplus cash balances. The academy bank account balances will be realigned to cover the academy direct debits.

- **Bank Account Receipts/Payments**

The table below identifies whether a receipt or payment is received or taken from the Academy bank account or the Central bank account.

	Central Bank	Academy Bank	Notes
Income			
DfE Funding	✓		
LA Funding		✓	
Other Income		✓	
Expenditure			
Payroll Payments	✓		
Invoice Payments	✓		
Direct Debits		✓	Except PFI

12.4 Petty Cash Accounts

Each location can maintain a maximum cash balance of £1,500, although cashless is preferred, the cash is administered by the finance team and is kept in the safe. Any academy wishing to hold higher values of cash must inform the CFO to agree the increased value. This will be reviewed annually.

The deposits to petty cash should be from cheques or debit cards specifically for the purpose on the Bank Account. The receipt should be recorded in the petty cash system with the date, amount, and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the academy bank account.

In the interests of security, petty cash payments will be limited to £50. The Finance officers are responsible for administering the Petty Cash Account and ensuring that it is balanced regularly.

12.5 Cash Flow Forecasts

The CFO is responsible for preparing cash flow forecasts for the Trust to ensure that there are sufficient funds available to pay for day-to-day operations.

12.6 Investments/Deposits

The board will approve any investments in line with the “Investments Policy”. [5e-Investment-Policy-Reviewed-March-2025.pdf](#) A monthly agreed deposit paper will be shared with the FARC for approval ahead of changing any deposits.

13. Fixed Assets Management

13.1 Academy/Trust Asset register

Academies are responsible for maintaining an asset register of all equipment at their location. All assets purchased with a value over £1,000 must be entered in the Trust’s asset register. The CFO is to monitor and control the register. The academies are to annually review the register ensuring approval of the headteacher and report to the CFO.

The Asset Register helps:

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

All IT equipment must be recorded on the register. Details recorded should include the date purchased (where possible) and the serial number (if one is available). (IT assets will be coordinated via the AIT contract)

13.2 Disposals of Assets

Items which are to be disposed of by sale or destruction must be authorised for disposal by the CFO or in individual academies the Business Leader. Any items with a disposal value of £5,000 or over must be communicated to the CFO, who in turn would send the appropriate notification to the DfE. All disposals of land must be agreed in advance with the Secretary of State.

13.3 Loan of Assets

Items of BDAT/Academy property should not be removed from premises without the authority of the CFO/Business Leader/Headteacher. A record of the loan must be recorded in a loan book or on the asset register within the academy. When a student or staff member leaves the academy, it must be returned.

13.4 Capitalisation & Depreciation

Subject to the value considerations and the details set out below, it is BDAT's policy to capitalise fixed assets; and to depreciate them (using the straight-line method) over their estimated economic lives.

Capitalisation Level

Individual assets with a cost of £1,000 or above will be capitalised and entered on the asset register.

All purchases/replacements with an individual item of less than £1,000 will be charged to expenses and will follow the standard purchasing procedures.

Asset Categories and Depreciation Rates

Asset Category	Asset Life (Years)	Depreciation Rate (%)
LAND		0%
BUILDINGS/IMPROVEMENTS	50	2%
REFURBISHMENTS	50 or 5	2% or 20%
PLANT & MACHINERY	5	20%
FURNITURE FITTINGS AND EQUIPMENT	5	20%
ICT EQUIPMENT	3	33.3%
MOTOR VEHICLES	5	20%

The standard depreciation rates, as categorised above, will be assessed on a project-by-project basis to determine individual depreciation rates for each item of capital expenditure.

14. Academy Contribution to BDAT

As part of the finance strategy agreed annually by the trustees, Academies will contribute an agreed percentage of recurrent GAG income towards the cost of the central services and infrastructure, governance and BDAT wide ethos. This will include the following functions:

Central management, Communications, Finance, Governance Services, Education School Improvement Services, Internal and External Audit, Statutory Maintenance and other costs as agreed between the BDAT board and the LGB's in regard to the latest central services offer.

15 Insurance and Risk Management

15.1 Insurance/Risk Protection Arrangement (RPA)

BDAT will maintain insurances with a group policy for the Academic year, co-ordinated centrally against the commonly identified risks which include (but are not limited to):

- | | |
|------------------------------------|------------------------------|
| • Property Damage | School Journey |
| • Business Interruption | Legal Expenses |
| • Money | Personal Accident |
| • Engineering Inspection/Insurance | Fidelity Guarantee |
| • Public Liability | Governors/Trustees Liability |
| • Employers Liability | Libel & Slander |
| • Hirers Liability | |

BDAT will review all risks annually and highlight any areas not covered by the RPA which after seeking professional advice which then can be purchased in addition to the RPA, to ensure that the sums insured are commensurate with the risks.

It is the responsibility of each location to inform the BDAT Finance department of all new risks, property equipment and vehicle, which require insurance or of any real or potential situations which require alterations to existing insurance policies. Each location has the responsibility of ensuring that BDAT property such as musical instruments or computers are insured when off BDAT premises.

All locations shall display such notices regarding RPA as shall be required by statute the statement of Employer's Liability Insurance. At no time shall any location give any indemnity to any third party without the written consent of the insurers.

Each Academy will handle claims direct with the RPA/insurers and will notify deputy Chief Financial Officer of any claim. Claims are made by contacting the broker who will direct Business Leaders. The Chief Financial Officer should be informed of any claims over £5,000 in line with ATH.

It is the responsibility of each Academy to maintain any Staff Absence Insurance. Motor and Engineering insurance is independent to the RPA and is not part of the central services offer.

15.2 Risk Management

Risk is one of life's certainties and how successfully organisations deal with it can have a major impact on the achievement of their key goals. Often relatively little is formally done to evaluate and manage risk.

BDAT has a Risk Management strategy which aims to raise awareness about the need to address strategic and operational risks and to provide good practical guidance for academies and BDAT departments to manage such risks in an effective and formal way. The online Risk Register must be completed and reviewed at least annually and as a live document updated as necessary.

The Accounting Officer is responsible for ensuring that an up-to-date register is maintained. This ties in with the audit and Annual Report and Financial Statements for trustee sign-off prior to submission to the DfE by 31st December each year.

Appendix 1. Summary of Financial Authorisation Levels

	Board of Trustees	Finance & Resources Committee	LGB	Chair of Trustees and CEO	CFO/ dCFO	Executive /Head Teacher/ Head School/ Principal	Business Leaders/ Central Finance Manager	Academy Finance Manager
Approval of Annual Budget/3 year plan	✓							
Variations to budget heads (virements) over £50,000	✓	✓						
Variations to Primary budget(virements) £10,000 to £25,000	✓	✓	✓	✓	✓			
Variations to Secondary budget (virements) £25,000 to £50,000	✓	✓	✓	✓	✓			
Variations to budget heads (virements) up to £10,000	✓	✓	✓	✓	✓	✓	✓	
Authorise expenditure over £75,000	✓							
Authorise expenditure £50,000 - £75,000 (Sec) £25,000 - £75,000 (Prim)	✓	✓		✓	CFO			
Authorise expenditure £10,001 - £50,000 (Sec) £10,001 - £25,000 (Prim)	✓	✓	✓	✓	✓	✓		
Authorise expenditure £1,001 - £10,000	✓	✓	✓	✓	✓	✓	✓	
Authorise expenditure up to £1,000	✓	✓	✓	✓	✓	✓	✓	
Authorise Petty Cash up to £50					✓	✓	✓	✓
Authorise appointment/ salary of permanent and temporary staff (other than Leadership Group)						✓		
Authorise appointment/ salary of CEO,CFO and HT	✓							
Authorise appointment/ salary of DHT and AHT	✓	✓	✓					
Severance Authorisations Up to £50,000	✓	✓		✓				
Advertising of tenders over £75,000	✓	✓		✓	✓			
Advertising of tenders under £75,000		✓		✓	✓			
Authorisation of disposal of assets over £5,000	✓	✓		✓	✓			
Authorisation of disposal of assets under £5,000		✓			✓	✓	✓	

Appendix 2. Summary of Regularity

	Trustees	CEO	CFO	DoCA	Extend Exec	Trust Finance Manager	Head teacher	Business Leader	Senior Leader	Dept. Manager
Payment Process										
BACS / Payment List (headteacher initial values > £10k (net))		✓	✓	✓						
Faster Payment		✓	✓	✓	✓					
Payroll										
Payroll Reconciliation - IMP with Variance							✓	✓		
Payroll – Gross to Net (321)							✓	✓		
Purchase Order										
Order / Non-Order < £10k								✓	✓	✓
Order/Non- Order £10k - £25k (Primary)							✓	✓		
Order/Non- Order £10k - £50k (Secondary)							✓	✓		
Order/Non- Order £25k - £75k		✓	✓							
Orders > £75k	✓									
Payment Process										
Invoice Approval							✓	✓	✓	✓
Bank/ Credit Card Reconciliation										
School Bank Reconciliation							✓	✓		
Credit Card Reconciliation							✓	✓		
Stewardship of Assets							✓			

Appendix 3. Glossary of Terms

A

Accounting officer

The academy trust's senior executive leader, accountable for value for money, regularity and propriety.

Accounts Direction

DfE's guide for academies on preparing their annual accounts.

Annual Report and Financial Statements

A statutory document that includes the trust's financial performance, governance statement, and audited accounts.

Academy Accounts return (AAR)

A return based on academy trusts' annual accounts, required for the sector annual report and accounts, and for collecting benchmarking data.

Articles of association

The articles describe the trust's charitable object(s) and governance arrangements.

Alternative Provision (AP)

An education facility that provides alternative provision other than a primary or secondary school

B

Budget Forecast Return (BFR)

A financial return submitted to the DfE outlining the trust's expected income and expenditure for the coming year

C

Capital Expenditure

Spending on assets such as buildings or equipment that will be used over a long period.

Core Schools Budget Grant (CSBG) (temporary will merge into GAG)

An interim funding to support the teacher pay rise

D

Dedicated schools grant (DSG)

The DSG is paid by the Education and Skills Funding Agency to local authorities, and is the main source of pre-16 schools funding.

Deprivation

Deprivation is a compulsory funding factor in the mainstream pre-16 schools block funding formula that directs funding to the most deprived pupils.

Devolved Formula Capital (DFC)

Capital allocated at school level based on pupil numbers of the school.

E

EHCP (Education, Health and Care Plan)

An EHCP is a legal document that outlines the education, health, and social care support required for a child or young person with special educational needs or disabilities (SEND). It is

designed to ensure that the individual receives the appropriate support to achieve the best possible outcomes in education and life.

Early years funding

This applies to private, voluntary and independent providers, and to schools or academies with a nursery class. This is paid directly by local authorities to early years providers, including academies and maintained schools, through the early years national funding formula (EYNFF).

English as an additional language (EAL)

This is a compulsory funding factor in the mainstream pre-16 schools block funding formula.

Education other than at school (EOTAS)

This is a Local Authority term and is one of their SEND funding mitigation strategies

F

Free school meals (FSM)

Arrangements by which children from low-income households are provided with a free meal while they are at school.

Full Time equivalent (FTE)

The proportion of time a support staff employee is contracted to work over an academy year.

Funding agreement

The agreement between the academy trust and the Secretary of State, including funding arrangements, obligations and termination provisions.

G

General annual grant (GAG)

Academy trusts' main revenue funding

Going concern

A 'going concern' multi-academy trust (MAT) is one that is expected to continue operating and meeting its financial obligations for the foreseeable future—typically at least 12 months from the date its financial statements are approved.

Trustees are responsible for assessing and confirming the trust's ability to continue as a going concern. This includes evaluating cash flow, reserves, and any material uncertainties. External auditors must review and provide an opinion on whether the trustees' decision to prepare accounts on a going concern basis is appropriate

H

High needs block

The high needs block of the DSG covers place funding for special schools and academies, top-up funding for high needs pupils, alternative provision and education otherwise than at school, and funding for local authority central SEN services.

High needs place funding

This applies to mainstream schools and academies with a designated special unit or resourced provision, plus special schools, and special academies.

High needs top-up funding

This is additional funding paid directly by the commissioning local authority for some high needs pupils.

I

Income deprivation affecting children index (IDACI)

The income deprivation affecting children index (IDACI) measures the number of children in a given area who are under the age of 16, and live in low-income households. The mainstream pre-16 schools block funding formula can use a combination of IDACI categories and/or free school meals data to allocate their funding under the deprivation factor.

Internal Scrutiny

An independent review of financial controls and risk management within the trust, required by the DfE.

ICFP (Integrated Curriculum Financial Planning)

ICFP is a strategic approach used by schools and academy trusts to align curriculum planning with financial planning. It ensures that educational delivery is financially sustainable by analysing how resources such as staff time and funding are allocated in relation to curriculum needs and pupil outcomes.

L

Lagged funding

A term used to describe funding based on the previous year's school's census.

Looked-after children (LAC)

The term 'looked-after' refers to children, under 18, who have been provided with care and accommodation by children's services

Low prior attainment

A compulsory funding factor in the mainstream pre-16 schools block funding formula, it often acts as a proxy indicator for low level, high incidence special educational needs

Lump sum

A compulsory funding factor in the mainstream pre-16 schools block funding formula.

M

Management Accounts

Monthly or termly financial reports used by trustees and senior leaders to monitor the trust's financial position.

Minimum funding guarantee (MFG)

The MFG is a protection against changes in per pupil school budget share (SBS) funding between academic years.

Mobility

A compulsory funding factor in the mainstream pre-16 schools block funding formula. 'Mobility' refers to pupils who started the school at an unusual time during the last three academic years, that is not in August or September (or not in January for pupils joining in reception).

N

National funding formulae (NFF)

The NFF is the way the government calculates how much core funding to allocate to local authorities for mainstream state-funded schools in England. More information is available.

Notional SEN budget

A notional budget identified by local authorities which can be used for high incidence, low cost pupils with special educational needs.

P

PAN (Pupil allocated numbers)

The PAN is the maximum number of pupils that a school or academy trust agrees to admit into a particular year group during the normal admissions round. It is set by the admission authority

PE and sport grant

The PE and sport grant is additional funding given to publicly-funded schools in England to improve physical education (PE) and sport in primary schools.

Private finance initiative (PFI) factor

An optional funding factor in the mainstream pre-16 schools block funding formula. The purpose of this factor is to support schools that have unavoidable extra premises costs because they are a PFI school, or to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.

Pupil premium grant

Pupil premium is a grant for publicly funded schools in England to raise the attainment of disadvantaged pupils.

R

Regularity

Dealing with income and expenditure in accordance with legislation, the funding agreement, the handbook, and the trust's internal procedures. This includes spending public money for the purposes intended by Parliament.

Related party

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (for example parent and subsidiary companies). This description is not comprehensive.

Risk protection arrangement (RPA)

An alternative to insurance for academy trusts where losses are covered by government funds.

Reserves

Unspent funds held by the trust, often earmarked for future projects or contingencies.

Resource provision

A school based specialist provision that supports children with additional needs

S

School budget share (SBS)

SBS forms the majority of the general annual grant (GAG) and is calculated by DfE using the funding factors determined by the local authority.

Schools Budget Support Grant (SBSG) (temporary will merge into GAG)

An interim funding to support the teacher/support staff pay rise

School Condition Allocation (SCA)

An annual capital allocation for Trusts of a certain size.

Schools Forum

The schools forum is a body comprising representatives of maintained schools, academies, and early years providers within a local authority area, together with other local partners and stakeholders.

Special Education Needs and Deprivation (SEND)

Pupils that have additional needs that could lead to additional EHCP funding

Statement of Financial Activities (SoFA)

A key financial statement showing income, expenditure, and changes in funds during the year.

T

Tiers

This refers to the Local Authority three tier approach to permanent exclusion and alternative provision

U

Universal infant free school meals (UIFSM)

The UIFSM grant is funding for schools to provide free school meals to all pupils in reception, year 1, and year 2.

V

Value for money

Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.