An Daras Trust
Igniting Curiosity Growing Capabilities

An Daras Multi Academy Trust

Finance Procedure Policy

The An Daras Multi Academy Trust (ADMAT) Company

An Exempt Charity Limited by Guarantee

Company Number/08156955

Status: **Approved**	
Recommended	DfE
Statutory	
Version	V1.1
Adopted	**12th June 2023**
Reviewed	**11th November 2026**
Next Review	**November 2029**
Linked Documents	
DfE Academy Trust Handbook – the latest version	
Linked Policies	
An Daras Policies (the latest version as found on An Daras website):	
Anti-Fraud and Corruption Policy (incorporating Gifts and Hospitality)	Procurement and Tendering Policy
Asset Control and Accounting Policy	Reserves Policy
Best Value Statement	Staff Expenses and Purchasing Policy
Business Charge Card Policy	Write Off/Asset Disposal Policy and Procedures
Capitalisation and Depreciation Policy	Whistleblowing Policy
Charging and Remissions Policy	School Support Staff Pay Policy
Governor/Director Allowance Policy	Teachers Pay Policy
Investment Policy	Scheme of Delegation
Lettings Policy	Business Continuity Plan
Pecuniary Interests Policy	Finance Procedure Policy

1. Accounting system

All the financial transactions of the Trust must be recorded on the PS Financials accounting system (PSF/IRIS). The PSF system is operated by the Central Finance team and includes the following key elements:

- Income
- Purchasing
- Payroll
- Assets
- Bank Accounts

Detailed information on the operation of the PSF system can be found in the user manuals held in the Trust Office.

Administration

There will be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records will be stored for 7 years in accordance with the Companies Act. Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.

Authorisation and supervisory controls will ensure transactions are properly recorded or that errors are identified. All records will be protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

Access Rights

The Chief Financial Officer is responsible for setting access levels for all members of staff using the system. Access rights within PSF are defined for each user with a unique ID and password.

Back-up Procedures

The finance system will be protected by robust back up procedures; PSF is cloud based and backed up each night by PSF.

Transaction Processing

All journal transfers that will alter the budget require signed authorisation by EHT/HT and the Chief Financial Officer. Bank Transactions will be input by the Finance staff.

The Finance staff will ensure that reconciliations are performed each month for sales ledger control account, purchase ledger control account, payroll control account, debtor control account, all suspense accounts, and bank balance per the nominal ledger to the bank statement and that any reconciling or balancing amounts are cleared. Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Financial Officer.

2. Payroll

The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

Payroll Administration

Payroll is operated in-house except for the making of BACS payments and submission of reports to Teachers Pensions, the Local Government Pension Service providers and HMRC.

All Payroll transactions relating to Trust staff permanent or casual will be processed through the payroll system. Payments for employment will not be made to staff through any other mechanism.

All personnel files are stored electronically at the Trust Central Office. Only the Chief Financial Officer, CEO, EHT/Head Teachers, Trust Operations Officer and HR Officer have access to staff files, but individuals can request to see their own files in line with data protection policies.

Payments and Monitoring of the Payroll

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 monthly payroll will be checked by the Trust Finance & Procurement Officer and amounts payable, summarised and authorised by the CEO/Deputy CEO or CFO.

All salary payments are made by BACS, actioned by "Edupay". On occasions, there may the occasion to pay a by faster payment e.g. for a new member of staff where the payroll deadline has been missed, however every effort will be made to pay them by BACS.

Edupay make monthly BACS payments directly from the An Daras Trust bank account to employees, HMRC and pension agencies (TPA and LGPS).

The Chief Financial Officer will periodically check for one employee the calculation of gross and net pay to ensure that the budget is being charged correctly. After the payroll has been processed, payroll journals will be made in PSF to post the monthly payments, debiting the relevant nominal ledger codes/budgets. Postings will be made both to the payroll control account and to individual cost centres.

The Chief Financial Officer will review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

A payroll reconciliation will be performed monthly by importing the payroll file into the budget system IMP. Any variances must be reviewed and identified errors corrected, either in IMP or payroll as necessary.

3. Purchasing and Payments

The Trust will achieve the best value for money for all purchases by ensuring we buy what we need in the correct quality, quantity and time, at the best price possible. The majority of our 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 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 Chief Financial Officer will ensure that there is a clear separation of duties within the finance team, such that one individual is not able to record a complete transaction.

Order for Goods and Services

Official orders must be raised for any expenditure using the Trust financial accounting system on receipt of a requisition form signed by the relevant budget holder and authorised in line with the Trust Scheme of Delegation.

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and with prior approval for the Chief Financial Officer. In such cases, a written communication order will be raised as soon as possible, normally within 24 hours.

Invoices will be paid when the budget holder has shown approval that goods or services have been received and are of the quality expected. Any discrepancies must be notified to the Academy's Finance staff for appropriate action to be taken.

No photocopied or faxed invoices will be paid but invoices sent electronically by email are acceptable.

At least two different people must be involved in the process of agreeing invoices and authorising payment.

Payments will be made by BACS, via a weekly payment run (or as required for urgent payments)

Payments to Individuals

Suppliers/individuals who provide services that could be carried out by an employee are required to complete an IR35 assessment. Where IR35 applies, the individual will be provided with an employee contract and will be paid via payroll to ensure the appropriate tax is paid.

Payments can be made to individuals on production of an invoice. VAT cannot be claimed on these transactions.

New Suppliers

A single member of the finance team should enter any new suppliers on to the accounting system (PSF) and will be checked by a Senior Finance team member. To ensure uniformity the same prefix formulation should be used. New supplier details should be communicated to the CFO/TFPO before the new code is added to PSF to ensure the correct prefix is being used.

4. Income

The main sources of income for the Trust are the grants from the ESFA and other outside agencies and funding from the Local Authority. The receipt of these sums is monitored directly by the Chief Financial Officer who is responsible for ensuring that all grants due to the Trust are collected.

The Trust also obtains income from:

- pupils, mainly for trips and school meals
- the public, mainly for lettings
- parents e.g. extended provision, uniform sales etc.

Debtors

The EHT/HT may write off debts under £100.
Debts over £100 may be written off only with the approval of the Accounting Officer/Chief Finance Officer/Finance Committee.
Debts above the level detailed in the annual funding letter must be submitted to DfE for approval to be written off.

The individual school/academy finance staff will be responsible for chasing outstanding debts. The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a first reminder will be sent requesting payment.
- If payment is not forthcoming after a further 30 days, a second reminder will be sent with a threat of further action (unspecified) to recover the debt if payment is not received within 7 days.
- If payment is still not forthcoming, a third reminder will be sent with a threat of legal action through the small claims court if payment is not received within 7 days.
- If payment is still not forthcoming the matter is reported to Finance Committee to seek approval for proceeding with legal action through the small claims court.
- The current aged debtors report together with details of any debts outstanding and requests for debts to be written off will be provided for each Finance Committee meeting.

Custody

Official, pre-numbered receipts should be issued for any cash or cheques received where no other formal documentation exists. All cash and cheques must be kept in the school safe/suitable lockable secure cabinet prior to banking. Banking will take place every week or more frequently if the sums collected exceed the insurance limit.

Monies collected must be banked promptly and intact into the Trust bank account. The finance staff are responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking.

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details will include:

- the amount of the deposit
- a reference, such as the number of the receipt or the name of the debtor
- miscellaneous income should be receipted and the receipt number used on the paying in slip to identify the actual transaction

Online Payments

The majority of income/donations from parents is collected via online payments using the Bromcom MIS. Reports are received by the central finance team from Bromcom weekly which are reconciled to the amounts received on the bank statements and credited to the school's relevant nominal codes.

5. Bank Accounts

The opening of all accounts must be authorised by the Board of Directors who must set out the arrangements covering the operation of accounts in the Scheme of Delegation

6. Bank Reconciliations

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

- all bank accounts are reconciled to the Trust's computerised ledger
- reconciliations are prepared by the finance staff
- reconciliations are subject to an independent monthly review carried out by the Chief Financial Officer
- adjustments arising are dealt with promptly

7. Cash Flow Forecasts

The Chief Financial Officer will prepare 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 and if a shortfall is forecast the Chief Financial Officer must be informed to ensure remedial action is taken.

8. Loan of Assets

Items of Trust property must not be removed from Trust premises without the authority of the appropriate Team Leader/Line Manager. A record of the loan must be recorded in a loan book maintained in the individual school/academy office and booked back in school when it is returned.

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

9. School Companies Policy

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

10. VAT

As the Trust does not have taxable turnover of greater than £90,000, there is no requirement to be VAT registered. VAT on purchases is therefore reclaimed from the HMRC via monthly claims using VAT126.

11. Keys Inventory

The Key inventory is the responsibility of the Trust Operations Officer/EHT/Head teachers to maintain and will be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security ensures to be put in place and for the key inventory to be updated.

12. Computer Systems

Systems should be in place to protect key computer data and control features will include:

- Back-up Procedures
- Passwords
- Disaster recovery plan