



Finance Supplemental Policies

These policies are to be read in conjunction with the Xavier Catholic Education Trust Finance Policy document.

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These Appendices and the Finance Policy have been approved and adopted by the Xavier Catholic Education Trust in March 2019 and will be reviewed in January 2021.

Committee Responsible: Finance Committee

RESERVES POLICY

The Local Governing Committee of each school will review the level of their reserves annually. Any surplus balances, apart from any contingency of a maximum of 2% of GAG funding, will be supported by a clear plan for their use in the near future to the benefit of pupils.

The agreed level of surplus balances and the assumptions on which they are based will be reviewed by Governors and the total level of reserves kept under review by the Board.

In general, it is considered prudent to maintain a level of useable reserves that is sufficient to cover unexpected and unplanned events so that the school's primary objectives is preserved. At the same time, the school will wish to ensure that it uses its funding to benefit the students in its care. This implies an imperative to consider actively the use of reserves to enhance educational provision.

Income should be reviewed to establish whether there will be any downward pressure by looking at factors such as:

- Predicted changes in local birth rates
- Future changes in pupil numbers
- Three to five year projection of income based on predicted student numbers
- Funding protections received by the school and the likely increases/decreases in these protections
- Changes in levels of Pupil Premium

Expenditure projections should take into consideration;

- Contingencies depending on the stage of development of the school
- Reasonable cost increase projections
- Projects identified in the School Development plan

CHARGING & REMISSIONS POLICY

The Charging and Remissions policy adopted by the Xavier Catholic Education Trust ensures that statutory requirements are met and is intended to reflect the general principles of the Education Act 1996 which identifies activities for which:

- Charges will not be made
- Charges will be made
- Charges may be waived

Voluntary Contributions

The school will seek voluntary contributions for any activity in order to benefit the school or support a school activity, whether during or outside school hours, whether residential or non-residential. This includes inviting parents to pay for materials or ingredients where they wish to own the finished product. However, all requests for voluntary contributions will emphasise both their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently from those who have. Such contributions must be genuinely voluntary.

There is no limit to the level of voluntary contributions which parents or others can make to school activities, nor is there any restriction placed on the use which can be made of such contributions, other than that they are used for the purpose specified in the request for them. They could, for example, be used to subsidise pupils from low-income families or the cost of travel for accompanying teachers. The Law says that:

- If the activity cannot be funded without voluntary contributions, the parents will be notified of this from the outset.
- No child will be excluded from an activity because the parents are unable to pay. If insufficient contributions are raised the trip or activity may have to be cancelled.
- If a parent is unwilling or unable to pay, his/her child will be given an equal chance to go on the visit.

Education Provided within School Hours

Education provided by any school for its registered pupils should be free of charge if it takes place wholly or mainly during school hours, school hours being those hours when a school is actually in session and not including the break in the middle of the day.

This means that neither the pupil nor his or her parents or guardian may be required to pay for, or to supply, any materials, books, instruments or other equipment for use in connection with education provided during school hours.

Education Provided out of School Hours

Where education is provided out of school hours, charging is permitted except where the education is provided:

- to fulfil any requirements specified in the syllabus for a prescribed Public examination
- specifically to fulfil statutory duties relating to the National Curriculum
- to fulfil duties relating to Religious Education.

In these cases the only charge that may be made is for board, lodging and travel, or for residential trips.

Is an Activity in or out of School Time?

If the number of school sessions on a residential trip is equal to, or greater than 50%, of the number of half days spent on a trip, it is deemed to have taken place during school hours (even if some of the activities take place in the evening). Whatever the length of the school day, regulations require that the school day is divided into 2 sessions. A 'half day' in this context means any period of 12 hours ending with noon or midnight on any day.

A statutory minimum is the complete remission of board and lodging charges to pupils whose parents receive Income Support, Child Tax Credit, Income Based Job Seekers Allowance and support under part of Immigration and Asylum Act 1999, but not Working Tax Credit even if it is paid with other benefits e.g. Child Tax Credit.

If the activity is deemed to take place during school hours, or is out of school hours but is covered by the criteria set out above, the Local Governing Committee may not charge for anything unless it has drawn up a statement of general policy on charging.

Music Tuition

The main exception to the principle of free education which the law allows, is that a charge may be made in respect of individual tuition in playing any musical instrument, even if such tuition takes place during school hours. Parental agreement must be obtained before a pupil is given that tuition.

Activities Run by a Third Party

The Act permits an organisation other than the Local Governing Committee to levy a charge directly on parents for activities organised in school hours by a non-school organisation. The school will not be involved in collection of charges on behalf of the third party organisation. Where pupils are granted leave of absence to attend these activities, it would be for parents and any staff members similarly released, to satisfy themselves about the adequacy of the arrangements made by the third party to secure the safety and welfare of the children.

Charging Policy

If a charge is made for each pupil, it should not exceed the actual cost. If further funds are needed for additional costs, eg, to help hardship cases, this must be by voluntary contributions or general fund raising.

The permitted charge may include an allowance for the costs of teachers from the school who supervise the activity.

Board and Lodging on Residential Visits

Board, lodging and travel on residential visits may be charged for, whether or not the visit takes place within school time; and whether or not the activity is provided to fulfil the requirements of the syllabus of a prescribed public examination, or of the National Curriculum, or to fulfil statutory duties relating to religious education.

Charges for board, lodging and travel must not exceed the actual cost to the pupil. They must not, for example, include any element representing a share of the costs of staff accompanying the visit. (This may, however, be covered by voluntary contributions.)

Governors will, as a statutory minimum, remit any charges for board and lodging in the case of pupils whose parents are in receipt of Income Support or Child Tax Credit etc, where the activity is deemed to take place in school hours, or if it is out of hours but covered by certain criteria. Governors may wish to consider whether to remit charges in other circumstances.

'Optional Extra' Activities

'Optional extra' activities are those which take place wholly or mainly outside school hours, but which are not provided as part of the syllabus for a prescribed public examination and are not required in order to fulfil statutory duties relating to the national curriculum or to religious education.

Participation will be on the basis of parental choice and a willingness to meet such charges as are made. Any charge made in respect of individual pupils may include an appropriate element for a pupil's travel costs; for a pupil's board and lodging; materials, books, instruments and other equipment; non-teaching staff costs; entrance fees to museums, theatres etc and for insurance costs.

It should be noted that any charge for an 'optional extra' activity, as distinct from a request for a voluntary contribution, should not exceed the actual cost of providing that activity, divided equally by the number of pupils willing to participate. It may not, therefore, include an element of subsidy for any other pupils wishing to participate in the activity, whose parents are unwilling or unable to pay the full charge.

The costs of teaching staff involved in optional extra activities may only be passed on through charges if:

- they are engaged specifically by the Governors for the purpose of providing the activity
- they are employed by the Governors to provide instrumental music tuition; or
- they are teachers already employed by the Governors, who have been engaged on a separate contract for services to provide the optional extra.

Public Examination Entries

The Local Governing Committee is required to enter a pupil for each examination in a syllabus, for a prescribed public examination for which the pupil has been prepared. A pupil is regarded as having been prepared for the syllabus at the school, if the school has provided any part of the necessary preparation. The requirement to enter a pupil may only be lifted where, in the opinion of the Local Governing Committee, there are educational reasons for not entering the pupil, or where the pupil's parents request in writing that the pupil should not be entered.

If a pupil fails, without good reason, to complete the examination requirements for any public examination for which the Local Governing Committee has paid, or is liable to pay an entry fee, that fee can be recovered from parents.

School Minibuses or Transport Provided by the Xavier Catholic Education Trust (Xavier CET)

Any transport provided in school hours by the Xavier CET, or the school, to carry particular pupils between parts of the school's premises, or between the school and any other place where education is to be provided by the Xavier CET or the school, must be provided free of charge. However, if a pupil makes use of transport not provided by the Xavier CET or school, to travel direct from home to an activity sanctioned, though not provided, by the Xavier CET or the school, then parents may be asked to meet the cost of such travel.

Charging in Kind

The cost of ingredients, materials, equipment etc, needed for practical subjects such as craft or food technology must be budgeted for, and borne by the school. Parents who are willing to contribute in cash or kind can however be encouraged to do so on a voluntary basis. The school may charge for, or require the supply of, ingredients and materials, if parents have indicated in advance a wish to own the finished product, if there is one. Schools should obtain written confirmation from parents that they wish to supply or pay for materials on this basis.

Pupils will not be treated differently according to whether or not materials are being provided by their parents. It should be recognised that much of the practical work in craft or food technology is of an investigative nature and will not necessarily result in a "finished product"; however, this is an essential part of the learning process.

Breakages and Fines

There is nothing to prevent schools from asking parents to pay for the cost of replacing a broken window or defaced, damaged or lost textbook where this is the result of a pupil's behaviour. Parents cannot, however, be taken to Court for this money.

LETTINGS POLICY

The Xavier Catholic Education Trust has agreed to supplement school budgets by encouraging the letting of the school premises where possible, provided that any letting is not detrimental to the schools or their pupils.

GUIDELINES

- All lettings will be at the discretion of the local governing committee or its representatives, who may refuse lettings if they consider it in the interests of the school to do so
- Lettings after midnight will not generally be permitted
- All hirers must comply with the regulations set out on the application form
- All hirers must be aged over eighteen
- All hirers must secure insurance cover for the letting, including for public liability
- All school buildings and associated premises are non-smoking areas
- The school is not responsible for any loss of or damage to vehicles parked on its premises, or their contents
- The school playing fields will not be let unless in a suitable condition to be used
- Details of current lettings charges are available from the school

SAFEGUARDING

The Trust is committed to safeguarding and promoting the welfare of children and young people, and expects hirers and their representatives to share this commitment. The Trust requires that for all hirings which involve groups working with children, appropriate levels of disclosure have been obtained from the DBS, for individuals working on the school premises.

CHARGES

- All charges will be subject to periodic review by the Local Governing Committee. The minimum increase will be in line with inflation
- The calculation of charges will include consideration of the real costs of heat, light, sewerage and water, and the cost of caretaking for the event
- Lettings to charitable and community groups will be considered at cost only
- Other charges are agreed by the local governing committee and may include an element for profit above actual costs

THE APPLICATION PROCESS

The hirer completes the application form, which sets out the time and date of the proposed hiring and the precise definition of the premises and facilities to be hired.

The application is considered by the school Business Manager and a decision is made whether to permit the hire.

Confirmation is returned to the applicant with the terms of the hire. The caretaker is informed. If the caretaker is not able to service the hiring, a key holder will be identified. Confirmation is returned to the applicant with the terms of the hire, including insurance requirements, on the reverse of the form. An invoice will be raised.

PROCUREMENT & TENDERING POLICY

OUTRIGHT PURCHASES

It is the Headteacher's responsibility to ensure that all those who spend public funds on behalf of the school, are aware of the importance of obtaining best value for money.

The minimum required number of tenders or quotations, from appropriate contractors for a given estimated value of contract are:

- Above £2,500 Two written quotations
- Above £5,000 Three written quotations
- Above £50,000 but below EU threshold Tendering
- Above EU threshold EU compliant tendering

Exceptions will only be made for items below £50,000 where;

- there is a clear justifiable reason for fewer quotes being obtained (eg, Emergency repair required, only supplier providing a certain product etc.). In such instances written authority must be given by the Chief Financial Officer.
- A preferred supplier is used from the Trust's tendered Framework Agreement for capital projects or from the Approved Contractors list for small works.

Purchases which are made through a nationally recognised procurement framework, do not have to comply with the requirements for a specified number of quotes.

Lease Purchases

There are two types of lease:

- operating leases, and
- finance leases.

The Trust does not require the EFA's approval for operating leases except for some transactions relating to land or buildings.

The Trust must obtain the EFA's prior approval for the following leasing transactions:

- taking up a finance lease
- taking up a leasehold or tenancy agreement on land or buildings for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

The Trust will ensure that any lease arrangement maintains the principles of value for money, regularity and propriety, whether or not the EFA's prior approval is required.

All operating and leasing agreements must be reviewed and authorised by the Chief Financial Officer.

BUSINESS CHARGE CARD POLICY

It is recognised that there are many occasions when schools are required to make direct payment for goods through internet/telephone services, to companies that offer value for money.

There are also companies who will not accept a school order and wait to be paid after the goods or services are supplied. In addition, there are incidences where regular small item purchases are required but the value of the purchases would exceed the school petty cash limit.

Each school's Governing body can therefore authorise the use of business cards.

The primary method of payment remains invoicing and this will generally be used in preference to business card purchases where such is offered by the supplier. Where possible the finance office will seek to establish trade accounts with local suppliers.

The operation of business cards has been delegated to the schools' Business Managers.

- Business Cards are issued by the designated bank for the Trust. Business card balances are repaid monthly in full, by direct debit
- The business limit will be set by schools within the Trust. The Trust's bank will not issue generic business cards; they must be issued to named individuals and each card will have its own business limit
- Those responsible for the administration and reconciliation of business charge cards on behalf of the school, will be prohibited from being cardholders
- The business cards shall not be used for personal expenditure in any circumstances
- Cash withdrawals are not allowed
- Supporting receipts and transaction details will be maintained for all uses of the business cards, and authorised in accordance with the usual procurement procedures of the schools.
- Transactions are entered as soon as possible onto the finance system and reconciled monthly in accordance with academy procedures.
- The cardholder shall authorise the school to recover the cost of any unauthorised transactions, and where reimbursement is not received, then the school is authorised to make a salary deduction for the unauthorised amount
- Responsibility for the use and operation of the business card is explained and agreed by the card holder by completing the cardholder consent form

CAPITALISATION & DEPRECIATION OF ASSETS POLICY

International Accounting Standard (IAS) 16, defines Fixed Assets as “assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably”.

The purpose of this policy is to ensure that the school’s balance sheet correctly reflects the assets and liabilities of the Xavier Catholic Education Trust. The policy is written in accordance with Accounting Standard FRS15 Tangible Fixed Assets.

The policy defines the treatment of Non-Current, Current, Tangible and Intangible Fixed Assets.

FIXED ASSET REGISTER

The Fixed Asset Register consists of a list of high value items (or specific group of items) purchased within the accounting period, that are considered to have a life longer than the financial year in which they were purchased. For individual items, any asset with a purchase value of £5,000 will be capitalised and capital projects with a value of £25,000. A rolling renewal programme of school equipment will not be considered a single capital project.

Capitalised assets are not necessarily bought on one order; a group of items purchased within the same accounting period will be capitalised.

Fixed Assets are categorised as follows:

- Land and Buildings
- Plant and Machinery
- Furniture and Equipment
- Computer Equipment and Software
- Assets under construction

Assets excluded from the Fixed Asset Register are current assets and stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis.

The appropriate accounting transactions for all capitalised assets will be recorded on the Fixed Asset Register, and recorded at least annually within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet.

Physical counts are undertaken against the Fixed Asset Register annually and discrepancies between the physical count and the registers are investigated promptly by the local School Business Manager. Any discrepancies over the value of £500 will be reported to the relevant committee.

All disposals of assets are recorded in the Fixed Asset Register ,and the appropriate transactions recorded through the financial statements on the finance system.

All working papers for the purchase of assets, including invoices, are retained.

Items of equipment that fall below the capitalisation limit of £5,000 are recorded on the Fixed Asset Inventory. Asset control is as for the assets held on the Fixed Asset Register.

DEPRECIATION

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below, and the Finance Committee will discuss such items on an individual basis.

ASSET GROUP	DEPRECIATION METHOD
Land	No depreciation
Buildings and Building modifications	2% (50 yrs.) Straight line
Plant and Machinery	10% (10 yrs.) Straight line with nil residual value
Furniture and Equipment	20% (5yrs) Straight line with nil residual value
Computer Equipment and Software	33% (3 yrs.) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use.
Motor Vehicles / Minibuses	20% (5 yrs.) Straight line with nil residual value.

The expected useful life of all assets will be assessed as an impairment review prior to depreciation calculations and recorded in the Fixed Asset Register.

A reconciliation will be completed between the independent Fixed Asset Register and the carrying balances held on the finance system.

ACQUISITION AND DISPOSAL OF ASSETS POLICY

The Trust will seek and obtain prior written approval from EFA, for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally

For the purpose of the disposal policy, 'assets' shall be fittings, furniture, equipment, apparatus, books and other materials originally purchased for the purpose of running the schools and having an original individual value of £250 or more.

It shall be the responsibility of the appropriate Head of Department or Budget Manager to identify any such assets which are surplus to requirements.

The Head of Department or Budget Holder shall identify surplus assets to the school Business Manager who upon endorsing the identification shall recommend disposal to the Headteacher.

An asset with a carrying amount (Cost less Accumulated Depreciation) above £1,000 must be approved by the relevant Committee.

Where possible surplus assets shall be sold in a safe and environmentally friendly manner, the best possible price being sought, and the destination of surplus assets shall be noted in the assets register kept by the schools.

Equipment is not normally disposed of to staff because it is difficult to provide evidence that the school obtained value for money, in the sale or scrapping of the equipment. If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary Interests must also be considered at all times.

The Directors will obtain approval from the Secretary of State for the disposal of any freehold land or buildings or disposing of any heritage assets.

Under the Academy Funding Agreement, the approval of the Secretary of State is required before the sale, or disposal by other means, or reinvestment of proceeds from the disposal, of an asset (or specific group of assets) for which a Capital Grant in excess of the value for the time being specified by the Secretary of State for the asset; or where the asset was transferred to the Trust from an LA for no or nominal consideration.

Reinvestment of a percentage of the proceeds of disposal of a capital asset paid for with a capital grant from the Secretary of State, shall require the Secretary of State's consent.

Funds obtained by the sale of surplus assets shall be identified in the Trust accounts and accessible for audit.

Acquisition of any asset excluding the freehold of land or buildings must follow the purchasing policy.