

Payments and cash management

8. Payroll payments

- 8.1 After the payroll has been processed but before payments are made, a summary print of salary payments for each individual should be obtained from the system. The print must be reviewed and authorised online and this should be evidenced by the person authorising signing the hard copy payroll report. The authorisation will be retained as evidence of review.
- 8.2 All salary payments are made by BACS via EPM.
- 8.3 Payslips are issued to paid employees electronically (unless staff have opted to still have paper copies) the day before salary payment is made into bank/building society accounts.
- 8.4 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 amounts payable are summarised on a printout and payments for these amounts are prepared by EPM Ltd and authorised for payment by the Headteacher / Principal / Business Manager.
- 8.5 After the payroll has been processed the Lead / Finance Officer will update the nominal ledger with the payroll costs for the month.
- 8.6 The Lead Finance Officer / Business Manager or authorised deputy will check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file of the individual. This check will be made annually. The Lead Finance Officer / Business Manager will sign and retain the check list as evidence of review.
- 8.7 Further details of payroll procedures are set out in Appendix 3.

9. Bank Accounts

- 9.1 The Academy has a main Active Learning Trust current account. This is consolidated with all other Trust Accounts for treasury management purposes. The account details are held by the Academy's Finance Officer.
- 9.2 The account signatories are listed on the site specific sheet
- 9.3 The level of authorisation for each signatory and the number of signatories required are detailed in the formal Bank Mandate.

Payments and withdrawals

- 9.4 All cheques and other instruments authorising withdrawal from the Academy bank account must bear the signatures of two authorised signatories. This provision applies to all accounts, public or private, operated by or on behalf of the Local Governing Body of the academy. Signatories may not sign a cheque reimbursing themselves.

Cheques must not be pre-signed, and cheque books should be held securely when not in use.

Bank reconciliations

- 9.5 The Lead Finance Officer / Business Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the cash book records;
 - reconciliations are subject to a monthly review carried out by the Lead Finance Officer / Business Manager or the Headteacher / Principal.
 - adjustments arising are dealt with promptly.
- 9.6 Reconciliation reports and a record of actions taken are signed and retained as evidence of review.

Credit Cards

- 9.7 The Academy has up to three credit cards. For details see specific sheet
- 9.8 These cards are only to be used when cheque or BACS payments are not possible. Receipts must be retained and matched to monthly statements. Procedures for the issue and use of credit cards are attached at Appendix 4.

Internet Banking

- 9.9 Wherever possible, payments should be made electronically. The Academy's finance system (PS Financials) is set-up to produce a BACS file for direct upload to the Academy's bank account. This should be the default route for making payments to all suppliers.
- 9.10 Urgent payments may be paid electronically by direct input to Barclays.net. Administration of access to the Barclays.net system is controlled by the Trust. Barclays.net has been configured so that internet payments and BACS uploads will be input by the Lead / Finance Officer for authorisation by the Headteacher / Business Manager or Principal.

10. Petty Cash Accounts

- 10.1 The Academy maintains a maximum cash balance as listed on the site specific sheet for the Finance Office cash tin. The Petty Cash account is administered on an imprest basis.

Cash tins are administered by:

- the Lead / Finance Officer.

School Trips sums paid over to the Trip Leads are classified as "Trip Floats" and how these are treated is outlined below.

Deposits

- 10.2 The only top-up to petty cash should be from cheques cashed specifically for the purpose. The top-up should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the top-up.
- 10.3 All other cash receipts, for whatever reason, should be paid directly into the bank in their entirety.

Payments and withdrawals

- 10.4 In the interests of security, petty cash payments will normally be limited to £50. Higher value payments should be made by cheque or BACS directly from an Academy bank account.
- 10.5 The Finance Office is responsible for entering all transactions into the petty cash records on a regular basis. Additionally, the Lead Finance Officer / Business Manager will undertake regular, but unannounced cash counts to ensure that the cash balance reconciles to supporting documentation. The Lead Finance Officer / Business Manager will sign off all petty cash expenditure on a monthly basis

Trip Floats

Deposits

- 10.6 *Monies paid into Trips is to be recorded as any other income and received whole and intact into the Bank / Accounts.*

Payments and withdrawals

- 10.7 All monies encashed including where those are foreign currency which will be purchased from the Bank are to be treated as a temporary addition to petty cash issued, and will need to be recorded as an expense against the trip in PSF. Any balance returned will be treated as income to the trip and credited back in PSF rather than creating an additional Float against petty cash.
- Trip Floats may be higher than the £50 due to the nature of the activity, but as a guide it is not expected that this will exceed £100 per pupil. If it does the Headteacher / School Business Manager should expressly authorise this and the circumstances for this.

Recording expenditure

- 10.8 The Trip Lead is to sign a receipt for the Trip Float and to provide on return a breakdown of expenses and receipts for items of expenditure where possible, anything over £100 is expected to have a receipt as evidence for any potential audit. These records should be checked and counter signed by Finance Staff and filed for future inspection.

Physical Security

10.6 Petty cash will be held in a locking cash box which is put in a safe overnight.

11. Cash Flow Forecasts

11.1 The Lead Finance Officer / Business Manager is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day to day operations. Cash flow forecasts are included as part of the monitoring reports submitted to the Finance /Resources Committee of the Local Governing Body.

12. Investments

12.1 Investments must be made only in accordance with written procedures approved by the Trust's Director of Finance & Operations.

12.2 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.