



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

**Xavier Catholic Education Trust in January 2023 and will
be reviewed in January 2024.**

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 are 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 is based on advice from the Department of Education (DfE), Charging for school activities and the Education Act 1996, sections 449-462 of which set out the law on charging for school activities in England.

Definitions

Charge: a fee payable for specifically defined activities

Remission: the cancellation of a charge which would normally be payable

1. Where charges cannot be made

Charges cannot be made for the following:

1.1 Education

- Admission applications
- Education provided during school hours (including the supply of any materials, books, instruments, or other equipment)
- Education provided outside school hours if it is part of:
 - The national curriculum
 - A syllabus for a prescribed public examination that the pupil is being prepared for at the school.
 - Religious education
- Instrumental or vocal tuition, for pupils learning individually or in groups, unless the tuition is provided at the request of the pupil's parent.
- Entry for a prescribed public examination if the pupil has been prepared for it at the school.
- Examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school.

1.2 Transport

- Transporting registered pupils to or from the school premises, where the local authority has a statutory obligation to provide transport.
- Transporting registered pupils to other premises where the governing board or local authority has arranged for pupils to be educated.
- Transport that enables a pupil to meet an examination requirement when he or she has been prepared for that examination at the school.
- Transport provided in connection with an educational visit.

1.3 Residential visits

- Education provided on any visit that takes place during school hours.
- Education provided on any visit that takes place outside school hours if it is part of:
 - A syllabus for a prescribed public examination that the pupil is being prepared for at the school.
 - Religious education
 - The national curriculum
 - Supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit.

2. Where charges can be made

Charges can be made for the following:

2.1 Education

- Any materials, books, instruments, or equipment, where the child's parent wishes him or her to own them.
- Optional extras (see section 2.2)
- Music and vocal tuition, in limited circumstances (see section 2.3)
- Certain early years provision
- Community facilities
- Examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school **and** the pupil fails, without good reason, to meet any examination requirement for a syllabus.

2.2 Optional extras

We are able to charge for activities known as 'optional extras'. In these cases, schools can charge for providing materials, books, instruments, or equipment. The following are optional extras:

- Education provided outside of school time that is not part of:
 - The national curriculum
 - A syllabus for a prescribed public examination that the pupil is being prepared for at the school.
 - Religious education
- Examination entry fee(s) if the registered pupil has not been prepared for the examination(s) at the school.
- Transport (other than transport that is required to take the pupil to school or to other premises where the local authority or governing board has arranged for the pupil to be provided with education)
- Board and lodging for a pupil on a residential visit
- Extended day services offered to pupils (such as breakfast clubs, after-school clubs, tea and supervised homework sessions)

When calculating the cost of optional extras, an amount may be included in relation to:

- Any materials, books, instruments, or equipment provided in connection with the optional extra.
- The cost of buildings and accommodation
- Non-teaching staff
- Teaching staff engaged under contracts for services purely to provide an optional extra (including supply teachers engaged specifically to provide the optional extra)
- The cost, or an appropriate proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, or vocal tuition, where the tuition is an optional extra.

Any charge made in respect of individual pupils will not be greater than the actual cost of providing the optional extra activity, divided equally by the number of pupils participating.

Any charge will not include an element of subsidy for any other pupils who wish to take part in the activity but whose parents are unwilling or unable to pay the full charge.

In cases where a small proportion of the activity takes place during school hours, the charge cannot include the cost of alternative provision for those pupils who do not wish to participate.

Parental agreement is necessary for the provision of an optional extra which is to be charged for.

2.3 Music tuition

Schools can charge for vocal or instrumental tuition provided either individually or to groups of pupils, provided that the tuition is provided at the request of the pupil's parent.

Charges may not exceed the cost of the provision, including the cost of the staff giving the tuition.

Charges cannot be made:

- If the teaching is an essential part of the national curriculum
- If the teaching is provided under the first access to the Key Stage 2 instrumental and vocal tuition programme
- For a pupil who is looked after by a local authority

2.4 Residential visits

We can charge for board and lodging on residential visits, but the charge must not exceed the actual cost.

3. Voluntary contributions

As an exception to the requirements set out in section 1 of this policy, the school is able to ask for voluntary contributions from parents to fund activities during school hours which would not otherwise be possible.

There is no obligation for parents to make any contribution, and no child will be excluded from an activity if their parents are unwilling or unable to pay.

If the school is unable to raise enough funds for an activity or visit, then it will be cancelled.

4. Activities we charge for

Activities which schools in the Xavier Catholic Education Trust may charge for include (but are not limited to):

- Breakfast and after school clubs
- Breakages – schools may ask parents to pay for the cost of breakages where this is the result of a pupil's behaviour.
- Enrichment activities
- Hoodies for school leavers

5. Remissions

In some circumstances the school may not charge for items or activities set out in sections 2 and 4 of this policy. This will be at the discretion of the governing board and will depend on the activity in question.

5.1 Statutory Remission and Hardship

- When charges are normally payable, no student is to be disadvantaged by their parents' or guardians' inability to pay.
- Parents who can prove they are in receipt of certain benefits will be exempt from paying the cost of board and lodging for residential visits.

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. Where an organisation does not have a Safeguarding policy in place, they will be expected to abide by the Xavier policy.

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 and a decision is made whether to permit the hire.

Confirmation is returned to the applicant with the terms of the hire. The premises team is informed. If the premises team are 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 £5,000 | Two written quotations |
| • Above £10,000 | Three written quotations |
| • Above £75,000 but below PCR* threshold | Tendering |
| • Above PCR threshold | EU compliant tendering; consulting up to date DfE guidance for buying procedures and procurement law for schools. |

Purchases which are made through a nationally recognised procurement framework do not have to comply with the requirements for a specified number of quotes or tenders if they are below the PCR Threshold. Details of how to purchase through a DfE approved framework are [here](#)

Exceptions will only be made for items below £75,000 where:

- there is a clear justifiable reason for fewer quotes being obtained (e.g., emergency repair required, only supplier providing a certain product etc.). In such instances written authority must be given by the Finance Director.
- a preferred supplier is used from the Trust's tendered Framework Agreement for capital projects.

*PCR - Public Contracts Regulations threshold. Details of this threshold can be found [here](#)

Lease Purchases

There are two types of lease:

- operating leases, and
- finance leases.

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

The Trust must obtain the ESFA'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 ESFA's prior approval is required.

All operating and leasing agreements must be reviewed and authorised by the Finance Director.

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 Local Governing Committee 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/Finance 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 ESFA, 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 Holder 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/Finance Manager who upon endorsing the identification shall recommend disposal to the Head teacher.

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.