BRADFORDACADEMY TRUST
Responsibility | Respect | Resilience

Our **Vision**
RESPONSIBILITY
RESPECT
RESILIENCE

A shining light in our community

You are the light of the world. A city on a hill cannot be hidden. - Matthew 5:14b

Finance Policy

Approved by:	**RMC**	**Date:** March 2026
Last reviewed on:	March 2026	
Next review due by:	March 2029 (Reviewed every 3 years)	
Related Documents		
Guidance		
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1. Governance

1.1 The register of Trustees can be found on the Bradford Academy website, Getting Information About Schools (GIAS – DfE Website) and Companies House.

1.2 The Resource Management Committee (including Audit sub-committee) should meet at least once per term.

1.3 Committees of the Main Board should meet at least once per term.

1.4 The Board of Trustees must approve an annual balanced budget.

1.5 The Resource Management Committee including the Audit sub-committee must approve all relevant policies.

1.6 Finance policies must adhere to the policies set out in the Academies Financial Handbook.

1.7 The Resource Management Committee must ensure there are effective systems of assessment of Risk and Internal Control.

1.8 The Resource Management Committee must ensure the Academy delivers good value in the use of public resources.

1.9 The Resource Management Committee must review the financial performance at least 6 times per year.

10 The Resource Management Committee must approve all capital expenditure over £10,000. Exception applies where the payments are regular and pre-approved by the budget process.

2. Employees

2.1 All staff are required to strictly adhere to the Academies' Finance policies and regulations. Any deviation from these policies and procedures may result in a formal investigation, which could lead to disciplinary actions, including mandatory retraining, issuance of warnings, or, in severe instances, termination of employment.

2.2 Employees are responsible for the management of any budget delegated to them.

3. Financial Planning

3.1 The Academy Financial Plan should reflect the staffing, curriculum and resourcing planning as defined in the School Improvement Plan (SIP).

3.2 The Academy Financial Plan should reflect the strategic directional plans determined by the Board of Trustees.

3.3 A detailed medium term Financial Plan must be prepared annually with a summary level rolling view up to 5 years ahead.

3.4 monthly cash-flow forecast must be planned from the approved budget to determine the timings and patterns of receipts and expenditure.

4. Budget Monitoring

4.1 Management accounts should be produced every month.

4.2 Cash flow must re-forecast every month.

4.3 Significant variances to budget must be brought to the attention of the budget holder.

4.4 Budget holders must use the Academy's accounting system to monitor and manage the accounts under their responsibility.

4.5 Where significant agreed variances occur the budget may be reset to allow more effective monitoring.

5. Purchasing

5.1 The Academy is committed to obtaining best value for money and maintaining the highest standards of efficiency and integrity in the purchase of goods and services. It is essential that all staff who commit expenditure are aware of the obligations placed upon them and comply with the Academy's Procedure for purchasing goods and services.

5.2 The Academy has introduced a new stand-alone procurement policy that adheres to the updated Department for Education (DfE) purchasing guidelines.

5.3 All capital expenditure over £10,000 must be approved by the Resource Management Committee of the Board of Trustees.

5.4 All non-budgeted and unplanned revenue expenditure over £10,000 must be approved by the Resource Management Committee of the Board of Trustees.

5.5 The Finance Director can approve unbudgeted expenditure up to £10,000 provided the budget and cash-flow implications have been agreed with the Accounting Officer.

5.6 The Management Accountant can approve budgeted expenditure and discretionary revenue expenditure up to £5,000.

5.7 All purchases must be requisitioned through the finance system. This process requires the approval of both the relevant budget holder and the Finance Department. Only after obtaining these approvals can an order be placed.

5.8 A Purchase Order must be created for all transactions, except for non-order supplies such as water, gas, insurance, and electricity. Additionally, a Purchase Order is not required in situations where it is impractical to requisition, such as during emergency callouts outside of regular hours.

5.9 All purchases, irrespective of the medium (e.g., online or via credit card), must be processed through the Finance Office. A purchase order must be raised and receive approval from both the budget holder and the Finance Department prior to placing the order.

5.10 Where the purchase term is contracted for more than 1 year, the contract duration, the annualised cost and any service requirements must be noted with the finance department.

5.11 Goods and services received must be verified against the originating purchase order.

5.12 Approved signatories for HR (recruitment), Catering (food costs), Exams (exams invoices) (approved by exams officer up to £5,000, over £5,000 additional signature by the Finance Director) Operations (Agency Invoices) and Facilities (reactive emergency expenditure) (up to £1,000) will sign off their departmental Invoices.

5.13 Our standard term for all suppliers is 30 days from receipt of invoice.

5.14 The school credit card may only be used by non-finance staff under exceptional circumstances, provided a purchase order has been raised and approved by both the budget holder and the Finance Department. Additionally, a booking for the card must be made with a minimum notice period of 24 hours.

5.15 All purchase orders require a minimum of five working days to be processed by the Finance team.

5.16 There will be a cutoff date for placing orders each term, which will be communicated by the Finance team. Any orders received after this date will not be processed until the start of the next academic term. The end-of-year cutoff will be June 30th each year.

6. Financial Control and Assurance

6.1 Bradford Academy operates controls to minimise financial risk and ensure the highest levels of Assurance for the Members, Board of Trustees and employees.

6.2 The Academy must maintain a risk register. Items should be reviewed on the rolling programme identified within the register.

6.3 The Academy maintains proper accounting records of all financial transactions with backup via the IT systems.

6.4 Finance records are kept for a minimum of 6 years. Other records are kept in accordance with legal compliance requirements.

6.5 Operating policies and procedures are included in the induction information given to all new staff.

6.6 In order to ensure separation of duty a minimum of two people must be involved in any task.

6.7 An external provider is commissioned by the Board of Trustees to provide an Internal Audit function to provide assurance regarding financial risks.

6.8 An external provider is appointed each year to audit the Trustees Annual Report and Financial Statements.

6.9 The Resource Management Committee has suitably qualified persons who provide suitable challenge to the finance team and the Accounting Officer of the academy’s financial operations.

7. Income

7.1 All incomes are categorised to source to ensure any funding restrictions are adhered to e.g. the General Annual Grant (GAG) is a restricted fund whose use is determined by the ESFA.

7.2 All incomes must be banked promptly. If this is not immediately possible, cash receipts must be kept in a school safe.

7.3 Cash received must be receipted to the donor.

7.4 Cash receipts must be verified by two persons. Identifying and recording sums due is separated from the responsibility for collecting and banking income.

7.5 Fees payable are in accordance with the charging and remissions policy.

7.6 All incomes must be reconciled at least monthly to the bank statement.

7.7 Receipts must be banked by type e.g. cash or cheques.

8. Banking

8.1 All banking transaction are reconciled monthly.

8.2 The bank reconciliation must be reviewed separately from the person responsible for processing receipts and payments.

8.3 The academy policy is one of no overdrafts.

8.4 The academy policy is for no loans.

8.5 All cheques require two signatories to comply with banking mandates. The list of authorised signatories is maintained by the Finance Office.

9. Payroll

9.1 All staff must be placed on the payroll by the Human Resources department. There must be a demonstrable recruitment process where all validity and safeguarding checks are obtained.

9.2 All variations to standard pay must be signed for by a more senior staff member.

9.3 All pay adjustments must be authorised by the line manager or HR in the case of a bureau error.

9.4 All payments made outside of the payroll must be accounted for in the next month’s payroll. For example, a missed salary payment where the net is paid via finance must be added to the next payroll run to ensure that the PAYE and employers’ liabilities are accounted for correctly.

9.5 All requests for payment must be made in writing to finance.

9.6 Finance must have written authorisation or other evidential proof prior to making any payments.

9.7 The payroll bureau has an authorisation list for all transaction types.

10. Petty Cash

10.1 All cash on-site must be kept secure and access restricted to authorised staff.

10.2 Petty cash is determined as an individual transaction of up to £25 in value.

10.3 Payments from petty cash are approved by an authorised officer; they are supported by appropriate vouchers (including VAT invoice/receipt where necessary) and acknowledged by the recipient’s signature.

10.4 Records must be kept of all payments made to/from the fund.

10.5 The petty cash fund is reconciled with the accounting records on a monthly basis. The reconciliation is reviewed and countersigned by a member of staff not involved in administering the fund.

10.6 Personal cheques will not be cashed from petty cash.

11. Taxation

11.1 All payments made to staff and self-employed persons, with the exception of out-of-pocket and claimable expenses, must be made through the payroll systems to ensure PAYE and employer costs are accounted for correctly.

11.2 Vat invoices and receipts must be obtained for all transaction involving VAT. Where no VAT is applicable the invoice or receipt should be explicit.

12. Assets

12.1 An asset register must be kept of all assets by type.

12.2 A periodic assessment should be made for impairment.

12.3 Assets individually or accumulatively costing £500 or more are assessed for capitalisation.

12.4 Capitalisation will occur where there is a recognised future economic benefit.

12.5 Depreciation rates are set to write off the asset value over its estimated useful life.
Depreciation rates and basis of write down are as follows:
Freehold Buildings – 2% straight line
Freehold Land – not depreciated
Leasehold Land – 0.8% straight line
Furniture and Equipment – 20% reducing balance
IT Equipment – 20% reducing balance
Motor vehicles – 20% reducing balance

12.6 All new additions will be depreciated within the financial year of their purchase.

13. Insurance

13.1 An annual assessment of insurable risks must be undertaken.

13.2 Public liability insurance must be obtained.

13.3 All school assets must be insured.

13.4 Insurance to safeguard academy pupils must be obtained e.g. off-site travel.

13.5 Insurances to protect staff, Trustees and their assets (when used on behalf of the academy) must be obtained.

13.6 The academy must not indemnify a third party.

14. Data Security

14.1 Access to the Accounting system must be password protected. Passwords should be strong and not shared.

14.2 The Accounting system must have separate access rights for users and system administrators. User roles and permissions should be clearly defined and regularly reviewed.

14.3 The Accounting system must be backed up according to Iplicit's backup policy. Iplicit performs regular backups using Azure SQL Database, which includes extensive business continuity and disaster recovery measures. Backups are stored securely and are subject to Iplicit's archiving procedures.

14.4 All data transactions must be recorded. For example, a deletion is recorded, but the record is not removed. An audit trail should be maintained for all transactions.

14.5 The Accounting systems must be compliant with the provisions of GDPR. Regular audits should be conducted to ensure ongoing compliance.

14.6 The systems access permissions granted to individual users must support and enforce the internal control principles of segregation of duties, wherever feasible and practicable. Access permissions should be reviewed regularly to ensure they remain appropriate.

14.7 The Accounting system must support Single Sign-On (SSO) to streamline access management and enhance security. SSO should be configured to integrate with the school's identity management system.

14.8 Multi-Factor Authentication (MFA) must be enabled for all users accessing the accounting system outside of the Academy building. MFA should require at least two forms of authentication, such as a password and a one-time code sent to a mobile device or authenticator app

15. Suppliers

15.1 All suppliers must be verified to ensure they are legitimate organisations. A new supplier may only be used once their legitimacy has been confirmed and they have been set up in the finance system.

15.2 All new suppliers must complete a new supplier form prior to transacting. An employee, Trustee or Member cannot complete a new supplier form.

15.2 The Academy has a policy of no related party transactions. All employees, Trustees and Members must declare any personal dealings with any related or connected party. Contracting with a related party requires Board approval.

15.3 Standard payment terms are 30 days from the date of receipt of goods or the date of service. Exceptions can be made with prior agreement from the Finance Director.

16. Debtors / Bad Debt

16.1 Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. Where this is not possible, an invoice will be raised for immediate payment.

16.2 All debts must be recorded, and non-payment will be followed up by issuing reminders. Where payment is not received for a service being provided, this will cease immediately, and the debtor will be informed of this in writing. The service will not be reinstated until the debt is cleared and payment of future services is made in advance.

16.3 Where sums are due from another academy or local authority school payment is required in seven days.

16.4 The writing off debts with a value greater than £1,000 requires approval of the Resource Management Committee.