



FINANCIAL PROCEDURES
For
THE FIRST FEDERATION TRUST

Adopted:	19 December 2025
Review cycle:	Annual
Next review due by:	January 2027

Value for money (VFM) Procedures

Contract Class	Value	Authoriser guidance	Further guidance
Class 1 Contracts – Low Value Transactions	£0 - £10,000	£0 - £500 School or Central Administrators / OSC manager, Kitchen Manager, Estates / Premises Manager or Caretaker) £501 - £2,500 Head of School / Deputy Head of School £2,501 - £10,000 Operational Head (*)/Education Director / Trust Accountant (*) Operational Head includes, Head of Estates, Head of Procurement & Resources, Head of HR	<£500 Due regard must be paid to the desirability of securing value for money by verbal enquiry and written confirmation. £500 - £2,500 Evidence of 3 lots of market testing £2,500 - £10,000 at least 2 written quotes obtained and evidenced on form. Evidence must be kept to indicate the action taken. An FFT requisition form needs to be completed for all orders.
Class 2 Contracts – Intermediate value transactions	£10,001 - £100,000	Up to £75,000 Director of Finance / Director of Operations £75,001 - £100,000 Chief Executive Officer	Between £10,000 and £100,000 at least three written quotations obtained or a competitive tender undertaken, as determined by the CEO or DoF. The requirements would need to be clearly documented specifying the goods, materials, equipment, services or works required to enable value for money to be assured.
Class 3 Contracts – Tender procedures for high value transactions (not over the EU threshold)	£100,001 – PCR threshold	Over £100,000 SFC, approval must be sought for all contracts	Between £100,000 and the PCR tender threshold (currently £214k) at least three written quotations obtained or a competitive tender undertaken, as determined by the SFC. The requirements would need to be clearly documented specifying the goods, materials, equipment, services or works required to enable value for money to be assured.
Class 4 – Procedures	Over PCR threshold	Over £214k currently, however as updated by the UK regulation – SFC approval must be sought for all contracts	Full PCR tender - Public procurement policy - GOV.UK (currently above £214,000 – please use latest UK threshold)

Purchasing

The First Federation Trust (FFT) will aim to achieve best value for money for all its purchases ensuring

that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. The Chief Executive Officer is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

Probity — an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.

Accountability — the process whereby individuals are responsible for their actions and decisions.

Fairness — that all those dealt with by the FFT are dealt with on a fair and equitable basis.

The Central Business Team will ensure that there is a clear separation of duties within the Business team, where possible, it is acknowledged that in certain schools this cannot be achieved but due regard is given to ensure procedures are followed.

Orders for goods and services.

Requisition forms (Appendix 2) can be used for school based purchases. Email requests are also acceptable if the content of the email covers all the necessary information (ie budget cost centre, value for money etc).

Where required per the Finance Policy the requisition/email must be accompanied by evidence of an appropriate number of quotes / proof that a Value for Money (VFM) exercise has taken place. Should schools not be able to obtain the required number of quotes, the reason for this must be annotated on the requisition form or email (and signed off by the DoF / DoO / CEO or Strategy & Finance Committee as directed by the Finance Policy) before the order can proceed.

The requisition form or requisition email must be sent to the applicable school or central administrator where a purchase order will be created within the accounting system. The requisition form or email request along with value for money assessments and quote information should be uploaded under the purchase order which will be available for review by the approver.

Once purchase orders are created, their approval is controlled by the workflows within the accounting system which is in line with the Financial Scheme of Delegation (Appendix 1). Only fully approved Purchase Orders can then be sent to suppliers to commit to the order.

Approvers are responsible for checking that the value for money assessment has been done, that it is compliant with our Finance Policy and that the order should go ahead.

Purchase orders are only raised for the current academic year.

Where there is a request for a service which spans multiple academic years and some payments will be in future academic years, or the actual cost of the full contract is not known (i.e due to inflationary changes), then this must first be signed off as a contract request before a purchase order can be raised. This is because the contracted amount will be higher than the PO amount and needs to be controlled outside of the financial system to ensure that it follows the scheme of delegation. Please see appendix 3 for the Contract Approval Form (which must be signed in line with the Financial Scheme of Delegation for the full value of the contract before any orders can be raised). If a contract's full value is being charged in the current academic year and will therefore be on the purchase order, then a separate Contract Approval is not required as the PSF workflow will ensure that it is approved per the financial scheme of delegation.

When a new contract is entered into during the year, or where there is already a committed contract from previous years which has payments due in the academic year, a purchase order should be raised for the known cost. If the amounts are unknown for the full year (i.e due to inflationary increases in April) then you must wait until the costs are known before adding a further purchase order.

If there are multiple payments in a year for the service, then each known payment should be a new line in the purchase order (i.e for monthly cleaning services).

Some centrally procured school based services will have purchase orders raised by the central finance team, and shouldn't be raised by School Administrators. Please refer to the latest guidance documentation to determine which contracts this is applicable for.

Some contract payments are unknown because the cost per unit is contracted and fixed however the consumption level is unknown (for example utilities or photocopier usage). These areas of contracted spend should not have POs raised and should be processed as invoices without an order (a PI).

Purchase orders are also not required in a handful of areas due to difficulties over time constraints or variations in cost. This includes purchasing food in self performing kitchens, emergency works or small value premises items (<£100).

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and always with prior approval from those with delegated authority. In such cases, a confirmation order will be raised as soon as possible, normally within 24 hours. Where not practical to raise a purchase order (ie emergency situations) an order **MUST NOT** be raised after receipt of the invoice.

As per the Academy Trust Handbook (Section 2.32) no Alcohol is to be bought by any means (even if being reimbursed), *'The trust's funds MUST NOT be used to purchase Alcohol for consumption, except where it is to be used in religious services'*.

Please also note the need for a Data Protection Impact Assessment should the product or service being requested require sharing personal data. Please refer to the Finance Policy for the process to follow in this instance.

Delivery of Goods and Services

On receipt of goods a member of the relevant Academy's office/support staff will check the goods received, match the delivery note (where provided) and sign the note to confirm this. The office staff will check the delivery note against the original order to ensure the correct goods have been received and then attach the delivery note to the order.

The member of staff will raise any discrepancies with the relevant Academy's office staff for investigation.

The office staff will despatch goods to the staff who requested the goods.

The member of staff who requested the goods must ensure that the goods received are of acceptable quality and any goods that are rejected must be notified to relevant Academy's office staff within 2 days of delivery.

The Goods Received Note (GRN) is to be processed through the Portal on PSF.

The signed delivery note should be filed according to the site process – either with the related Purchase Order documents or with the Invoice.

Self Performing Kitchens

For those schools that manage their catering provision there are separate procedures to be followed:

Kitchen managers will order their provisions, taking account of the budget position and ensuring that VFM has been achieved and local produce obtained where possible.

Kitchen managers will be responsible for signing off and checking all goods received and ensuring that the invoice is correct before passing to the Academy Office staff for processing through PSF (or through approving the invoice on PSF if they are in the approval workflow).

Invoice processing

Invoices are to be posted to the relevant date/period they relate to. Should you receive invoices that are outside of these dates please contact the central finance office for guidance.

Payment for supplies and services will be paid upon receipt of an invoice when it is confirmed that goods or services have been received and are of the quality expected. This is confirmed either through the PSF goods receipting process where the invoice matches the approved order, or if there isn't an order or the invoice is a higher amount then the invoice is approved through the PSF workflow (as managed by the financial scheme of delegation – appendix 1).

Administrators or other staff processing the invoices are responsible for checking:

- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly

If an invoice has an order then it must be matched to the order when it is processed. If the invoice is higher than the order then it will automatically be re-sent to the applicable roles through the PSF workflow (per the scheme of delegation) for further approval.

If an invoice does not have an order then it must be processed as a 'Purchase Invoice' (PI) to the 'register' in PSF. This will then be processed through the workflow automatically for approval by the applicable roles (per the scheme of delegation).

Any copy invoices received MUST be checked by the school administrator thoroughly before processing for payment, in order that duplicate payment can be avoided and to ensure our accounting records are accurate.

Payments will be settled by BACS. Cheques will be issued in exceptional circumstances only ie, charities. A non-order purchase invoice is to be raised through PSF on these occasions. Should a cheque be required schools are to contact the Central Finance Team.

Process for setting up new Supplier / updating their details

A 'New Supplier Information Form' needs to be completed and emailed to the central Finance mailbox to complete basic checks –

- Supplier is not already listed on our Finance system.
- Check the details on the form against the suppliers website / any other documentation received.
- Check the Companies House Website.

- Central Team will phone the supplier to confirm bank information is correct or a change of bank details before any changes are implemented.

Once the checks have been completed the central team will update the Finance system and inform the school of the supplier 'Code'.

IR35 – Off Payroll Workers

When setting up a new supplier that indicates payments to an individual/small business they must complete an IR35 check on the HMRC website. <https://www.gov.uk/guidance/check-employment-status-for-tax>.

This along with a Status Determination Statement needs to be completed prior to engagement of the suppliers' services.

Confirmation that this has been carried out and the response received must be saved in the Teams area for New IR35 & SDS Folder.

Should the IR35 check determine that the work falls within the scope of IR35 and they should be processed as an employee, the school should contact the central Finance and HR teams to make them aware and the supplier/individual will then be set up on the Trust payroll system.

Accruals and Prepayments of income and expenditure

The central finance team will review the schools' management accounts for accruals and prepayments and make the necessary adjustments monthly.

Should a school be aware of a large (above £2,000):

- accrual (received a benefit but not yet received the invoice); or
- prepayment (have incurred the cost for goods or services but the benefit of using them will last into the future)

being required schools should liaise with their Finance Officer and the Central Finance Team.

Direct Debits

Direct Debits can only be set up if authorised by the central office. Once agreed they will be set up on PSF as a DD miscellaneous payment.

Staff Expenses/Other Purchases

The FFT recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be

purchased and claimed back. Staff must always obtain prior approval before making any purchases that they require reimbursement for.

Staff will be reimbursed by BACS direct into their bank account. Receipts must be provided and VAT accounted for.

The staff expenses form (Appendix 4) is to be used in all cases. Staff to complete the form with their bank details and the relevant central office staff will set them up on PSF. The form must be authorised by the Head of School before it is processed. If the expenses form is for the Head of School the relevant Link Director or the DoF / DoO / CEO must authorise it.

£10 is the recommended minimum amount that can be reclaimed at any one time unless in exceptional circumstances. ALL CLAIMS MUST BE SUBMITTED MONTHLY AND NO LATER THAN THE END OF THE FINANCIAL YEAR.

Staff Expenses – Schools Administrators

It is acknowledged that in some cases it is not possible to pay for goods with the credit card due to the amounts involved (ie some stores will not accept payment by credit card for transactions under a specified amount) Should this be the case then administrators can claim via staff expenses.

Internet Purchases & Credit Card Purchases

Internet & Credit card purchases - a requisition form may be completed before a purchase is made. (Appendix 2) ALL purchases using the credit card MUST be entered onto the Credit Card Log and authorized by the relevant signatory.

The administrator in each school holds the credit card as per the credit card policy for the Trust.

The transaction is recorded on the 'Credit Card' log as soon as possible and the transaction reference number recorded on the documentation.

The transaction is then entered onto PSF as a CC transaction. When the monthly credit card statement is received, the multi-card payment MUST be entered ensuring that the correct bank account is selected and miscellaneous payment is used. All transactions paid for through the credit card should be entered onto PSF no later than the receipt of the credit card statement and ideally at point of purchase.

The Credit card should be held securely by the cardholder at all times and the PIN code not disclosed to any other party.

Refunds on Credit cards – Should a refund be credited against the Credit card, the process for entering this on PSF is the same CC document input but the amount will need to be

entered as a credit against the same nominal and cost centre as the original transaction. Evidence of the refund must be attached to the credit card log.

School Trips – Financial Procedures

Calculating charges and voluntary contributions. The principles of best value will be applied when planning activities that incur costs to the First Federation Trust and/or charges to parents.

When charges are made or voluntary contributions are sought for any activity, whether during or outside of the school day, they will be based on the actual costs incurred, divided by the total number of pupils participating. There will be no levy on those who can pay to support those who cannot.

Charges and voluntary contributions will be calculated in accordance with the Trust Trip and activities costing document.

(Please refer to the Trust Charging and Remissions Policy for details of what can be charged)

Income Collection and Banking Procedures

Each school collects income from parents, staff or the public for:

- School Meals
- Trips and residential visits
- Breakfast and After school clubs
- School Uniform Sales
- Nursery Fees
- Lettings
- Other miscellaneous income

Online payment systems are used by The First Federation Trust. It is up to the individual schools how they enforce this but it would be the aim of the FFT that all transactions operate through an approved online payment system therefore reducing the amount of cash/cheques banked locally.

It is best practice that ALL income in relation to pupils is entered onto a online payment system so that there is a record of all debts.

It is acceptable to add a reasonable amount for admin costs for schools trips, uniforms to cover the system charges. (Please liaise with your Finance Officer)

Processing of income transactions will be actioned centrally.

All expected income should be entered by Administrators into the income spreadsheet. This

spreadsheet brings together the cash receipts from the bank account and identifies the entries resulting in the income being accurately coded.

Where income relates to a Parent Account on ParentPay the school Administrator will then update the ParentPay system and ensure that the cash receipt has been correctly reflected.

Out of Schools Clubs may operate an alternative payment system that is also a booking system.

Should an alternative system be in place it would be the responsibility of the OSC Manager to ensure that accurate records are kept of parent payments so that we have a record of debts.

Income Security

All cash/cheques are to be stored securely in a safe or secure locked cupboard. Amounts held must not exceed the limit identified on the school's insurance policy.

Cash/Cheques are to be banked on a regular basis, at least half termly.

For those schools with limited banking facilities in the local area a cash collection service may be investigated.

When banking cheques please ensure that the name of the school and nominal code used is written on the reverse of each cheque.

Fixed Assets

Fixed assets are items of a capital nature where the total cost is over £2,500.

Schools should advise the central office (via the income spreadsheet) of whether donations are expected to part fund any fixed assets.

Related documents:

- ***Credit Card Policy***
- ***Debt Recovery Policy***
- ***Finance Policy***
- ***Academy Trust Handbook***
- ***Nominal Code listings***
- ***Charging and Remissions Policy***
- ***Trip and Activities Costing Document***
- ***Staff Expenses Policy***
- ***Finance Authorisation Flow Chart***