



BDMAT
Birmingham Diocesan
Multi-Academy Trust

Cash Management Policy

Issued: March 2019
Next Review Due: Spring 2022



1.0 Purpose of document

1.1 To ensure that cash is properly safeguarded, deposited to the bank in a timely manner, disbursements are properly authorised and controlled, and cash transactions are recorded accurately and timely in the accounting records.

2.0 Bank accounts

2.1 The Chief Finance and Operations Officer (CFOO) and CEO are responsible for proposing the banking institution and negotiating the terms and conditions.

2.2 The opening of all accounts must be authorised by the board who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

2.3 Any changes to security access rights of Headteachers, Deputy Headteachers and Business Managers are to be prepared and authorised by the CFOO and CEO.

2.4 Each Academy should only hold one local bank account for the receipt and deposit of local funds. Additional bank accounts may be opened with the permission of the CFOO and CEO. All bank accounts must set up by the CFOO and CEO on the Lloyds Commercial Banking System.

2.5 The Trust is not allowed to borrow funds and no account should be allowed to become overdrawn. The Trust will not enter into any loan arrangements without the prior approval of the Secretary of State.

3.0 Payments and withdrawals

3.1 All withdrawals from both Central and Academy bank accounts require two authorisers in accordance with the bank mandate.

3.2 Request for cheque payments should be made to the Trust CFOO. No cheques are to be held by academies unless specific authority has been granted by the CFOO and CEO.

3.3 Cancelled unissued cheques should be retained for inspection.

3.4 Cheques should be cancelled and re issued, if appropriate, if they remain uncashed after 6 months.

4.0 Deposits

4.1 Official, pre-numbered academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week or more frequently if the sums collected exceed the insurance limit on the safe.

4.2 Monies collected must be banked in their entirety in the appropriate bank account. There will be reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system with appropriate segregation of duties.

4.3 BDMAT cash and cheques must only be banked in properly approved and controlled accounts in the name of Birmingham Diocesan Multi-Academy Trust.

5.0 Bank reconciliation

5.1 Bank reconciliations are a key element of financial control and should be completed at least once a month as part of the month end procedures. Reconciliations must ensure that:

- All bank accounts are reconciled to the nominal ledger.
- All reconciliations and outstanding items are reviewed.
- Adjustments arising are dealt with promptly.

5.2 Bank statements are obtained monthly. Academies have access to online banking and therefore can review the bank account on an ad hoc basis as required.

6.0 Petty cash

6.1 Petty cash has been withdrawn from BDMAT academies in favour of electronic payment methods (such as purchasing cards, BACS and Faster Payments). The Trust does not permit cash transactions to be entered into. All income must be banked in its entirety and is not available to be used for cash payments.