



BDMAT
Birmingham Diocesan
Multi-Academy Trust

Income Policy

Issued: April 2018
Next review due: Summer 2021



1.0 ESFA GAG Income

- 1.1 The main source of income for BDMAT are the grants from the Education and Skills Funding Agency (ESFA). The receipt of these sums is monitored by BDMAT's Finance Director (for the Multi-Academy Trust (MAT) as a whole) and School Business Manager (SBM), who is responsible for ensuring that all grants due to the school are correct.
- 1.2 ESFA General Annual Grant (GAG) income is received by BDMAT and is paid into the individual school bank accounts after the deduction of central charges.
- 1.3 Transfers to schools will occur within one week of receipt by BDMAT.

2.0 Other grants

- 2.1 The receipt of these sums is monitored by the Central Finance Team who are responsible for ensuring that all grants due to the schools are correct.
- 2.2 In addition to GAG funding from ESFA, BDMAT may be awarded specific funding for other projects, e.g. Condition Improvement Funds, MAT Development Grants, etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
- 2.3 The SBM is responsible for recording the income and expenditure for each grant, providing a reconciliation within the monthly management accounts for their school.

3.0 Funds held in BDMAT

- 3.1 Where funds are held in trust, the SBM is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in BDMAT's memorandum and articles.

4.0 Trips

- 4.1 A member of the office staff must be appointed for each trip to take responsibility for the collection of sums due. Office staff must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the SBM.

- 4.2 Students/parents should make payments to the school or through an electronic collection system. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the pupil making the payment.
- 4.3 The School office should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the admin member of staff who is responsible for chasing the outstanding amounts.
- 4.4 Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents unless the School has agreed with the Parent Association that surpluses may be retained. If the School decides to subsidise the school trip the amount of subsidy must be approved by the headteacher in advance of the booking being made. This must be in accordance with the approved budget.

5.0 Catering (if cash payments at the School)

- 5.1 Cash payment must be reconciled on a daily basis by a member of the school office team (not the person involved in cash collection) to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to weekly banking. The SBM must reconcile the weekly banking sheet to actual receipt banked.

6.0 Catering (if electronic cash collection at the School)

- 6.1 The bank credits are reconciled to the system reports in the first instance (on a weekly or fortnightly basis depending on how frequently income is received). Monthly checks are undertaken by the SBM and cross referenced to a sample of individual pupils.

7.0 Lettings

- 7.1 The School is responsible for maintaining records of bookings of sports facilities / rooms etc. and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities. Invoicing and cash collection should be dealt with by the SBM and by an individual who is not responsible for making bookings. If the School is unable to adhere to this requirement (due to low administrative staff numbers), written approval from BDMAT's Finance Director will be required. In such instances, BDMAT's Finance Director should

consider whether additional monitoring controls are necessary in order to mitigate risk.

- 7.2 Details of organisations using the School's facilities will be held by the SBM who will establish a sales ledger account and produce a sales invoice from the Hoge 100 accounting system.
- 7.3 Copies of the organisations up to date relevant public liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor, etc.) are kept with the letting agreements and are reviewed at least annually.

8.0 Sundry income

- 8.1 Income from other sources (for example educational consultancy) is priced in consultation with the School's Headteacher (who must authorise the fees). The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay in accordance. BDMAT's standard terms of business are for payment within 30 days of the invoice date. Any deviation from these terms must be authorised by BDMAT's Finance Director.

9.0 Gift Aid

- 9.1 An academy trust is able to claim gift aid (<https://www.gov.uk/claim-gift-aid/overview>) on donations from individuals.
- 9.2 To ensure BDMAT, in its position as an exempt charity, receives all the monies it is entitled to, the Central Finance Team:
- reconciles income against records to confirm expected amounts have been received by the donor;
 - ensures the tax reclaimable from HMRC has been obtained and any relevant business use deduction has been made.

10.0 Debt recovery and write offs

- 10.1 Write offs need to be in line with the delegated authorities set out in the Scheme of Delegation.
- 10.2 The School/Central Finance Team should always pursue recovery of amounts owed to it, overpayments or payments made in error, irrespective of how they came to be made.
- 10.3 The School/Central Finance Team should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor.

External aged debtors

- The School/Central Finance Team should establish a sales ledger account and produce sales invoices for lettings and miscellaneous income.
- Unpaid accounts must be chased up on a regular basis. A review of outstanding debts will form part of the month School/Central Finance Team finance review meeting.

Pupil debts (e.g. catering income, trip income)

- The school staff should maintain an up to date record for each pupil showing the amount paid and the amount outstanding.
- An outstanding balance report should be printed each week and the appropriate steps should be made to chase outstanding debt.
- Outstanding debts should be chased by a member of staff who is not involved in the day to day cash collection and recording.

Requests to write off debts in excess of £1,000 must be referred in writing to BDMAT's Finance Director for submission to the Finance & Resources Committee for consideration. Debts below this level may be written off with the permission of BDMAT's Finance Director. In accordance with the Academies Financial Handbook, BDMAT must seek permission from the Secretary of State to write-off individual debts with a value in excess of £45,000 or cumulatively 2.5% of income in any one financial year.