

Cash Management and Investments Policy

Document Control

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Related policies and documents

- Procurement policy
- Expenses Policy
- Financial Planning Policy

Definitions

- Where the word 'Trust' is used in this document it refers to The Elliot Foundation Academies Trust.
- Where the word 'Governing Body' is used it refers to the Local Governing Body of an individual academy within the Trust.
- Where appropriate the Local Governing Bodies of individual academies will publish details of the procedures and practices to implement Trust policies.

Elliot Foundation Academies Trust Vision and Values

Vision

The Elliot Foundation was created as a safe place for children and teachers where all are nurtured to achieve beyond even their own expectations. Our motto, "Where children believe they can because teachers know they can" reflects our conviction that raising expectations for all children and teachers is at the heart of a successful and inclusive society.

Values

For children

We help children to discover themselves and aspire beyond any limitations that their context might appear to place upon them. We help them understand that they can be, 'Heroes of their own lives' building the foundations for healthy and successful lives.

For schools

In addition to the essential functional skills of reading, writing and mathematics, children need to learn how to learn and to believe that they can continue to do so. They must also possess the critical thinking skills to sift fact from fiction to be able to think for themselves, freely and creatively.

For success

To thrive, whatever their chosen path, children need confidence, curiosity and commitment. We will nurture these attitudes across all their learning experiences

For communities

Children at Elliot schools will be raised with an awareness of the world around them and their role in shaping a better future through volunteering and contributing in their communities.

1. Policy statement and objectives

- 1.1. Every academy needs to ensure that it has appropriate cash reserves to meet its obligations, and that any significant cash reserves earn a return. Banking and investment systems must be in line with the Elliot Foundation Academies Trust regulations to ensure consistency of approach, ease of administration and reduction of risk.

2. Scope and principles

- 2.1. This policy is approved by the Finance Committee on behalf of the Trust Board. It applies to all employees.
- 2.2. The general principle is that academies should operate with an appropriate level of cash reserves, and controls over cash should be robust to minimise the risk of loss.

3. Bank Accounts

- 3.1. TEFAT automatically opens one current account for the academy. The bank chosen follows a tender process that ensures the best returns plus convenience of service. TEFAT currently uses Lloyds TSB. It is not anticipated that further accounts will be required. Should any other accounts be open then these must be incorporated into the accounting system to ensure transparency of recording and completeness of accounts. The opening of any further accounts must be authorised by the TEFAT CEO or FD.

4. Deposits

- 4.1. Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
 - The amount of the deposit and;
 - A reference, such as the number of the sales invoice or receipt or the name of the debtor.

5. Payment Procedures

- 5.1. All cheques, BACS payments or other instrument authorising withdrawal from academy bank accounts must be signed by two of the following (as per the bank mandate):
 - The Principal/ Executive Principal;
 - Finance lead;

- Vice Principal (or equivalent);
- Authorised TEFAT representatives.

5.2. This provision applies to all accounts, public or private, operated by or on behalf of a TEFAT academy.

6. Administration

6.1. The finance lead must ensure bank statements are downloaded regularly and reconciled at least monthly. Reconciliation procedures must ensure that:

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

6.2. Monthly reconciliations should be signed by the finance lead preparing and counter signed by the Principal, and a scan should be uploaded to the X Drive.

6.3. Reconciliations will be reviewed at least twice yearly bank by head office staff.

7. Cash Flow Forecasts

7.1. The finance lead is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to cover its obligations. A basic cashflow can be created using PS Budgeting. If significant surplus balances are forecast, steps should be taken to invest the surplus, following discussion with the FD. Similarly, appropriate plans should be made in the event of a forecast shortage, and should be discussed with the FD.

7.2. Where one Academy in the group experiences short term cash liquidity the FD may loan cash from other academies within the group who are holding monthly cash balances in excess of routine monthly expenditure. This is purely a cash movement and has no impact on reserves. All cash will be returned as soon as possible, and the loaning academy will be advised prior to any transfer. Wherever possible such loans will come from the head office account.

7.3. This situation would be eased by consolidating academy bank accounts into the head office account, which is a TEFAT policy goal. Again this would have no impact on individual academy reserves, but would ease pressure on cash reserves as overall a lower level of working capital would be tied up.

8. Investments

- 8.1. As set out above, it is anticipated that any surplus funds will be invested in order to generate the best possible low risk returns. The nature of appropriate investments means that sums not required in the next six weeks can be invested leading to a potential series of short term investments. The longer funds can be tied up for the higher the interest rate. It is important that the academy considers likely cash needs before any submission to the Finance Committee to invest funds is made.
- 8.2. If it is anticipated that greater returns can be achieved through investing independently then this can be done. Investments may however only be made in accordance with procedures approved by the FD. It is expected that all investment decisions will be made on a risk averse basis. A copy of all documents relating to investments placed should be sent to the FD, before transfer.
- 8.3. Investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated, including the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure that income receivable is actually received.

9. Petty Cash Accounts

- 9.1. The academy may maintain a maximum cash balance of £500 at any one time to meet unexpected payments and reimbursements with short notice. The cash is administered by the finance staff and must be kept in the Finance Office safe. Lower limits should be considered as we move to a more cashless environment.
- 9.2. Petty cash should only be reimbursed following submission of appropriately authorised petty cash forms supported with suitable evidence of expenditure. Wherever possible VAT receipts should be attached and VAT accounted for appropriately.
- 9.3. The only deposits to petty cash should be either from cheques cashed or ATM withdrawals using the debit card to top up the box. Deposits should be recorded in the petty cash account with the date, amount and a reference, normally the cheque number. Neither this card nor its PIN number should be passed to other members of staff.
- 9.4. In the interest of security, usually petty cash payments will be limited to £20. Higher value payments should be made via payroll, or where this is too slow, by BACS.

- 9.5. The finance team are responsible for entering all petty cash transactions into the petty cash book. Regular and unannounced cash counts should be made by appropriate senior staff to ensure that all petty cash is accounted for.
- 9.6. Petty cash should be held in a locked cash box that is kept in the Finance Office safe overnight.

10. Corporate Cards

- 10.1. To aid purchases where the best deals do not allow for purchase on invoices (i.e. internet purchases) each academy will be provided with a corporate card (usually in the name of the Principal).
- 10.2. Cards can be used for petty cash withdrawals (although this attracts a charge). Corporate cards should be kept by finance and used where a traditional ordering and invoicing arrangement is not possible. A full reconciliation should be carried out on receipt of the monthly statement, which can also be downloaded using the cardholder's online account. The same level of proof of purchase is required as with other payments, so receipts and print outs of online purchases should be kept and attached to the statement. VAT should be reclaimed where appropriate.

11. Cash management and security

- 11.1. Academies can deal with significant amounts of cash in relation to school meals, uniform sales, trips and more, depending on local arrangements. It is imperative that the academy has in place robust systems to minimise the risk of loss and suspicion falling on staff members.
- 11.2. The finance lead should ensure that any significant amounts of cash are held in a secure place (i.e. a safe), which cannot be easily forced (i.e. a locked drawer). Cash should be banked as soon as possible to minimise risk.
- 11.3. Consideration needs to be given to banking arrangements. Cash collection services may be appropriate, but where cash is banked in person then two staff should accompany any cash and going at set times should be avoided to minimise the risk of robbery.
- 11.4. Any cash coming into the academy should only be given in return for a clear signed receipt. The numbers of staff handling cash should be minimised to reduce the risk of error and theft. Where a high level of low value receipts are being made, making receipt giving overly time consuming, then it may be appropriate to keep a sheet detailing payments which each payer can sign. This minimises the risk of difficulties if a payer states that they paid more than

the academy believes they received, or there is disagreement over whether a payment was made at all.

- 11.5. Where significant amounts of cash is being handled or counted, i.e. emptying cash loaders, then this should always be done by two members of staff to reduce risk.
- 11.6. The use of payment systems such as ParentPay should be encouraged to minimise the level of cash handling within the academy.