

ASPIRE ACADEMY CHARGE CARD POLICY and PROCEDURES

The Trust has approved the use of a charge card facility and this Policy and Procedures will be included in the Financial Management Policy as an appendix pending both being updated and approved by the Trust's Finance Committee at its relevant committee/governing body meeting to be held on 8th October 2015.

From time to time the academy may be offered an opportunity to purchase goods or arrange for services for the academy from companies that will not invoice but only accept a direct payment. In order to make use of these Best Value offers the academy will hold a charge card facility. The proliferation of on-line purchasing in the private sector and at individual consumer levels and the 'best value' options on-line shopping can provide has started to spread into the public sector. The Trust therefore wishes to be able to make use of such Best Value offers where appropriate. However, the use of charge cards for such purposes does present a potential high level risk to the Trust in terms of budgeting controls, the prevention of the misuse of public monies and fraud.

It is therefore the Trust's policy and the auditors' advice that the primary method of payment remains invoicing and that this generally will be used in preference to card purchases where such is offered by the supplier and clearly demonstrates Best Value.

The Trust has agreed the following:

- The Principal, as the Trust's named Accounting Officer, will ensure that there is budgetary provision in place for all charge card purchases and there are sufficient balances available in the bank to cover the expenditure.
- The Trust has authorised cards to be held by The Principal and the Academy Business Manager.
- The charge card will be issued by Lloyds Bank, the academy's bankers.
- Each card will be stored in the safe when not in use.
- The PIN number for each card will be known only by the cardholder and not disclosed to anyone else or written down.
- In the event of loss of the pin number the bank will be able to provide the cardholders only with the information
- Should the card be lost or stolen the loss will be reported by the cardholder to the issuing bank, the police, the Academy Business Manager and the Principal immediately.
- Should fraud or misuse be suspected, the bank will be informed immediately so that the appropriate action can be taken.
- The charge cards will have a joint spending limit of £6,000 per month controlled by the bank.
- Individual Charge card limits are set as – Principal £2,000 – Business Manager £4,000.
- The charge card balance will be settled in full automatically each month by direct debit thereby avoiding interest charges.
- Telephone orders are not permitted.
- When using the charge card the money will be taken from the bank account once the purchase is complete although the goods may not have been received.

Purchases using the card held by the Principal

- Payments made by the academy normally require two signatories however the Principal is authorised to make individual purchases using the charge card up to £200 without further authorisation.
- All orders must be delivered to the academy address.
- The invoice/receipt must be passed to the Office Manager promptly to enable entry to the Bank Card Purchase Record Form.
- A VAT (if applicable) receipt must be obtained.
- The Office Manager will enter the purchase on the Bank Card Record Form and keep the Principal informed of the balance.
- Record of receipt of goods/service at the academy, i.e. delivery note or notation on the invoice/receipt as goods received.
- By the last day of each month the Principal will authorise the record sheet which is sent along with all receipts to the Business Manager.
- Business Manager/Finance Officer will reconcile the receipts to the record sheet and the charge card statement.
- The Finance officer will record expenditure on the academy's accounting system.
- Finance Officer/Business Manager will investigate and or report any serious discrepancies she/he deems necessary to the Chair/Vice Chair of the Trust.

Purchases using the card held by the Business Manager

- All individual purchases above £200 must be made using the card held by the Business Manager – this ensures authorisation by 2 cheque signatories – the purchase order request will be authorised by the Principal and the payment by the Business Manager.
- All purchases placed by the Business Manager will follow the Procedures for Ordering Goods and Services within the academy's Finance Regulations.
- The internal order will be signed by the Principal (even for purchases below £200).
- Authorised order received – checks made to ensure best value is carried out – purchase made.
- The Invoice/receipt will be passed to the Finance Officer for entry onto FMS once VAT receipt is received.
- Finance Officer will reconcile transactions to charge card statement.
- Finance Officer will investigate and or report any serious discrepancies she/he deems necessary to the Principal/Chair/Vice Chair of the Trust.

Approved and adopted by Aspire Academy Trust Finance Committee

Date: 14th May 2015

Signature: *Val Jones*

Val Jones (Chair)