



Finance Supplemental Policies

These policies are to be read in conjunction with the Xavier Catholic Education Trust Finance Policy document.

CONTENTS:

Policy 1	Reserves policy
Policy 2	Charging & Remissions policy
Policy 3	Lettings policy
Policy 4	Procurement & Tendering policy
Policy 5	Business Charge Card policy
Policy 6	Capitalisation & Depreciation of Assets policy
Policy 7	Acquisition and Disposal of Assets policy

These Appendices and the Finance Policy have been approved and adopted by the Xavier Catholic Education Trust in January 2026 and will be reviewed in January 2028.

Committee Responsible: Finance Committee

Policy 1

RESERVES POLICY

The Local Governing Committee of each school will review the level of their reserves annually. Any surplus balances, apart from any contingency of a maximum of 2% of GAG funding, will be supported by a clear plan for their use in the near future to the benefit of pupils.

The agreed level of surplus balances and the assumptions on which they are based along with the total level of reserves will be kept under review by the Board.

In general, it is considered prudent to maintain a level of useable reserves that is sufficient to cover unexpected and unplanned events so that the school's primary objectives are preserved. At the same time, the school will wish to ensure that it uses its funding to benefit the students in its care. This implies an imperative to consider actively the use of reserves to enhance educational provision.

Income should be reviewed to establish whether there will be any downward pressure by looking at factors such as:

- Predicted changes in local birth rates
- Future changes in pupil numbers
- Three-to-five-year projection of income based on predicted student numbers
- Funding protections received by the school and the likely increases/decreases in these protections
- Changes in levels of Pupil Premium

Expenditure projections should take into consideration;

- Contingencies depending on the stage of development of the school
- Reasonable cost increase projections
- Projects identified in the School Development plan

Policy 2

CHARGING & REMISSIONS POLICY

The Charging and Remissions policy adopted by the Xavier Catholic Education Trust is based on advice from the Department of Education (DfE), Charging for school activities and the Education Act 1996, sections 449-462 of which set out the law on charging for school activities in England.

Definitions

Charge: a fee payable for specifically defined activities

Remission: the cancellation of a charge which would normally be payable

1. Where charges cannot be made

Charges cannot be made for the following:

1.1 Education

- Admission applications
- Education provided during school hours (including the supply of any materials, books, instruments or other equipment)
- Education provided outside school hours if it is part of:
 - The national curriculum
 - A syllabus for a prescribed public examination that the pupil is being prepared for at the school
 - Religious education
 - Instrumental or vocal tuition, for pupils learning individually or in groups, unless the tuition is provided at the request of the pupil's parent
- Entry for a prescribed public examination if the pupil has been prepared for it at the school
- Examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school

1.2 Transport

- Transporting registered pupils to or from the school premises, where the local authority has a statutory obligation to provide transport
- Transporting registered pupils to other premises where the governing board or local authority has arranged for pupils to be educated
- Transport that enables a pupil to meet an examination requirement when he or she has been prepared for that examination at the school
- Transport provided in connection with an educational visit

1.3 Residential visits

- Education provided on any visit that takes place during school hours
- Education provided on any visit that takes place outside school hours if it is part of:
 - A syllabus for a prescribed public examination that the pupil is being prepared for at the school
 - Religious education
 - The national curriculum
- Supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit

2. Where charges can be made

Charges can be made for the following:

2.1 Education

- Any materials, books, instruments or equipment, where the child's parent wishes him or her to own them
- Optional extras (see section 2.2)
- Music and vocal tuition, in limited circumstances (see section 2.3)
- Certain early years provision
- Community facilities
- Examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school **and** the pupil fails, without good reason, to meet any examination requirement for a syllabus

2.2 Optional extras

We are able to charge for activities known as 'optional extras.' In these cases, schools can charge for providing materials, books, instruments, or equipment. The following are optional extras:

- Education provided outside of school time that is not part of:
- The national curriculum
- A syllabus for a prescribed public examination that the pupil is being prepared for at the school
- Religious education
- Examination entry fee(s) if the registered pupil has not been prepared for the examination(s) at the school
- Transport (other than transport that is required to take the pupil to school or to other premises where the local authority or governing board has arranged for the pupil to be provided with education)
- Board and lodging for a pupil on a residential visit
- Extended day services offered to pupils (such as breakfast clubs, after-school clubs, tea and supervised homework sessions)

When calculating the cost of optional extras, an amount may be included in relation to:

- Any materials, books, instruments or equipment provided in connection with the optional extra
- The cost of buildings and accommodation
- Non-teaching staff
- Teaching staff engaged under contracts for services purely to provide an optional extra (including supply teachers engaged specifically to provide the optional extra)
- The cost, or an appropriate proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, or vocal tuition, where the tuition is an optional extra

Any charge made in respect of individual pupils will not be greater than the actual cost of providing the optional extra activity, divided equally by the number of pupils participating.

Any charge will not include an element of subsidy for any other pupils who wish to take part in the activity but whose parents are unwilling or unable to pay the full charge.

In cases where a small proportion of the activity takes place during school hours, the charge cannot include the cost of alternative provision for those pupils who do not wish to participate.

Parental agreement is necessary for the provision of an optional extra for which is to be charged.

2.3 Music tuition

Schools can charge for vocal or instrumental tuition provided either individually or to groups of pupils, provided that the tuition is provided at the request of the pupil's parent.

Charges may not exceed the cost of the provision, including the cost of the staff giving the tuition.

Charges cannot be made:

- If the teaching is an essential part of the national curriculum
- If the teaching is provided under the first access to the Key Stage 2 instrumental and vocal tuition programme
- For a pupil who is looked after by a local authority

2.4 Residential visits

We can charge for board and lodging on residential visits, but the charge must not exceed the actual cost.

3. Voluntary contributions

As an exception to the requirements set out in section 1 of this policy, the school is able to ask for voluntary contributions from parents to fund activities during school hours which would not otherwise be possible.

There is no obligation for parents to make any contribution, and no child will be excluded from an activity if their parents are unwilling or unable to pay.

If the school is unable to raise enough funds for an activity or visit, then it will be cancelled.

4. Activities we charge for

Activities which schools in the Xavier Catholic Education Trust may charge for include (but are not limited to):

- Breakfast and after school clubs
- Breakages – schools may ask parents to pay for the cost of breakages where this is the result of a pupil's behaviour
- Enrichment activities
- Hoodies for school leavers

5. Remissions

In some circumstances the school may not charge for items or activities set out in sections 2a and 4 of this policy. This will be at the discretion of the Local Governing Committee and will depend on the activity in question.

5.1 Statutory Remission and Hardship

- When charges are normally payable, no student is to be disadvantaged by their parents' or guardians' inability to pay.
- Parents who can prove they are in receipt of certain benefits will be exempt from paying the cost of board and lodging for residential visits.

Policy 3

LETTINGS POLICY

The Xavier Catholic Education Trust has agreed to supplement school budgets by encouraging the letting of the school premises where possible, provided that any letting is not detrimental to the schools or their pupils.

GUIDELINES

- All lettings will be at the discretion of the Local Governing Committee or its representatives, who may refuse lettings if they consider it in the interests of the school to do so
- Lettings after midnight will not generally be permitted
- All hirers must comply with the regulations set out on the application form
- All hirers must be aged over eighteen
- All hirers must secure insurance cover for the letting, including for public liability
- All school buildings and associated premises are non-smoking areas
- The school is not responsible for any loss of or damage to vehicles parked on its premises, or their contents
- The school playing fields will not be let unless in a suitable condition to be used
- Details of current lettings charges are available from the school

SAFEGUARDING

The Trust is committed to safeguarding and promoting the welfare of children and young people and expects hirers and their representatives to share this commitment. The Trust requires that for all hirings which involve groups working with children, appropriate levels of disclosure have been obtained from the DBS, for individuals working on the school premises. Where an organisation does not have a Safeguarding policy in place, they will be expected to abide by the Trust's policy.

CHARGES

- All charges will be subject to periodic review by the Local Governing Committee. The minimum increase will be in line with inflation
- The calculation of charges will include consideration of the real costs of heat, light, sewerage and water, and the cost of caretaking for the event
- Lettings to charitable and community groups will be considered at cost only
- Other charges are agreed by the Local Governing Committee and may include an element for profit above actual costs

THE APPLICATION PROCESS

The hirer completes the application form, which sets out the time and date of the proposed hiring and the precise definition of the premises and facilities to be hired.

The application is considered by the school and a decision is made whether to permit the hire.

Confirmation is returned to the applicant with the terms of the hire. The premises team is informed. If the premises team are not able to service the hiring, a key holder will be identified. Confirmation is returned to the applicant with the terms of the hire, including insurance requirements, on the reverse of the form. An invoice will be raised.

Policy 4

PROCUREMENT & TENDERING POLICY

OUTRIGHT PURCHASES

It is the Headteacher's responsibility to ensure that all those who spend public funds on behalf of the school, are aware of the importance of obtaining best value for money.

The minimum required number of tenders or quotations, from appropriate contractors for a given estimated value of contract are:

- Above £5,000 Two written quotations
- Above £10,000 Three written quotations
- Above £75,000 but below PPN* threshold Tendering
- Above PPN threshold EU compliant tendering; consulting up to date DfE guidance for buying procedures and procurement law for schools

Exceptions will only be made for items below £75,000 where;

- there is a clear justifiable reason for fewer quotes being obtained (e.g., Emergency repair required, only supplier providing a certain product etc.). In such instances written authority must be given by the Finance Director.
- a preferred supplier is used from the Trust's tendered Framework Agreement for capital projects.

Purchases which are made through a nationally recognised procurement framework, do not have to comply with the requirements for a specified number of quotes

*PPN – Procurement Policy Note

Lease Purchases

There are two types of leases:

- operating leases, and
- finance leases.

The Trust does not require the ESFA's approval for operating leases except for some transactions relating to land or buildings.

The Trust must obtain the ESFA's prior approval for the following leasing transactions:

- taking up a finance lease
- taking up a leasehold or tenancy agreement on land or buildings for a term of seven or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

The Trust will ensure that any lease arrangement maintains the principles of value for money, regularity and propriety, whether or not the ESFA's prior approval is required.

All operating and leasing agreements must be reviewed and authorised by the Trust Financial Controller. Any agreements with a value of £15,000.00 or more need to be ratified by the Trust's Finance Committee.

Policy 5

CORPORATE CARD POLICY

It is recognised that there are many occasions when schools are required to make direct payment for goods via online/telephone channels, to suppliers that offer value for money.

Some suppliers do not accept purchase orders and require payment prior to the provision of goods or services. In addition, there may be occasions where regular low-value purchases are required

The Trust leadership may authorise the use of corporate cards for authorised personnel with appropriate review and control arrangements in place.

The primary method of payment remains invoicing, which should be used in preference to corporate card transactions wherever this option is available from the supplier. Where possible, the finance office will seek to establish trade accounts with local suppliers.

The administration of corporate cards is managed by the central finance team, with operational use delegated to schools and overseen by Business/Finance Managers.

- Corporate cards are issued by the Trust's designated bank. Balances are repaid monthly in full, by direct debit.
- Spending limits will be set by individual schools within the Trust. Cards are issued to named individuals only, and each card will have an assigned limit.
- Individuals responsible for administering and reconciling corporate cards must not be cardholders.
- Corporate cards must not be used for personal expenditure under any circumstances.
- Cash withdrawals are not permitted.
- All transactions must be supported by appropriate receipts and documentation and authorised in accordance with the Trust's procurement procedures.
- Transactions must be recorded promptly in the finance system and reconciled monthly in line with Trust procedures.
- Cardholders authorise the Trust to recover the cost of any unauthorised expenditure. Where repayment is not made, the Trust reserves the right to recover amounts via salary deduction.
- Cardholders must acknowledge and accept their responsibilities through completion of a corporate cardholder agreement form.

Policy 6

CAPITALISATION & DEPRECIATION OF ASSETS POLICY

This policy sets out the Trust's approach to the capitalisation and depreciation of assets, ensuring that the financial statements accurately reflect the Trust's asset base.

It is aligned with applicable accounting standards for tangible and intangible assets and defines the treatment of non-current, current, tangible and intangible assets.

FIXED ASSET REGISTER

The Fixed Asset Register records all capital assets held by the Trust with a useful economic life beyond one financial year.

Assets are capitalised where they meet the following thresholds:

Individual assets with a cost of £5,000 or more

Capital projects with a total value of £25,000 or more

Routine or rolling replacement programmes are not treated as a single capital project.

Assets may be capitalised individually or as a group where they are purchased as part of a single project or are interdependent.

Fixed Assets are recorded within the following categories:

- Land and Buildings
- Plant and Machinery
- Furniture and Equipment
- IT Equipment and Software
- Assets under construction

Current assets (including cash and stock) are not recorded in the Fixed Asset Register and are managed through standard financial controls and reconciliations.

All capitalised assets are recorded in the Fixed Asset Register and reflected in the financial statements in accordance with accounting standards.

The Fixed Asset Register is reviewed and updated regularly.

The existence and condition of assets are verified on a periodic and risk-based basis, with any discrepancies investigated promptly by school finance staff and reported in line with the Trust's financial procedures.

DEPRECIATION

Non-current assets are depreciated over their estimated useful economic life to reflect their carrying value in the financial statements.

Depreciation is calculated on an annual basis for preparation of the year end accounts.

Where assets do not clearly fall within the standard categories, their treatment will be determined on a case-by-case basis in line with Trust financial procedures.

ASSET GROUP	DEPRECIATION METHOD
Land	Not depreciated
Buildings and Building modifications	2% straight line (50 years)
Plant and Machinery	10% straight line (10 years)
Furniture and Equipment	20% straight line (5 years)
IT Equipment and Software	33% straight line (3 years)
Motor Vehicles / Minibuses	20% straight line (5 years)
Assets Under Construction	Not depreciated until the asset is brought into use.

Residual values are assumed to be nil unless otherwise assessed.

Useful economic lives and depreciation rates are reviewed periodically and adjusted where appropriate.

Assets are subject to impairment review where there is an indication that carrying value may not be recoverable.

The Fixed Asset Register is reconciled to the finance system on a regular basis.

Policy 7

ACQUISITION AND DISPOSAL OF ASSETS POLICY

The Trust will seek and obtain prior written approval from DfE, acting on behalf of the Secretary of State, where required under the Academy Trust Handbook, for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally

The Trust will ensure that all disposals of land or buildings comply with statutory requirements, including those relating to Secretary of State consent or notification, and any applicable general consent orders.

Proceeds from the disposal of assets funded by capital grants will be applied in accordance with the terms and conditions of that funding, with DfE approval obtained where required.

For the purposes of this policy, assets include equipment, furniture and other items used in the operation of the Trust's schools that are recorded in the Trust's asset registers in line with its capitalisation and inventory thresholds.

Budget Holders are responsible for identifying assets that are surplus to requirements and notifying the Finance Team. The Finance Team will review and, where appropriate, progress recommendations for disposal in accordance with delegated authority levels.

Disposals must be approved in line with the Trust's scheme of delegation. Assets above locally defined thresholds will require approval by the relevant committee.

The Trust will ensure that:

- assets are disposed of in a secure, safe and environmentally responsible manner
- value for money is achieved, with reasonable efforts made to secure the best available return
- all disposals are recorded in the fixed asset register or inventory, including the method of disposal

Disposal of assets to staff should be avoided unless it can be clearly demonstrated that value for money has been achieved and any conflicts of interest have been appropriately managed and recorded.

Where assets include IT equipment or licensed software, the Trust will ensure that data is securely removed and that software licences are transferred or terminated in accordance with legal requirements.

Proceeds from disposals will be recorded in the Trust's accounts and remain fully auditable.

Assets funded by capital grants or transferred from a local authority may be subject to additional conditions. The Trust will comply with all funding agreement requirements and obtain approval from the Department for Education (acting on behalf of the Secretary of State) where required.

All asset acquisitions must follow the Trust's Procurement Policy.