



**THE BUSINESS  
OF EDUCATION**

# Financial Services Key considerations



Herts for Learning Ltd is a not for profit company owned by Hertfordshire schools and the local authority. Providing achievement and business services, it is dedicated to improving standards of education in Hertfordshire and beyond.

# Key considerations for academy and MAT transition

The conversion of a School to an Academy, or the establishment of a MAT are complicated and often time-consuming processes. Taking the opportunity to understand the tasks that will need to be completed, as well as the new legislative requirements you will face, will ensure that your endeavour will be successful.

Herts for Learning have produced a range of Key Consideration guides, focusing on all aspects of the business of educational settings. These guides are a great starting point to begin to understand the transition process to becoming an academy or multi academy trust. They may also highlight any skills gap you may have within your setting, and the requirements of any assistance you may need.

To view the full range of Key Consideration guides, please visit

<http://www.hertsforlearning.co.uk/content/mats-preparing-for-change>

# Accounting software

Your current accounting software may not be fit for purpose. To find out if it is, you will need to ask yourself the following questions:

- does my system meet the reporting requirements of EFA, HMRC and the MAT Board?
- does my system enable the consolidation at the MAT level of the finances of individual member academies? This will be of particular importance at year end
- does my system enable me to analyse expenditure and income across member academies, in order to seek the efficiencies that will need to be delivered to protect the long-term financial health of the MAT?

If your current system does not satisfy these requirements, you may need to investigate procuring a new financial system

# Financial Scheme of Delegation

The CEO and Board of Trustees are accountable for treasury management and financial controls across each of your member academies.

In order to feel confident about the financial management controls in place across your trust, you will need to set up delegated authorities to define financial accountabilities across your central staff, your academy Heads, and other academy staff

These authorities need to be clearly defined, easy to read and easy to access. Herts for Learning can provide advice both templates and advice in order to ensure robust schemes of delegation are in place.

# Define your offer for member academies

All MATs provide a range of centralised services paid for from member academies' budgets

When considering the cost for centralised services you wish to apply to each academy joining your trust, you will need to define the services provided, and budget accordingly. Do not forget to include other central resource requirements such as Trust staff (CEO, Executive Headteacher, centralised administrators etc)

It is recommend that a clear list of all the function provided through the centralised services is made available to each academy, and becomes part of your financial regulations

This clarity will help you with budgeting, and with considering what charges should be made for additional services not on the list.

# Unrestricted and restricted balances

As you set up your MAT, you will need to have a clear policy in place detailing how you will treat each academy's unrestricted balances and any restricted carried forward balances going forward.

A MAT is allowed to pool these balances and can make decisions on how these can be used across the estate of the MAT.

Always be aware that if an academy decides to leave your MAT in the future, they are entitled to take what remains of their unrestricted balance with them. Therefore clear accounting of such funds from the beginning must be in place.

# Capital funding

The position around capital funding of MATs is quite complex

As a MAT you should be ready to prepare CIF (Condition Improvement Fund) bids for each of your academies. You are entitled to submit two bids for two different capital projects in each academy

In addition, a MAT with five or more academies and 3000 or more pupils will automatically receive capital funding for use across its estate.

It is important, therefore, to maintain a detailed asset management plan for all schools in the trust, including a rolling plan for your land and buildings development



# Contact us

For further information on the support available, and to view all Herts for Learning MAT services, please visit <http://www.hertsforlearning.co.uk/mats>, email [business.matters@hertsforlearning.co.uk](mailto:business.matters@hertsforlearning.co.uk) or call 01438 845111.