

Hope Brook Church of England Primary School



Finance Policy

The staff and governors are committed to the development of each child in a positive, healthy and respectful learning environment to encourage all children to achieve their fullest potential.

We want all the children and adults to achieve success through their own efforts, teamwork, self-discipline and motivation; and through links with the Church, the local community and the global community, work towards a better future for themselves and the world in which they live.

Contents

	<u>Page</u>
1. Budgets	
1.1 Budget construction	2
1.2 Budgetary control and monitoring	2
2. Payroll	
2.1 Starters/variations/leavers	3
2.2 Time sheets	3
2.3 Checking of payroll data	3
2.4 Pay-related expenses	4
2.5 Supply teachers	4
3. School Fund	
3.1 Accounts	4
3.2 Signatories	4
3.3 Final accounts and audit	4
4. Assets	
4.1 Inventory	5
4.2 Off site register	5
5. Income	
5.1 Credit income	5
5.2 Cash income	6
5.3 Banking	6
5.4 Charging policy	6
5.5 Donations	7
5.6 Official capitation and School Fund income	7
5.7 Cash received from pupils	7
5.8 Security of receipt books	7
6. Purchasing	
6.1 Ordering	7
6.2 Quotations/tenders	8
6.3 Governor involvement	8
6.4 Receipt goods	8
6.5 Invoice check and authorisation	8
6.6 Petty cash	9
6.7 Use of Consortium, and Term Contractors	9
7. Register of Interests	
7.1 Persons to be included	9
7.2 Interests to be recorded	10

1. Budgets

1.1 Budget construction

The Head is responsible for the detailed preparation of the annual budget. In doing this she should consult with other members of staff to ascertain detailed requirements.

In constructing the budget, the Head must take account of priorities identified in the School Development Plan and Action Plan and incorporate the costs of these in the budget. Priorities identified in the Development Plan must always be costed.

The budget total must not exceed the amount of the LA allocation plus or minus any balance brought forward from the previous year. If it appears that this cannot be achieved, the Head and Chair of Governors must inform the Education Department immediately this becomes apparent.

The Finance Committee should meet in the Autumn term to consider a broad budget strategy, and again in the Spring term to consider and approve the detailed budget. The full Governing Body must subsequently approve the full budget, and minute this approval. The Education Department must be informed in writing of the approved budget, in a format determined by the Education Department. This statement must be signed by the Chair of Governors.

In constructing the detailed budget, factors the Head must take account of include:-

- any anticipated changes in pupil numbers
- current and previous year's expenditure levels on individual budget headings
- Development Plan and Action Plan priorities
- staff pay awards and increments
- anticipated price inflation
- changes in staffing
- changes in the supply of services (gas, electricity, oil, water etc.).

1.2 Budgetary control and monitoring

The Head is responsible for regular, detailed control of the school budget. To achieve this she will receive monthly reports from the school's accounting system. Such reports shall show, for each budget heading:-

- total budget for year
- total commitment and expenditure to date
- variance.

The Head is empowered to take remedial action to address variances, by effecting virement between individual budget headings. Individual virements may be authorised as follows:-

- | | |
|------------------|---|
| - up to £1,000 | Head (and subsequently reported to full Governing Body) |
| - £1,000 - £4999 | Finance Committee or full Governing Body |

- £5,000 and over Full Governing Body.

Virements, once approved, must be promptly recorded in the school's accounting system to keep approved budget up to date.

The Head will present detailed budget monitoring statements to the Finance Committee on a termly basis, such statements shall show for each budget heading:-

- total budget for year
- total commitment and expenditure to date
- variances.

The Finance Committee shall consider such statements; the Head will provide explanations for any significant variances identified. The Chair of the Finance Committee shall report termly to the full Governing Body, identifying any significant budgetary issues and any remedial action taken or needed.

Payroll expenditure data notified by Shire Hall (in printout format) must be entered promptly each month by the School Business Manager on to the school's accounting system.

Other, non-pay, expenditure notified by Shire Hall must be reconciled promptly on a monthly basis to the school's accounting system by the School Business Manager.

When the accounts for each financial year are closed, a final statement from the school's accounting system must be presented to the next meeting of the Finance Committee.

2.1 Starters/variations/leavers

All forms for:-

- setting up new employees on the payroll (starters)
- effecting variations to pay
- taking existing employees off the payroll (leavers)

must be made out by the School Business Manager and authorised (signed) by the Head, or, in her absence, KS2 Team Leader. Such forms must then be posted directly and promptly to Shire Hall.

2.2 Time sheets

All time sheets submitted by a member of staff must be checked initially by the School Business Manager, and then authorised (signed) by the Head, or in her absence, the KS2 Team Leader. Authorised time sheets should be completed monthly and must be submitted via SAP, and never handed back to the employee.

2.3 Checking of payroll data

Payroll data received monthly from Shire Hall (printout) must be scrutinised by:

- the Head, to ensure all employees are recognised, and pay appears reasonable (no detailed check)

- the School Business Manager, to check accuracy of pay calculations.

2.4 Pay-related expenses

All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash, or by the creditor payment system. If any doubt exists about whether an item should be processed via the payroll system, the Creditor Control section in Shire Hall must be contacted for advice (Tel: 01452 425940).

2.5 Supply teachers

The Governing Body will decide, on the basis of advice from the Head, whether supply teacher insurance cover shall be taken out, and the extent of the cover. All claims submitted by supply teachers must be authorised (signed) by the Head, or in her absence, KS2 Team Leader. Reimbursement claims must be submitted on a monthly basis by the School Business Manager. The School Business Manager must check on a monthly basis that correct amounts have been charged as per the Shire Hall expenditure printout.

3. School Fund

3.1 Accounts

The accounts of the school Fund are to be maintained on a day to day basis by the School Business Manager. All income and expenditure will be entered promptly in the accounts. A bank reconciliation will be performed monthly when bank statements are received, between the balance as per the accounting record and the balance as per bank statements.

3.2 Signatories

The following are allowed to sign cheques on the bank account:

- Head
- KS2 Team Leader
- Secretary

There must be two signatories on each cheque.

3.3 Final accounts and audit

Final accounts are prepared at the end of the School Fund financial year by the School Business Manager. The accounts will be audited by an auditor appointed by the full Governing Body. The auditor will not be a member of the Governing Body. In appointing an auditor and operating the Fund, the Governors will follow the instructions laid down in the County Council's Manual on Unofficial Funds.

The audited accounts should be presented to the full Governing Body for approval. Governors' approval must be recorded in the minutes of the meeting. Once approved, the Clerk to the Governing Body will return the

requested form to Shire Hall in the format required by the Education Department.

School Fund monies must be kept, and recorded, separately from the school's capitation monies and securely held.

4. Assets

4.1 Inventory

The portable, desirable, attractive assets of the school, as well as any assets of intrinsic value (e.g. antiques) will be recorded in the school's inventory. Full details (make, model, serial number, approximate value) shall be recorded.

The School Business Manager is responsible for keeping the inventory up to date by adding new items when they are received into school.

Items up to a value of £250 may be sold or written out of the inventory on the authority of the Head. Over this limit, the Governing Body must authorise and details be recorded in the minutes. Reasons must be recorded in the inventory, together with the Head's signature (up to £100) or the Governors' minute reference (£100 and over). An official receipt for sales income must be issued to the purchaser.

Inventories shall cover all areas of the school, and be arranged on a room-by-room basis. A separate inventory will be maintained to include items which are not allocated to a specific room.

The inventory shall be checked against the actual assets by the Head on an annual basis. Any discrepancies shall be investigated immediately, and if necessary the Governors, Police and the authority's auditors shall be informed. The check shall be evidenced by the checker signing and dating the inventory.

All inventory items should be security marked:

- invisibly with Smart water

4.2 Off-site register

Any inventory items taken off-site by members of staff for official purposes must be recorded in the school log book. The date borrowed, and the signature of the borrower, must be recorded. On the return of the item the date of return will be recorded.

Class teachers laptops are exempt from this clause as teachers can be expected to take laptops home regularly.

5. Income

- 5.1 Credit income** where payment for goods/services provided by the school is made after the provision takes place.

An official invoice must be raised by the School Business Manager in all cases and sent to the debtor as soon as possible after the provision of the goods/service, and no later than one week after the provision.

A file of copy invoices will be maintained by the secretary; this will be arranged into 'paid' and 'unpaid' invoices. The copies of unpaid invoices will act as a control record for the sending of reminders and the chasing of unpaid debts.

Reminders will be sent after the following periods if the debt remains outstanding:-

1st reminder 28 days

2nd reminder 56 days

If after 84 days the debt remains unpaid, consideration will be given by the Head and/or Governors to writing the debt off in accordance with the following limits:-

- up to £100 Head may authorise write-off
- £100 and over Full Governing Body may authorise write-off.

In each case, the possibility of taking legal action to recover the debt must be considered by Head, Chair, and Governors as appropriate.

As well as sending formal reminders, efforts must be made by the school to contact the debtor in order to secure recovery of the debt. If payment has not been received after 28 days of raising the invoice, no further goods or services must be provided until the outstanding debt is settled.

When an invoice is paid, details of the payment must be written on the copy invoice, and this transferred to the 'paid' section of the file. An official receipt should be issued to the debtor and the receipt number written on the copy invoice; a duplicate copy of the receipt must be retained at school.

5.2 Cash income (i.e. where payment is received at the time goods/services are provided).

An official receipt must be issued to the payer at the time the payment takes place, (for goods/services over £5.00) and a duplicate copy retained at the school.

5.3 Banking

All income received (cash or cheque) must be banked promptly and intact. No payments may be made out of income collected. A record to evidence the banking must be kept (e.g. stamped paying-in slip).

5.4 Charging policy

The full Governing Body will set a charging policy to cover:-

- lettings
- school trips

- music tuition

The Headteacher will agree with individual staff members any charges relating to photocopying or phone calls.

The charging policy will be reviewed annually by the Governing Body. Charges levied by the school will be in line with this policy.

5.5 Donations

Donations from any sources must be acknowledged by the issue of an official receipt to the payer. All donations must be banked promptly and intact.

Donations may be paid into the County Fund or the School Fund dependent upon the wishes of the donor which must be ascertained beforehand.

5.6 Official Capitation and School Fund income

All income used to offset expenditure incurred on the capitation budget (e.g. lettings, photocopying, telephone calls, music tuition, sales of work) must be paid into the official County Fund and coded to an appropriate income code. Monies received from any sales of school equipment must similarly be paid into the County Fund.

5.7 Cash received from pupils

Cash received from pupils in class must be handed over to the secretary promptly. Cash received from pupils should be placed in a named envelope or zip wallet, and sent to the office via the register wallet. The secretary must keep a record of any monies received from the class.

5.8 Security of receipt books

All unused receipts, to be used to acknowledge receipt of income, must be held securely in the school office.

6. Purchasing

6.1 Ordering

School procedures for purchasing should ensure that purchases are as required and are for bone-fide purposes.

Orders should be processed by the School Business Manager after initial approval by budget holder has been sought and given. The official order produced from the computer system must be signed by the budget holder before it is sent to the supplier. If an order has been placed over the telephone an official confirmatory order must be issued.

Official orders must not be used to procure goods for private purposes.

Official order stationery must be held in a secure location.

Copies of all official orders placed must be retained on file at the school by the secretary.

When placing orders it is the responsibility of the initiator to ensure that Gloucestershire County Council Financial Regulations and Standing Orders are adhered to, these being -

6.2 Quotations/tenders

Financial Regulations - for orders for goods/services under £5,000:

- £500 - £2,000 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.
- £2,001 - £5,000 - independent written evidence of at least three prices should be obtained and retained.

Independent written evidence means quotations provided on suppliers' headed notepaper.

Standing Orders - for orders for goods/services between £5,000 - £50,000.

At least three writing quotations must be obtained and retained for audit purposes.

Standing Orders - for orders for goods/services over £50,000.

Tenders should be invited in one of three ways, and in accordance with specific Standing Orders.

- from at least three contractors included on a standing list - SO49; or where no standing list exists
- from at least three appropriate contractors - SO.50, or
- by open competition by advertisement in local newspaper or appropriate journal - SO.51.

6.3 Governor involvement

As well as ensuring that the above have been adhered to, it is the responsibility of the Headteacher to ensure that Governors are consulted in the following circumstances:-

On purchasing decisions when the estimated cost of one item exceeds £500

Review of quotations obtained where estimated costs exceed £1,000.

Review of quotations when the lowest quote is not the most suitable.

6.4 Receipt of goods

Once items ordered have been received, the secretary must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods the secretary must ensure that both quality and quantity are appropriate.

6.5 Invoice check and authorisation

Invoices received must be checked to both copy orders and delivery notes to ensure that invoices relate to goods ordered and delivered. Invoices should also be checked for arithmetical correctness. All invoices must be certified for payment by the Head before being passed for payment (or in the Head's absence, the KS2 Team Leader).

Invoices passed for payment must be recorded promptly in the school's accounting system by the secretary.

6.6 Treasurer's Account

This is a Santander bank account. This account has a single signatory debit card facility for minor purchases. A maximum amount of £200 will be held in the account at any one time.

6.7 Use of Consortium, and Term Contractors (Maintenance Work)

If the Consortium is used for any purchases, or if the LA-approved Term Contractors are used for maintenance work, then the school need not seek competitive quotations to comply with Financial Regulations. However if, for purchases up to £500, the Head wishes to obtain quotes in competition with the Consortium/Term Contractors, then this may be effected. Above £500, Governors may decide to seek such competitive prices.

7. Register of Pecuniary and Other Interests

The school shall maintain such a Register.

7.1 Persons to be included:-

1. All Governors
2. Headteacher
3. All senior staff (e.g. Deputy Head, Assistant Heads, Heads of Departments, senior administrative staff e.g. bursar)

7.2 Interests to be recorded

The basic principle to be followed is that any interest should be recorded which could be seen to improperly influence any decisions taken, pecuniary or otherwise, regarding the operation of the school.

Examples of such improper influence might be:-

- to purchase goods or materials from a company in which a Governor/senior member of staff has a financial interest without going through the correct procedures re. obtaining competitive prices;

- promoting member of staff who has close personal relationship (spouse, partner, son, daughter etc.) with Governor/senior member of staff, without going through correct procedures re. recruitment and selection.

There can never be a definitive, list of the interests which should be recorded, but the following is intended to give some guidance:

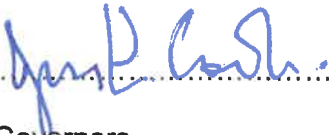
- having a financial, or other, interest in an organisation which could feasibly be in a position to supply goods/services to the school
- the interest in the above 'supplying organisations' may, for example, be:-
 - as a director
 - as an employee
 - as a major shareholder
 - as a major investor
 - as a major debtor/creditor
 - having a close personal relationship (spouse, partner, son, daughter, parent etc.) with a person in the above categories
- being in a position to potentially influence decisions made about the school, e.g. as:
 - member of local council (County Council, District Council, Parish Council)
 - officer of Local Education Authority in a senior capacity
 - Member of Parliament
 - OFSTED Inspector
 - officer of local council (District Council, Parish Council) in a senior capacity
 - having a close personal relationship (as described above) with any person falling into the above categories
- having a close personal relationship with a Governor or member of staff (employed on a full-time, part-time, permanent, or temporary basis).

Date of policy: September 2019

Date of next review: September 2020

This policy was formulated in consultation with the Headteacher and teaching staff.

This policy was accepted by the Governing Body at their meeting on Wednesday 2nd October 2019 and will be reviewed annually.

Signed 

Chair of Governors

Signed 

Headteacher