



Finance Policy

Autumn 2016

All school policies are reviewed by Governors annually

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Introduction

All of the School's operations, systems & procedures will be conducted in accordance with the Academies Financial Handbook.

The responsibility for the School's management is vested in the Headteacher (as the Accounting Officer) who has overall responsibility for all financial matters. The Business Manager exercises day to day control over the School's finances and is responsible to the Headteacher and the Governing Body.

Business Management

All personnel within the financial management structure have defined functions in respect of planning, budgeting, expenditure and accountability.

Key Personnel within the Financial Chain:

- *Chair of Governors*
- *Chair of the Finance and General Purposes Committee*
- *Headteacher*
- *Business Manager*
- *Administration and Finance Officer*
- *Finance Administrator.*

The Governing Body has full and final responsibility for all financial matters relating to the school.

Section 1: Budgets

1.1 Budget construction

The Headteacher and Business Manager are responsible for the detailed preparation of the annual budget. In constructing the budget, the Headteacher and Business Manager must take account of priorities identified in the School Development / Improvement Plan, incorporating specific costs as detailed in the plan. In producing the budget, the Headteacher and Business Manager should consult with other members of staff as appropriate to ascertain requirements and cost pressures for the coming year.

The Finance and General Purposes committee (F&GP) will determine the overall sum within which the budget must be set, and the amount of any anticipated balance to be carried forward into the following financial year.

In constructing the budget, the Headteacher must take account of priorities identified in the School Development Plan and incorporate the costs of these in the budget.

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

The F&GP committee meet in the Summer term to consider a broad budget strategy, and to consider and approve a draft budget and a final detail budget in September. The full Governing Body must subsequently approve the full budget, and minute this approval. The approved Governors Budget Plan Template must then be submitted to the EFA, along with a signed statement by the Chair of Governors.

1.2 Budgetary control and monitoring

The Headteacher and Business Manager are responsible for regular, detailed control of the school budget. To achieve this they will receive regular reports from the school's accounting system

The Business Manager and Administration and Finance Officer will produce detailed budget monitoring statements which will be presented to the F&GP at each meeting.

The F&GP committee shall consider such statements, the Headteacher and Business Manager will provide explanations for any significant variances identified. The Chair of the F&GP Committee shall report termly to the full Governing Body, identifying any significant budgetary issues and any remedial action taken or needed, and any policy decisions needed.

Other members of staff have been assigned budgetary control of individual budget headings by the Headteacher. Such members of staff receive monthly budget statements produced by the Administration and Finance Officer as detailed above. The Headteacher remains ultimately accountable to the Governing Body for these budget headings.

Payroll expenditure data notified by the payroll provider must be entered promptly each month by the Administration and Finance Officer on to the school's accounting system.

Other, non-pay, expenditure notified by payroll provider must be reconciled promptly on a monthly basis to the school's accounting system by the Administration and Finance Officer.

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

Section 2: Payroll

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 Administration Team and authorised (signed) by the Business Manager. Such forms must then be sent directly and promptly to payroll provider.

2.2 Time sheets

All time sheets submitted by a member of staff must be checked initially by the authorising line manager, and then also authorised (signed) by the Business Manager. Authorised time sheets must be sent directly to payroll provider, and never handed back to the employee.

2.3 Checking of payroll data

Payroll data received monthly from payroll provider must be scrutinised by the Administration and Finance Officer to ensure all employees are recognised, and pay appears reasonable and to check the accuracy of payments made.

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.

2.5 Payroll Authorisation

The monthly payroll transactions can be authorised by the Business Manager, Administration Manager or Administration and Finance Officer.

Section 3: School Bank Accounts

3.1 Accounts

The accounts of the school are to be maintained on a day to day basis by the relevant Administrator or the Administration and Finance Officer. 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. The main school account then authorised and signed by the Business Manager. Other accounts authorised and signed by the Administration Manager and the Administration and Finance Officer.

3.2 Signatories

The following are allowed to act as signatories on the bank account and authorise online transactions:-

- | | |
|--------------------------------------|----------------|
| - Headteacher | Allan Foulds |
| - Acting Headteacher/Deputy Head | Gareth Burton |
| - Business Manager | Alan Hastings |
| - Administration Manager | Julie Bodilly |
| - Administration and Finance Officer | Dorottya Jenei |

There must be two signatures on each cheque.

3.3 Final accounts and audit

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 details will be forwarded to the EFA in the format required.

Section 4: Assets

The school maintains an asset register. All departmental inventories are the responsibility of the Heads of Department: items over the value of £1000 should be recorded and record forms retained. The responsibility for ensuring the accuracy of the inventories rests with the Head of Department who advises the Headteacher of any breakages or losses. Disposal of any items on the asset register are made only with the signed approval of the Headteacher.

Disposal or writing-off is with the approval of the Governing Body or the relevant committee and within the EFA regulations.

With the exception of allocated laptop computers and Ipads, school assets are not available for private use by members of staff.

4.1 Asset Register

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 asset register. Full details (make, model, serial number, approximate value) shall be recorded.

Items up to a value of £50 may be sold or written out of the asset register on the authority of the Headteacher. Over this limit, the Governing Body must authorise and details recorded in the minutes. Reasons must be recorded in the asset register, together with the Headteacher's signature (up to £50) or the Governors' minute reference (£50 and over). An official receipt for sales income must be issued to the purchaser.

The asset register shall be checked against the actual assets on an annual basis. Any discrepancies shall be investigated immediately, and if necessary the Governors and or Police shall be informed. The check shall be evidenced by the checker signing and dating the inventory.

Where practical all asset register items should be security marked:

- invisibly with an ultra-violet pen, or
- visibly with warning stickers.

4.2 Off-site register

Any inventory items taken off-site by members of staff for official purposes must be recorded in a register. 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.

Section 5: Income

5.1 Credit income (i.e. where payment for goods/services provided by the school is made after the provision takes place).

An official invoice must be raised by the Administrator or the Finance Officer 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 Administrator or the Administration and Finance Officer; who will chase any of the 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 Headteacher and/or Governors to writing the debt off in accordance with the following limits:-

- up to £200 - Business Manager may authorise write-off
- up to £500 - Headteacher may authorise write-off
- over £500 - full Governing Body may authorise write-off.

Write offs will be actioned via a write off cost centre and reported annually to Governors.

In each case, the possibility of taking legal action to recover the debt must be considered by Headteacher, Business Manager, 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, 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.

This process will also apply to the Sports Centre but will be monitored by the Sports Centre Staff.

This process will not apply to deficit balances created on the cashless catering system. These deficit balances will be corrected by users revaluing their cards.

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

An official receipt may be issued to the payer at the time the payment takes place, and a duplicate copy retained at the school. Evidence of receipt of income will be made at the time of receipt in all cases.

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.

5.4 Charging policy

The Governing Body will set a charging policy to cover school trips.

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 Official Capitation and School Fund income

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

5.6 Cash received from pupils

The normal procedure is for students to take cash or cheques to Admin Services. However when this is not possible, cash or cheques received from students in class must be recorded by the class teacher, countersigned by the student and must be kept in a locked drawer until paid to the Finance Administrator. This should be done in a timely manner and will prevent large sums of money being kept in a locked drawer by a teacher.

5.7 Security of receipt books and tickets

All unused receipts and tickets to be used to acknowledge receipt of income, must be retained securely.

Section 6: Purchasing

6.1 Ordering

School procedures for purchasing should ensure that purchases are as required and are for genuine purposes.

Orders should be processed by the school Administrator or the Administration and Finance Officer after initial approval by budget holders has been sought and given. The official order produced from the computer system must be signed by the Administrator or the Administration and Finance Officer before it is sent to the supplier.

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 Administrator or the Administration and Finance Officer.

When placing orders it is the responsibility of the initiator to ensure that they are acting in accordance with the School's Financial Policy.

6.2 Quotations/tenders

Financial Regulations - for orders for goods/services under £50,000:

- £1,000 - £5,000 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.
- £5,001 - £50,000 - independent written evidence of at least three prices should be obtained and retained.

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

For orders for goods/services over £50,000 EFA guidance must be followed.

Review of quotations when the lowest quote is not the most suitable or the pre-requisite number of quotes could not be obtained. In such circumstances the Business Manager may formally authorise a waiver of the regulations, either prior to the purchase or retrospectively, if necessary.

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 £10,000.

Review of quotations obtained where estimated costs exceed £20,000.

Review of quotations when the lowest quote is not the most suitable or the pre-requisite number of quotes could not be obtained. In such circumstances the Governors may formally authorise a waiver of the regulations, either prior to the purchase or retrospectively, if necessary.

Large capital projects will be approved in total prior to commencement.

6.4 Receipt of goods

Once items ordered have been received, the recipient must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods the person who ordered the goods/ service 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 Cost Centre budget holder before being passed for payment.

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

6.6 Petty Cash

Day to day operation of the petty cash account is the responsibility of the Administrator or the Administration and Finance Officer.

All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash record.

All members of staff who wish to purchase items using the petty cash account must obtain prior approval from the Administration and Finance Officer. Receipts, paid invoices etc. must be obtained to evidence the payment to the Administrator or the Administration and Finance Officer by members of staff when reclaiming cash from the account. These documents must be retained by the Administrator or the Administration and Finance Officer.

In normal circumstances individual purchases from petty cash must not exceed £10. In exceptional circumstances payments up to £100 may be made, with the express prior approval of the Headteacher/Business Manager. Such payments should be for emergencies only and should not simply result from a lack of planning.

All cash and cheque books held must be retained securely.

Section 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. Business Manager, Deputy Head, Assistant Heads, Heads of Departments, or anyone with Budgetary responsibility.)

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.