

Woodmancote School

Finance Policy

Designated Member of Staff: Finance and Staffing Committee

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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 requirements.

The Finance Committee will determine the amount of any anticipated balance to be carried forward into the following financial year.

The budget total must not exceed the amount of the LEA 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:-

- Development Plan Priorities
- any anticipated changes in pupil numbers
- current and previous year's expenditure levels on individual budget headings
- staff pay awards and increments
- anticipated price inflation
- changes in the staffing complement
- 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 s/he 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 or finance Committee).
£1,000 - £4,999	Finance Committee.
£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 three times a year. Such statements shall show for each budget heading:-

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

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, and any policy decisions needed.

The Head may assign budgetary control of individual budget headings to other members of staff. Such members of staff must receive regular budget statements. The Head remains ultimately accountable to the Governing Body for these budget headings.

Payroll expenditure data notified by Shire Hall (in printout or diskette format) must be entered promptly each month by the school secretary 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 secretary.

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. Payroll

2.1 Starters/variatioins/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 secretary and authorised (signed) by the Head, or, in his/her absence, the Deputy Head. 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 secretary, and then authorised (signed) by the Head, or in his/her absence, the Deputy Head. Authorised time sheets must be posted directly to Shire Hall, and never handed back to the employee.

2.3 Checking of payroll data

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

- the Head, to ensure all employees are recognised, and pay appears reasonable (no detailed check)
- the school secretary, to check accuracy of pay calculations.

2.4 Pay-related expenses

All pay-related expenses must be processed through the payroll system, never 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 his/her absence, the Deputy Head. Reimbursement claims must be submitted on a monthly basis by the school secretary. The school secretary 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 secretary. 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
- Deputy Head
- Secretary not administering School Fund

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 secretary. 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 secretary 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 £250) or the *Governors'* minute reference (£250 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 an ultra-violet pen, and
- visibly with warning stickers.

4.2 Off-site register

Members of staff with designated laptop computers and other equipment e.g. mobile phones must sign to accept responsibility. Other inventory items taken off-site by members of staff must be recorded in a register with the date borrowed, and the signature of the borrower. On the return of the item the date of return will be recorded.

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 secretary 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 30 days
2nd reminder 60 days

If after 90 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 £50 - Head may authorise write-off
- £50 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, 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
- private photocopying
- private telephone 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 a letter or an official receipt. 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

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

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 frequently. The secretary will issue an official receipt for the income over £10.

5.8 Security of receipt books and tickets

All unused receipts and tickets 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 secretary after initial approval by budget holders 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 sent.

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 £50,000:

- £2001 - £5000 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.
- £5000 - £50,000 - independent written evidence (i.e. supplier's headed notepaper) of at least three prices should be obtained and retained.

For orders for goods/services over £50,000.

Tenders should be invited in one of three ways,

- 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.

Use of Term contractors (Maintenance Work)

If the LA approved Term Contractors are used for maintenance work up to the value of £2500 then the school need not seek competitive quotations to comply with Accounting Instructions. Tendered day work rates are published in the logbook (updated annually) which premises managers can use to compare prices when ordering works. They will then be deemed to have compared three prices in accordance with standing orders and financial regulations. However if the Head and/or Governors wish to obtain quotes in competition with the Term Contractors, then this may be effected.

6.3 Governor involvement

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 £1000
- Review of quotations obtained where estimated costs exceed £2,000.
- 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 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 Deputy Head).

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

6.6 Petty Cash

Day to day operation of the petty cash account is the responsibility of the secretary.

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

Reimbursement must be claimed monthly or when one-half of the imprest advance has been used. The Head (or Deputy Head in the Head's absence) must certify the reimbursement claim.

Each time a reimbursement claim is submitted, the secretary must complete a reconciliation ensuring that cash expended, plus cash in hand or at bank, plus stamps held, equals the amount of the advance.

All members of staff who wish to purchase items from the petty cash account must obtain prior approval from the Head. Vouchers (receipts, paid invoices etc.) to evidence the payment must be presented to the secretary by members of staff when reclaiming cash from the account. These vouchers must be retained by the secretary and returned with the reimbursement claim.

In normal circumstances individual purchases from petty cash must not exceed £30. In exceptional circumstances payments up to £50 may be made, with the express prior approval of the Head. Such payments should be for emergencies only and should not simply result from a lack of planning.

The Debit Card attached to the Imprest Account is for use for online purchases and for the online shopping for Woodpeckers. Gary and/or Gill Thomas must supervise the use of the card on line. The card is kept in the safe. The pin number is kept separately.

All cash and cheque books held must be retained securely.

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 and all senior staff

7.2 Interests to be recorded

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, comprehensive 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 i.e. suppliers and contractors
- the interest in the '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).

8. **The Schools Financial Value Standard (SFVS)** is available to schools to use from September 2011. The SFVS replaces the Financial Management Standard in Schools (FMSiS), which was withdrawn by the Secretary of State with effect from 15 November 2010. The SFVS has been designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place. The Governing Body has formal responsibility for the financial management of their schools.

Woodmancote is required to complete the SFVS once a year. The first run through is required by March 2013. An annual review is required thereafter.

SFVS will not be externally assessed like FMSiS. Local authorities should use schools' SFVS returns to inform their programme of financial assessment and audit.

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schools%20financial%20value%20standard/a00192114/schools-financial-value-standard-sfvs>

Signed byChair of Finance and Staffing

Reviewed: October 2008

Reviewed: October 2009

Reviewed: October 2010

Reviewed: October 2011(changes made- **The Schools Financial Value Standard (SFVS)**)

Reviewed: November 2012 (no changes)

Reviewed: January 2015 (changes made) Section 6-Debit Card

