

Learning and living as children of God

(Ephesians 5:1)(You are God's children whom he loves. Try to be like God)



Finance Policy

Reviewed Jan 2024

Review Jan 2026

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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 s/he should consult with other members of staff to ascertain detailed requirements.

The Finance Committee 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 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 Improvement 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 and Standards Fund. 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 will meet at least three times a year to consider budget and spending, 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 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 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 £2,000 - Head (and subsequently reported to the Finance Committee)
- £2,000 - £4999 - Chair of the Finance Committee and Chair of the Governing Body and reported to the 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 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, 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 monthly budget statements as detailed above. The Head remains ultimately accountable to the Governing Body for these budget headings.

Payroll expenditure data notified by Shire Hall electronically must be entered promptly each month by the school Administrator 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 Administrator.

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/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 Administrator and authorised (signed) by the Head, or, in his/her absence, the Chair of Governors. All forms are completed electronically through SAP to Shire Hall.

2.2 Claim sheets

All claims submitted by a member of staff must be checked initially by the school Administrator, and then authorised (signed) by the Head, or in his/her absence, the Chair of Governors. Claims are uploaded for Shire Hall to be processed.

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 Area Finance Officer and the Finance Officer of the Local Authority check the 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.

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 Chair of Governors. Reimbursement claims must be submitted on a monthly basis by the school Administrator. The school Administrator must monitor 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 regular basis by the school Administrator. All income and expenditure will be entered promptly in the accounts. A bank reconciliation will be performed quarterly 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 - Jayne Neveu
- Mrs Mottram - Administrator
- Kathryn Witney - Governor (SG)

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 Administrator. 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 Administrator 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 £200 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 £200) or the Governors' minute reference (£200 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 with 'smart water'

4.2 Off-site register

Permission to take away any inventory items off-site by members of staff for official purposes must be given by the Head Teacher, who must also be notified on return.

5. Income (Delegated Budget)

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 Administrator 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 Administrator; 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 - during the initial term of the provision
- 2nd reminder - during the subsequent term of the provision

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 £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 by the end of the initial term of the provision, 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 can be issued, if requested by the payer, as soon as possible after the payment has taken and a duplicate copy retained at the school.

5.3 Banking

All income received (cash or cheque) must be banked at the earliest opportunity 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 policies 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 the issue of an official receipt to the payer. All donations must be banked at the earliest opportunity 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.

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

5.7 Cash received from pupils

Cash received from pupils in class must be handed over to the Administrator as soon as possible. The Administrator will deal with it in the appropriate manner.

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 Administrator after initial approval by budget holders has been sought and given. The official order produced must be signed by the budget holder 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.

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 £15,000:

- £2,000 - £4,999 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.
- £5,000 - £15,000 - independent written evidence of at least three prices should be obtained and retained.

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

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:-

1. The Chair of the Finance Committee and the Chair of the Governing Body are to be consulted and the decision reported at the next Finance Committee
 - i. On purchasing decisions when the estimated cost of one item exceeds £2,000 but is below £5,000.
 - ii. To review of quotations obtained where estimated costs exceed £2,000
 - iii. To review of quotations when the lowest quote is not the most suitable.
2. The full Governing Body are to be consulted when the above relates to purchases over £5,000

6.4 Receipt of goods

Once items ordered have been received, the Administrator must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods the Administrator 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 Chair of Governors).

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

6.6 Petty Cash

Regular operation of the petty cash account is the responsibility of the Administrator.

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

Reimbursement must be claimed termly, where possible, or when one-half of the imprest advance has been used. The Head (or Chair of Governors in the Head's absence) must certify the reimbursement claim.

The reconciliation of the Petty Cash account is via the Local Authority printout.

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 Administrator by members of staff when reclaiming cash from the account. These vouchers must be retained by the Administrator and returned with the reimbursement claim.

In normal circumstances individual purchases from petty cash must not exceed £50.

All cash and cheque books held must be retained securely.

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

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 £1000, the Head wishes to obtain quotes in competition with the Consortium/Term Contractors, then this may be effected. Above £1000, 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

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, 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 e.g.
 - building contractors
 - plumbing contractors
 - electrical contractors
 - audio/visual goods suppliers
 - repair/maintenance of equipment (electrical and other)
 - suppliers of computer hardware and software
 - suppliers of stationery
 - suppliers of educational equipment (e.g. P.E. equipment)
 - suppliers of furniture, fittings, carpets, curtains etc.
 - decorating contractors
 - catering contractors
 - suppliers of provisions
 - suppliers of clothing
 - suppliers of building materials
 - suppliers of catering equipment
 - suppliers of fuel

- suppliers of vehicles
 - suppliers of books
 - grounds maintenance contractors
 - gardening contractors
 - suppliers of grounds/garden equipment
 - suppliers of plants, trees, seeds etc.
 - suppliers of heating equipment
 - suppliers of lighting equipment
 - suppliers of musical instruments
 - suppliers of insurance
 - consultants (e.g. legal, financial, training, property)
 - suppliers of security services and supplies
 - suppliers of art materials
 - suppliers of telecommunications equipment
 - suppliers of photographic equipment
 - transport contractors (e.g. coaches, taxis etc.)
 - holiday/travel operators
 - suppliers of supply teaching cover
 - suppliers of peripatetic teaching
 - suppliers of banking services
 - suppliers of workshops etc. (e.g. drama, music)
- 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).

This Finance Policy was approved by the Finance & Premises Committee at their meeting on 5th March 2024 and will be reviewed in accordance with the school development plan. The policy will be presented to Full Governing Body Meeting 12th March 2024
Presented again for a sentence error FGB 8/10/24

Head teacher: Mrs Jayne Neveu

Signed:

Date:

Chair of Governors: Andrew Matthews

Signed:

Date: