

Castle Hill Primary School Finance Policy



Reviewed on: April 2024

Next Review date: April 2025

Reviewed by: Business Manager & Head Teacher

Approved by: Full Governing Body

Su Broadhurst

Review frequency: Annually

BUDGET

Budget construction

The Head and Business Manager are responsible for the detailed preparation of the annual budget. In doing this they should consult with other members of staff to ascertain detailed requirements.

The Finance Committee will review the draft budget, and the amount of any anticipated balance to be carried forward into the following financial year.

In constructing the budget, the Head, Governors and Business Manager must take account of priorities identified in the School Development Plan/Premises Development plan and incorporate the costs of these in the budget. Priorities identified in the Development Plan should include the costing.

The budget total must not exceed the sum total of the LA allocation and the 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 must meet in the Autumn Term to consider a broad budget strategy, and again in the Spring Term to consider the draft budget. The Governing Body must approve the final budget the following Summer Term, which must be minuted. The Education Department must be informed by the return of a Governor's Budget Plan completed by the Business Manager and forwarded through Perspective Lite (secure internet channel). A statement must be signed by the Chair of Governors and returned by post/email to GCC.

In constructing the detailed budget, factors that must be taken account of include:

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

Budgetary control and monitoring

The Head and Business Manager are responsible for regular, detailed control of the school budget. To achieve this they will monitor 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 (a) make purchases within budget, (b) take remedial action to address variances, by effecting virement between individual budget headings. Individual virements/purchases may be authorised as follows:-

Up to £2000 - Head (and subsequently reported to the Finance Committee or Full Governing Body).

£2,001 - £5,000 – Chair of Governors, Head and one member of the Finance Committee.

£5,001 - £7,500 – Majority of Finance Committee, Head and Chair of Governors

£7,500 and over - Full Governing Body.

The Business Manager will record movements in the school's accounting system to keep the approved budget up to date as agreed.

The Business Manager will present detailed budget reports to the Finance Committee each term.

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

The Finance Committee shall consider such statements; the Head and the Business Manager will provide explanations for any significant variances identified. The Chair of the Finance Committee shall report each term 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 may request reports on the transactions for these budget headings from the Business Manager when required. The Head remains ultimately accountable to the Governing Body for these budget headings.

Payroll expenditure data notified by Shire Hall through Perspective Lite and a financial hard copy printout will be reconciled each month by the Business Manager onto the school's accounting system. The hardcopy of this report should be checked and signed each month by the Head Teacher.

When accounts for each financial year are closed a final statement from the schools accounting system must be presented at the next meeting of the Finance Committee.

Payroll

Starters/variations/leavers

All forms for:

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

To be actioned by the Business Manager and authorised by the Head. Such forms must then be sent via E-Forms to the LA.

Time Sheets

All time sheets submitted by a member of staff must be authorised by the Head or in her absence by a member of the SLT. E-forms to be submitted to the Head for authorisation before submission to LA.

Checking of payroll data

Payroll data received monthly must be scrutinised by the Business Manager, to ensure all employees are recognised, and pay appears reasonable (no detailed check).

Pay-related expenses

All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash. If any doubt exists about whether an item should be processed via the payroll system, HR Business Management at Shire Hall must be contacted for advice telephone 425228.

Honoraria and Ex Gratia Payments

Governors are committed to recognising and rewarding staff members in the form of an ex-gratia lump sum payment for additional duties or responsibilities, which are over and above their normal contractual employment agreement. The FGB have delegated to the Head authority to approve honoraria and ex gratia payments up to £250 per transaction that will be reported to the Finance and HR Committee. Payments in excess of £250 shall require prior approval of the Finance and HR Committee and FGB.

Staff Absence Insurance

The Finance Committee will decide, with the Head and Business Manager, whether supply absence insurance cover shall be taken out, and the extent of the cover on a yearly basis.

Supply Claims

All reimbursement claims submitted by supply teachers must be authorised by the Head (or the second signatory in her absence) and a costing committed onto the system by the Business Manager/or Administrator. On a monthly basis the Business Manager must check the printout received from the LA and reconcile the costs.

School Fund

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 relating to the account will be entered promptly onto an excel spreadsheet and copies kept with the statements/cheque book and paying in book. A monthly bank reconciliation will be performed either by the School Business Manager. The accounts will be made available to the Finance Committee for scrutiny and approval.

Signatories - there will be two out of three to sign on this account – Head, Business Manager and SLT.

School Fund Accounts Audit

Final accounts are prepared at the end of the school year i.e. 31st August, by the Business Manager. An independent auditor approved by the Governing Body will audit the accounts. 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 at the Autumn Term meeting. Governors' approval must be recorded in the minutes of the meeting. Once approved, the School Business Manager will return the requested form to Shire Hall in the format required by the LA.

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

Assets/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, value when new shall be recorded (where known or estimated where historically purchased).

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

Items up to a value of £100 (current market value) may be sold or scrapped and written out of the inventory on the authority of the Head. Over this limit, the Finance Committee must authorise before disposal 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.

The Business Manager and/or Head on an annual basis will check the inventory against the actual assets – this will be conducted in the presence of a Governor sitting on the Finance Committee or the Chair Of Governors. 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

Off-site register

Any inventory items, not used in daily practice taken off-site by members of staff must be recorded. The date borrowed, and the signature of the borrower must be recorded, the date of return must be recorded.

Lettings Policy

The Governing Body will set a separate letting policy and will be reviewed annually.

Income from Lettings and any other source

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 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. Lettings will be invoiced each half term. The debtor will be given 14 days from the date of the last session on the invoice to arrange payment

Copy invoices will be maintained by the Business Manager and 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

The Head, Chair and Governors as appropriate must consider the possibility of taking legal action to recover the debt.

As well as sending formal reminders, efforts must be made by the School Business Manager I to contact the debtor in order to secure recovery of the debt.

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

- Up to £100 - Head may authorise write off and will inform Finance Committee
- £100 and over - Finance Committee or Full Governing Body may authorise write-off

When an invoice is paid, a copy of the invoice will be moved and kept within the filing related to the month that payment was allocated back to school (the print).. An official receipt, if requested, should be issued to the debtor and the receipt number recorded on the copy invoice; a duplicate copy of the receipt must be retained at school.

Banking

Income will be banked regularly and no more than the maximum limit of cash of £1000 (in line with guidance issued by our insurance department at GCC which is covered under the insurance policy) will be kept in the office (over this amount will be banked immediately). Evidence of banking will be maintained, through retention of records held with the banking book.

Charging & Remissions Policy

The Governing Body will set a Charging and Remissions policy to cover:

- school trips
- swimming
- music tuition

The Governing Body will review this policy annually.

Charges levied by the school will be in line with this policy.

Donations

Donations from any sources must be acknowledged by the issue of an official receipt.

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 before hand.

Cash received from pupils

Our school is a cashless school where all payments should be made via Parentpay. Cash is only to be taken from parents **via the office** and only on agreement of the School Business Manager. A cash receipt book is kept in the office and receipts should be issued on the rare occasion that cash is accepted. **NO CASH SHOULD BE ACCEPTED VIA BOOK BAGS AS WE ARE NOT ABLE TO RECEIPT THE CASH IN.**

Purchasing/Ordering

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

The School Business Manager should oversee the processing of orders after initial approval by the Head. The Head must sign the official order produced from the computer system before it is sent to the supplier. A purchase order may not always be produced due to quick invoice turnaround or renewals of annual contracts.

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

The Business Manager must retain copies of all official orders on file at the school.

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 -

Quotations/Tenders

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

Below £1500 – No requirement

£1501 - £15,000 - at least three quotations to be examined and retained, these prices may be taken from suppliers' written or verbal quotations, catalogues/price lists or website prices.

£15,001 - £75,000 - 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 £75000 tenders should be invited in one of three ways:

- from at least three contractors included on a standing list County approved. SO49

- from at least three appropriate contractors – SO50, or
- by open competition by advertisement in local newspapers or appropriate journals – SO51

Governor Involvement

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

- On purchasing decisions when the estimated cost of one item exceeds
- £2,001.
- Review of quotations obtained where estimated costs exceed £2,001.
- Review of quotations when the lowest quote is not the most suitable.

Where possible this will be done within Governor meetings but emailed consultation may take place in the event of emergency purchases. This permission can be given by either the Finance Committee Chair or Chair Of Governors.

Receipt of goods

On receipt of goods someone other than the School Office Team should check that the items delivered correspond to details contained in the delivery note where delivery notes are provided (some suppliers do not provide them)

Invoice check and authorisation

All invoices received will be checked and signed by the School Business Manager to ensure that the prices invoiced are correct and that the goods have been received. All invoices must be authorised for payment by the Head (or in their absence a member of the SLT).

The invoice should also be authorised as above with the school's authorisation stamp. Once the Head has approved payment, the batch number should be recorded within the school's authorisation stamp on the invoice. The batch should then be posted to the payments team at Gloucestershire County Council using Perspective Lite.

Prices	Received
Authorised	Batch number

Imprest Account/Petty Cash

Day to day operation of the imprest account is the responsibility of the Business Manager. Purchases to be kept within budget limits, purchases should not exceed more than £250, as individual transactions. The Head to authorise reimbursement claims. A petty cash invoice reimbursement should be created using the receipts from the purchases, inputted into the FMS system and signed off by the Head Teacher. Once the batch has been created and signed off by the Head, it should be sent via Perspective Lite to the GCC payments team for recompense back to school.

All cash and cheque books will be held securely in the School safe.

Use of Term Contractors (Maintenance Work)

If LA approved Term Contractors (AMPS framework agreement) are used for maintenance work up to the value of £2,500, then the school need not seek competitive quotations to comply with Financial Regulations. Tendered day work rates are published on the TF web website – once logged in go to Document Register and click on Framework Rates (pdf), 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 affected.

Register of Pecuniary and Other Interests

The school shall maintain such a Register.

Persons to be included:

- All Governors
- Head Teacher

- Senior Leadership Members
- School Business Manager

Interest 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 a member of staff who has a 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 school e.g.
 - building contractors
 - plumbing contractors
 - electrical contractors
 - audio/visual goods suppliers (e.g. T.V.s, video recorders, hi-fi etc.)
 - repair/maintenance of equipment (electrical or otherwise)
 - 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 maintenance 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 organisation' 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)