

Castle Hill Primary School Finance Policy



Reviewed on: November 2025

Next Review date: November 2026

Reviewed by: Business Manager & Head Teacher

Approved by: Resources Committee 04/03/2026

K. L. Stanick

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. They will also use the buyback services of the Local authority area finance department to assist in preparing the budget as the area finance office adds independence and a wider overview based on budgeting experience across multiple schools.

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 be fully costed to allow for accurate budgeting.

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 Resources 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 Perspective Lite 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 cost centre headings
- development plan priorities
- anticipated/known staff pay awards and increments
- anticipated price inflation
- changes in the staffing complement
- any known one off/unusual expenditures within school
- 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

Virements & Purchases and associated Governor Approval

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 £1000: Deputy Head Teacher & School Business Manager

Up to £3000: Head

£3,001 - £6,000:

Purchases - Chair of Governors, Head and one member of the Finance Committee

Virements – Approved by Head and reported periodically via Governor Finance report

£6,001 - £8,000: Majority of Finance Committee

£8,001 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.

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 (where it is possible to do so) 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 (where it is possible to do so) 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

Governors will not be expected to be involved with the approval of operational contract renewals and the approval of buy back services from the Local Authority,

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 can used to compare prices when ordering works, they will then be deemed to have compared three prices in accordance with standing orders and financial regulations.

Purchase Order Creation and approval

- School procedures for purchasing should ensure that purchases are as required and are for bone-fide purposes.
- The School Business Manager should oversee the cost centre/ledger coding of requisition requests that will be used to raise a purchase order.
- Purchase orders will be generated by the Administrator or School Business Manager.
- The School Business Manager will approve the Purchase order within the Financial Management System (FMS) to ensure that the correct cost centre, ledger code and VAT code has been used.
- Once approved within the FMS system, a paper copy of the Purchase order can be printed.
- The Head must sign the paper copy of the purchased order produced from the computer system before the purchase order is issued to the supplier. A purchase order may not always be produced due to quick invoice turnaround, need for product being urgent and related to a safeguarding risk or renewals of 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. Once and invoice is received and processed the relevant purchase order will be attached to the invoice and filed accordingly.

Financial Reporting to Governors to support their responsibilities in budgetary control and monitoring

The Business Manager will share detailed budget reports to the Resources Committee at least half termly. These reports will include:

- total budget for year

- total commitment and expenditure to date
- variances

The Finance Committee shall consider such reports; the Head and the Business Manager will provide explanations for any significant variances identified. The Chair of the Resource Committee shall report each term to the Full Governing Body, identifying any significant budgetary issues and any remedial action taken or 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 and once signed, filed in the financial print file.

When accounts for each financial year are closed, a final statement from the schools accounting system will be shared with the resources committee via Governor Hub.

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)

will be actioned by the Business Manager and authorised by the Head in the Local Authority eforms system. Once authorised the eforms system will automatically send the form on to the Local Authority Payroll department to be actioned.

Time Sheets – processed via Eform system

All time sheets submitted by a member of staff will be inputted by the School Business Manager and must be authorised by the Head or in her absence, The Deputy Head Teacher. Input and authorisation will take place via the Local Authority Eforms system. Once authorised the eforms system will automatically send the form on to the Local Authority Payroll department to be actioned.

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). This report will then be signed by the Head Teacher and filed within the print reconciliation files.

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.

Staff Absence Insurance

The Head and Business Manager will determine and decide 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 Deputy Head Teacher in her absence) and processed via the Local Authority eforms 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 to the relevant cost centre.

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 £200 (current market value) may be sold or scrapped and written out of the inventory on the authority of the Head. Over this limit, the Resources Committee must authorise before disposal and details be recorded in the resource committee meeting minutes. Reasons must be recorded in the inventory, together with the Head's signature (up to £200). Where over £200 the authorisation of the resource committee should be recorded in the Resource committee meeting minutes reference. If items are sold, an official receipt for sales income must be issued to the purchaser and monies from the sale paid into the main Gloucestershire County Council Account for the school.

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 Resources

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 a copy of the inventory which should then be filed by the School Business Manager.

All inventory items should be security marked with Smart Water by the IT lead.

Lettings Policy

The Governing Body will set a separate letting policy and will be reviewed every two years. The review of lettings costs will take place annually with governors.

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. Lettings will be invoiced each half term.

The School Business Manager will then check the next monthly print and chase debt if not paid.

Copy invoices will be maintained by the Business Manager within the print file. 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 – 1 month

2nd reminder – 2 months

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 3 months 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 £200 - Head may authorise write off and will inform Finance Committee
- £200 and over – Chair of Resources Committee or The Chair of the Governing board 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

Any donations will be paid into/received in to the main Gloucestershire County Council account and accounted for via the checking of the monthly print to ensure the donation has been allocated back to school.

Official Capitation

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.

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** (teachers must not accept cash via classrooms). Cash will only be accepted via the office on agreement of the School Business

Manager/Head Teacher/Deputy Head Teacher. 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.**

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 -

Receipt of goods

On receipt of goods the administrator or staff member who ordered the items delivered should check that the items delivered correspond to details contained in the delivery notes where delivery notes are supplied (some suppliers do not provide them). Where possible, the delivery note should be kept and attached to the invoice when it comes in to be processed.

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. All invoices must be authorised for payment by the Head (or in their absence, the Deputy Head Teacher).

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.

Example stamp for authorisation

Prices	Received
Authorised	Batch number

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.

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)