



**“CREATIVITY, RESPONSIBILITY, RESPECT, AND HAPPINESS”**

BLUE COAT CE VA PRIMARY SCHOOL

Finance Policy 2019

Committee responsible for this policy	Resources
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## **Statement of Intent**

This Finance Policy has been adopted by Blue Coat CE VA Primary School to manage actively school finances and to obtain value for money

## **Section 1: Budgets**

### ***1.1. Budget construction***

The Head teacher is responsible for the detailed preparation of an annual school Budget which addresses the strategic aims and targets established by the Governing Body. In constructing the Budget, the Head teacher must take account of priorities identified in the School Improvement Plan, incorporating specific costs as detailed in the plan. In producing the Budget, the Head teacher will consult with other members of staff as appropriate to ascertain detailed requirements and cost pressures for the coming the year.

The Resources Committee will meet in the Autumn term to consider a broad Budget strategy. In order to determine appropriate expenditure levels, the Committee will consider the overall level of income expected from Local Authority Budget, grants and school generated income, together with any anticipated balance to be carried forward into the following financial year.

Detailed formulation of the Budget will take place in term 3 and 4, and the Resources Committee will approve the detailed Budget plan following receipt of the final Local Authority Budget allocation issued in mid to late March, if received by then. The Full Governing Body will subsequently approve the full Budget, and minute this approval. The approved Governors Budget Plan spreadsheet template must then be submitted to the Schools Finance Team, along with a signed statement by the Chair of Governors, by the required mid-May deadline.

Total Budgeted expenditure should not exceed the total anticipated in-year income plus or minus any balance brought forward from the previous year. If it appears that a deficit position cannot be avoided, the Head teacher and Chair of Governors must inform the Schools Finance Team immediately as the Local Authority must approve a Deficit Repayment Agreement (DRA) involving an appropriate recovery plan.

In constructing the detailed Budget, factors for consideration include:-

- current and previous year's expenditure levels on individual Budget headings
- staff pay awards and increments, and known changes
- anticipated price inflation
- changes in the supply of services and contracts (traded services, utilities etc.).
- changing School Improvement Plan priorities
- any anticipated changes in pupil numbers
- the resulting impact on staffing structures

## **1.2. Budgetary control and monitoring**

The Head teacher is responsible for regular, detailed control of the school Budget and this role will require appropriate monthly reports from the school's accounting system. The Head teacher may assign budgetary control of individual Budget headings to other members of staff, however the Head teacher remains ultimately accountable to the Governing Body for these Budget headings. Financial reports to the Head teacher and other Budget holders, where applicable, should include the following information for each agreed Budget heading:-

- total Budget for year
- total expenditure and commitments to date
- projected variance

Payroll expenditure data, must be entered promptly on to the school's accounting system each month by the appropriate business manager (i.e. Senior Finance Administrator or School Business Manager).

Other, non-pay expenditure, must be reconciled promptly to the school's accounting system by the School Business Manager.

It may be appropriate to action adjustments to the original Budget during the year, for example as a result of additional income, new costs or changing national priorities etc. The Head teacher is therefore empowered to respond to changes to address variances by effecting adjustments between individual Budget headings.

Where new or unplanned expenditure is necessary, the following individual authorisation limits apply:-

- Up to £500 – Budget holder and Senior Finance Administrator
- 501-1000 – Budget holder and School Business Manager
- 1001 – 5000 Head teacher or Deputy
- 5001-10000 Governor Resources Committee
- 10001 plus – Full Governing Body
- 

Adjustments, once approved, must be promptly recorded in the school's accounting system to keep the approved Budget up to date.

The Head teacher should present detailed Budget monitoring statements to the Resources Committee on at least a termly basis. The Resources Committee should then consider and challenge these statements as necessary, with the Head teacher providing explanations for any significant variances identified. The Chair of Resources Committee should then report regularly to the Full Governing Body, identifying any significant budgetary issues and any remedial action taken or needed, and any policy decisions needed.

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 Resources Committee.

## **Section 2: Payroll**

As Blue Coat uses an independent payroll provider (the "Provider"), the relevant Service Level Agreement specifies the required timetables for submission of data, such as Starters / Variation / Leavers, and specifies the timescales by which the Provider will provide payroll data to the School Business Manager.

### ***2.1. Starters/variations/leavers***

Agreed template forms for the following data have been agreed with the Provider, and will need to be agreed anew if the Provider is changed:

- setting up new employees on the payroll (starters)
- effecting variations to pay



- taking existing employees off the payroll (leavers)

Forms should be completed by the appropriate School Business Manager and authorised by the Head teacher, or, in their absence, the Deputy Head teacher on a timely basis. Completed forms should be sent to relevant pay and conditions contact as directed.

## **2.2. Claim Forms**

For relevant staff, submitted claim forms must be checked initially by the School Business Manager, and then authorised by the Head teacher, or in their absence, the Deputy Head teacher. Authorised time sheets must be submitted directly to the relevant pay and conditions team contact, and never handed back to the employee.

## **2.3. Checking of payroll data**

Payroll data received monthly from the Provider must be scrutinised by:

- the Head teacher, to ensure all employees are recognised, and pay appears reasonable (no detailed check)
- the School Business Manager, to check accuracy of salary and expense payments.

*Members of the Resources Committee (whether full members or associates) may on an ad-hoc basis assist the Head teacher in performing spot checks of Payroll data.*

## **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 advice should be sought as appropriate.

## **2.5. Supply teachers**

The Resources Committee should decide, on the basis of advice from the Head teacher, whether supply insurance cover shall be taken out and the extent of the cover. All claims submitted by supply teachers must be approved by the Head teacher, or in their absence, the Deputy Head teacher. Reimbursement claims must be submitted on a monthly basis by the School Business Manager. The



School Business Manager must check on a monthly basis that correct amounts have been charged using the monthly expenditure printout.

### **Section 3: School Fund**

#### **3.1 Accounts**

The accounts of the School Fund are to be maintained on a day to day basis by the Senior Finance Administrator. 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 teacher
- Deputy Head teacher
- Chair of Governors
- School Business Manager

There must be two signatures on each cheque.

#### **3.3 Final accounts and audit**

Final accounts are prepared at the end of the School Fund financial year by the Senior Finance 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 FN12 form (see link) to the Schools Finance Team.

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

## **Section 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 Senior Finance Administrator is responsible for keeping the inventory up to date by adding new items when they are received into school.

Items with an original cost value of up to £50 may be sold or written out of the inventory on the authority of the Head teacher. Over this limit, the Governing Body must authorise and details recorded in the minutes (Resources Committee for assets with an original value up to £100 and the Full Governing Body for more valuable assets). Reasons must be recorded in the inventory, together with the Head teacher'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.

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 School Business Manager 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, by a suitable means, such as, but not limited to:

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

#### **4.2 Off-site register / Staff Loans Book**

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**

Where payment for goods/services provided by the school is made after the provision takes place, the following procedures shall apply.

An official invoice must be raised by the Senior Finance 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 Senior Finance 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 28 days

2nd reminder 56 days

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

- up to £50 – Head teacher may authorise write-off
- up to £100 – Chair of Governors may authorise write-off
- up to £500 – Resources Committee may authorise write-off
- £500 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 teacher, Chair, and the relevant body of 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 for cash payments over £10, 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 Resources Committee. 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 promptly and intact.

### **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 and 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 School Fund.

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

### **5.7 Cash received from pupils**

Where possible, the school should encourage payments to be made via electronic payment (currently through ParentMail).

It is, however, acknowledged that this may not be possible in all cases. As a result, cash and cheques should be collected in a lockable fixed box in the school's main entrance. Where monies are deposited in this fashion, they should be in sealed envelopes with the following details on the face of the envelope:

- a) Child's name;
- b) Class;
- c) Amount; and,
- d) Reason for Payment.

A member of the Administration/Finance Staff should empty the box on a daily basis and should account for the cash appropriately.

### **5.8 Security of receipt books and tickets**

Receipt books should be serial numbered.

All unused receipts and tickets to be used to acknowledge receipt of income, must be held securely in the school office.



## **Section 6: Purchasing**

### **6.1 Ordering**

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

Requisitions should be processed by the Senior Finance Administrator after initial approval by Assistant Head teachers / Budget holders has been sought and given. The official order produced from the computer system must be signed by a person authorised in accordance with 6.3 below before it is sent to the supplier. On the rare occasions that an order has been placed over the telephone an official confirmatory order must be sent if the invoice amount is material.

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

When placing orders it is the responsibility of the initiator to ensure that Gloucestershire County Council Financial Regulations and Standing Orders and also Blue Coat CE VA Procurement Policies are adhered to.

### **6.2 Quotations/tenders**

Financial Regulations - for orders for goods/services **under £25,000**:

Upto £1000 – No formal requirement for alternative prices but Best Value principles to follow

- **£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 –£25,000** - independent written evidence of at least three prices should be obtained and retained.

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

Standing Orders – for orders for goods/services **over £25,000**.



Tenders should be invited in one of three ways, and in accordance with specific Standing Orders.

- from at least three contractors included on a Recommended Supplier List; or where no standing list exists
- from at least three appropriate contractors, or
- by open competition by advertisement in local newspaper or appropriate journal.

### **6.3 Governor involvement**

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

– on purchasing decisions when the estimated cost of one item **exceeds £1,000**. The Chair of the Resources Committee or Chair of Governors should be consulted.

– review of quotations obtained where estimated costs **exceed £5,000**. At this level it is only necessary to consult the Resources Committee.

– the Full Governing Body should be consulted for purchasing decisions with a monetary value **greater than £10,000**.

– 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 Full Governing Body should formally authorise a waiver of the regulations, either prior to the purchase or retrospectively, if necessary, and minute the reasons for that approval.

### **6.4 Receipt of goods**



Once items ordered have been received, a member of the Administration Staff must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods the Staff Member must ensure that both quality and quantity are appropriate, or if not suitably qualified should seek confirmation from the Requisitioner. If the goods received are appropriate a Goods Received Note should be raised.

#### **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 teacher before being passed for payment (or in the Head teacher's absence, the Deputy Head teacher).

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

#### **6.6 Petty Cash**

Day to day operation of the petty cash account is the responsibility of the Senior Finance Administrator

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 Petty Cash balance has been used. The Head teacher (or Deputy Head teacher in the Head teacher's absence) must certify the reimbursement claim.

Each time a reimbursement claim is submitted, the Senior Finance Administrator 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 School Business Manager. Vouchers (receipts, paid invoices etc.) to evidence the payment must be presented to the Senior Finance Administrator by members of staff when reclaiming cash from the account. These vouchers must be retained by the Senior Finance Administrator and returned with the reimbursement claim.

In normal circumstances individual purchases from petty cash must not exceed £20. In exceptional circumstances payments up to £50 may be made, with the express prior approval of the Head teacher. 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**

It is a requirement for all schools to maintain such a Register.

### **7.1 Persons to be included:-**

1. All Governors
2. Head teacher
3. Members of Senior Leadership Team

### **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 (e.g. T.V.s, video recorders, hi-fi etc.)
- 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 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 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).

**Cross Referenced:** Pay Policy, Charging and Remissions Policy, Complaints Policy, Data Protection Policy, Equal Opportunities Policy, Governor Allowances Policy, Whistleblowing Policy, E-Safety Policy, Freedom of Information Policy and Publication Scheme