

The Manor C of E Primary School

Finance Policy

The governors and staff responsible for budgetary control will aim to work within the standards summarised in “Keeping Your Balance” (Standards for financial administration in schools) Audit Commission, as follows:-

Summary of Standards

The key standards of financial administration are set out below.

- The responsibilities of the Full Governing Body and its committees, the headteacher and staff, should be clearly defined and limits of delegated authority established.
- The budget should reflect the school’s prioritised educational objectives, seek to achieve value for money and be subject to regular, effective monitoring.
- The school should establish sound internal financial controls to ensure the reliability and accuracy of its financial transactions.
- The school should be adequately insured against exposure to risk.
- The computers used for administration purposes should be registered under the Data Protection Act 1984. All data should be protected against loss.
- The school should ensure that purchasing arrangements achieve the best value for money.
- There should be efficient procedures for the administration of personnel matters including the payroll where this applies.
- Stocks, store and other assets should be recorded, and adequately safeguarded against loss or theft.
- All income due to the school should be identified and all collections should be recorded and banked promptly. Receipts should be issued.
- The school should properly control the operation of bank accounts and reconcile bank balances with the accounting records.
- The school should efficiently manage and use petty cash.
- School voluntary funds should be administered as rigorously as public funds.

Organisation of Responsibilities and accountability of the governing body

The Headteacher receives delegated powers from the Full Governing Body and is accountable to the Governing Body.

The Governing Body is accountable to the following;-

The Local Authority.

The parents of the pupils at the school.

The wider public, through auditors.

The governors keep a register of pecuniary interests.

The Finance Committee

Meetings will be minuted and reports made at Full Governing Body meetings. The Finance Committee with the Headteacher and School Administrator will consider all aspects of the school planning and will liaise with staff, other committees and the Full Governing Body to achieve the following:-

- Forecasting.
- Matching expenditure to income.
- Comparing the value of alternatives.

- Financially evaluating plans including the SDP.
- Allocating resources
- Authorising expenditure and activities

Headteacher

In the absence of the Headteacher the Deputy Headteacher carries out the Headteachers role in all aspects of school management.

The responsibilities of the Headteacher are as follows;

- To liaise with the Governors in order to give appropriate, relevant, timely, reliable and clear information.
- To report to the Governors any proposed policy changes which might affect budgets.
- To prepare estimates of expenditure and income at the start of each financial year.
- To seek prompt approval of the proposed budget.
- To provide regular reports to the Governing Body.
- To be responsible to the Governing Body for ensuring that LA financial regulations or standing orders of DCSF financial requirements as appropriate are implemented.
- With the Governing Body, to respond appropriately to recommendation made by inspectors.
- To notify auditors of any suspected irregularity.
- To consider, respond and react upon recommendations in audit reports, in collaboration with the Governors.
- To countersign all payment slips.
- To sign all South Gloucestershire order sheets issued by the school.
- Other aspects of responsibility are included under separate headings.

The Headteacher will make available training in budget administration for staff where and when it is deemed necessary.

Limit to delegation

The Governors have approved expenditure up to £5,000 to the Headteacher. Individual items in excess of this will be referred back to the Finance Committee. Any amount in excess of £10,000 will be referred to the FGB.

School Administrator

Finance

Undertakes financial work covering school accounts, other funds, working within LA financial procedures.

- Recording of balances of money for banking.
- Recording of accounts with bank statements.
- Recording of income under appropriate headings.
- Recording and safe custody of Petty Cash, and preparation and issue of cheques in conjunction with the Headteacher.

Budgets

Monitors and reconciles school budgets

- Prepares orders and checks delivery notes and codes for payment.
- Reconciles accounts against statement; investigates discrepancies.
- Provides information for the Headteacher Governors and staff as requested.

- Maintains Imprest Account, recording balances and expenditure.
- Records detail of income and expenditure using manual or computerised commitment accounting record systems.
- Liaises with letting applicants to arrange bookings.

Capital Expenditure

The school in its planning will from time to time wish to make provision for a capital project e.g. equipping a new or renovating a building or major equipment items. Because of the possible costings of such plans it may be necessary to keep back some money from the budget in one or more financial years, or the project may be undertaken in phases over one or more years.

Capital expenditure that is the responsibility of the school will be kept within LA guidelines. The governors will consult with the LA on all aspects of capital buildings projects and will follow the recommended procedures.

Security of stock and other property

The Administrator will be responsible for keeping an inventory of electrical and movable equipment. Make, model and serial numbers will be recorded. An annual check will be made. Lost, stolen or damaged items will be certified by the Headteacher. Property taken from the school site should be notified to the school office.

Income

The Governors have a charging policy.
 Official receipts will be issued.
 Records of income will be kept.
 Money will be kept safe until banked.
 Invoices will be issued promptly.
 Receipts will be kept.

Banking

The school keeps a bank account in respect of the voluntary school fund. The school fund is prohibited under the 1988 Education Reform Act from borrowing money, or from having an overdrawn account. The bank is aware of these restrictions. Cheque and paying-in books are held in the school. Two signatories are required on all cheques.

Petty Cash

The Headteacher is responsible to the Governors for the running and safe keeping of Petty Cash. The Administrator administers the running of the Petty Cash. The Administrator will keep vouchers and receipt for payment. Identification will be shown where VAT is paid. Surplus cash will be kept locked away. The school will be able to produce cash or vouchers to the amount drawn. The school will submit claims for reimbursement with vouchers and receipts. Personal cheques will not be cashed from Petty Cash.

Payments will be limited to minor items, i.e. less than £50, and for which there is proper authority and provision in the school budget.

Personnel

The Governing Body has a Staffing and Curriculum Committee which considers aspects of the curriculum development and the appointment and promotion of staff. The committee makes its recommendations to the Full Governing Body.

Staffing information is kept on file.

A regular check is made that payroll files agree with the school files.

Purchasing

- The Governors assure best value for money by asking the Headteacher to test the market prior to purchase using appropriate means.
- If the anticipated value of a single line item purchase or contract is between £1,000 and £2,000 a minimum of two telephone, catalogue, internet quotes should be obtained. For items over £5,000, three written quotes should be obtained.
- The school keeps pre-numbered orders for all goods purchased.
- Official orders are used for all orders from the school budget.
- Orders are properly completed and ruled off below the last item.
- The Headteacher or in her absence the Deputy Headteacher may sign order forms
- Goods are checked on receipt by the Administrator and the Delivery note signed.
- Payment is only made on receipt of a proper invoice which has been checked, given an order number and certified for payment.
- The staff authorised to sign for payment are the Headteacher, or in her absence the Deputy Headteacher.
- The school operates a commitment accounting system for orders, and produces a breakdown of amounts from budget headings.

Insurance

The Governors use the insurance arrangements offered by the LA for the contents, and for the building and legal liability.

The school or Governors will immediately inform the relevant insurers of accidents, losses or other incidents which might give rise to an insurance claim.

Competitive Tenderings

It is the policy of the Governing Body to discuss and agree at a Full Governing Body meeting, issues relating to competitive tendering. Full advice is taken from the LA. It is felt to be wise to follow LA arranged tenders, but each case is looked at in its own merit. If the school undertakes competitive tendering independently it will follow processes recommended in "Keeping your Balance" – Standards for Financial Administration in Schools - OFSTED, and the LA Standing Orders.

Staff Absence

The Governors have opted out of the pooled scheme for long term sickness operated by the LA, and have arranged private cover.

Contracts

LA advice is to be sought before undertaking any leasing beyond one year whose value is in excess of £1,000 annually.

This policy has been approved by the Finance Committee and the Governing Body of the school. It will be reviewed as follows:

Date agreed at Finance Committee:

Date agreed at FGB:

Review Date: