



ST STEPHEN'S CEVA PRIMARY SCHOOL, BATH

FINANCE POLICY

This policy links with the Lettings and Charges and Remissions Policies.

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1 AIMS

The primary aims of this Finance Policy are to provide a framework for financial management which will ensure that, within the funding available:

- There are adequate resources of staff, equipment, and material to meet the needs of pupils.
- The National Curriculum is implemented within the school.
- The aims and objectives of the School, as agreed by the Governors and set out in the School Plan (SP), are achieved.

In order to meet its primary aims the Finance Policy must mandate a system of financial control that:

- Gives managers authority to spend.
- Provides a means to check that agreed policies are carried out.
- Operates a reliable and efficient financial administration system.
- Has clear structured systems and procedures that are accepted and understood by those using them.
- Conveys clear messages and signals early warnings of problems.
- Clearly defines financial responsibility between Governors, the Headteacher, and the Finance Officer.

2 PRINCIPLES

This Finance Policy seeks to implement the following principles:

- The responsibility for the financial management of the school rests with the Governing Body, its Committees (particularly the Finance & Resources Committee), the Headteacher, the Deputy Headteacher and the administrative staff. The administrative staff involved in financial management are the Finance Officer, School Secretaries and Administrative Assistants.
- The objectives of the school, as set out in the School Plan, will be prioritised and reflected in the budget.
- Those people responsible for managing the school finances will seek value for money and ensure effective, regular monitoring of the financial position.
- Internal financial controls will be put in place to ensure the accuracy and reliability of financial transactions.
- Adequate insurance will be provided against exposure to risks.
- The school will operate a computerised system of financial administration and will be registered under the Data Protection Act 1988
- Efficient procedures will be adopted for the administration of personnel financial matters.



- All school assets will be recorded and adequately safeguarded against loss or theft.
- The operation of all bank accounts will be monitored closely and reconciled with accounting records.
- The voluntary school fund will be administered to high standards and audited annually.
- Where purchase of services or use of facilities provided by third parties is stated within this document it is assumed that such purchase or use shall be in accordance with principles of Best Value and in the event that a decision is taken in accordance with this Policy to purchase services from or use alternative third parties or facilities it shall not be necessary to amend this Policy and it shall be read accordingly.

3 ROLES AND RESPONSIBILITIES

3.1 Division of Financial Responsibility

Role	Responsibility
Governing Body	<ul style="list-style-type: none">• Overall responsibility for financial management.• Establishing a Finance & Resources Committee to oversee implementation of the Finance Policy.• Advising the Headteacher on general financial matters relating to the school.• Approving the school budget.• Agreeing levels of delegation.
Headteacher	<ul style="list-style-type: none">• Contributing to formulation of policy.• Implementing approved policies.• Day to day control of spending.• Implementing the financial controls laid down in this Policy



Role	Responsibility
Deputy Headteacher	<ul style="list-style-type: none">• Being familiar with the school's Finance Policy and procedures.• Having an awareness of the school's financial computer system.• Being an authorised signatory for certification of payroll documentation and accounts payable, and sign all relevant documentation for expenditure.• If the Headteacher is absent for more than 1 week, assuming responsibility for the financial management of the school under the oversight of the Finance & Resources Committee, with the same delegated spending and approval limits as the Headteacher.• Note that any action which necessitates the use of SIMS FMS must be executed with a School Secretary or Finance Officer.
Finance Officer	<ul style="list-style-type: none">• Daily financial and accounting procedures in the school.• Providing budget and spending information to Governors, Headteacher, the LA and budget holders.• Providing audit information as required by the LA.
School Secretaries	<ul style="list-style-type: none">• Placing official orders.• Holding petty cash.
Administrative Assistants	<ul style="list-style-type: none">• Administration and reconciliation of school meal and trip income.

4 BUDGETS

4.1 Revenue budget

The revenue budget has a controlling influence over the whole cycle of school affairs. It will reflect the aims and objectives of the school within the available resources and will allocate the resources to implement the School Plan.

4.1.1 Setting the budget

During Terms 3 and 4 the Headteacher and Finance Officer will construct a draft budget based on the School Plan and any other guidance received from the Governing Body or Finance & Resources Committee.

The draft budget and the School Plan shall be clearly linked, in order that the financial consequences of the School Plan are correctly budgeted for.

The draft budget shall be based on realistic estimates of all expenditure and income, including grant income and any carry-forward figure from the previous financial year, so that planned expenditure does not exceed the available budget.



The draft budget shall include details of all budgeted surpluses that have been earmarked for specific future needs, thus ensuring that pupils benefit from a planned approach to spending that does not deprive them of resources in any given year.

The Finance & Resources Committee will meet during Term 4 to agree the draft budget. Once final funding information is received from the LA (normally in May) the budget will be presented to the Governing Body for approval.

4.1.2 Monitoring the budget

The Finance Officer will monitor expenditure against the budget and will draw to the attention of the Headteacher any matters of concern, for example projected overspends.

The Finance Officer will provide the Headteacher and Chair of the Finance & Resources Committee with a monthly report showing expenditure against budget, including committed sums not yet paid.

Where elements of the overall budget have been delegated, budget holders will receive and review regular (at least termly) reports comparing the amount spent and committed to date against their budgets. Where agreed, the reviews will be signed by the relevant budget holder and returned to the Finance Officer. Any disputes will be rectified, or taken up with the Headteacher where necessary.

The Finance & Resources Committee will meet at least 3 times a year to review spending against the budget and to provide guidance to the Headteacher should it consider that any anomalies or issues of concern have arisen.

The Chair of the Finance & Resources Committee will provide the full Governing Body with a report on the revenue budget position at each meeting.

4.1.3 Changes to the approved budget

4.1.3.1 Increases in the total budget

The Finance & Resources Committee must approve any increase in the total school budget before it is implemented.

The full Governing Body must approve any increase of more than one per cent in the total school budget before it is implemented. The increase must be measured against the budget as originally approved. Once the budget has been increased beyond 1% **all** increases must be approved by the full Governing Body.

4.1.3.2 Changes to budget line items

The Finance & Resources Committee must approve each change in a budget line item of more than £1000 or 10%, whichever is the greater, at the next Finance & Resources Committee meeting after the change has been made.

Provisional approval of any change in a budget line item of more than £5000 or 5%, whichever is the greater, must be sought from one of the Chair of the Finance & Resources Committee, the Chair of Governors or the Deputy Chair of Governors as soon as practicable.



4.1.3.3 Rejection of proposed changes

If the Finance & Resources Committee cannot reach agreement with the Headteacher on a change to the budget, the proposed change shall be referred to the full Governing Body.

If the full Governing Body, after discussion with the Headteacher, does not approve a proposed change, the proposed change shall be withdrawn.

4.1.4 Delegation of budgetary responsibility

The Headteacher shall ensure that budgetary responsibility is delegated within the school to named individuals. The named individuals shall be responsible to the Headteacher (through the Senior Leadership Team where appropriate) for expenditure against specified line items. The Headteacher shall require the named individuals to prepare expenditure plans; requisition orders and monitor spend against plan.

The Headteacher shall present a proposed delegation plan to the Finance & Resources Committee for approval alongside the draft budget.

5 CAPITAL BUDGET

The capital budget is primarily intended for upkeep of the school buildings and the purchase of capital equipment (including ICT equipment).

The school will (where appropriate and possible) make use of the Diocese's pooling arrangement, through which greater flexibility over the timing of expenditure can be achieved.

The Headteacher and Chair of Finance & Resources Committee will monitor expenditure against the capital budget.

6 INTERNAL FINANCIAL CONTROL

The school will use the SIMS FMS software package, supplied by the LA, for processing and recording transactions.

All orders shall be authorised by the Headteacher or Deputy Headteacher. When goods are delivered, the invoice shall be processed by the Finance Officer and authorised for payment by the Headteacher.

6.1 Payments by cheque

The Deputy Headteacher shall check each payment and sign the cheque run report generated by the Finance Officer.

The work of one shall act as a check on the other.

A record of all transactions shall be made.



6.2 BACS payments and controls

The Finance Officer will create a BACS run and printed report and import the file into Nat West Bankline. The Deputy Headteacher will log in and check and authorise each payment. The Headteacher will then check and sign the BACS run report.

The Deputy Headteacher shall receive familiarisation with regard to financial control in order to be able to maintain the financial system in the prolonged absence of the Headteacher or Finance Officer.

The Administrative Assistants shall be responsible for calculating, checking and recording payments made via the ParentPay online payment system.

Alterations to school cheques, invoices and orders, shall be made clearly in ink or other permanent form and initialled by two of the Headteacher, Finance Officer and Deputy Headteacher.

Accounting records shall be properly maintained and held securely in the School Office, safe or locked cabinets. Chequebooks, paying in books, invoices, income receipts and bank statements shall be kept for 6 years, attendance registers for 4 years and other financial documents for 3 years.

Only authorised staff (Headteacher, Finance Officer, Deputy Headteacher) should be permitted access to the accounting records.

6.3 Insurance

The school will buy in to the insurance arrangements provided by the LA.

The Finance Officer will notify the LA of any new purchases requiring insurance (in accordance with any terms or values stated in our insurance policy), or of any other circumstances which affect the level of cover required.

The Finance Officer or Headteacher shall immediately inform the LA of all accidents, losses and other accidents which may give rise to a claim.

6.4 Computer Systems

The computers in the main School Office process and record financial and other management data. All information stored shall be protected, backed up and restricted to authorised users. The Headteacher and the Governing Body shall be registered under the Data Protection Act 1988.

The Headteacher, School Secretary, Finance Officer, Administrative Assistants, Extended Schools Co-ordinator and Deputy Headteacher are the only authorised computer users for issues of school management.

A back up of computer data shall be taken daily. This is fulfilled by an automatic encrypted offsite back up and restore service, over the internet to a secure storage platform. This service is provided by South West Grid for Learning.

Passwords shall remain confidential.

Audit Trails, using the SIMS FMS system, shall be submitted upon request to the LA.



The Headteacher, deputy Headteacher, School Secretaries and Finance Officer shall take advantage of regular training opportunities provided by the LA with regard to the computerised system.

6.5 Purchasing

Purchasers should be chosen who are assessed to be capable of providing value for money, in terms of quality, quantity, time and price, in accordance with the LA principles of "Best Value" policies. All purchasing shall be in accordance with the LA's School's Contract Standing Orders.

6.6 Authorisation

The Headteacher or deputy Headteacher shall authorise all orders for purchases up to £3,000. The Finance & Resources Committee shall approve all orders between £3,000 and £6000. Any item costing more than £6000 must be referred to the full Governing Body for approval.

If the Headteacher is absent for more than 1 week the Deputy Headteacher will assume responsibility for the financial management of the school under the oversight of the Finance & Resources Committee, with the same delegated spending and approval limits as the Headteacher.

Exceptionally, where time scales make it impractical to seek Finance & Resources Committee agreement to an order between £3,000 and £6000 (for example, if a deadline will be missed that would disadvantage the school), authorisation to place the order must be sought from one of the Chair of the Finance & Resources Committee, the Chair of Governors or the Deputy Chair of Governors.

6.7 Value for Money

When any contract or purchase is being considered, the principles of Best Value and not simply the price shall be used to determine which supplier is to be used.

If the anticipated value of a contract or purchase is between £500 and £1,500, a minimum of two telephone quotations or catalogue prices shall be obtained.

If the anticipated value of a contract or purchase is between £1,501 and £25,000, at least two competitive written quotations shall be obtained from suitable suppliers, unless it shall be impracticable to do so, in which case the reasons shall be recorded in the minutes of the Governing Body.

If the anticipated value of a contract or purchase is between £25,001 and £75,000, at least three competitive written quotations shall be obtained from suitable suppliers, unless it shall be impracticable to do so, in which case the reasons shall be recorded in the minutes of the Governing Body.

Contracts with a value of over £75,000 will be subject to at least three competitive sealed tenders, the administration of which will follow the requirements in the LA's Contract Standing Orders for Schools.



Governors and Senior staff who may participate in the purchase of goods or services shall declare in a Register of Interests, to be maintained in accordance with LA policy, any interest they, or their family members, may have in any provider of such goods or services, to avoid possible conflict of interest.

In the event that a tender for provision of such goods or services is made which might give rise to such a possible conflict of interests any Governor or member of staff shall declare their particular interest and shall not participate in the process of reaching a decision.

6.8 Orders for Goods or Services

Written orders produced via SIMS FMS shall be used for all goods and services except utilities, rates, petty cash payments and the Purchasing Card. Where urgency requires a verbal order, this shall be approved in advance by the Headteacher or deputy Headteacher and a written order submitted in confirmation as soon as practicable.

Only official orders shall be used. These shall be retained on SIMS FMS. Exceptionally, where it is impractical to use an official order, a claim for reimbursement of expenditure may be authorised by the Headteacher or deputy Headteacher for amounts up to £100.

Only goods or services provided to the school shall be ordered – no private goods or services shall be purchased through the school system.

Prior to presenting an order for authorisation, the Finance Officer or a School Secretary shall first verify that there are sufficient funds within the relevant budget line item, and that the order has been agreed by the person with delegated responsibility for that line item.

When orders are placed, the estimated cost shall be committed against the appropriate budget allocation to enable budgets to be closely monitored.

6.9 School Purchasing Cards

The Purchasing Cards shall be used as an alternative method of payment for goods to achieve best value, flexibility and purchases via the internet. The Governing Body has set the card credit limit at £3000.

A second card has been agreed, with a monthly spend-limit of £250 per-month. This is for the use of the school site manager, to obtain best-value on small maintenance items.

The Cards must be used in line with the authority's Cardholder Procedures Guide.

The main card will be held securely in the safe and used only by the Finance Officer, deputy Headteacher or Headteacher. The second card may be taken off-site.

If an order is required, an internal requisition form shall be raised and authorised by the budget holder and Headteacher or deputy Headteacher. Official orders should not be raised through SIMS.

The cost and details of each transaction will be entered onto the monthly purchasing card transaction log at the time the order is placed by the cardholder.



The goods advice/delivery note must be checked to the actual goods received by the clerical assistants and the purchasing log dated and signed by the Finance Officer.

The Headteacher or deputy Headteacher will check and sign the monthly purchasing card statements.

The monthly purchasing card statement will be reconciled by the BaNES Finance Officer on their monthly visit and the appropriate budget(s) debited for the purchases made.

6.10 Leasing

Whenever the school proposes to enter into a lease or long term hire contract, the LA's Financial Planning Division shall be contacted to obtain prior approval and ensure compliance with financial regulations.

6.11 Payment of Accounts

Goods and services shall be checked upon receipt to ensure that they are in accordance with the order. Checks shall be made by the Clerical Assistants, School Secretaries or site manager as appropriate and noted on the order and delivery note.

Payment shall only be made upon receipt of a proper invoice defined as follows:

- Receipt of the goods and services has been confirmed.
- The invoice has been certified for payment by the Headteacher or deputy Headteacher
- The receipt of goods and/or services has been cross-referenced to the order number.
- Expenditure has been properly incurred and the payment has not already been made.
- Prices accord with quotations, tenders, contracts or catalogue prices and the arithmetic is correct.
- VAT amounts have been correctly treated.
- The invoice has been allocated to the appropriate budget code.
- Discounts have been taken where available.

Invoices shall only be certified for payment by the Headteacher or deputy Headteacher, a sample of whose authorised signature shall be sent to the LA. Invoices shall be paid within the time limits specified in law for the payment of debts.

All paid invoices shall be stamped and authorised for payment. The cheque counterfoil/BACs confirmation shall be attached and stored securely.

No payment shall be made against statements from suppliers.

7 PERSONNEL

7.1 Personnel Payments

The largest item of budget expenditure is that spent on personnel.



Payments shall only be made by BaNES payroll services to bona fide employees.

Payments shall be made in accordance with the conditions of employment.

Payment shall only be made in respect of services provided to the school.

BaNES payroll services shall be informed immediately of any amendments to the payroll.

7.2 Procedures for payment and holding information

The processes of completing, checking and authorising all documents and claims relating to appointments shall be the responsibility of the Chair of Governors and the Headteacher.

The Headteacher shall be the Certifying Officer for payroll administration.

The duties of authorising appointments, changing individual conditions or terminating the employment of staff rests with the Chair of the Remuneration Panel.

Personnel records must be stored in confidence in a secure filing cabinet with the only key holder being the Headteacher.

All computer held records shall be stored in accordance with the Data Protection Act 1988

Payroll transactions shall only be processed through the payroll system.

8 SECURITY OF STOCK AND PROPERTY

The Headteacher shall ensure that all assets are identified, their locations recorded and insurance for use off-site confirmed where necessary.

Losses of inventory items shall be investigated promptly and any valued at over £200 shall be reported to the Governing Body.

Consumable materials shall be stored where possible in stock rooms, cleaning materials in locked cupboards and sport equipment in the hall or sports cupboard.

All cash shall be stored in the school safe and no more than £2000 may be kept overnight on the school premises. The Headteacher shall be responsible to the Governing Body for the safe custody and control of all cash and property belonging to the school.

All portable and desirable items such as computer equipment, cameras, videos, etc. shall be security marked, entered on the school inventory and checked annually. Note shall be made of the make, model, and serial number where appropriate. This database is maintained by SmoothIT.

The inventory shall be checked by means of an annual stock take. Once the check is finished, the Headteacher shall certify the inventory.

Any items of school property valued at more than £500 taken off site shall be signed for in a register. Laptops assigned permanently to teaching staff shall be excluded from this requirement.



The Governing Body shall authorise all write offs and disposals of surplus stock and equipment in accordance with DfE and LA regulations.

The Headteacher, Finance Officer, School Secretary, Administrative Assistants and Extended Schools Co-ordinator shall hold the keys to the safe. The safe shall remain locked and the keys removed. These shall be held by the key holders away from the safe or returned to the safe in the Finance Office. If the keys are lost, this shall be reported to the LA and the Chair of Governors.

9 PAYMENTS AND RECEIPTS

9.1 Income

The Headteacher shall be responsible to the Governing Body for all income due as set out in the Charging and Remissions Policy.

Identification of sums due from letting shall be the responsibility of the Governing Body. Income from educational journeys, visits etc. shall be the responsibility of the Headteacher and relevant staff leader.

Income from school meals, trips, Breakfast Club and After School Care Club are now made online using the ParentPay service.

The Administrative Assistants, School Secretary, Finance Officer and Breakfast Club and After School Care Club Leaders shall have individual ParentPay logins and passwords shall remain secure.

The Administrative Assistants shall be responsible for setting up and reconciling payments made via ParentPay for school meals and trips.

The Breakfast Club Leader and After School Club Leader shall be responsible for setting up and reconciling payments made for these clubs.

As income is vulnerable, all income (including VAT) shall be identified and receipted where appropriate.

Records of income shall be kept securely.

The Finance Officer will reconcile the weekly collection statements from ParentPay and generate the relevant journals and distribute funds into the correct cost centres in SIMS FMS.

Cash or cheques will only be accepted for the School Fund account or at the Head's discretion. Any cash or cheques accepted will be stored in the safe and paid into the appropriate bank accounts as soon as possible. The Administrative Assistants shall reconcile sums collected with sums deposited in the bank. Bank paying in slips shall be completed clearly to show the split of cash and cheques. The Finance Officer will input these manual credits into SIMS FMS.

Income collections shall not be used to cash personal cheques.



Music Purchase Scheme

Pupils who receive music tuition lessons will be made aware of the Music Purchase Scheme. This scheme allows for pupils musical instruments to be purchased from official LA funds, with the instrument cost, net of VAT, due for recovery from the pupil.

Lettings & Music Tuition Fees

One-off lettings should be paid in advance of, or on the day of the respective letting (see also the Lettings Policy). Music tuition fees & longer term lettings should be paid before, or at the start of, each respective term.

The Headteacher shall have discretion in allowing any variation of these terms and shall take all steps reasonably necessary to secure payments.

Recovery of Supply Teachers Costs

Where possible, supply teachers costs will be recovered from outside agencies.

Where supply teachers are employed to cover lessons for teachers who are taking part in optional extra activities, the full cost shall be included in the overall cost of the activity and recovered as part of the contribution from parents.

Voluntary Contributions from Parents

Requests for voluntary contributions to cover all costs to the school arising shall be made to all parents whose children take part in any optional extra activity. See also the Charging and Remissions Policy.

Any surplus/deficit in respect of school trips shall be reviewed following the end of the financial year by the Finance & Resources Committee.

Bad Debts

When income is overdue, a letter will be sent to the debtor requesting payment of the debt within 7 days.

If the debt is outstanding after this 7 day period, the request for payment shall be made to the debtor in person, if practicable.

If the debt is still outstanding 7 days after the face to face request for payment, the matter will be considered by the Headteacher, who may then in their discretion pass it to the BaNES Legal Services Team for possible action for recovery.

9.2 Banking Arrangements

Bank accounts are a fundamental aspect of financial control. Regular reconciliation proves that balances are collected and accounts are properly compiled and accurate.

Bank statements shall be reconciled monthly with accounting records. All bank reconciliations shall be certified by the Headteacher or deputy Headteacher and the Finance Officer.



9.3 Petty Cash

The Governing Body has set the petty cash level at £100.

The Headteacher, or deputy Headteacher, Finance Officer and School Secretaries are the only staff authorised to have access to petty cash.

Payments are to be limited to minor items for which there is proper authority and provision in the budget.

A Petty Cash Voucher shall be completed and signed by the budget holder for all petty cash payments.

A receipt or acknowledgement of payment shall be obtained to identify the VAT paid.

Cash shall be kept in the school safe.

Cash to the amount held shall be produced on demand for the Headteacher, Auditor or other authorised persons.

Regular claims for reimbursement shall be properly certified and supported by receipts.

Personal cheques shall not be cashed from petty cash.

The Headteacher or a Deputy Headteacher shall make periodic checks on petty cash funds.

9.4 Voluntary Funds

Voluntary funds provide the school with an additional source of finance.

The Headteacher shall ensure that voluntary funds:

- Adopt a treasurer and independent auditor.
- Adopt rigorous accounting procedures.
- Have cheques signed by two signatories.
- Are audited annually.
- Submit annual accounts and a report to the Governing Body.
- Are kept separate from government funding.

Personal cheques shall not be cashed from the voluntary funds.

Annual accounts for voluntary funds shall be displayed on the staff room notice board.