

St Edmund's Catholic Primary School

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St Joseph's Catholic Primary School

FINANCE POLICY

Policy Adopted: Summer 2014

Reviewed: Autumn 2018

Review Date: Autumn 2019



Governance (See also purple handbook supplied by LA– School Financial Administration)

General

A list of all governors, their areas of responsibility and terms of reference is maintained by the Headteacher who keeps the records.

The governing body meets twice a term.

The governing body agrees, no later than by the end of term, the dates of meetings for at least the next term.

The Governors

The governing body has approved the Governing Body Decision planner which shows who is responsible for key tasks. This is reviewed in the Summer Term. Although decisions may be delegated, the governing body as a whole remains responsible for any decision made under delegation.

The governing body is responsible for the overall direction of the school; it determines the school's spending priorities and evaluates the effectiveness of spending decisions.

The Headteacher

The governors delegate responsibility for the day-to-day management of the school to the Headteacher according to the decision planner.

The Headteacher/Business Manager ensures that sound systems of internal control are in place.

The Business Manager in consultation with other members of the Senior Leadership Team compiles draft budgets.

The Business Manager monitors the budget and supplies the Headteacher and Governor responsible for Finance with monitoring information. The information takes the form of a budget report produced from the SIMS accounting system with a written budget commentary when necessary, as shown on the Record of Financial Responsibility. All of the reports shown in the Record of Financial Responsibility can be made available at any of the Governing Body meetings when the Governor with financial responsibility feels it is necessary.

The Staff

Staff comply with financial regulations in Suffolk's Scheme for Financing Schools and any School specific requirements.

Staff are responsible for any budget whose management is delegated to them and are referred to as Budget Holders. They are responsible for completing internal order forms, passing signed paperwork to the Finance Room and monitoring their budgets. A printout is issued half termly, but may be obtained whenever required. Each budget holder is responsible for placing a bid for their capitation allowance at the start of each financial year.

The Finance Governor

The finance governor is responsible for:

- In consultation with the Headteacher, to draft and approve the first formal budget plan of the financial year.

- To establish and maintain an up to date 3year financial plan.
- To consider a budget position statement including virement decisions at least termly and to report significant abnormalities from the anticipated position to the full Governing Body.
- To ensure the School operates within the Financial Regulations of the County Council.
- To annually review charges and remissions policies and expenses policies.
- To make decisions in respect of service agreements.
- To make decisions on expenditure following recommendations from other committees.
- To ensure, as far is practical, that Health and Safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher.
- In the light of the Headteacher Performance Management Group's recommendations, to determine whether sufficient funds are available for increments.
- To receive, open and accept tenders for contracts as per the Record of Financial Responsibility (RoFR) as set by the governing body.
- To report to the LA on the intended use of surplus balances.
- To report to the LA on the recovery of deficits.
- To assess the budgetary implications of and review of staffing and advise the governing body accordingly

Expenditure Limits

The inclusion of an item in the approved budget plan gives authority to spend, save that the Headteacher seeks approval from the finance and personnel committee for any individual transaction in excess of the amount agreed in the Record of Financial Responsibility (RoFR)

The Headteacher authorises virements up to the amount agreed in the Record of Financial Responsibility (RoFR). Above this amount the approval of the governing body is sought. All virements are minuted

Orders

Quotations are obtained or tenders sought for purchases exceeding the limits according to the details in the RoFR.

Minutes

Minutes are taken which record the basis for any decisions made and clearly state the decisions themselves. This may include copies of discussions that have taken place on the Governors' communication website (Slack)

Register of Business Interest (Pecuniary Interest)

The Headteacher maintains a register of business interest for governors and for staff. The register is maintained annually in September and is kept in the office.

GENERAL

Capitation Budgets.

Funds are allocated to subject areas based on the School Development Plan

Rolling Replacement

Each year an allocation will be made in the budget to allow for a rolling replacement of ICT equipment. An allocation will also be met to accommodate a programme of re-decoration. Replacement of items such as furniture will be considered as part of premises audit.

FINANCIAL PLANNING

The School development plan includes a statement of its educational priorities to guide the planning process. The School development plan states the priorities in sufficient detail to provide the basis for construction budget plans.

There is a clear, identifiable link between the School's annual budget and the School development plan, which is shown on the Budget plan

For each of the key issues in the School development plan, costs and other inputs are identified and budgets prepared.

The School development plan is reviewed in the Summer Term to ensure that educational priorities are stated for the next 3 years and shows how the use of resources is linked to achieving the goals.

The School budget is revised after the review of the development plan and resources identified within the budget to deliver the plan's priorities.

The School budget is maintained for the current financial year and at least 2 further years.

The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget. The LA provides the School with a 2 year delegated budget which has been inflated, expenditure is also inflated to offset this.

The budget and cash flow forecast are profiled in accordance with likely spending patterns.

In the event of a budget surplus, this is earmarked for future specified use.

A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.

All new initiatives are appraised by the governing body in relation to their costs, benefits and sustainability.

The main elements of the budget are fundamentally reviewed within a five year cycle. Benchmarking information helps to identify priorities.

The budget cycle is as follows:-

Spring Term:-

- If necessary, the Business Manager prepares a revised budget for the current year for the governing body to consider at its meeting in the first half of the term.
- The budget revision, is taken to the next meeting of the governing body for governor approval.
- The approved budget revision is sent to the LA.
- A draft budget plan for the coming financial year, is prepared by the Business Manager in consultation with the Headteacher, Leadership Team and Governors. The plan is approved by the governing body by 31st March.
- The Business Manager submits the approved budget plan to the LA by 30 April each year.

Summer Term:-

- The Business Manager, in consultation with the Headteacher and Leadership Team prepares a revised budget for the governing body to consider. The revision takes account of the actual balance in hand or overspending for the previous financial year.

- Once approved the budget revision is sent to the LA by the end of the summer term.

Autumn Term:-

- The Business Manager, in consultation with the Headteacher and Leadership Team prepares a revised budget for the governing body to consider. The revision takes account of any changes to the School development plan, staffing adjustments and changes to the number of pupils on roll.
- Once approved the budget revision is sent to the LA by the end of the Autumn Term

BUDGET MONITORING

The Business Manager produces monthly monitoring reports, which include committed expenditure.

The Governor responsible for finance receives a Budget Position Statement at least half termly with a commentary when appropriate

All of the reports stated on the Record of Financial Responsibility can be made available to governors at the Governing Body meeting or uploaded to Slack when requested by the finance governor.

The Business Manager identifies and recommends to the Governors appropriate remedial action for budget variances.

The Business Manager recommends to the Governors how to vire any in-year under spends as per the RoFR.

The Headteacher monitors expenditure initiatives in the School development plan.

Heads of Departments and Budget Holders are supplied with half termly monitoring reports. The Headteacher/Business Manager monitors devolved budgets and agrees remedial action plans where necessary.

PURCHASING

All orders comply with the LA's Standing Orders for contracts as published in Suffolk's Scheme for Financing Schools.

The School demonstrates value for money through competitive tendering, when appropriate or by using County Stores or other approved purchasing arrangements and any plan to let a contract in excess of limits set out in the RoFR without tendering would be referred to the council's Sourcing, Procurement and Contract Management team for advice.

Should the school ever wish to purchase goods/services with an aggregate value greater than the EU threshold, (currently £139, 893.00 for goods and services and £3,497,313 for works), an advert in the official journal of the European Union would be legally required and the school would again seek the advice and assistance of the sourcing/procurement and contract management team before proceeding.

The school would obtain professional advice where a contract is likely to involve:
 Outsourcing or redundancy of staff employed by the school or the county council;
 Or transfer of staff from an existing provider to a new one.

The school will at all times maintain a full audit trail of all procurement actions.

Prior approval of the governors is obtained for any expenditure in excess of figures agreed in the RoFR. Orders are not artificially split to evade this limit.

The School will not enter into any 'financial lease' and will ensure that any lease entered into is an 'operating lease'.

Please see RoFR for amounts between which three written quotations are required.

If a quotation other than the lowest is accepted it is reported to governors and the reasons minuted.

Contract specifications will contain the following:-

- Contract duration
- Definitions
- Contract Objectives
- Services to be provided
- Service quantity
- Service quality standards
- Contract value and payment arrangements
- Information and monitoring requirements
- Procedure for disputes
- Review and evaluation requirements

The official financial information (FMS) will be used for all orders. Any urgent verbal order is confirmed by a system order. The County Ordering pad may be used for Capital Allocation Orders

Individuals will not use official orders to obtain goods or services for themselves.

All orders are signed by an authorised signatory. A list of authorised signatories is maintained by the Finance Office. The authorised signatory is not permitted to create and certify any orders.

The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision.

Each order placed is automatically entered into the School's financial system as a commitment.

The School checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order.

Payment is made within the agreed time limits after certification by an approved signatory.

Payment is only made against the original suppliers' invoice and not on a statement.

FINANCIAL CONTROLS

The Headteacher has a secured contingency arrangement in place to ensure that financial control can be maintained in the absence of key staff. These arrangements are:-

Cover for Business Manager – Finance Officer
Cover for Finance Officer – Business Manager

The Headteacher has due regard to separation of duties in organising financial duties. At least two people are involved in the completion of tasks and the work of one acts as a check on the work of the other.

The School maintains proper accounting records. An audit trail can be maintained for all financial transactions. Any alterations are made in ink and initialed to identify the person making the alteration.

Documents relating to financial transactions are retained for 6 years plus current

All records are securely stored and accessed by authorised staff.

Where there is a requirement to account separately for earmarked funding the Headteacher ensures this is done and that money is spent on its intended purpose.

INCOME

The Governing Body reviews and approves the Schools charging and remissions policy annually.

Proper records of all income due are kept. The Schools financial information package FMS is used to produce invoices when appropriate. When this is not appropriate, the County's official 'A' Account pad is used. For transfers of funds between county council departments, a Journal Transfer must be completed.

Parents paying online receive an emailed receipt. Income sent to school is entered on Tucasi to individual pupil accounts (which can be viewed by parents) and entered on FMS prior to banking. Official receipts will not be given unless specifically requested.

Pending banking, cash and cheques are locked away in a secure safe

Income is banked within one week of receipt for dinner money and two weeks for other banking. The Business Manager and Finance Officer are responsible for taking income to the bank. Income is not used for making any payment for cashing personal cheques, although the School may exchange a petty cash cheque for cash.

Income recorded in the accounts is reconciled monthly with the bank statement.

Where invoices are required, they are issued with a 30 day payment term.

The School sends a reminder for any unpaid invoice after 3 weeks, a second reminder and a final reminder after 9 weeks. A School invoice will be placed in the hands of the County Council (by issue of official 'A' Account), should the debt remain unpaid. Debts are written off only in accordance with the Schools bad debt policy.

For official funds, the School banks with Lloyds Bank. The bank account name is For SCC St Edmund's and St Joseph's Catholic Primary School Bank, reconciliations are completed monthly and any discrepancies resolved.

The reconciliation statement is initialled by the person undertaking the reconciliation and reviewed and countersigned by an authorised signatory.

The School is not allowed to go overdrawn, and will apply to the LA for a cash advance should there be insufficient funds.

Each cheque written is signed by two authorised signatories and supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-signed.

All cheques are crossed 'account payee' and are stored securely when not in use.

PAYROLL

Personnel procedures, including appointments, promotions and terminations are supervised by the Governing Body.

The Headteacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.

All staff data is entered onto the Schools personnel information package (SIMS) and is reconciled with the ORACLE download. Only authorised staff are allowed to access personnel records.

Arrangements have been made for staff to access their own records. These are in writing to the Headteacher.

Payments to individuals are processed only through the payroll system, no local payments are made except for expenses to teaching staff via the petty cash system.

PETTY CASH

The level of petty cash held is according to the RoFR

Cash is held securely and access to it is restricted to authorised staff.

Payments from petty cash are according to limits set out in RoFR. Expenses over this amount are reimbursed to employees by means of cheque.

Payments from petty cash are supported by a petty cash claim form and VAT invoices/receipt.

Transactions are entered onto the Schools financial information system (SIMS).

Petty cash is reconciled on at least a termly basis. A report of all transactions is run and the reconciliation statement countersigned by an authorising signatory confirming the report balances with cash.

Personal cheques are not allowed to be cashed with petty cash

TAX

The headteacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the construction industry scheme.

Only VAT invoices are paid for transactions involving VAT.

In the case of the reimbursement of expenses, the VAT invoice must be in the name of the School and not an employee, as VAT belonging to the County Council can only be claimed by Suffolk County Council.

The School completes a monthly VAT return on SIMS, which is reimbursed. This is done on the first available day after month end.

ASSETS

An up to date inventory is maintained of all items of equipment. Those that are portable, valuable and desirable are identified as School property with security stickers that bear the School name and equipment number.

The inventory is reviewed in the Summer Term and signed as evidence of the check having being undertaken.

A log of School property that is taken of site, by staff or pupils is maintained. This property includes musical instruments and computers. The register is held in the general office, and referred to as the 'Equipment Borrowed Book'.

The governors have approved a policy in relation to redundant equipment – it is with the bad debt policy.

The safe is kept locked and the keys are removed.

The School's asset management plan is supervised by the Business Manager and Headteacher.

INSURANCE

The School reviews all risks annually to ensure that the cover available and the sums insured are adequate.

The governors consider whether to insure against any uncovered risk at the start of the financial year with the budget process

The School will notify the LEA/insurers of any new risks or any other alterations affecting existing insurance.

The School will not give any indemnity to a third party.

The School will immediately advise the LA/insurers or any accident, loss or other incident which may give rise to an insurance claim.

Insurance will cover the use of School property when off the premises, eg musical instruments/computers.

DATA SECURITY

Computer systems used for School management are protected by password security (ie screen savers, logins and passwords etc). Passwords are changed quarterly and more frequently in the event of staff changes.

All data is backed up daily via REBUSS ('cloud' service provided by SCC)

The Headteacher/ICT Lead has established a contingency plan for recovery from an emergency.

Only authorised software is installed on any School computer to safeguard against computer viruses, all software has be installed by the ICT Lead.

Equipment made available to staff should be used for authorized use only eg digital cameras for photography related to school.

The governors ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 1998 and that the Schools use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.