



Christchurch Infant School

Financial Procedures Policy

Approved by Board of Governors:	Sept 2021
Next Review Date:	Sept 2022

The objectives of this policy are to set guidelines for the establishment of sound and effective financial procedures. By complying with current financial regulations and adopting good working practices such as:

- establishing proper financial management arrangement and accounting procedures, in line with the LA, OFSTED and DfE recommendations;
- maintaining a reliable system of internal controls;
- ensuring that resources are properly allocated and that the principle of value for money is adopted;
- outlining the areas of responsibility within the school;
- ensuring that the requirements of accountability are fulfilled; • ensuring appropriate training is undertaken by budget holders.

The school aims to operate in a transparent, ethical and accountable way which will promote effective management.

1. **Responsibilities**

- 1.1 **Governors** are responsible for ensuring that the school's finances are managed effectively and for approving and monitoring the budget. They should establish the financial limits of delegated authority. They complete an annual review of the school's financial controls (Schools Financial Value Standard-SFVS) which is returned to the LA by 31 March each year.
- 1.2 **The Headteacher** has overall responsibility for the school's activities and is therefore considered to be the person with overall responsibility to the Governing Body for the financial management of the school. The Headteacher should ensure that:
 - the Governing Body is provided with financial advice
 - proper and adequate financial systems and controls are in place
 - accounts are prepared and maintained as required by the Governing Body and the LA.
- 1.3 In the absence of the Headteacher, the Governing Body will automatically invoke all delegated functions and signing powers to the Deputy Head.
- 1.4 In the absence of the Chair of Governors, the Governing Body will automatically invoke all delegated functions and signing powers to the Vice-Chair of Governors.
- 1.5 The Headteacher delegates most of the day-to-day financial management to the School Business Manager while retaining ultimate responsibility.
- 1.4 The School Business Manager provides support to the Headteacher in the day-to-day operation of the financial systems.

2. **Financial Planning & Monitoring**

The budget is the financial dimension of the school improvement development plan. By identifying and allocating financial resources, the school prioritises its targets and

objectives and facilitates the achievement of its educational aims. By monitoring progress against budget the school can react promptly to variations against the plan to avoid deficits or excessive surplus balances.

Activity	Detailed task	Responsibility and other supports
Planning the budget	To estimate allowance, income, grants, etc.	LA, Headteacher, SBM
	To identify and propose priorities in relation to the SIDP	Headteacher, FGB, SLT
	To review and propose changes in staffing needs	Headteacher, SLT
	To draft budget options	SBM, Headteacher
	To evaluate budget options	Headteacher, SLT, FGB
	To prepare final draft budget	SBM, Headteacher
Approving the budget	To propose final budget draft including following 3 years	SBM
	To approve & submit to LA by 1 May	FGB, SBM
Monitoring and reviewing the budget	To review local financial systems reports (e.g. FMS) and investigate any discrepancies against budget on a monthly basis	Headteacher, SBM
	To report about financial matters to the Resources Committee and the FGB	SBM
	To produce a Forecast Outturn and submit to the FGB by 30 June, 30 November, and 28 February	SBM, Headteacher, FGB
	To produce a quarterly actual and revised (if necessary) budget: Income and Expenditure statement and submit to the LA for period ending 30 June (by 14 July), 30 September (by 14	SBM

	October), 31 December (by 14 January) and 31 March (by 14 April) each year.	
Virements	To recommend virements	Headteacher, SBM
	To approve virements	FGB
	To submit virement to LA (with quarterly actual & budget)	SBM

3. **Payroll**

Payroll is contracted to Dorset Council.
The school is responsible for:

Activity	Detailed Task	Responsibility
Staff Contracts	Ensuring all forms are completed during recruitment together with any variations of contract being sent to Dorset Council for processing. Once Dorset Council have set up the contract, check that the details are correct.	SBM
Weekly/monthly returns	To complete and approve overtime claims and supply teacher claims and send to Dorset Council to meet payroll deadlines.	SBM, Deputy Headteacher, Headteacher
Sickness Absence Return	To complete monthly SAR for sickness or other absence.	SBM
Notify Dorset Council HR	Inform Dorset Council HR of all joiners and leavers	SBM

Monthly payroll printout	To check monthly printout for irregularities, including staff that have left or are not employed by the school. If actual payroll expenditure is different from budget, investigate any discrepancies.	SBM
Nominal Roll	To check staff contract details are correct	Headteacher, SBM

4. **Purchasing**

Purchasing procedures have been put in place to ensure that the school follows the fundamental principles of: probity, accountability and value for money.

Segregation of duties is used wherever possible: requisition orders are placed by the Budget holders/ SBM and authorised by the Headteacher. Invoices are processed by the SBM and cheques are signed by the Headteacher, Deputy Headteacher or SBM (two signatures are required for each cheque). It is not possible, however, to have complete segregation of duties due to the limitation of staffing arrangements. The SBM raises purchase orders and the Headteacher signs them. When invoices are paid an authorisation form is completed for each invoice and this is authorized by the Headteacher. All payments are now made online and this form gives that authorisation for the SBM to pay the invoice.

The school is careful to apply the principles of value for money, the governors conduct an annual review of value for money which includes:

- Annual benchmarking
- Review of contracts
- Review of top suppliers
- Review of all orders over £5000

All purchases estimated to be above £20,000 should be put to tender and comply with the Standing orders on contracts and sub contracts. The governors should ensure that at least three contractors are invited to submit tenders.

Three quotations should be sought for estimates of £5,000 and up to £20,000 and a Best Value form completed for the purchase.

Estimates under £5,000 should follow the principles of value for money.

When considering the total cost of a purchase, maintenance costs, annual renewal fees and other ongoing costs are considered for a 4 year period.

Non-order invoices are discouraged.

E-purchasing and telephone orders should always be authorised beforehand and supported by the issue of an official order. The same controls over purchasing goods and services apply regardless of how the goods are paid for (e.g. cheque, online payments).

Budget holders are responsible for the management of their budget account within the limit of their budget and in relation to the School Improvement Plan.

The Governing Body must update annually a register of business interests for each member of the governing body including Associate governors, Headteacher and the SBM.

The school abides by the terms and conditions over Purchase cards for schools.

Activity	Detailed task	Responsibility
Placing orders	Requisition orders	Budget holders
	Responsible for agreeing on requisition orders within limit of account budget	Headteacher
	Responsible for agreeing orders above limit of account budget	Headteacher

Deliveries	Responsible for agreeing purchase above delegated limit	Chair of Governors
	Responsible for obtaining quotes	Budget holder, SBM
	Responsible for seeking tenders	SBM and Headteacher
	Responsible for placing official orders	SBM
	Responsible for signing orders	Headteacher
	Responsible for checking delivery against order.	Caretaker/Budget Holder/SBM/Office
	Responsible for returning and/or exchanging goods	SBM
Invoices and Payments	Processing invoices for payment	SBM
	Authorises cheques for payment	Head teacher, Deputy Headteacher
	Prepares invoices for online BACs payments	SBM
	Authorises online BAC's payments	Head teacher
	Authorised signatory of <i>Purchase card</i> (purchase authorised by Headteacher first)	SBM
	Authorised signatures on delegated account (2 signatures)	Headteacher, Assistant Headteacher, SBM

5. **Cash Handling for Delegated Account**

Cash handling should be kept to a minimum and whenever possible and practical, transactions should be done by cheques or **online banking**. Monies should be kept in a safe and secure place and promptly paid into the bank accounts.

The majority of receipts are collected by Parent Pay. However cash is also collected for the following purposes:

- school trips
- fundraising
- donations

Cash received will be promptly counted by the Office, the amount and details recorded on a weekly/fortnightly sheet and signed for as evidence. The SBM will then check the amount, sign as evidence of receipt and put away in the fire proof safe. The sheet is used to record the amount banked.

Audit recommendations on safe limits and transit of money should be adhered to and in line with LA insurance limits.

The school chooses to not operate a petty cash system. All expenditure should be supported by receipts identifying any VAT paid and will be paid to reimburse via online payment.

The following guidelines should be followed when handling cash:

- avoid counting cash in public
- avoid leaving cash unsecured in an unattended area or room
- use the fire proof safe to store large amounts of cash
- receipts are given for cash received from lettings or on request

Activity	Detailed task	Responsibility
Collection of money	Collection of curriculum related money	SBM, Office
	Collection of money from lettings	SBM
	Collection of money for fundraising, donations, private calls and other sources	SBM, Office
Cash received	Counting and recording of money	Office/SBM
	Preparing banking	SBM
	Transporting cash to bank	SBM

6. **Reconciliation of accounts, financial reporting and collation of information**

The school needs to continually monitor its financial progress and report on it to various bodies, such as the governors, LA, OFSTED and DfE.

The school also needs to complete various claims in relation to income and expenditure.

Information gathering is an important factor in the effective management of the school's finances.

The list of reports, claims and returns, and their submission deadlines, is usually defined by the LA or the DfE.

Activity	Detailed task	Responsibility
Reconciliation of bank statements	Monthly reconciliation of bank statements for Delegated and Voluntary Fund accounts. Investigation of discrepancies. Agreed by	SBM Headteacher
Reconciliation of Purchase card statement	Monthly reconciliation of purchase card transactions to finance system and LA spreadsheet Purchase card transactions approved on Barclaycard system by	SBM Headteacher
VAT submittal report	Monthly preparation of VAT submittal report to be sent to LA by 7 days after calendar month Agreed by	SBM Headteacher
Automatic reconciliation of Payroll account (Autorec)	Monthly reconciliation of school's data Autorec file with Payroll Bac's summary spreadsheet by Dorset Council Agreed by	SBM Headteacher
Travel claims Overtime claims	Checking claims prepared by claimant Agreed by	SBM Headteacher, Deputy Headteacher

Activity	Detailed Task	Responsibility
School Census	Annual pupil census preparation Agreed by	SBM Headteacher

School Workforce Census	Annual workforce census preparation Agreed by	SBM Headteacher
CFR Return	Preparation of annual return Agreed by	SBM Headteacher
Financial Risk & Control Checklist	Prepare annual review of financial control for the Governing Body	Headteacher SBM, FGB
SFVS (submitted to LA by 31 March each year)	Completed and submitted	Governing Body SBM Headteacher

7. Lettings

The school has a lettings policy which establishes the general conditions for letting the school premises.

The charging policy is the responsibility of governors and lettings fees are regularly reviewed by the full governing body.

Records are kept of bookings and invoices.

A letting contract establishes the condition of let for each individual hirer.

Activity	Detailed task	Responsibility
Lettings fees	Establishment of charging policy	Full Governing Body
Contracts	Authorisation of lettings	Headteacher
	Preparation of individual letting contracts	SBM
Booking and Invoicing	Monthly preparation of booking forms and invoicing	SBM
Collection of fees	Half termly collection of fees and follow up if necessary	SBM

8. Asset Register

The Governing Body is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of moveable, non-capital items.

The Headteacher is responsible for ensuring that assets under her control are correctly recorded in the Inventory record.

Disposal of assets should follow the procedure set down by the LA (see Appendix 1).

A report detailing all assets written off should be presented to the Governing Body annually.

Activity	Detailed task	Responsibility
Updating Inventory log	Recording of new asset	IT Technician
	Physical check of equipment against relevant records	IT Technician
Monitoring	Annual monitoring of inventory books	Headteacher FGB
Disposal of assets	Disposal of assets with nil or nominal value	Headteacher
	Disposal of assets with market value	Full Governing Body

9. **Annexes**

10.1 List of people with access to safe

The following people are authorised to access the fire proof safe:

- Headteacher
- SBM

10.2 List of people authorised to sign cheques

- Headteacher
- Assistant Headteacher
- SBM

a. Reference documents used for the management of school finances

BCP Scheme for Financing Maintained Schools 2019	LA
BCP Schools' VAT Manual	2020 LA

Appendix 1

Disposal of assets is part of the Schools Financial and Admin Regs – see extract below.

PROPERTY, EQUIPMENT AND STORES

1. The Governors shall be responsible for the custody and control of equipment and stores held at the establishments under their control
2. Governors shall maintain an inventory of moveable assets under arrangements agreed by the County Treasurer.
3. All moveable property of the school shall as far as practical be marked as school property.
4. Moveable property surplus to the School's requirements shall not be disposed of except by sale on the authority of the Governors. The sale shall normally be by public auction or competitive tender but, where neither is appropriate, the Governors shall adopt the best method to serve the interests of the School. Where the sale is to a governor or an employee of the School or the Authority, the written authority of the Chief Executive shall first be obtained. Provided that this regulation shall not apply to goods sold generally as a normal day to day School activity.
5. If it appears to the Headteacher that there are deficiencies of equipment or stores a report shall be made immediately to the Governors and the County Treasurer, who may authorise the items to be written off. The Governors must maintain a record of all items written off.