



Batchwood School

make every day count

Finance Policy

1. Organisation

The Governing Body of Batchwood School is ultimately responsible for managing the budget delegated to the school. This document sets out the financial procedures to be adopted. These procedures will be reviewed on a regular basis.

The Governing Body has established a Resources Committee with delegated responsibility for managing the school's delegated budget. The Resources Committee will be elected annually and shall consist of at least three members of the governing body plus the Headteacher as ex-officio. Two shall be quorate.

Formal 'Terms of Reference' for the Resources Committee have been published. A summary of these Terms of Reference is as follows:

- To prepare the budget at the start of each financial year for approval by the full governing body.
- To meet at least once each term.
- To receive budget monitoring reports from the Headteacher.
- To consider the need for virement that would amount to an excess of £1000 per month on the budget head involved and to authorise such virement as may be necessary.
- To report back to each meeting of the full Governing Body and to alert it of potential problems at an early date.
- To receive quarterly and year end accounts.

The Governing Body delegates responsibility for the day to day management of the budget to the Headteacher. The terms of reference for the delegation are as follows:

- To manage the day to day financial transactions of the school, including the placing of orders. Orders over £5,000 are to be authorised and counter-signed by the chair of the Resources Committee. Orders over £10,000 have to be approved by the full Resources Committee.
- To manage the ordering and payment of equipment, materials and services required by the school and to ensure that appropriate records are maintained. To have authority to sign cheques up to £1,900 as sole signatory, subject to the conditions above. All cheques for £2,000 and above must be signed by the Headteacher and another authorised signatory.
- To have authority to authorise payment of indirect employee expenses (overtime, special allowances, travel expenses etc). In the absence of the Headteacher this authority is delegated to the Deputy Headteacher.
- To ensure that goods and services are checked and that the correct payment procedures are followed.

- To conduct monthly bank reconciliations with the School Finance Secretary and Local Authority Financial Support Representative. To monitor the budget on a monthly basis and make termly reports to the Resources Committee. To meet with the Resources Committee when required and to provide it with information to enable it to carry out their duties as outlined above. Prepare the draft school budget for consideration by the Resources Committee.

For specific developments, the Governing Body may set up a working party of governors to oversee the project. This working party shall consist of at least two governors and the Headteacher. The Chair of Governors - or Vice Chair if unavailable - should be a member of the Working Party. Decision making authority is delegated in line with the terms of reference for the Resources Committee.

- Leases in excess of £10,000 need the approval of the Chief Financial Officer at County Hall.

2. Budgets

The general aim of the Governing Body in respect of financial matters is:

- to manage the delegated budget in a sound manner for the maximum benefit of the pupils, parents and staff of the school.
- to establish the budget procedures outlined in this document, and to monitor these on an annual basis.

3. Timetable

The annual timetable for financial reporting and control will be as follows

Spring Term:

Resources committee meet to:

- monitor progress on current budget
- prepare the budget for next financial year.
- agree the draft budget to be presented to the full governing body.
- approve end of financial year returns to the Local Authority

Early Summer Term:

Full Governing Body meet to consider the previous year's budget and to outline plans for future years in line with statutory requirements, including consideration of purposes of fund balances, and making plans to avoid deficits.

Monthly:

- Budget monitoring reports for the Headteacher are drawn up by the Local Authority Finance Representative and the School Finance Secretary.

Termly:

- Headteacher to provide budget monitoring statements to Resources Committee.
- Resources committee meet to monitor budget and to make any changes that may be required.

- **Budget Headings and Delegated Budgets** A range of budget headings are required for returns to the Local Authority. These are defined in the LEA's Financial Regulations document.
- The Governing Body monitors Supplies and Services, by subdivision and delegation in the following way:
 - **School Improvement:**
 - o School Development Plan Projects Headteacher
 - o Non-School Development Plan Projects Headteacher
 - o Curriculum Deputy Headteacher
 - o Non-Standards Training Monies Headteacher
 - o Premises Related projects Headteacher
 - **Consumables and Administration**
 - o _ Central Stock Deputy Headteacher
 - o _ Office costs Headteacher
 - o _ Repairs and Maintenance Materials Headteacher
 - o _ Housekeeping/Health & Safety Headteacher
 - o _ Minibus Expenses Headteacher
 - **Delegated budget holders** - will be responsible for managing the funds at their disposal in accordance with the guidelines set out in this document.

5. Budget Monitoring

The budget will be monitored on a monthly basis by the Headteacher. Notes will be made of significant variations from forecast budget and virement procedures carried out as required.

Termly reports will be made available to the Resources Committee.

6. Internal Financial Control

The main duties and personnel involved are listed below:

- o Completing order books Office staff,
- o Signing order books Headteacher /Deputy Head
- o Checking deliveries against invoice Office staff
- o Checking invoice and passing for payment Office staff
- o Final check of invoice and completion of cheque Finance Secretary
- o Signing cheques (general - up to £2000) Headteacher on own or Deputy and Head of Care
- o Counter-signing cheques (over £2000)/Headteacher /Deputy Head
- o Filing invoices etc Office staff

- o Keeping computer records Finance Secretary/Local Authority Finance Personnel
- o Monthly reconciliation Finance Secretary/Local Authority Finance Personnel
- o Monitoring Headteacher/Resources Committee
- o Quarterly Monitoring Headteacher/Chair of Governors

The Deputy Headteacher along with Head of Care is authorised to sign orders up to the value of £1000 together.

The accounting records will be kept in the Main Office and will be made available only to full members of the governing body, the Deputy, and authorised officers of the Local Authority. The documents will only be altered in the way detailed below in the section on computer systems. A full list of authorised signatures for other aspects of financial control is given in the appendix.

7. Bank accounts

The governing body delegate to the Resources Committee the power to open new bank accounts where necessary. No new bank account may be opened without the approval of the Resources Committee.

8. Business Cards

For expedient purchasing of supplies and goods, approved bank cards or shop account cards may be opened by the school, providing:

- o The cards are stored in the school safe at all times, other than when being used for purchasing;
- o Only the nominated signatory is able to use the cards;
- o All purchases should be pre-approved by the Headteacher or Deputy Headteacher;
- o Receipts must be obtained for all purchases and submitted to the Finance Secretary on return to school;
- o Use of the cards is closely monitored by the Headteacher.

9. Insurance

The Local Authority is responsible for insuring the structure of the building. The Headteacher is responsible for ensuring that the All Risks policy is maintained. The current policy held by the school is an all risks policy and individual items do not need to be listed. Property being used by staff off-site (e.g. computers taken home during the holidays) are insured once they reach the home of the member of staff. It should be noted that items are not insured whilst in transit, and staff should not leave equipment in cars.

Staff are required to seek written permission from the Headteacher or Deputy Headteacher to take school equipment off site. An Equipment Loan pro forma is provided for this purpose.

It is the responsibility of all staff to report items lost or damaged in whatever circumstances so that the Headteacher can make an insurance claim if this is appropriate.

10. Computer Systems

The main financial records are processed with the aid of a 'stand-alone' computer system and appropriate software. The financial records are maintained using the County Local Authority approved software.

Both the school and the Governing Body are registered under the Data Protection legislation. Access to information is password protected and differing levels of access are assigned to individuals on a needs basis.

The Monthly record of income and expenditure will be completed by the Local Authority Finance Representative and the School Finance Secretary using the software mentioned. At the end of each month a printout will be obtained and reconciled against the bank statement. Any corrections necessary will be made at this stage and a final correct printout produced. This printout will be signed by the Local Authority Finance Representative and Headteacher and then filed.

No further alterations to the printout or the computer record will be permitted. Errors subsequently detected will be corrected by entries in the current accounting month and appropriate notes and references made. The financial records will be backed up to removable media and taken off site by the Local Authority Finance Representative.

11. Purchasing

Value for money

Value for money does not necessarily mean the cheapest item or service. Budget holders are responsible for ensuring that the goods and services they purchase represent good value for money. In most instances this will involve checking prices from different suppliers/catalogues and making the appropriate decisions. For major purchases County Supplies may be used to get quotes, and to advise on value for money.

Internet shops may be used in order to secure best value. In such cases, permission to order must be obtained from the Headteacher - or in his absence, the Deputy Headteacher. All purchases using staff credit or debit cards must be supported by a receipt in order to be reclaimed.

Where services are being purchased by the school - and where the cost is likely to exceed £1,000 - quotations should, wherever possible, be obtained from at least two sources. The main exception to this relates to known and established providers who have been approved by the Governing Body as providing best value. Such quotations will be kept until the end of the Audit. The Headteacher may order goods up to the value of £5000, but will need the approval of the Resources Committee - or designated working party, as appropriate - for orders in excess of £5000.

Major projects in excess of £5000 should have appeared in the budget planning process and the school development plan, excepting where they are underwritten by the Friends at Batchwood or another fund raising organisation.

12. Orders for goods and services

In the majority of cases goods and services will be ordered using the official order form as outlined previously. Exceptions to this are given below:

Local purchases: For some goods it is more convenient or more cost effective to use local suppliers.

Cheque with order:

In some instances savings can be made for small items and books by sending a cheque with the order. A copy of the order form and the cheque number will be kept by the Finance Secretary.

Internet purchases:

- All purchases must be supported by a receipt in order to be reclaimed.
- Official order forms must not be used for private purchases, and staff are not permitted to purchase goods or materials originally purchased by the school, except where items have been written off as redundant and no longer appropriate (such as old computer or audio/visual equipment).
- Due to the workforce remodelling agenda, the responsibility for completing order forms has been delegated to the non-teaching staff.
- Order forms will be checked by the Finance Secretary before passing to the Headteacher or Deputy Headteacher for signature. The Finance Secretary will keep a record of committed expenditure when she sends off the orders.

13. Payment of accounts

- Goods will be checked against the delivery note and invoice by the school clerical team or nominated person. Any shortages or mistakes must be notified to the prior to payment since they are difficult to remedy at a later stage.
- The office admin will be responsible for completing the cheque details before passing this to the Headteacher for signing. All invoices will be marked with the date and number of the cheque used for payment and filed by the office admin.
- Only the Headteacher can sign cheques up to the value of £2,000 by him/herself. The two other signatories may jointly sign cheques for this amount in exceptional circumstances. For cheques above £2,000 two signatures will be required.
- Signatories for the General Account are: Headteacher, Deputy Head and Head of Care.
- In the event of an invoice not being available the staff responsible will be required to complete a form giving details of the expenditure.

14. Personnel

Details of pay grades and appointment of staff etc. are given in the school's Pay Policy. Details of rates of pay are given in the Local Authority's budget information and other financial/personnel documentation. Personnel records, details of pay etc. will be kept in the main office and will be limited to those who have authority for access to them as detailed in the personnel guide. Each member of staff may view their own records at any convenient time.

Payroll transactions will be carried out on behalf of the school by the Local Authority's approved contractor (Serco). Any changes to the pay of individual members of staff must be authorised as outlined in the pay policy.

Records of pay are issued monthly by Serco and these will be entered on the monthly budget form. The Headteacher delegates responsibility for ensuring the accuracy of this information to the admin staff.

However, it will ultimately be the responsibility of the Headteacher to verify that correct payments have been made and that these are in line with the forecasts.

15. Security of Stocks

- Budget holders are responsible for the security of equipment and for maintaining adequate stock levels.
- The inventory of valuable items of furniture and equipment will be maintained by the clerical team. All goods valued at £250 or more (as this is the excess amount for any insurance claim) should be recorded on the inventory. Periodic checks of the inventory will be carried out by those responsible for various areas in the school: Head, Deputy, School Management Team, Caretaker.
- Property taken off site must be notified to the Headteacher or Deputy Headteacher when it is removed and when it is returned. Other than teacher laptops, the appropriate form should be completed and returned to the office.
- Items that have been damaged beyond repair or have just reached the end of their useful life should be notified to the Headteacher. These will be written off by the Headteacher and Deputy Headteacher and the inventory should be updated appropriately.

16. Income

The charging policy of the school is set out in the school brochure. In summary this policy is as follows:

- Parents are not normally asked to pay for educational activities, although voluntary contributions may be requested at the discretion of the Headteacher. Voluntary contributions may be requested for school visits also.
- Parents will be expected to contribute for pupils who are going on residential trips with the school, although the Headteacher will give full consideration to concerns raised by parents or staff regarding assistance towards the funding of such trips.
- All income to the school must be paid either to the general account or to the fund account so that proper accounting procedures can be used. The fund account is to be used for on-going development project, contingency arrangements for future projects and some special events. Other income will be paid into the general account. All income will be entered on the monthly record of income and expenditure and reconciled monthly.
- Some money coming into the school will be paid to the Friends at Batchwood account - for example, donations. The Friends at Batchwood account is for private funds and is therefore not subject to the procedures outlined in this document.
- Where official receipts are required the admin staff will issue these.
- Outstanding debts will be reported to the Resources Committee who will decide on the action to be taken and will authorise them to be written off if required.
- School meals income will be checked daily by the admin staff and records kept. Appropriate returns will be made to the Local Authority as required.

17. Banking Arrangements

- The admin staff will be responsible for all banking of monies and withdrawals when required.
- The bank statement will be reconciled with school accounts on a monthly basis by the Headteacher, admin staff and Local Authority Finance Representative.
- The school is not authorised to lend money for any purpose.
- Personal cheques cannot be cashed using school funds.

18. Petty Cash

Petty cash transactions will be kept to a minimum. All petty cash transactions will be recorded and signed for on the appropriate forms. VAT receipts will be obtained whenever possible.

19. Voluntary Funds

In general, these are administered using the same procedures and checks as outlined in this document. Where items of equipment are to be purchased using private funds a donation will be paid (or transferred from School Fund) to the school general account in order that VAT on the purchase can be refunded.

20. Pecuniary interests

Staff and governors are required, on an annual basis, to inform the governing body if they have a pecuniary interest in any of the school's suppliers. The official pro-forma should be used.

21. Bad Debt policy

The Governing Body of Batchwood School does not accept or allow bad debt. In all cases the Governing Body will act within the County Council's Financial Policy and Guidance (Section 2.1.6).

In some circumstances the Governing Body will seek the advice and support of outside agencies - such as Social Services and/or EWO - to support families who are in debt.

22. Key holders

The Headteacher is responsible for the maintenance of a list of key holders, although this is delegated to the admin staff on a day to basis. He/she will inform the local police of the named key holders. A printed list of Key Holders is kept in the main office.