

SVPS Finance Policy 2023 - 2024



Governor Committee Responsible:	Finance	Staff Lead	Mr. G. Mills
Status	Statutory	Review Cycle	Annual
Last Review	April 2023	Next Review Date	March 2024

Designation	Name	Date	Signature
Chair of Finance	Mr. O. Bain	18.04.23	
Head Teacher	Mr. G. Mills	18.04.23	

1. Budgets

1.1 Budget construction

The School Business Manager in consultation with the Head Teacher is responsible for the detailed preparation of the annual budget. In doing this they should consult with other members of staff to ascertain detailed requirements.

In constructing the budget, priorities identified in the School Development Plan (SDP) should be taken into account and the costs of these incorporated in the budget.

The budget total must not exceed the amount of the LA allocation plus or minus any balance brought forward from the previous year. If it appears that this cannot be achieved, the Head Teacher and Chair of Governors must inform the LA immediately this becomes apparent.

The Finance Committee must meet in the Autumn term to consider a broad budget strategy, and again in the Spring term to consider and approve the detailed budget. The full Governing Body must subsequently be informed of the Finance Committee's approval of the full budget, and this should be minuted. The LA must be informed in writing of the approved budget, in a format determined by the LA. This statement must be signed by the Chair of Governors.

In constructing the detailed budget, factors that must be taken into account include:-

- any anticipated changes in pupil numbers
- current and previous year's expenditure levels on individual budget headings
- Improvement Plan priorities
- staff pay awards and increments
- anticipated price inflation
- changes in the staffing complement and impact on staffing structure
- changes in the supply of services (gas, electricity, oil, water etc...)

1.2 Budgetary control and monitoring

The School Business Manager is responsible for regular, detailed control of the school budget and will keep the Head Teacher informed.

The Head Teacher/School Business Manager is empowered to take remedial action to address variances, by effecting virement between individual budget headings. Individual virements may be authorised as follows:

Up to £3,000	Head Teacher/School Business Manager (and subsequently reported to full Governing Body or Finance Committee)
£3,000 - £4,999	Chair of Governors or Chair of Finance Committee (and subsequently reported to full Governing Body or Finance Committee)
£5,000 and over	Finance Committee (and subsequently reported to full Governing Body)

Virements, once approved, must be promptly recorded in the school's accounting system to keep the approved budget up to date.

The School Business Manager will present detailed budget monitoring reports to the Finance Committee as requested.

The Finance Committee shall consider such reports; the School Business Manager/Head Teacher will provide explanations for any significant variances identified. This shall then be reported, via the minutes, to the full Governing Body, identifying any significant budgetary issues and any remedial action taken or needed, and any policy decisions needed.

The Head Teacher may assign budgetary control of individual budget headings to other members of staff. Such members of staff must receive termly budget statements as detailed above. The Head Teacher remains ultimately accountable to the Governing Body for these budget headings.

Year End Accounts must be prepared and presented to the Finance Committee for approval before being submitted to the LA. They will subsequently be reported to the Full Governing Body.

2. Payroll

2.1 Starters/variations/leavers

All forms for:

- setting up new employees on the payroll
- effecting variations that affect pay
- taking existing employees off the payroll

must be prepared by the School Business Manager and authorised (signed) by the Head Teacher, or, in his absence, Chair of Governors or School Business Manager. Such forms must then be submitted directly and promptly to The Local Authority.

2.2 Additional Hours Claims

Where possible, additional hours should be authorised by the Head Teacher, or in his absence, the Chair of Governors or School Business Manager. Additional hours claims must be submitted to payroll on a monthly basis using the SAP system. Authorised claims must be retained by the SBM for audit purposes, and never handed back to the employee.

2.3 Checking of payroll data

Payroll data to be summarised by the School Business Manager for input monthly by the SBMA.

Payroll data received monthly from the Local Authority must be scrutinised by the School Business Manager to:

- ensure all employees are recognised, and pay appears reasonable (no detailed check)
- check accuracy of pay calculations

2.4 Pay-related expenses

All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash or by the creditor payment system. If any doubt exists about whether an item should be processed via the payroll system, the Creditor Control section in The Local Authority must be contacted for advice.

2.5 Supply teachers

The Governing Body will decide, on the basis of advice from the Head Teacher, whether teacher absence insurance cover shall be taken out, and the extent of the cover. All claims submitted by supply teachers must be authorised (signed) by the Head Teacher, or in his absence, the Chair of Governors or School Business Manager. Reimbursement claims must be submitted on a monthly basis by the School Business Manager. The School Business Manager must check on a monthly basis that correct amounts have been charged as per the Local Authority payroll printout.

2.6 Countersigning

When forms are signed by the School Business Manager, copies must be countersigned by the Head Teacher or Chair of Governors.

2.7 Payments to Self-Employed Persons

When payments are made to self-employed persons providing a service e.g. swimming teachers, then they are required to complete a HMRC self-employed questionnaire. On receipt, this should be countersigned by the Head Teacher.

3. School Fund

3.1 Accounts

The accounts for the School Fund are to be maintained by the SBMA under the scrutiny of the School Business Manager. All income and expenditure will be entered promptly in the accounts by the SBMA. The SBMA will produce a monthly bank reconciliation following receipt of bank statements.

3.2 Signatories

The following are allowed to sign cheques on the bank account:-

- Head Teacher
- Deputy Head Teacher
- Assistant Head Teachers
- Chair of Governors

There must be two signatures on each cheque.

3.3 School Fund Final Accounts and Audit

Final accounts are prepared at the end of the School Fund financial year by the SBMA and reviewed by the School Business Manager. The accounts will be audited by an appropriately qualified person who will not be a member of the Governing Body. In appointing an auditor and operating the Fund, the Governors will follow the instructions laid down in the County Council's Manual on Unofficial Funds.

The audited accounts should be presented to the finance committee for approval and taken to the next Full Governors meeting. Governors' approval must be recorded in the minutes of the meeting. Once approved, the School Business Manager will return the requested form to The Local Authority in the format required by the LA.

School Fund monies must be kept, and recorded, separately from the school's capitation monies and securely held.

4. Assets

4.1 Inventory

The portable, desirable and attractive assets of the school, as well as any assets of intrinsic value, will be recorded in the school's ICT and Other inventories. Full details (make, model, serial number, approximate value) shall be recorded. All inventoried items disposed of will be removed from the inventory.

The SBMA is responsible for keeping the inventory up to date by adding new items when they are received into school and recording pertinent information alongside items that have been disposed of e.g: date, where, £ etc

Individual items up to a current value of £750 may be sold or written out of the inventories on the authority of the Head Teacher. The Finance Committee must authorise any over this limit and details should be recorded in the minutes. Reasons must be recorded in the inventory, together with the Head Teacher's signature (up to £750) or the Governors' minute reference (£750 and over). An official receipt for sales income must be issued to the purchaser.

Inventories shall cover all areas of the school, and be arranged on a room-by-room/area or staff member basis as appropriate.

The IT inventory shall be checked against the actual assets by the school's IT support provider and approved by the Head Teacher on an annual basis. Any discrepancies shall be investigated immediately, and if necessary the Governors and the Police shall be informed. The check shall be evidenced by the checker signing and dating the inventory.

All inventory items should be security marked by the SBMA invisibly with an ultra-violet pen.

4.2 Off-site register

Any inventory items taken off-site by members of staff for official purposes must be recorded in a register. The date borrowed, and the signature of the borrower, must be recorded. On the return of the item the date of return will be recorded. The register should be held in the main admin office.

5. Income

5.1 Credit income (where payment for goods/services provided by the school is made after the provision takes place).

An official invoice must be raised in all cases and sent to the debtor as soon as possible after the provision of the goods/service, and no later than one week after the provision.

A file of copy invoices will be held by the SBMA. The control record is held on FMS.

Lettings: See Lettings Terms and Conditions relating to late or non payment of invoices.

When an invoice is paid by cash an official receipt should be issued to the debtor, and a record receipt retained on the school's Cash Office system.

5.2 Cash income (i.e. where payment is received at the time, or in advance of goods/services being provided).

An official receipt must be issued to the payer and a duplicate copy retained at the school.

5.3 Banking

All income received (cash or cheque) must be banked promptly and intact. A record to evidence the banking must be kept (e.g. stamped paying-in slip).

5.4 Charging policy

The full Governing Body will set a Charging and Remissions Policy to cover:-

- lettings
- school trips
- music tuition
- consultancy
- reimbursement to consultants

The Charging and Remissions Policy will be reviewed annually by Finance Committee and recommended to the Governing Body. Charges levied by the school will be in line with this policy.

5.5 Donations

Donations from any sources must be acknowledged by the issue of an official receipt/letter of thanks to the payer. All donations must be banked promptly and intact.

5.6 Official Capitation and School Fund income

All income used to offset expenditure incurred on the capitation budget (e.g. lettings, photocopying, telephone calls, sales of work) must be paid into the school's ISB Fund and coded to an appropriate income code. Monies received from any sales of school equipment must similarly be paid into the ISB Fund.

Donations may be paid into the ISB Fund or the School Fund dependent upon the wishes of the donor which must be ascertained beforehand.

5.7 Cash received from pupils

Cash received from pupils in class must be collected by the class teacher in a secure "container". Cash collected must be handed over to the School Administrator immediately. The School Administrator will issue an official receipt for each payment received which will be handed to the class teacher for distribution at the end of the day. The exception to this is Dinner Money or other monies collected for a third party.

5.8 Security of receipt books and tickets

All unused receipts and tickets to be used to acknowledge receipt of income, must be held securely in the school office.

5.9 Monies held in school

In order to comply with insurance requirements, the amount of money that may be kept in school prior to banking is:

£500 in a locked drawer or filing cabinet

£10000 in unspecified, locked safe

Only 10% of the total value of cheques contributes to above limits i.e. £1000 of cheques equates to £100 of the limit.

In the private dwelling of an employee the limit is £500.

6. Purchasing of Goods/Services

6.1 Ordering

School procedures for purchasing should ensure that purchases are as required and are for bone-fide purposes.

At SVPS, the budget for curriculum areas is held centrally and any planned expenditure for curriculum resources and/or supply should be bid for using the appropriate request form and countersigned by the relevant KAT Leader. Once submitted, requests are considered by the Head Teacher to ensure that the expense is reasonable and in line with the school's aims/improvement priorities. If the Head Teacher is not available, then requests will be considered by:

- School Business Manager
- Deputy Head Teacher

Orders from other cost centres will only be processed following initial approval by the relevant budget holder.

Approved orders should be processed by the SBMA via the School Business Manager and the official order produced from the computer system must be signed by the School Business Manager or, in their absence, the Head Teacher before it is sent to the supplier. If an order has been placed over the telephone an official confirmatory order should be raised.

Official orders must not be used to procure goods for private purposes.

Copies of all official orders placed must be retained on file at the school.

When placing orders it is the responsibility of the School Business Manager to ensure that Gloucestershire County Council Financial Regulations and Standing Orders are adhered to, these being:

6.2 Quotations/tenders

Financial Regulations

- For orders for goods/services under £50,000:

£1000 - £5,000 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.

£5,001 - £50,000 - independent written evidence of at least three prices should be obtained and retained. These quotations should be on supplier's headed paper. They must be kept on file.

Independent written evidence means quotations provided on suppliers' headed notepaper.

- For orders for goods/services over £50,000:

Tenders should be invited in one of three ways

- from at least three contractors – ideally included on a standing GCC list, but not essential due to Foundation School status
- from at least three appropriate contractors
- by open competition by advertisement in local newspaper or appropriate journal

If considering a tendering exercise, advice from the LA should be sought with regard to the following:

- Drawing up specifications
- Inviting tenders
- Complying with European Union law
- Opening tenders
- Evaluating tenders
- Post-tender negotiations
- Awarding contracts

Tender documents should always be retained on file at the school.

Over £150,000 - Should the school wish to place a contract worth over £150,000 (for the lifetime value – not just a single year), the Head Teacher should follow the E.U.'s purchasing rules, about which, advice should be sought from the LA.

Please also read Appendix 1

6.3 Governor Consultation

As well as ensuring that the above have been adhered to, it is the responsibility of the Head Teacher to ensure that the Finance Committee are consulted in the following circumstances:-

- On purchasing decisions when the estimated cost of **ONE** single item exceeds **£2,500**
- Review of quotations obtained where estimated costs exceed **£12,000**
- Review of quotations when the lowest quote is not the most suitable

If the Head Teacher cannot get competitive prices/quotations/tenders (e.g. only supplier for specialist equipment), the Head Teacher must make Governors aware of this. The Governors can agree to waive the LA's rules for that specific purchase. It is important that all decisions to authorise waivers are recorded in the minutes of the Governing Body and each separate purchase requiring a waiver be authorised individually.

Should the school need to buy goods or services urgently, the Chair of Governors can agree to waive the LA's rules up to a value of £5,000, and this must be reported to the Governing Body at its next meeting

6.4 Receipt of goods

Once items ordered have been received, the School Administrator must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods the School Administrator/SBMA must ensure that both quality and quantity are appropriate.

6.5 Invoice check and authorisation

Invoices received must be checked to both copy orders and delivery notes by the SBMA to ensure that invoices relate to goods ordered and delivered. Invoices should also be checked for arithmetical correctness. All invoices must be certified for payment by the School Business Manager (or in their absence, the Head Teacher) before being passed for payment.

Invoices passed for payment must be recorded promptly in the school's accounting system by the SBMA.

6.6.1 Bank Transfers

There are 3 steps before actioning a Bank Transfer (see 1-3 below):

1. Invoices are approved for payment by the HT/SBM signing them.
2. Invoices are inputted by the SBMA.
3. Payment schedule is downloaded from FMS ready for payment.
4. A Bank Transfer is made by the SBM and payment confirmation is downloaded.
5. HT signs the Payment Confirmation which is supported by the invoices.

** Bank Transfers from the school bank accounts are only made by the SBM*

6.6.2 Cheque Payments

Cheques are to be raised by the School Business Manager/SBMA and submitted to the Head Teacher (or in their absence, the Deputy Head Teacher) for approval.

Two signatures are required. In our school, the following post holders are signatories:

- Head Teacher
- Deputy Head Teacher
- Assistant Head Teachers
- Chair of Governors

6.7 Use and Control for the School Credit Card

The school Credit Card will be held in a locked drawer and will only be used by the School Business Manager or Head Teacher. With the School Business Manager's authorisation, the SBMA will also use the school Credit Card to place orders on Internet shopping sites.

6.8 Petty Cash

Day to day operation of the petty cash account is the responsibility of the School Business Manager.

All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash record by the SBMA.

Petty cash claims must be authorised by the School Business Manager. Any petty cash claims submitted by the School Business Manager must be authorised by the Head Teacher, and any by the Head Teacher must be authorised by the Chair of Governors.

All members of staff who wish to purchase items from the petty cash account must obtain prior approval from the Head Teacher/School Business Manager following agreement by the relevant Budget Holder/KAT Leader. Vouchers (receipts, paid invoices etc.) to evidence the payment must be presented to the School Business Manager by members of staff when reclaiming cash from the account. These vouchers must be retained by the School Business Manager.

In normal circumstances individual purchases from petty cash must not exceed **£15**. In exceptional circumstances payments up to **£100** may be made, with the express prior approval of the Head Teacher. Such payments should be for emergencies only and should not simply result from a lack of planning. Cash payments will be limited to a maximum of £20. Any amount above this will be paid by bank transfer or cheque.

All cash and cheque books held must be retained securely.

6.9 Use of Consortium, and Term Contractors (Maintenance Work)

If the Consortium is used for any purchases, or if the LA-approved Term Contractors are used for maintenance work, then the school need not seek competitive quotations to comply with Financial Regulations. However if, for single purchases up to **£2500**, the Head Teacher wishes to obtain quotes in competition with the Consortium/Term Contractors, then this may be affected. Above **£2500**, Governors may decide to seek such competitive prices.

6.10 Expenses

Any expenses incurred through authorised school activities must be agreed in advance by the Head Teacher. GCC guidelines should be adhered to. There is a separate document detailing Governor expenses.

7. Register of Pecuniary and Other Interests

The Clerk to Governors shall maintain such a Register.

7.1 Persons to be included:-

- Governors
- Leadership Team
- Any other staff member that attends Governors' Meetings in an advisory capacity.

7.2 Interests to be recorded

The basic principle to be followed is that any interest should be recorded which could be seen to improperly influence any decisions taken, pecuniary or otherwise, regarding the operation of the school.

Examples of such improper influence might be:-

- to purchase goods or materials from a company in which a Governor/senior member of staff has a financial interest without going through the correct procedures re. obtaining competitive prices;
- promoting member of staff who has close personal relationship (spouse, partner, son, daughter etc.) with Governor/senior member of staff, without going through correct procedures re. recruitment and selection.

There can never be a definitive, comprehensive list of the interests which should be recorded, but the following is intended to give some guidance:

- having a financial, or other, interest in an organisation which could feasibly be in a position to supply goods/services to the school e.g.
 - building contractors
 - plumbing contractors
 - electrical contractors
 - audio/visual goods suppliers (e.g. T.V.s, video recorders, hi-fi etc.)
 - repair/maintenance of equipment (electrical and other)
 - suppliers of computer hardware and software
 - suppliers of stationery
 - suppliers of educational equipment (e.g. P.E. equipment)
 - suppliers of furniture, fittings, carpets, curtains etc.
 - decorating contractors
 - catering contractors
 - suppliers of provisions
 - suppliers of clothing
 - suppliers of building materials
 - suppliers of catering equipment
 - suppliers of fuel

- suppliers of vehicles
- suppliers of books
- grounds maintenance contractors
- gardening contractors
- suppliers of grounds/garden maintenance equipment
- suppliers of plants, trees, seeds etc.
- suppliers of heating equipment
- suppliers of lighting equipment
- suppliers of musical instruments
- suppliers of insurance
- consultants (e.g. legal, financial, training, property)
- suppliers of security services and supplies
- suppliers of art materials
- suppliers of telecommunications equipment
- suppliers of photographic equipment
- transport contractors (e.g. coaches, taxis etc.)
- holiday/travel operators
- suppliers of supply teaching cover
- suppliers of peripatetic teaching
- suppliers of banking services
- suppliers of workshops etc. (e.g. drama, music)
- the interest in the above 'supplying organisations' may, for example, be:-
- as a director
- as an employee
- as a major shareholder
- as a major investor
- as a major debtor/creditor
- having a close personal relationship (spouse, partner, son, daughter, parent etc.) with a person in the above categories
- being in a position to potentially influence decisions made about the school, e.g. as:-
- member of local council (County Council, District Council, Parish Council)
- officer of Local Education Authority in a senior capacity
- Member of Parliament
- OFSTED Inspector
- officer of local council (District Council, Parish Council) in a senior capacity
- having a close personal relationship (as described above) with any person falling into the above categories
- having a close personal relationship with a Governor or member of staff (employed on a full-time, part-time, permanent, or temporary basis).

Appendix 1: LA Finance advice update

Although it's sometimes quite time-consuming to get three prices it is for the school staff's own protection as well as for the protection of public money. The LA's rules are there to make sure that value for money is always sought. It is not only important that this is done, but that it is seen to be done. By following them it makes it possible to demonstrate to others (e.g. parents, Governors, auditors) that value for money has been sought. In addition it makes good sense to try to get good value for money wherever possible, since any money saved on a purchase means that the school has that money available to put toward other parts of the school's budget, for example other purchases, or staffing.

For purchases above £50,000 the LA's Standing Orders say that tenders must be obtained. Tenders should usually be invited from at least three contractors.

The area of tendering can be complex. If considering a tendering exercise it is important that advice is sought on such things as:

- * drawing up specifications
- * inviting tenders
- * complying with European Union law
- * opening tenders
- * evaluating tenders
- * post-tender negotiations
- * awarding contracts

The LA has experts who will be able to help throughout the tendering process; they should always be contacted for advice before the start.

Tender documents should always be retained on file at the school.