



St. Peter's Catholic Primary School

FINANCE POLICY

The school is committed to safeguarding and promoting the welfare of children and young people and expects all staff, volunteers and visitors to share the same commitment. We follow Gloucestershire Safeguarding Children's Board Procedures. For more information go to www.gsrb.org.uk

All checked and ratified – 27th January 2021

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Section 1: Aims and Objectives

- Governors adopt the responsibilities and accountability given by legislation and will act within the framework of the law and the guidelines of the DfE and the Local Authority (LA).
- Governors will promote through sound financial practice, the aims of the school and the annual targets of the School Development Plan.
- Governors will establish clear roles for the Resources Committee, the Headteacher and relevant staff with regard to the administration, control and monitoring of the budget.
- Governors will use an annual timetable and planning cycle to encourage thoughtful, efficient and effective planning, and the control and monitoring of school finances, both long term and on a day to day basis.
- Governors aim to produce value for money and expect high ethical standards and good financial practice to avoid the misuse of funds.

Section 2: Role of the Resources Committee

The terms of reference, role and membership of the Resources Committee has been approved by the full governing body and is attached to this statement.

Section 3: Responsibilities

3.1 The responsibilities of the Resources Committee include:

- provide a draft budget to the full governing body within the constraints of Gloucestershire County Council (GCC) LA scheme
- ensure accurate accounts are maintained and provide regular accurate statements of income and expenditure
- adhere to the regulations in respect of compulsory competitive tendering
- ensure that spending plans enable the National Curriculum to be taught
- ensure that the Special Education Needs of pupils are met
- ensure that Health and Safety requirements are met
- ensure that sound systems of financial control are maintained

3.2 The responsibilities of the full Governing Body include:

- approving the annual budget at the Spring term meeting
- accepting the audited accounts of the school fund
- determining priorities within the School Development Plan

3.3 The responsibilities of all Governors' Committees include:

- identifying priorities for development requiring finance or cuts in relevant areas
- involving appropriate staff in this process as far as possible

Section 4: Budgets

4.1. Budget construction

The Head Teacher and School Business Manager (SBM) are responsible for the detailed preparation of an annual school budget which addresses the strategic aims and targets established by the Governing Body. In constructing the budget, the Head must take account of priorities identified in the School Development Plan, incorporating specific costs as detailed in the plan. In producing the budget, the Head should consult with other members of staff as appropriate to ascertain detailed requirements and cost pressures for the coming year.

The Resource Committee should meet in the Autumn term to consider a broad budget strategy. In order to determine appropriate expenditure levels, the committee should consider the overall level of income expected from local authority budget, grants and school generated income, together with any anticipated balance to be carried forward into the following financial year.

Detailed formulation of the budget should take place in Spring term, and the Resource Committee should approve the detailed budget plan following receipt of the final local authority budget allocation issued in mid to late March. The full Governing Body must subsequently approve the full budget and minute this approval. The approved Governors Budget Plan spreadsheet template must then be submitted to the Schools Finance Team, along with a signed statement by the Chair of Governors, by the required mid-May deadline.

Total budgeted expenditure should not exceed the total anticipated in-year income plus or minus any balance brought forward from the previous year. If it appears that a deficit position cannot be avoided, the Head and Chair of Governors must inform the Schools Finance Team immediately as the local authority must approve a Deficit Repayment Agreement (DRA) involving an appropriate recovery plan.

In constructing the detailed budget, factors for consideration include:-

- current and previous year's expenditure levels on individual budget headings
- staff pay awards and increments, and known changes
- anticipated price inflation
- changes in the supply of services and contracts (traded services, utilities etc.).
- changing School Development Plan priorities
- any anticipated changes in pupil numbers
- the resulting impact on staffing structures

4.2. Budgetary control and monitoring

The Head and School Business Manager (SBM) are responsible for regular, detailed control of the school budget and this role will require appropriate monthly reports from the school's accounting system. The Head may assign budgetary control of individual budget headings to other members of staff, however the Head remains ultimately accountable to the Governing Body for these budget headings.

The Head should present detailed budget monitoring statements to the Resource Committee on at least a termly basis. Such statements shall show for each budget heading:-

- total budget for year
- total commitment and expenditure to date
- variances.

The Resource Committee should then consider and challenge these statements as necessary, with the Head and School Business Manager (SBM) providing explanations for any significant variances identified. The Chair of the Resource Committee should then report termly to the full Governing Body, identifying any significant budgetary issues and any remedial action taken or needed, and any policy decisions needed.

Payroll expenditure data, as notified by local authority payroll prints, must be entered promptly on to the school's accounting system each month by the SBM.

Other, non-pay expenditure, must be reconciled promptly to the school's accounting system by the SBM

It may be appropriate to action adjustments to the original budget (virements) during the year, for example as a result of additional income, new costs or changing national priorities etc. The Head should therefore be empowered to respond to changes to address variances by effecting virements between individual budget headings.

Where new or unplanned expenditure is necessary, the following individual virement authorisation limits are recommended: -

- | | |
|-------------------|---|
| • up to £1,000 | - Head (and subsequently reported to full Governing Body) |
| • £1,000 - £2,999 | - Chair of Governors |
| • £3,000 - £4,999 | - Resource Committee |
| • £5,000 and over | - Full Governing Body |

All virements will be reported to the full Governing Body. Virements, once approved, must be promptly recorded in the school's accounting system to keep the approved budget up to date.

When the accounts for each financial year are closed, a final statement from the school's accounting system must be presented to the next meeting of the Finance Committee.

Section 5: Payroll

As a school using GCC payroll and HR services, refer to the Business Service Centre schoolsnet pages for general information and guidance. The school uses the e-forms service, enabling the school to send payroll related information electronically.

5.1. Starters/variations/leavers

The relevant forms for the following on schoolsnet:

- setting up new employees on the payroll (starters)
- effecting variations to pay
- taking existing employees off the payroll (leavers)

Notification is received from the Head. E-forms should be completed by the appropriate finance officer and authorised by the SBM on a timely basis. Completed forms are sent securely to the Business Service Centre. Once this has been processed, confirmation is received, usually by receiving new or updated Statement of Particulars.

5.2. Claim Forms

Time sheets should be completed fully by the staff member and signed. They should then be checked and authorised by the person who initially authorised the additional hours, which will either be the Head or a member of SLT. They should then be brought to the office for processing via e-forms.

5.3. Checking of payroll data

Payroll data received monthly from Shire Hall must be scrutinised by:

- the Head, to ensure all employees are recognised, and pay appears reasonable (no detailed check)
- the School Business Manager, to check accuracy of salary and expense payments.

5.4. 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, contact the school's GCC payroll administrator.

5.5. Supply teachers

The Governing Body will decide, on the basis of advice from the Head, whether supply *teacher* 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, or in their absence, the Deputy Head or SBM.

Section 6: School Fund

6.1 Accounts

The accounts of the school Fund are to be maintained on a day to day basis by the School Business Manager. All income and expenditure will be entered promptly in the accounts. A bank reconciliation will be performed monthly when bank statements are received, between the balance as per the accounting record and the balance as per bank statements.

6.2 Signatories

Two signatories are required on any one cheque. It was agreed that any two out of the following people are authorised to sign on the school bank accounts up to the value of £10,000. When a cheque is above this value, one of the signatories must be either the chair or the head.

Mr C Aspinall (Chair)

Mrs C Baron (Head)

Mrs L Dowding (Senior Teacher)

Mrs L Gill (SBM)

6.3 Final accounts and audit

Final accounts are prepared at the end of the School Fund financial year by the School Business Manager. The accounts will be audited by an auditor appointed by the full Governing Body. The auditor 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 full Governing Body for approval. Governors' approval must be recorded in the minutes of the meeting. Once approved, the SBM will return the requested FN12 form (found on Schoolsnet) to the Schools Finance Team.

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

Section 7: Assets

7.1 Inventory

The portable, desirable, attractive assets of the school, as well as any assets of intrinsic value (e.g. antiques) will be recorded in the school's inventory. Full details (make, model, serial number, approximate value) shall be recorded.

The school administrator is responsible for keeping the inventory up to date by adding new items when they are received into school.

Items up to a value of £50 may be sold or written out of the inventory on the authority of the Head. Over this limit, the Governing Body must authorise and details recorded in the minutes. Reasons must be recorded in the inventory, together with the Head's signature (up to £50) or the Governors' minute reference (£50 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 basis. A separate inventory will be maintained to include items which are not allocated to a specific room.

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

All inventory items should be security marked:

- invisibly with an ultra-violet pen, and
- visibly with warning stickers.

7.2 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.

Section 8: Income

8.1 Credit income

Where payment for goods/services provided by the school is made after the provision takes place.

An official invoice must be raised by the School Administrator 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 maintained by the School Administrator; this will be arranged into 'paid' and 'unpaid' invoices. The copies of unpaid invoices will act as a control record for the sending of reminders and the chasing of unpaid debts.

Reminders will be sent after the following periods if the debt remains outstanding: -

1st reminder 28 days

2nd reminder 56 days

If after 84 days the debt remains unpaid, consideration will be given by the Head and/or Governors to either taking legal action to recover the debt or to writing the debt off in accordance with the following limits: -

- up to £50 - Head may authorise write-off
- up to £100 - Chair of Governors may authorise write-off
- £100 and over - full Governing Body may authorise write-off.

As well as sending formal reminders, efforts must be made by the school to contact the debtor in order to secure recovery of the debt. If payment has not been received after 28 days of raising the invoice, no further goods or services must be provided until the outstanding debt is settled.

When an invoice is paid, details of the payment must be written on the copy invoice, and this transferred to the 'paid' section of the file. An official receipt should be issued to the debtor and the receipt number written on the copy invoice; a duplicate copy of the receipt must be retained at school.

8.2 Cash income (i.e. where payment is received at the time goods/services are provided).

An official receipt must be issued to the payer at the time the payment takes place, and a duplicate copy retained at the school.

8.3 Banking

All income received (cash or cheque) must be banked promptly and intact. No payments may be made out of income collected. A record to evidence the banking must be kept (e.g. stamped paying-in slip).

8.4 Charging policy

The full Governing Body will set a charging policy to cover:-

- lettings
- school trips
- music tuition
- private photocopying
- private telephone calls

The charging policy will be reviewed bi-annually by the Governing Body. Charges levied by the school will be in line with this policy.

8.5 Donations

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

8.6 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 official funds and coded to an appropriate income code. Monies received from any sales of school equipment must similarly be paid into official funds.

Donations may be paid into the official funds or the School Fund dependent upon the nature of the donation, which must be ascertained beforehand.

8.7 Cash received from pupils

The vast majority of items paid by parents are made via ParentPay, and cash is only normally received for charity collections. Cash received from pupils in class must be recorded by office staff and independently checked by a second member of the office staff. Cash collected must be balanced promptly and locked in the safe. The School Business Manager will bank monies at such intervals that keep the school within the Insurance Policy Limits.

8.8 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.

Section 9: Purchasing

9.1 Ordering

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

Orders should be processed by the administrator or School Business Manager after initial approval by budget holders has been sought and given. The official order produced from the computer system must be signed by the budget holder before it is sent to the supplier. If an order has been placed over the telephone an official confirmatory order must be sent.

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

Official order stationery must be held in a secure location.

Copies of all official orders placed must be retained on file at the school by the School Business Manager.

9.2 Quotations/tenders

Financial Regulations - for any one order for goods/services under £50,000:

- £1,000 - £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.

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

Tenders should be invited in one of three ways, and in accordance with specific Standing Orders.

- from at least three contractors included on a standing list - SO49; or where no standing list exists
- from at least three appropriate contractors - SO.50, or
- by open competition by advertisement in local newspaper or appropriate journal - SO.51.

9.3 Governor involvement

As well as ensuring that the above have been adhered to, it is the responsibility of the Headteacher or School Business Manager to ensure that Governors are consulted in the following circumstances: -

On purchasing decisions when the estimated cost of one item exceeds £1,000

Review of quotations obtained where estimated costs exceed £5,000

Goods/services received from any one supplier in one financial year exceed £5,000.

Review of quotations when the lowest quote is not the most suitable or the pre-requisite number of quotes could not be obtained. In such circumstances the Governors should formally authorise a waiver of the regulations, either prior to the purchase or retrospectively, if necessary.

9.4 Receipt of goods

Once items ordered have been received, the School Administrator or another staff member must ensure promptly that items delivered correspond to details contained in the delivery note, and note this on the delivery note. Any discrepancies must be reported immediately to the school office.

Upon examination of goods the person checking must ensure that both quality and quantity are appropriate.

9.5 Invoice check and authorisation

Invoices received must be checked to both copy orders and delivery notes to ensure that invoices relate to goods ordered and delivered. Invoices should also be checked for arithmetical correctness. The invoice is then processed through the official funds.

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

Paying via cheque

Two signatories are required on any one cheque. When any one cheque is over £10,000, at least one of the signatories must be the head or the chair.

The three part cheque stationery is attached to the invoice, along with the delivery note and copy order. The payees name and invoice total can then be checked by each signatory before signing the cheques.

Paying via BACS

Payments via BACS online must only be processed from batches created from the school's financial system, currently FMS. The school administrator creates the batch. The batch is then loaded onto the banking system online by the SBM. The head or senior teacher then authorises the batch online.

Invoices should be filed promptly.

9.6 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.

Reimbursement must be claimed monthly or when one-half of the imprest advance has been used. The Head (or Deputy Head in the Head's absence) must certify the reimbursement claim.

Each time a reimbursement claim is submitted, the administrator must complete a reconciliation ensuring that cash expended, plus cash in hand or at bank, plus stamps held, equals the amount of the advance.

All members of staff who wish to purchase items outside of the usual school ordering must obtain prior approval from the Head. Wherever possible, this type of ordering will be processed as an expense through payroll. Vouchers (receipts, paid invoices etc.) to evidence the payment must be presented to the administrator by members of staff when reclaiming cash from the account. These vouchers must be retained and filed with the reimbursement claim.

In normal circumstances individual purchases from petty cash must not exceed £50. In exceptional circumstances payments up to £100 may be made, with the express prior approval of the Head. Such payments should be for emergencies only and should not simply result from a lack of planning.

All cash and cheque books held must be retained securely.

Section 10: Register of Pecuniary and Other Interests

It is a requirement for all schools to maintain such a Register.

10.1 Persons to be included:-

1. All Governors
2. Headteacher
3. All senior staff (e.g. Deputy Head, Assistant Heads, Heads of Departments, senior administrative staff e.g. *School Business Manager*)

10.2 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).