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# School Financial Procedures Manual

# Introduction

# The purpose of this document is to advise staff of the financial procedures adopted by the school. These are designed to ensure that all financial transactions are transparent and are also for the protection of school staff. Procedures are regularly reviewed and updated accordingly.

# The systems outlined are designed to meet the standards expected by the governors, the LEA, DCSF, OFSTED, and good practice. They apply to all staff and departments equally and are for everyone’s protection.

# References are made wherever possible to Financial Regulations. These are part of the LEA’s Scheme for Financing Schools and have been adopted by the governing body. A copy of the scheme and the regulations is held in the office.

# If you have any queries or doubts about these notes please consult either the Office Manager or the Head Teacher.

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| OrganisationThe Governors are responsible for the oversight of financial management in the school although day to day responsibility has been delegated to the Head Teacher.Governors are organised into two subcommittees; these are Strategic Policy & Direction & Resource Management.The full governing body meets every half term and sub committees meet on a regular basis to suit current initiatives.All meetings are minuted and the minutes which are open for public inspection are kept in the headteacher’s office.The terms of reference for the governing body and sub committees are set out in a separate document. This can be found in the headteacher’s office.Finance and administration staff are organised as follows :e.g. Board of GovernorsResource Management committeeHead TeacherOffice ManagerThe Delegated BudgetThe school has an overall development plan approved by the governing body. The plan outlines spending priorities and the reasons why. The school budget is derived from this.The finance committee monitors all financial aspects in relation to the school’s management.The budget setting process for the school is carried in consultation with Matthew Elliot, School Support officer.The management team is made up of Staff and Governors.Individual areas within the school are allocated money from the DSB based on the following factors :-  * School Development Plan * Pupil Numbers * Historical spending patterns * Consultation with staff * To provide a contingency fund to guard against unforeseen circumstances.  Budget Managers are Head Teacher, Sub Committees.The area of the DSB for which they are responsible is defined by the Head Teacher and Governors.Budget Managers should submit their spending plans to the Head Teacher by February in order that these can be prioritised and included in the budget setting process.It is the responsibility of each Budget Manager to control spending and commitments against their part of the school budget. Individual budgets cannot be overspent without the prior approval of head teacher.Written reports on the schools budget and spending to date are presented termly to the governors by the Head Teacher.Voluntary FundsIn addition to the delegated budget, the school also operates a School Fund. The constitution for this fund has been approved by the governing body, a copy is held in the office.It is important that the same standards of financial accounting are applied to all funds handled by the school.No bank accounts must be opened without the prior approval of the Head Teacher.Bank statements must be addressed to the school.Bank statements must be reconciled to the accounting records at least monthly and the accounting records updated to show that this has been done. An annual audited statement of all of the accounts held in the name of the school must be presented to the governors within four months of the accounting year end.  A copy of the annual audited statement for each voluntary fund is forwarded to Internal Audit. Accounting recordsOnly authorised staff are permitted access to the accounting records which are held securely when not in use.Alterations to any original documents such as cheques, invoices, orders, local account records etc are made clearly in ink. The use of correcting fluid or the erasure of information is not acceptable.The Office Manager is responsible for recording and monitoring all of the schools financial transactions. This includes the DSB the School Fund. Financial records including tenders, quotations, paid invoices, delivery notes, orders, income registers or receipt books are retained for the current and previous three financial years. Pecuniary InterestsIt is important for anyone involved in spending public money that they do not benefit personally from decisions they make.School staff and governors are required to indicate whether they have any interests in any firm from which the school may wish to purchase goods or services.Governors must not take part in any decision on school policy from which they may directly or indirectly benefit. Any staff who has interests must notify the Head Teacher. School bank accountsLocal AccountCheques can only be signed by the following members of staff – Mr O Flitcroft Head Teacher  Mrs A Brown Deputy Head Teacher  Mrs C Vallely Senior Teacher Two of the above must sign each cheque.In no circumstances should cheques be pre signed.School FundCheques can only be signed by the following members of staff – Mr O Flitcroft Head Teacher  Mrs A Brown Deputy Head Teacher  Mrs C Vallely Senior Teacher Two of the above must sign each cheque.In no circumstances should cheques be pre signedNo payments from any account can be made unless they are properly certified invoices, receipts or other vouchers have been completed.Value for moneyThe school must always strive to achieve the best possible value for money.All orders must be certified by the Head Teacher.Orders over £10,000 must not be placed until the requirements of Financial Regulations have been met.At least three competitive bids have been received (in writing) or, the Governing Body has formally authorised an exception to this regulation if, for instance, the goods or services are only available from one specialist supplier. In this instance a written report must be made to governors for their approval to waive the regulation.Tendering Detailed tendering guidance should be sought from the Procurement Section, Finance Directorate, County Hall.  All purchases of goods, services or works exceeding £10,000 shall be obtained only after receiving not less than three competitive bids in writing. Details of the written bids must be retained in school in line with other financial records.  The requirement for three competitive bids may be waived in individual cases by express resolution of the Governors.  Contracts that commit the school to expenditure exceeding £10,000 or are for a period of more than one year, must be specifically agreed in advance by the Governing Body. Additionally:-   * Schools may only enter into contracts with suppliers that have not been specifically recommended by the Authority and where there is a cost over more than one financial year after the terms and conditions have been approved by the school’s legal adviser. * Contracts must be countersigned by the Chair of Governors, or by the Vice Chair in the absence of the Chair: * When outsourcing a service, schools must ensure that the requirements of the Code of Practice on Workforce Matters in Local Authority Service (“Two Tier Workforce Code”) as well as any other relevant legislation are complied with.  The following points will be considered when deciding which tender to accept:the overall price and the individual items or services which make up that price;whether there are any 'hidden' costs that is additional costs which the school will have to incur to obtain a satisfactory product;whether there is scope for negotiation;the qualifications and experience of the supplier;how well the technical requirements laid down by the school will be met;the supplier's own quality control procedure; pre sales demonstrations and after sales service;the financial status of the supplier; and references from other schools.Once a tender is accepted an order should be issued immediately to the supplier in the normal way.Ordering & PurchasingOrders are important and are a main point of control. They are a permanent record of what has been ordered, when and by who. They allow the school to record commitments against its budget helping overall financial control. Orders are also a key defence against duplicate payments.Official orders must be raised for all purchases except petty cash items periodical payments such as rent & rates and utilities.An official order must be used even if a supplier provides their own pro forma order form.Only approved members of staff can authorise orders - these are – Mr O Flitcroft Head Teacher  Mrs A Brown Deputy Head Teacher  Mrs C Vallely Senior Teacher Orders must not be sent to suppliers unless they have been authorised by one of the above members of staff.When authorising an order the authorising member of staff will ensure that the goods are appropriate, are required and that there is sufficient money in the budget to pay for them.No orders should be placed verbally, by telephone, by fax or Internet, unless an official order has previously been completed and authorised. In this case the order number must be quoted to the supplier when placing the order.Official school orders must never be used for private purchases.The school does not obtain goods or services for the private use of governors or staff. **Internet Purchasing**  Using the internet to purchase goods is increasing and, in some circumstances, achieving significant savings though there should be no automatic assumption that goods will always be cheaper.  An official order must always be completed and authorised by an approved member of staff before an order is placed on the internet. The order is a permanent record of what has been ordered, when and by whom. Once authorised the order should be annotated “Internet Order”.  The official order number should be included in the order details input to the Internet so that when the goods are delivered and the invoice is received it will be possible to cross reference to the original order.  To ensure that any VAT included in the purchase is recovered, the school must ensure that the supplier issues a full VAT invoice clearly showing the name of the school. If a trader is VAT registered, they are required by law to issue VAT invoices. Receipt of goods All goods received should be delivered to school reception. The Office Manager or assistant clerk will carry out a brief inspection prior to signing for delivery as a prima facie check that the delivery is complete.  The following procedures then take place :   1. the delivery note and goods are sent to the school clerk or assistant clerk for formal checking against the order; 2. the Office Manager or assistant clerk evidences the check of goods received by signing or initialling the copy order; 3. the delivery note and the order are retained until the purchase invoice is received; and 4. if goods received are part of a larger order, the school clerk maintains a record explaining how much of the larger order has been fulfilled.   Any shortages or errors must be notified to the supplier immediately. Never sign for anything you are not happy about. Payment of InvoicesThe Office Manger reviews the purchase ledger on a regular basis and selects invoices for payment. It is the policy of the school to pay all invoices by the due date and also to take advantage of any discounts available for early settlement.Payment is only made when the following checks have been made by the Office Manager:goods or services have been received and checked to the order;expenditure has been properly incurred and payment has not already been made;prices agree with quotations, tenders, contracts or catalogue prices and arithmetic is correct;VAT has been properly accounted for;the invoice has been correctly coded; anddiscounts have been taken where applicable.An approved member of staff authorises payment, having ensured that all of the school's procedures have been followed. Staff approved to authorise payments are – Mr O Flitcroft Head Teacher  Mrs A Brown Deputy Head Teacher  Mrs C Vallely Senior Teacher All cheque payments are signed by two of the authorised signatories to the bank account.The following procedures are followed when a cheque is signed:all supporting documentation (i.e., purchase order, delivery note and invoice) are presented to the signatories;the school copy of the remittance advice is attached to the purchase order and invoice by the Office Manager.all cheques drawn are crossed as account payee only to avoid the possibility of improper negotiation of cheques;the cheque signatories check the supporting documents are there and that the invoice has been authorised and evidence this by initialling the grid stamp;all documentation is filed by the Office Manager in cheque payment number sequence;in no circumstances will any cheque signatory sign a blank cheque subject to a second signature;no payment will be made on a photocopied invoice unless exhaustive checks have been made to confirm that payment has not previously been made. Confirmation that such checks have been made is to be recorded by the School Clerk writing on the invoice - Copy not previously passed for payment and signing; andin no circumstances will payment be made against statements.To ensure proper separation of duties, wherever practical, no one person should authorise an order, confirm receipt of the goods and authorise an invoice for payment. NB Whoever authorises the order cannot authorise the related payment.All payments must be supported by an invoice, receipt or other voucher. It is the responsibility of the member of staff placing the order or buying the goods, to obtain a receipt or invoice from the supplier.Staff must not use their own money or credit cards to pay for school purchases. If (in exceptional circumstances) this cannot be avoided, the receipt must be made out to the school in order that the school can reclaim the VAT element.PayrollAll appointments, and salary levels are formally approved by the board of governors.The LEA has been informed to accept instructions only from approved members of staff these are Mr O Flitcroft Head Teacher  Mrs A Brown Deputy Head Teacher  Mrs C Vallely Senior Teacher They have been instructed not to accept changes authorised by a person changing their own salary.All personnel files are kept in the office. Access is restricted to the Head Teacher and governors and Office Manager. The school is registered under the Data Protection Act.VATThe school reclaims all of the VAT included in its purchases. However, this can only be achieved if payments are supported with a VAT invoice or receipt.Staff purchasing for the school must obtain a VAT invoice or receipt from the supplier. The only exception is where suppliers are not VAT registered.If we do not recover the VAT included in the purchase price the school has to pay the full cost of the goods. This means that the budget does not go as far as it could. By obtaining VAT receipts staff can help available resources to be used to best effect. Detailed guidelines on VAT can be found in the comprehensive NCC VAT Guidance document available on the intranet. Income The school has a Charging Policy which is reviewed annually. Income collected by staff must be recorded either on a form prepared by the Office Manager or using online payment system Both of these are available from the Office Manager.Transfers of money between members of staff should always be acknowledged with a signature. Never use income to pay bills, make refunds or cash cheques. Never leave money unattended unless it is locked away.Always hand over income to the Office Manager for banking immediately. Outstanding debts can only be written off with the approval of the Head Teacher. School Meals Income Dinner money is placed in an envelope and then in a collection box in the classrooms. Then sent immediately down to the main office with the register. Admin clerk checks the amounts from each class and then enters the amounts into the summary of canteen register. Dinner money is added up, amount entered onto paying in slip and both placed in money bag ready for collection. VAT on Sales to Pupils Detailed guidelines on VAT sales can be found in the comprehensive NCC VAT Guidance document available on the intranet. Assets The Head Teacher is responsible for maintaining the school's assets securely.  Maintenance of the asset register is overseen by the Head Teacher. It is the policy of the school to enter individual acquisitions with a cost greater than £100 onto the asset register, although items of a lower value may sometimes be included. The following details must be included in the records :a meaningful description of the item,its value,the date of purchase,its location,serial number and,the date it was last checked.The Office Manager is required to check the existence, condition and adequacy of security marking for the assets under their control and report any differences. Any significant losses must be reported to the board of governors.Inventory records are checked to physical stocks at least once per year. The Office Manager is responsible for this.All assets removed from the school site are recorded in a register. (With the exception of lap top computers assigned to a named teacher.)Staff must not take any school equipment home without the prior approval of the Head Teacher. A written record will be made that the item is off the school premises. Such use must only be for school purposes.InsuranceAll equipment and buildings are covered by the County Council’s insurance against fire. Staff are advised that the schools insurance cover is invalidated if equipment is taken home without the approval of the Head Teacher. Even where approval has been given there is no insurance cover for items left unattended in cars or other vehicles. LettingsThe governors have approved a lettings policy and a scale of charges.The lettings policy is reviewed annually by the governors.The charges seek to recover all of the schools costs in making the premises available, although income from community and voluntary lettings can be cross subsidised with income from other lettings to ensure that there is no overall net cost to the budget share. A list of current charges is available from the school office.Every letting is recorded in the official lettings file held in the office. All lettings must be authorised by the Head teacher. Lettings income must be received before the letting takes place and an official receipt issued. All lettings income is credited to the delegated budget and is not paid into any voluntary fund.Sale of furniture and other equipment Sale or disposal of school assets are covered by Financial Regulations which must be followed in all cases. Direct Debits and Standing OrdersThese must not be set up on any school account. Any direct debits or standing orders relating to the DSB must be set up via the Finance Directorate at County Hall. Computers The school has a Business Continuity Plan to ensure the continuity of financial administration systems in the event of an emergency. A written copy is available from the main office.  The school is currently registered under the Data Protection Act 1998. The registration number is Z5352603. Private copying or phone callsA small charge is set by the head teacher and the revenue collected is banked into the SDB.Code of Conduct for staff.The Staff Code of Conduct was adopted by the governing body at its meeting of 08.10.19 and updated when updated. A copy of the code is held by the office. (GSWP)**Self Evaluation**The school regularly undertakes financial self evaluation exercises as promoted by Ofsted, the Audit Commission and Internal Audit. The Finance sub Committee is responsible for this.**Financial Procedures Manual** This manual is updated annually and was last updated in September 2023. |

Signed by Chair of Resource Management Committee M Richards Date July 2024

Head Teacher O Flitcroft Date July 2024