Finance Policy

Blakehill Primary School



**Together We Can**







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| **Headteacher** | **Chair of Governors** | **Review Dates** |
|  |  | Last Review: March 2024 |
| Lisa Keighley | Philip Cavalier-Lumley | Next Review: March 2025 |

**1. Policy**

The Governing Body is required to ensure that it has sufficient financial skills from within its membership to guarantee that its responsibility for monitoring of the school’s financial security can be carried out adequately. In this respect, the Governing Body will always consider its financial monitoring capability when co-opting new governors.

The governors of Blakehill Primary School are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in this school.

**2. Purpose**

This policy aims to define the discretion that the Headteacher has to take in decisions under delegated powers without further reference to Governors and presents working practices giving lines of accountability for staff working on behalf of the Headteacher and Governors.

**3. Scope**

This policy details the responsibilities of the Governing Body, Buildings, Finance and Staffing Committee, Headteacher, School Business Manager and other officers of the school in respect of all Finance related matters.

**4. Principles**

The financial management of the school will be based on a number of principles. The first will be to provide the best educational opportunities for all pupils. The school will aim to provide good value for money. The Governors will apply the principles of ‘Best Value’. The finances will be operated in an open and accountable manner.

We are all committed to meeting the needs of our pupils through using the available resources and effectively as possible.

The policy shall be reviewed annually and approved by the next full meeting of the Governing Body, whether or not any amendments to the policy are deemed to be required. Unless otherwise specifically stated in the document, all officers of the school are expected to abide by any relevant regulations that the Local Authority (LA) deemed to be in force at the time and, wherever practical, follow guidelines laid down by that Body.

**5. Responsibilities**

**Role of the Full Governing Body (FGB)**

**It is the responsibility of the FGB to:**

* retain ultimate responsibility for all financial affairs of the school
* review and approve the school’s annual budget and the Annual Accounts
* The FGB must approve single items of expenditure and virement over a level of £15,000 and up to £60,000.
* The FGB must approve single items of expenditure and virement over a level of £60,000 and refer to LA facilities management for additional advice and guidance.

**Role of the Buildings, Finance and Staffing Committee (BFS)**

**It is the responsibility of the BFS to:**

* agree and propose to the FGB a terms of reference annually at the start of each academic year.
* ensure that the school plans and conducts its financial affairs in a manner that ensures the school remains solvent
* ensure that all funding is used only for the purposes that it has been allocated to when conditions have been attached to the receipt of such monies
* provide all information that the LA may reasonably require to be satisfied that the Governing Body is able to fulfil its specified obligations
* provide advice and guidance to the Headteacher and the Governing Body on all matters relating to finance
* consider the School Improvement Plan when preparing the annual budget
* monitor the income and expenditure regularly, review of the likely financial outcome for the year compared to budget and review of reports from the LA Internal Audit department
* agree procedures for day-to-day financial management by the Headteacher
* approve staff nominated by the Headteacher as signatories to the Enabling Account and School Fund, or to certify orders, invoices or documents authorising payment from payroll or to place orders verbally or on-line
* Recommend changes in policy that may be deemed necessary and approve
* retain the register of pecuniary interest of all Governors and staff who have key financial responsibilities.
* approve single items of expenditure and virement over a level of £4000 and up to £15,000.

**Role of the Headteacher**

* The Headteacher is deemed to be responsible for the strategic and operational management of the school’s finances. The Headteacher will report on the state of the school’s accounts compared to budget to the Full Governing Body on a half-termly basis.
* The Headteacher has the responsibility to:
* Ensure that sound systems of internal control are in place to enable processing of the school’s transactions and activities
* Ensure local authority and governmental regulations are adhered
* Ensure Governing Body regulations are implemented
* Inform the Governing Body and School Auditors of any irregularities
* To prepare annually and estimate income and expenditure for the coming year to facilitate Budget setting
* Provide the BFS with regular reports on spending for monitoring purposes
* To determine the delegation of budgets
* To inform the Full Governing Body of budgetary roles and responsibilities
* To manage the placing of orders and services and payments of accounts in accordance with all stated Financial Regulations and up to a maximum of for any single item of £4,000
* To ensure that payroll payments are made to bona fide employees in accordance with conditions of employment
* To ensure that all amendments to the payroll are promptly processed and that all deductions are properly administered
* To account for all income due and cash collected.

**Role of School Business Manager**

* To strategically analyse costs and recommend cost saving initiatives to the Full Governing Body every half term
* To assist the Headteacher in the day-to-day administration of the school’s financial affairs
* To strictly follow the Financial Procedures guidance issued to all School Business Managers
* To liaise with the LA and review insurance arrangements
* To inform the school’s insurers of all new risks, property or equipment which requires insurance or any other alteration affecting existing insurance
* To inform the school’s insurers immediately of all accidents, losses or other incidents which may give rise to an insurance claim
* To administer the school’s bank accounts in accordance with the financial checking system adopted by school
* List of signatories approved by the BFS.

Assist with setting of School Budget using SIMS FMS Module and HCSS Software. The School Business Manager has responsibilities for managing the following:

* Enabling account
* School Fund
* Orders
* Certification of invoices
* Notification to LA Payroll section
* List of authorised key holders approved by the BFS
* External keys and alarm.

**Role of the School Bursar**

To have the duties and responsibilities delegated to them by the Headteacher in accordance with their accounting and financial management expertise

Assist with Setting of School Budget using both SIMS (Schools Information Management System) FMS (Financial Management System) Module and HCSS (Human Capital Support Services) Software

Quarterly Monitoring to the LA through SIMS FMS Module

CFR (Consistent Financial Reporting) reports through SIMS FMS Module.

**6. Procedures**

**School Financial Value Standard (SFVS)**

The statement will be submitted to the Governing Body with the annual budget plan. The monitoring of the School Improvement Plan (SIP) links with the progress of the annual budget plan, and best value principles are applied to help determine how we are securing continuous improvement. The Governing Body will also:

* regularly review the functions of the school, **challenging** how and why services are provided and setting targets and performance indicators for improvement
* monitor outcomes and **compare** performance with similar schools and within the school
* **consult** appropriate stakeholders before major decisions are made
* promote fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

The school has in place strategies to ensure that **best value** can be demonstrated, with different aspects of our work a focus for review. During 2024 and beyond, we will consider:

* The needs of the children and school at Blakehill
* The management of the site in terms of employed site staff or site management contracts
* The completion of various delegated building maintenance responsibilities.

The actions for improvement will be incorporated into the **School Improvement Plan**, as part of our ongoing process of evaluation and improvement.

**Services and functions that might be reviewed in future include:**

**Educational aspects**

* The performance of pupils and students.
* The curriculum plan.
* The effective provision of provision of assessment information to parents and students.

**Staffing issues**

* The employment of supply teachers.
* The provision of training places for pre-qualified teachers.
* The advertising of vacant posts.
* The effectiveness of the process for appointing staff.
* Legal and personnel advice.

**Environment issues**

* The cleaning of the school.
* The maintenance of the grounds.
* The disposal of rubbish.

**Resources issues**

* The purchase of goods and stationery.
* The provision of reprographic equipment.

**Student issues**

* The care of sick children.
* Provision of school meals.
* Attendance

**Financial issues**

* Banking and financial services.
* Effective income generation

**Parental issues**

* The effectiveness of communications between school and home.

**Ordering Goods and Services Procedures**

Written, pre-numbered orders should be used for all goods and services except utilities and rates. Where a verbal or on-line order is made this must be followed up by a written confirmatory order.

Orders should only be used for goods and services provided for the school. Individuals must not use official orders to obtain goods and services for private use.

Budget holders are authorised to place verbal orders when in the interests of school, but must remain within the budget limits set for their own department.

Orders must be properly completed and certified by the Headteacher. In Headteacher absence they will be signed by the Assistant Headteacher.

**School Credit Card**

A credit card will be held in school, supplied by our current bank which is Lloyds Bank.

The credit card will be in the name of the Mrs Lisa Keighley, and will be held securely in the school safe.

The credit limit will be set at £6000, but managed to £4000 except during those times of year where large purchases are necessary, for example bulk ordering during the Summer term

The credit card will be paid off in full each month by direct debit

Use of the credit card will only be approved where the conventional method of procurement, through raising a purchase order, receiving goods and then paying an invoice are not possible. Examples of this include internet purchases through sites such as Amazon where a purchase order/invoice arrangement is not accepted.

The budget holder should complete a ‘Credit Card Order Form’ giving details of the supplier, product(s), quantity and price, sign to authorise and pass to the Business Manager. The Business Manager will check the budget to ensure there are sufficient funds, and countersign the authorisation. Goods will be ordered using the credit card by either the Headteacher or the Business Manager.

On receipt of the goods these will be checked and signed for by the Administrator, and passed on to the budget holder.

The credit card statement will be reconciled on a monthly basis by the Business Manager, with full details recorded on the FMS system.

**Petty Cash**

Petty cash reimbursements can be made to staff for items up to a maximum of £30.

Petty cash should only be used where conventional ordering or use of the credit card is not feasible, for example for postage costs, or curriculum materials bought from small local retailers.

A ‘Petty Cash Reimbursement’ form should be completed and authorised by the budget holder. All petty cash claims must be supported by a receipt which is counter signed by another member of staff to confirm that the goods have been received into school.

Reimbursements can be collected and signed for from the school office.

All petty cash claims will be reconciled on a monthly basis by the Business Manager, with full details recorded on the FMS system.

**Receipt of Goods and Services procedures**

Upon receipt, goods and services must be checked to ensure that they are in accordance with the order. This check must be recorded on the order, delivery note and invoice. The employee who certified the order may not carry out the check.

**Invoices and Payments Procedures**

Payment must not be made until a proper invoice has been received, checked and certified for payment.

No invoice must be paid until the authorised employee, who should not have been the person who certified the order or checked upon receipt, has certified it for payment.

**Planning and Budgeting Process**

The school’s budget for the following financial year is prepared in March. Headteacher is responsible for preparation of the draft budget following consultations with employees, with priority for financial investment being given to the requirements identified in the School Improvement Plan. Notice of the timing of the budget process will be given to the Chair of Governors and Clerk to the Governing Body to enable the necessary investment in the fabric and fixtures of the school to be considered.

The Budget can only be approved by the Governing Body, which retains responsibility for ensuring that any variations in expenditure from budgeted levels are explained and understood.

The Governing body will be consulted in relation to possible major alterations to the budget plan. Minor changes within and across budget areas may be implemented at the discretion of the Head. In emergency situations which may have implications for the overall financial well-being of the school the Chair of Governors will be consulted and can act accordingly on behalf of the Governing Body. Any actions of this nature that are taken will be reported to the next full meeting of the Governing Body.

**Purchasing**

Elements of the budget are allocated to employees, who are to utilise financial resources solely for the purpose they were identified in the budget and subject to the LA regulations on purchasing procedures.

The Governing Body will review annually (at the time of approving the overall Finance Policy document) the purchasing power that individual employees will be allowed to have without further authorisation.

Authority is granted to the Headteacher to make purchases up to the value of £4,000. The Headteacher is given the power to delegate authority to spend up to this limit to members of staff, so long as spending remains within budgeted levels and that LA regulations on purchasing procedures, the receipt of goods and payment authorisation are followed.

Money will be allocated to Budget Holders and will not exceed £3,500 and all orders will be approved by mandated members of staff.

For expenditure of £4,000 and up to £10,000 at any one time on non-recurring items, three written quotations will be obtained by the school and the BFS will consider and approve this expenditure.

For expenditure of £10,000 and up to £60,000 at any one time on non-recurring items, four written quotations will be obtained by the school and the Full Governing Body will consider and approve this expenditure.

Expenditure over £60,000 to be approved by the Full Governing Body and then referred to Facilities Management. The most commercially favourable quotation will always be used unless the Full Governing Body authorises otherwise in writing.

All orders for the supply of goods and services will be submitted on an official school order form and verbal orders will be used in case of emergency. In instances where a verbal order is used, or when ordering on-line the official order form must be completed as confirmation (and for audit purposes) at the earliest possible time.

A register of the pecuniary interests of all governors and employees with key financial responsibilities will be kept and renewed in the autumn term. It is the responsibility of the Governing body to ensure that no abuse of purchasing power takes place.

The Headteacher is responsible for ensuring that LA rules regarding the division of duties between separate members of staff for the receipt of goods, authorisation of invoices and cheque preparation and signing are followed. A list of all officers of the school who are authorised to order goods and sign invoices are included as an appendix within this policy which will be open to inspection by the Full Governing Body on request.

**Income, Cash and Banking Procedures**

Authority to sign cheques are given to the Headteacher, Assistant Headteacher and the Senior Clerical Assistant and all cheques must be signed by two of those nominated people. The school must complete a bank reconciliation statement each month and submit it to the LA within set timetables. This is the responsibility of the School Business Manager and the reconciliation must be checked by the Headteacher who should sign and date all documentation to facilitate evidence of the necessary checks having been made. At no time must the school enabling account become overdrawn and at no time must blank cheques be made available to authorised signatories.

The Headteacher is responsible for ensuring that there is a division of duties between the receipt and banking of incoming funds in order to minimise the risk of fraud or errors occurring which may be difficult to detect.

A Petty Cash transaction limit is set at £30 and will be reviewed by the governing body as part of the annual procedure for reviewing this policy document.

The BFS will review the [Charging & Remissions Policy](http://www.blakehillprimary.co.uk/website/charging_and_remissions/275519) every three years and document its decision. All income received from this source is to be banked promptly in its entirety and appropriate invoices raised. A record of any outstanding debt must be kept and debtors are to be pursued regularly and consistently.

**Budget and Expenditure Reconciliation**

The School Business Manager will check that the budget data held on the SIMS FMIS Module is reconciled each term. This is the responsibility of the Headteacher who is required to investigate any discrepancies with the Local Authority Education Finance Department.

**Inventory and Security of Assets**

The school Site Manager is required to maintain an inventory of all assets, with a physical check to be undertaken annually in the Autumn term. The inventory will be open to inspection by the Full Governing Body on request. All school property will be added to the asset register and, where applicable, security marked to aid identification and prevent theft.

**Insurance Cover**

The Headteacher will nominate a responsible employee (School Business Manager) to liaise annually with the School’s insurers to review all relevant arrangements and cover. The Governing Body must approve the level of insurance cover in force and document its approval.

The school will take out “All Risks” insurance cover. This will include provision for school equipment that has been taken home for school use provided it has been signed for.

The school is not obliged to insure the personal possessions of employees and is not responsible for the possessions of children whilst they are at school. Any claims for negligence will be directed towards the LA.

In addition, the school will take out supply insurance for the following employees:-

* **All teachers (including those on part-time contracts)**

In the event of employee absence the school will use the Cover Supervisors for up to three days continuous absence. After three days the school will use the services of supply staff with the cost to be met from the supply insurance scheme when applicable.

**Payroll Checks**

The Governing Body is responsible for approving changes to existing staff structures and is responsible for ensuring that all relevant Payroll related data is maintained and that no payments to staff are made outside the Payroll system. After every appointment the Senior Leadership Team will review the school staffing structure. The BFS will review the school staffing structure on an annual basis in Autumn 1.

**Computer Security**

* Full access to finance systems is given to the School Business Manager, Bursar and Headteacher
* Limited access is also given to the Senior Clerical Assistant
* Passwords are kept in a secure location
* All systems will be backed up automatically on a daily basis as defined by the service level agreement with Bradford Council ICT
* The Headteacher is responsible for ensuring that the LA standard firewall for internet security is in place at all times.

**Catering Service**

The school currently opts to purchase its catering service from the LA. This contract will be reviewed 3 months prior to expiry by the Full Governing Body.

**7. Monitoring and Review**

This policy is reviewed every twelve months to ensure that it stays relevant and reflects the needs of the both staff and children.

**8. Distribution**

This policy will be available on the school website and from the School Business Manager.

**9. Contacts**

Please contact a member of the Governing body or the Headteacher if you require support or guidance on this policy.

**10. Cross Referencing**

This policy refers to the following other school policies:

[Charging & Remissions Policy](http://www.blakehillprimary.co.uk/website/charging_and_remissions/275519)

**11. Appendices**

Appendix 1 - Authorised Signatories for signing Official orders:-

* Headteacher and Assistant Headteachers

**Appendix 2 - Official orders to be completed by School Business Manager or Senior**

**Clerical Assistant**

* Receipt of Goods check to be carried out by Clerical Assistants, Site Manager or teacher if parcel addressed to them and not sure if official or personal
* Invoices to be processed by the School Business Manager (SBM)

**Appendix 3 - List of cheque signatories:**

* Cheques to be authorised by 2 of the following:
  + Headteacher
  + Assistant Headteacher (HH)
  + Senior Clerical Assistant

**Appendix 4 - Declaration of Pecuniary Interest form to be completed by all Governors and only Staff who have key financial responsibilities:**

* + Headteacher
  + School Business Manager
  + Senior Clerical Assistant
  + School Bursar

**Appendix 5 - Keyholders for school**

* + Headteacher
  + SBM
  + Assistant Head (HH, RG, CS)
  + Site Manager
  + Caretaking Service