

St Thomas More Primary School

FINANCE POLICY AND PROCEDURES

Reviewed every three years



Reviewed	Agreed by GB	Next review
March 2023	March 2023	March 2026

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GUIDELINES

Section 1:

Organisation

1.1 The Governing Body

The Governing Body has overall responsibility for the administration of the School's finances, and compliance with the Scheme for Financing Schools. The main responsibilities include:

- Responsible for setting the strategic framework for the school
- Ensure the school funding is used for the purposes intended
- Approval of the annual budget
- Responsible for the accountability of staff
- Responsible for the security, custody and control of all resources of its school

1.2 Delegation of Authority

The Scheme of Delegation is set by the GB and includes: Terms of reference for each committee and roles and responsibilities of its members, the Headteacher and the staff involved in the financial administration.

1.3 The Resources Committee

Much of the day to day financial management and monitoring is delegated to the Resources Committee within the detailed terms of reference. The main responsibilities of the Resources Committee include:

- Review of the annual budget and proposal to Governing body for approval

- Regular monitoring of income and expenditure against budget. Including reporting any significant budget amendments
- Ensure compliance with the School's Finance Policy
- Consultation on awards of contracts over £5,000.
- Ensure a strategic financial view of income, staffing, other expenditure and capital projects.

1.4 Headteacher

The Head of School has overall responsibility for the school, including financial activities:

- Ensuring regularity and propriety
- Ensuring prudence and economical administration
- Ensuring compliance with the School's Finance Policy
- Efficient and effective use of available resources
- The day to day organisation, staffing and management of the school.
Approval of orders up to £4,999

1.5 Finance Director

The FD (employed at St Thomas More Comprehensive School) works in close collaboration with the Head of School and is responsible to the governing body Resources committee. The main responsibilities are:

- Day to day management of financial issues and operation of the finance system
- The management of the school's financial position at a strategic and operational level within the framework of School's Finance Policy
- Ensuring the accounts are properly presented and supported by the financial records and systems
- Ensuring the required returns are submitted to the RBG in line with timetables

1.6 Other Staff

The finance and admin team have specific responsibilities for the accurate maintenance of the school finance systems, records and compliance with the School's Finance Manual. Budget holders have financial responsibility for managing within their delegated budgets and ensuring best value.

Section 2:

Budgets

2.1 Budget construction

The Head is responsible, with the SBM and bursarial support, for the detailed preparation of the annual budget. They will do this in line with the School Improvement Plan and base

costings on these priorities. In addition they will consult with the SLT and other members of staff to ascertain detailed requirements.

The Resources Committee will determine the overall sum within which the budget must be set, and the amount of any anticipated balance to be carried forward into the following financial year.

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

The Resources Committee must meet in the Spring term to consider a broad budget strategy, and again in the Summer term to consider and approve the detailed budget. The full Governing Body must subsequently approve the full budget, and minute this approval. The approved Governors' Budget must then be submitted to the RBG within the timeline required.

In constructing the detailed budget, factors the Head and FD must take account of:

- changes in pupil numbers
- changes in overall and specific funding
- flexibility of use or ring-fencing of funding
- current and previous year's expenditure levels at individual budget heading levels
- School Improvement Plan priorities
- staff pay awards and increments
- anticipated price inflation
- changes in the staffing
- changes in the supply of services and contracts
- facilities development
- IT resources

2.2 Budgetary control and monitoring

The Head and FD are responsible for regular, detailed control of the school budget. To achieve this they will analyse monthly reports from the school's accounting system. Such reports shall show, for each budget heading:-

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

The Head of School and Finance Director are empowered to take remedial action to address variances, by completing virements between individual budget headings. Individual virements may be authorised as follows:-

- 0 to 4,999 - Head
- Over £5,000 - Resources Committee /GB – If project is already agreed by GB, Headteacher can authorise payments over £5,000

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

The FD will present detailed budget monitoring statements to the Resources Committee each financial quarter, such statements shall show for each budget heading:-

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

The Resources Committee shall review the statements; the FD will provide explanations for any significant variances identified. The Chair of the Finance Committee, supported by the Headteacher, Headteacher and SBM/Bursarial service, shall report to each full Governing Body meeting, identifying any significant budgetary issues and any remedial action taken or needed, and any policy decisions needed.

Members of staff must control their own budget area, control equipment and stock, receive regular budget statements and submit an annual report and funding request for the department based on perceived need and prioritisation of objectives based on the departmental improvement plan. The Head remains ultimately accountable to the Governing Body for all budget headings.

All staff must contribute to best value and the efficient running of the school by maximising efficiency and minimising waste (e.g. heating, lighting, telephones). All staff should ensure that all school facilities, equipment and resources are taken good care of.

Payroll expenditure data must be entered promptly each month on to the school's accounting system.

Other, non-pay, expenditure must be reconciled promptly on a monthly basis to the school's accounting system by the finance team.

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 Resources Committee.

Section 3:

Payroll

The school operates its payroll system using Royal Borough of Greenwich. The Personnel provider is EPM.

A list of authorised payroll signatories must be maintained by the FD. This includes the Head of School, Chair of Governors, Head and FD.

3.1 Starters/variatioins/leavers

All changes to staff must be advised in writing to the member of staff by the Head, with a copy to the FD. Forms for:-

- setting up new employees and new contracts on the payroll
- completing variations to pay
- terminations of payroll contracts

must be completed by the FD and submitted to payroll. New starters form should be counter signed by the Head. The information from the forms must then be entered on to SIMS system by the school's SBM.

3.2 Time sheets

All time sheets submitted by a member of staff must be checked and signed by the Senior Admin Officer and then authorised by the Head. Authorised time sheets are entered onto the specific file generated by payroll and emailed to the RBG. This file is completed by the FD/SAO and authorised by the FD/Head.

3.3 Checking of payroll data

Payroll data provided by the RBG must be analysed by the FD, to ensure all employees are recognised, pay is accurate and additional hours are accounted for.

3.4 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.

3.5 Supply teachers

The Governing Body will decide, on the basis of advice from the FD and 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/SAO.

Section 4:

School Bank Accounts

4.1 Accounts

The accounts of the School are to be maintained on a day to day basis by the SBM and Bursarial service. All income and expenditure will be entered promptly in FMS. Bank reconciliations will be performed monthly when bank statements are received, between the balance as per the accounting record and the balance as per bank statements. The main account reconciliation is authorised by the Head.

4.2 Signatories

4.2.1 The following are authorised to sign cheques on the bank accounts:-

- Headteacher
- Deputy Head Teacher
- Assistant Head of School
- SBM
- Admin Assistants x2

There must be two signatures on each cheque.

4.3 Final accounts and audit

Final accounts are prepared at the end of the School financial year by the Bursarial service in conjunction with the SBM and the RBG guidelines.

Section 5:

Assets

5.1 Fixed Asset Register and Inventory

The assets of the school will be recorded in the school's Asset Register. Full details (make, model, serial number, approximate value) shall be recorded.

The school will maintain a register for assets above £50 that are of a portable and desirable nature, this will include electrical equipment (computers, cameras, TV and audio), musical instruments and specialist items.

The Asset Register is important to:

- ensure that staff take responsibility for the safe custody of assets
- enable school management to undertake independent checks as a deterrent against theft and misuse
- help the school manage the effective utilisation of its assets and to plan for their replacement
- allow auditors to verify the adequate control of assets
- support insurance claims in the event of fire, theft or other losses

The SAO has overall responsibility for keeping the register up to date by adding new items when they are received into school. The Premises Manager is responsible for completing an annual check/update which should be signed off by the Head of School.

All inventory items should be security marked by a suitable permanent security marking system.

SLT to consider whether any assets that are no longer used by the school could be disposed of by sale, donation or destruction. All asset disposals must ensure the best

possible value is obtained and must be agreed in advance by the Governing Body. An official receipt for sales income must be issued to the purchaser.

Section 6: Income

6.1 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 SBM, and sent to the debtor as soon as possible after the provision of the goods/service, and no later than one month after the provision. A file of copy invoices will be maintained by the Finance Team; 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 30 days after the due date

2nd reminder 60 days after the due date

If after 90 days the debt remains unpaid, consideration will be given by the FD, Head or Resources Committee to writing the debt off.

In each case, the possibility of taking legal action to recover the debt must be considered by FD, Head, and Governors as appropriate.

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 the due date, 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.

Receipts can be issued to debtors on request, the receipt number is to be written on the copy invoice and a duplicate copy of the receipt must be retained at school.

6.2 Cash income (i.e. where payment is received at the time goods/services are provided). Detailed records must be maintained for all cash income. An official receipt may be issued to the payer on request at the time the payment takes place, and a duplicate copy retained at the school.

6.3 Banking

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

6.4 Charging policy

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

- School visits (which will be costed by the teacher organiser, who will also take into account any students in financial difficulty)

- Music tuition
- Clubs
- School Meals

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

6.5 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 recorded on the system.

6.6 Other income

All income used to offset expenditure (e.g. lettings, music tuition) must be paid into the School bank account and coded to an appropriate income code. Monies received from any sales of school equipment must similarly be paid into the School main bank account. Donations should be properly recorded into the appropriate income budget.

6.7 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 finance office.

Section 7:

Purchasing and Segregation of duties

7.1 Ordering

School procedures for purchasing should ensure that purchases are as required and are only for valid school purposes.

The school must ensure that 'Best Value' is achieved on all purchase.

Where possible a purchase order should be raised for items/services in advance of an order being placed to allocate funds.

Orders must be approved by the Headteacher. The orders should then be processed by the SBM. The official order produced from the finance system must be authorised on the system before it is sent to the supplier. If an order has been placed over the telephone by the SBM an official order number will be given and the invoice will be checked against this number. Alternatively official confirmation of the order must be sent as soon as possible afterwards, e.g. by email.

All invoices should be signed by the appropriate budget holder and the SBM/Head to agree that the goods have been delivered and the invoice matched the order value. .

Official orders must not be used to procure goods for private purposes.
Records of all official orders placed must be retained on file at the school by the SBM.

Payments should not be made in advance, that is prior to goods and services being received. However, occasionally a supplier will only provide goods or services if payment is made at the time of the order or in advance of receipt of the goods or services, this must be authorised in writing by the Head of School or in accordance with the school's Scheme of Delegation.

7.2 Quotations/tenders

- £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.
- £5,000 - £10,000 - independent written evidence of at least three prices must be obtained and retained. Independent written evidence means quotations provided on suppliers' headed notepaper.

For orders for goods/services over £10,000 -Tenders must be invited in accordance with current policy.

7.3 Governor involvement

Governors delegate the responsibility for the above requirements to the Head and FD. As well as ensuring that the above requirements have been adhered to, it is the responsibility of the Head and FD to ensure that Governors are consulted in the following circumstances:-

- Review of quotations obtained where estimated costs exceed £10,000.
- Review of quotations when the lowest quote is not the most suitable or when the prerequisite 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.

7.4 Receipt of goods

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

7.5 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. All invoices must be certified for payment by the Budget Holder before being passed for payment. Invoices passed for payment must be recorded promptly in the school's accounting system by the SAO.

7.6 Staff Reimbursement for expenses

All staff reimbursement claims must be countersigned by the Head or the Assistant Heads. In normal circumstances individual purchases must not exceed £25. Amounts above this sum, should only be in exceptional circumstances and with prior approval of the Headteacher. Such payments should be for emergencies only and should not simply result from a lack of planning. These payments will be paid via BACS.

Payments made to the Headteacher must be authorised by the SBM.

7.7 Procurement card

Governors have authorised the use of one school payment card. The card is for the use of the Headteacher and the SBM and is in the name of the Headteacher.

The card must be kept securely in the safe, and only taken out when required.

A detailed record of expenditure must be kept for all purchases.

Care must be taken with all internet purchases, including purchasing only from known, trusted, reliable and reputable suppliers and only from sites adopting the internet security protocol <https://>

The card must be settled in full each month; it must not be used as a line of credit.

The SBM is responsible for reconciling the monthly expenditure. Any items which do not have detailed record of expenditure or do not appear to be for bona fide school purposes must be immediately reported to the Headteacher and investigated immediately.

The transactions will be posted monthly onto the finance system.

Section 8:

Register of Pecuniary and Other Interests

The school shall maintain such a Register.

8.1 Persons to be included

- All Governors
- Head of School/Head of School
- All senior staff

8.2 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 a member of staff who has close personal relationship (spouse, partner, son, daughter etc.) with Governor/senior member of staff, without going through correct procedures for recruitment and selection.

There cannot be a definitive, comprehensive list of the interests which should be recorded. 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.
- having a close personal relationship with a person in the above categories.
- being in a position to potentially influence decisions made about the school.
- having a close personal relationship with a Governor or member of staff.

If staff or Governors are in any doubt regarding whether an interest should be reported guidance should be sought from the Head or Chair of Governors.