



Finance Policy 2023

Approved by:	Pete Sayers	Date: January 2023
Last reviewed on:	January 2022	
Next review due by:	January 2024	

IDLE C.E. (A.) PRIMARY SCHOOL

Under the Local Management of Schools (LMS) the Governing Body is responsible for the control of financial expenditure.

The Governing Body is responsible for the approval of the whole school budget, which reflects the expenditure and income identified in the School Improvement Plan.

The Governors have delegated responsibility for financial matters to the Finance Sub-Committee.

The Head Teacher has day to day responsibility for the administration of the budget, and is authorised by the Governors to spend up to £4000 per order. Above that limit, orders should be endorsed by the Chair/Vice Chair of Governors.

The School Business Manager is employed to assist the Head Teacher in the administration of the budget. School will utilise the services of an external Bursar to provide confidential advice and support to support the planning and administration of the budget.

Appropriate safeguards are essential in the management of finances, and the financial position of the school should be regularly reported to the Staffing and Finance Committee, and through the committee to the Full Governing Body.

The following statement of Financial Administration has been endorsed by the Governing body and must be applied in line with the requirement for Consistent Financial Reporting Framework (2017).

FINANCIAL ADMINISTRATION.

AIMS:

1. To ensure that the annual financial planning of the school relates to the School Development Plan and is set within the available budget of the school.
2. To provide the financial means of achieving the overall aims of the school.
3. To provide a clear framework for budget planning so that spending decisions support the curriculum as effectively as possible.
4. To meet the Consistent Financial Reporting Framework (2016).

PROCEDURE:

School is usually informed of its draft Local Authority delegated budget by the beginning of March in any year. Following this, taking into account any major fluctuations in costs e.g. Staff Salary increases and the identified priorities in the School Improvement Plan, The Head Teacher, School Business Manager meet to produce a draft budget for the next financial year, for approval by the Finance Committee and School Governing Body.

Once approved, a copy is sent to the School Funding Team at the Local Authority for their records.

Spending priorities should be as follows:

- a) To provide staff to ensure the effective delivery of the curriculum and the identified aims of the school.
- b) To provide staff to ensure the effective administration of the school.
- c) To provide resources and equipment to support the curriculum. Whenever possible, this should be close to 4% of the total allocation.
- d) To maintain and improve the upkeep of the whole school building.
- e) To upgrade work equipment and furniture where possible.
- f) Improvements to building and facilities.

DELEGATION OF FUNDS.

The Head Teacher is responsible for delegating expenditure for all areas of the budget to the School Business Manager, Senior Management team and Site Manager in conjunction with the planned annual budget. The amount allocated to each area is determined by the schools Long Term Development Plan, Local and National initiatives, the annual curriculum audits and historic factors.

These different areas of delegation are identified in the Finance remit.

MONITORING AND EVALUATION OF FINANCIAL EXPENDITURE.

Financial reports will be made to the Governors' Finance Sub-committee at least quarterly. At the end of each financial year a report will be made to the full Governing Body outlining the end-of-year financial position, as well as the draft budget for the following year.

CAPITAL GRANTS.

In addition to its pupil-led income, the school receives Devolved Formula Capital funding (direct capital grant) from the Department for Education. This expenditure must always be made in line with current DfE regulations, which in the case of Capital grant requires a 10% contribution from the school's Delegated Budget.

PURCHASES:

The principles of 'best value' are applied in the school's use of resources.

Detailed guidance on the concepts embodied in best value principles can be found in the Governors 'Schools Financial Value Statement'.

At Idle C.E. (A.) Primary School we recognise the importance of questions such as:

- How do our standards and costs **compare** with those of other schools?

- How do we **challenge** ourselves to justify the use of resources to provide educational activities outside the statutory curriculum, for instance parent-school partnerships and vocational courses?
- How do we satisfy ourselves that **competition** is fair where we buy contracted-out services.
- How do we widely **consult**, for example on major spending decisions and changes to the curriculum?

At all times best value must be central to all purchases and, as such, YPO are used for the majority of equipment and materials. However, when an item can be found at a cheaper price, or when there is some urgency for resources, local or other external suppliers may be used.

Whenever possible small repairs and maintenance, will be attempted by the school Site Manager, who will seek a contractor when needed. However when specialist repairs are necessary, qualified contractors with a minimum of £2m liability insurance will be employed. All work likely to cost in excess of £10,000 must be put out to tender with three competitive quotes (two at the minimum) being received before awarding any contract.

ORDERS:

All orders should include full details, and must be submitted for approval by the Head Teacher on the official school requisition form. The Headteacher and School Business Manager will scrutinise all orders for appropriateness and necessity before authorising them and passing for processing.

When supplies arrive, the Site Manager/School Office will check the order against the delivery note, the delivery note should be endorsed and returned to the school office. The School Business Manager will delegate responsibility for checking against the original order, and, if the contents are satisfactory, the Finance Administrator will prepare all appropriate documentation ready for payment.

Annual contracts for delegated services are presented for consideration at the Governors Finance sub-committee meeting and renewed where appropriate at the beginning of the financial year. Details are then held in the relevant expenditure file.

PAYMENTS:

Payments for goods or services received will not be made unless an appropriate VAT invoice has been received, checked, coded and certified for payment, confirming that prices accord with quotations, tenders, contracts or catalogue prices and that arithmetic is correct. All invoices will be carefully checked to ensure they are accurate. Correct accounting should be made for the treatment of V.A.T. i.e. when items bought and services are received by the school and are charged at the relevant rate of V.A.T. , this amount should be reclaimed using the monthly SIMS Report from the School Funding Team at Bradford Council.

Any item(s) purchased from the Enabling Account which is then sold on to pupils, parents or any other outside agencies (e.g. book/p.e. bags; school calendars etc) which is liable for V.A.T. must be charged and paid at the appropriate taxation level.

ENABLING ACCOUNT:

The School Enabling Account (Delegated Budget Bank Account) provides funds to make payments for all goods and services received. Money is transferred into the account from the Local Authority via BACS (Bankers Automated Clearance System) on an even monthly basis.

Pre-printed cheque stationary is used at Idle C.E. (A.) Primary School and blank cheques – endorsed ‘a/c payee only’ - are securely stored numerically in school, with only the Head Teacher, Deputy Head Teacher, School Business Manager and Finance Administrator having authorised access.

Cheques must be signed by any two designated authorised signatories.

Cheques should not be pre-signed.

A list of designated authorised signatories is listed in Appendix 1.

SCHOOL FUND:

The School Fund is run independently from the School Enabling Account and is managed by the School Business Manager. Income relating to the Enabling Account should only be credited to the School Fund account and vice-versa in exceptional circumstances.

All receipts relating to the School Fund should be maintained and retained.

The School Fund operates from a manual cheque book system which is securely stored in school, with any two signatories able to have authorised access.

Two authorised signatories are required to sign any school fund cheque.

A list of designated signatories is listed in Appendix 1.

The income/expenditure account should be reconciled against each bank statement received.

The accounts are audited at the end of each academic year by the Head Teacher or Deputy Head Teacher, and an independent third party.

INCOME:

Any income received into school should be credited to the appropriate accounts and banked at the earliest possible convenience. Large amounts of money should not be kept in school. Wherever possible a receipt should be issued for any income received. A clear division of duties should be carried out where the person receiving and receipting the income should not be responsible for the banking and/or reconciliation of funds.

School actively encourages Parents to make online payments via Parent Pay for trips and purchases. Fundraising income may be paid in cash as appropriate.

Any monies held in school should not be used for the encashment of Personal cheques.

Staff must not route school income through their own bank accounts.

PETTY CASH:

School has a petty cash account with a working balance of £500 for the use of minor items of purchase. Manual and computerised accounts are maintained and certified on a regular basis, with both income and expenditure recorded.

INSURANCE:

Insurance is arranged annually to cover against the loss of equipment, vandalism, teaching staff illness, Buildings, Contents and Business interruption. Claims are dealt with promptly and anticipated reimbursement monitored until received.

COMPUTER SYSTEMS:

The school is reliant upon the FMS Accounts system to process and record financial and other management data efficiently, and is registered under the Data Protection Act 1998. The Act imposes requirements of openness and good practice on computer users.

Effective back-up procedures are in practice and remote back-up is carried out daily by via Primary Technology. There is an effective recovery system in place in the event of fire, theft or malfunction of equipment.

Only authorised staff have access to computer software used for school management. (see Appendix 1).

PAYROLL & PERSONNEL:

School does not administer its own payroll system and uses the Local Authority SAP system.

The purchase of delegated services means school relies upon the expertise provided by the Human Resource Service – PACT HR and Payroll at the Local Authority in implementing the processing of appointments, payments, deductions, termination's, sickness, leave of absence and promotions, taking into account the Whole School Pay Policy, adopted from the Local Authority by the Governing Body.

A list of authorised designated signatories is listed in Appendix 1. Following the introduction of 'AnyComms', signature authorisation is no longer compulsory, but is carried out as a measure of 'good practice'.

INVENTORY:

The Head Teacher is responsible to the Governing Body for the safe custody and control of cash and any other property belonging to the school.

An inventory is maintained in school using SIMs FMS Equipment Register. This is updated when items are purchased, disposed of or sold. Items that are deemed 'attractive and portable' are recorded with a minimum value of £500 based on physical location, ICT, PE and Site Manager's equipment

Should anything over the value of £500 be removed, discarded or sold, the School Business Manager must be informed so that necessary amendments to records may be made.

Ultimately, disposal of items remains at the discretion of the Head Teacher.

Items of portable and significant value are security marked by the Site Manager/ICT Staff. Sensible precautions should be made against loss or theft. Store rooms should be locked when not in use. Equipment may be taken home by staff with the permission of the Head Teacher. In such cases items should be reported to the School Business Manager to ensure the equipment is insured under the Local Authority's Balance of Risks Insurance Policy.

APPENDIX 1.

List of Authorised and Designated Signatories and Bank Accounts.

PERSONNEL & PAYROLL

(no longer compulsory since the introduction of AnyComms but used as 'good practice')

Headteacher
Deputy Headteacher
Business Manager

SCHOOL FUND ACCOUNT: (any two signatories)

(Voluntary funds)

BANK ACCOUNT NAME: Idle Church School Fund.

Deputy Headteacher
Administrator

ENABLING ACCOUNT: (any two signatories)

(Used for the certification of orders, invoices and payment of cheques)

BANK ACCOUNT NAME: Idle C.E. (A.) Primary School Enabling Account.

Headteacher
Deputy Headteacher
Business Manager

ACCESS TO SIMS FINANCIAL ADMINISTRATION SOFTWARE (FMS)

(Password protected)

Business Manager
Finance Administrator