



# 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.gscb.org.uk](http://www.gscb.org.uk)*

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## 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 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.

## 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.

## 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 CC 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

## 4. Budgets

### 4.1 Budget construction

The Headteacher and School Business Manager (SBM) are responsible for the detailed preparation of the annual budget. In doing this the headteacher should consult with 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.

In constructing the budget, the Headteacher and SBM must take account of priorities identified in the School Development Plan and incorporate the costs of these in the budget. Priorities identified in the Development Plan must always be costed.

The budget total must not exceed the amount of the LA allocation plus or minus any balance brought forward from the previous year. If it appears that this cannot be achieved, the Headteacher and Chairman of Governors must inform the Education Department immediately this becomes apparent.

The Resources Committee must meet in the autumn term to consider a broad budget strategy, and again in the spring term to consider and approve the detailed budget. The full Governing Body must subsequently approve the full budget, and minute this approval. The Education Department must be informed in writing of the approved budget, in a format determined by the Education Department. This statement must be signed by the Chairman of Governors.

In constructing the detailed budget, factors the Headteacher and SBM must take account of:-

- any anticipated changes in pupil numbers
- current and previous year's expenditure levels on individual budget headings
- Development Plan priorities
- staff pay awards and increments
- anticipated price inflation
- changes in the staffing complement
- changes in the supply of services (gas, electricity, oil, water etc.).

### 4.2 Budgetary control and monitoring

The Headteacher and SBM are responsible for regular, detailed control of the school budget. To achieve this she will receive 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
- variance.

The Headteacher is empowered to take remedial action to address variances, by effecting virement between individual budget headings. Individual virements may be authorised as follows:-

- up to £1,000                    - Head
- £1,000 - £2,999            - Chair of Resources Committee
- £3,000 - £4,999            - Resources 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.

The Headteacher and/or SBM will present detailed budget monitoring statements to the Finance Committee on a termly basis, such statements shall show for each budget heading:-

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

The Resources Committee shall consider such statements; the Headteacher and/or SBM will provide explanations for any significant variances identified. The Chairman of the resources Committee shall report termly to the full Governing Body, identifying any significant budgetary issues and any remedial action taken or needed, and any policy decisions needed.

The Headteacher may assign budgetary control of individual budget headings to other members of staff. Such members of staff must receive monthly budget statements as detailed above. The Headteacher remains ultimately accountable to the Governing Body for these budget headings.

Payroll expenditure data notified by Shire Hall (through electronic transfer) must be entered promptly each month by the SBM on to the school's accounting system.

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.

## 5. Payroll

### 5.1 Starters/variations/leavers

All forms for:-

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

Such forms should be posted promptly via the eforms system to the L.A.

### 5.2 Time sheets

All time sheets submitted by a member of staff must be checked initially by the School Administrator, and then authorised by the SBM. or in his absence, the Headteacher. Authorised time sheets must be posted promptly via the eforms system to the L.A.

### 5.3 Checking of payroll data

Payroll data received monthly from Shire Hall (printout or electronic transfer) must be scrutinised by:

- the Headteacher, to ensure all employees are recognised, and pay appears reasonable (no detailed check)
- the SBM to check accuracy of pay calculations.

### 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, the Creditor Control section in Shire Hall must be contacted for advice (Tel: 01452 425940).

### 5.5 Supply teachers

The Governing Body will decide, on the basis of advice from the Headteacher, 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 SBM, or in his absence, the Headteacher.

## 6. School Fund

### 6.1 Accounts

The accounts of the school Fund are to be maintained on a day to day basis by the S.B.M. 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

It was agreed that two out of the following five are authorised to sign on the school bank accounts up to the value of £10,000 cheques above this value should have three signatures.

Mr. J. Evans (Chair)  
Mrs. C. Baron ( Head)  
Mrs. L. Dowding (Senior Teacher)  
Mrs V Young (Deputy Head)  
Mrs J Brogan (Senior Teacher)

### 6.3 Final accounts and audit

Final accounts are prepared at the end of the School Fund financial year by the SBM. 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 Clerk to the Governing Body will return the requested form to Shire Hall in the format required by the Education Department.

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

## 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 Headteacher. Over this limit, the Governing Body must authorise and details recorded in the minutes. Reasons must be recorded in the inventory, together with the Headteacher'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 Smart Water, 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.

## 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 in consultation with the Finance Committee or Governors to writing the debt off in accordance with the following limits:-

- up to £50 - Headteacher may authorise write-off
- up to £100 - Chair of Resources Committee may authorise write-off
- £100 and over - full Governing Body may authorise write-off.

In each case, the possibility of taking legal action to recover the debt must be considered by Headteacher, Chairman, 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 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.

The charging policy will be reviewed biannually 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, music tuition, sales of work) must be paid into the official Capitation Bank Account and coded to an appropriate

income code. Monies received from any sales of school equipment must similarly be paid into the Capitation Bank Account.

Donations may be paid into the Capitation Bank Account or the School Fund dependent upon the wishes of the donor which must be ascertained beforehand.

8.7 Cash received from pupils

Cash received from pupils in class must be recorded by a member of the 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 SBM will bank monies at such intervals that keep the school within the Insurance Policy Limits. The SBM will issue an official receipt for the income that will be attached to the income record and held in the office.

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.

## 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 school SBM 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 SBM..

When placing orders it is the responsibility of the initiator to ensure that Gloucestershire County Council Financial Regulations and Standing Orders are adhered to, these being -

### 9.2 Quotations/tenders

Financial Regulations - for orders for goods/services under £50,000:

Where every effort has been made to obtain three quotations and only two have been received the Governors can make a decision on the information received.

- £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.

Standing Orders - for orders for goods/services over £50,000.

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/ SBM. 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.

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. When three quotes have been requested and only two have been received the governors can waive the third quote as long as every effort has been made to get it.

### 9.4 Receipt of goods

Once items ordered have been received, the School Administrator must ensure that items delivered correspond to details contained in the delivery note. Where Budget holders have placed the order they will be responsible for checking the copy order and delivery note. All discrepancies should immediately be reported to the School Administrator. Upon examination of goods the School Administrator 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 Local Bank Account.

The three part cheque stationery is then attached to the invoice. The payees name and invoice total can then be checked by each signatory before signing the cheques.

The cheque counterfoil is then filed in the office with the invoice.

## 9.6 Banking Arrangements

The Governing body has resolved to use Barclays Bank for the G.C.C. Bank Account.

Twice a month the S.B.M. will reconcile the G.C.C. Account with the Bank Statements.

The G.C.C. Account has a Current Account which is swept automatically into a Business Premium Account. The majority of money is put into a High Premium Account to gain the most interest and manually transferred to the Business Account when needed.

The Governing Body has designated the following officials to be signatories to the account.

Headteacher  
Chair of Governors  
Deputy Head  
Senior Teacher

(Any two of the above to sign, cheques above £10,000 any three)

The actual officials are named in the Governors minutes and any amendments are updated in the minutes.

## 9.7 Petty Cash

Day to day operation of the petty cash account is the responsibility of the SBM.

All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash record.

All members of staff who wish to purchase items from the petty cash account must obtain prior approval from the Head. All receipts, paid invoices etc. to evidence the payment must be presented to the secretary by members of staff when reclaiming cash from the account. All receipts must be retained by the SBM.

The Manual Cheque used to reimburse the petty cash will be photocopied after it has been signed and retained with the receipts and paid invoices.

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 Headteacher. 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.

## 9.8 Use of Consortium, and Term Contractors (Maintenance Work)

If the Consortium is used for any purchases, or if the LA-approved Term Contractors are used for maintenance work, then the school need not seek competitive quotations to comply with Financial Regulations. However if, for purchases up to £500, the Head wishes to obtain quotes in competition with the Consortium/Term Contractors, then this may be effected. Above £500, Governors may decide to seek such competitive prices.

## 10. Register of Pecuniary and Other Interests

The school shall 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. SBM.)

### 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 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).