



Date Agreed: February 2016

Finance Policy

Review Date: Spring 2019

Signed:

Chair: A Whittle

Revision Record

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1 Governance

The governing body is responsible for ensuring that the school meets all obligations placed upon it by the Secretary of State. It is responsible for setting educational and financial priorities, and for ensuring the budget is managed effectively.

The roles and responsibilities (including any limits of delegated authority) of the governing body, its committees, the headteacher and other staff in relation to financial decision making and administration are set out in The Scheme of Delegation.

The full governing body meets at least once every term (i.e. three times a year). All meetings will be minuted.

The governing body will agree with the headteacher the minimum frequency, level of detail and general format of the financial information to be provided to it, especially in relation to budget monitoring reports.

The governing body will maintain a register of business interests of governors. They shall each complete a return on an annual basis, or during the year if personal circumstances change within that twelve month period.

2 Financial Planning

Good financial management will provide the school with a clear view of how it intends to use its resources.

The school's budget will:

- provide a clear, identifiable link to the SDP
- be based on realistic estimates of all expenditure and income, including any grant income, so that planned expenditure does not exceed the available budget
- include details of all budgeted surpluses that have been earmarked for specific future needs, thus ensuring that pupils benefit from a planned approach to spending that does not deprive them of resources in any given year
- be approved in principle by the Leadership and Management Committee and Headteacher, after careful consideration and before the beginning of the relevant financial year
- be formally ratified by the full governing body and Headteacher by the 31st May
- be submitted promptly to the Local Authority, once it has been finally agreed and ratified
- be input and fixed on the school's accounting system as the Original Budget

3 Budget Monitoring

The Headteacher in conjunction with the School Business Manager will produce and monitor monthly budget monitoring reports, including sums committed but not yet paid and outturn forecasts, against the approved budget. These reports will be reconciled to the school's accounting records.

The School Business Manager will provide budget monitoring reports to the full governing body at least once a term. Again these should include summary reports direct from the school's accounting system. These will show any significant variances against the budget with explanatory notes and where necessary, remedial action plans including virements (budget movements).

The Headteacher will monitor expenditure on the initiatives set out in the SDP.

Where elements of the overall budget have been devolved, budget holders may request reports provided by the School Business Manager throughout the financial year, comparing the amount spent and committed to date against their budgets.

The Headteacher will monitor overall expenditure throughout the year, to ensure that the school's bank account does not go overdrawn.

4 Purchasing

Mechanism for Authorisation of Spending

The school is required to abide by the Council's Financial Regulations, Standing Orders in respect of purchasing, tendering and contract matters, where these do not contradict any other provisions of the Fair Funding Scheme or any statutory provision or EU Directive.

The following proposals are intended to cover all spending on equipment, materials, and services for the School.

Authorisation

- Decisions on expenditure of up to £5000 should be authorised by the Headteacher without the need for further consultation and virements up to £5000.
- Proposals for expenditure in excess of £5000 should be referred by the Headteacher to the Full Governing Body for approval and virements in excess of £5000

Tendering for Contracts and Equipment

- If the anticipated value of a contract or purchase is below £5000, the school does not need to obtain a set number of bids or quotes but will demonstrate value of money. Suppliers/contractors can be contacted directly either in person, over the phone or internet.
- If the anticipated value of a contract or purchase is between £5000 and £10000 the school will need to invite at least 2 written bids/quotations (Consider obtaining 3 quotes if difference between 2 quotes is greater than 100% of the lowest cost).
- If the anticipated value of a contract or purchase is between £10000 and £60000, the school will need to invite at least 3 written bids/quotations
- Contracts with a value of over £60000 must be subject to at least three competitive sealed tenders, the administration of which will follow the requirements in the Council's Standing Orders relating to Contracts for Schools.

These figures are stated in the latest Scheme for Financing Schools issued by the Council to all schools. They are also subject to revision by the DfE at periodic intervals.

All decisions on expenditure will be made using the Best Value principles, whether these are for goods or services.

All contracts entered into will have detailed specifications defining the service to be provided in terms of its nature, quality standards, information & monitoring requirements and contract review procedures.

School staff and Governors will not use official orders to obtain goods or services for their private use.

All orders will be signed as approved by the Headteacher, or Deputy Head or Assistant Head in their absence.

Invoices will be paid with the time limits specified in law for the payment of debts, and only once a valid invoice has been received, checked, coded and certified for payment.

All invoices will be signed as approved by the Headteacher, or SLT in their absence.

5 Financial Controls

The Headteacher will ensure where possible, that duties relating to financial administration are distributed so at least two people are involved.

The Governing Body will ensure that proper accounting records are maintained and that all documents relating to financial transactions are retained for six full financial years.

The Headteacher will ensure that all expenditure from sources of earmarked grants is accounted for separately and that the funding is used for its intended purpose.

The Headteacher will ensure that all accounting records are securely retained when not in use and only accessed by authorised staff.

6 Income

The Governing Body will establish a charging policy for the supply of goods and services and review this on an annual basis.

Cash and cheques will, at all times, be securely locked away to safeguard against loss or theft.

Income will be paid into the appropriate bank account promptly and in full. Income records will show clearly the split between cash and cheques and list each cheque individually.

Income collections will not be used for the encashment of personal cheques or for other payments.

7 Banking

The school will receive bank statements on a monthly basis and reconcile these with their accounting records. Any discrepancies will be investigated.

All bank reconciliations will be signed, named and dated by the person performing the reconciliation and then reviewed and countersigned, named and dated by the Headteacher.

The Administration Staff will ensure that all supporting documentation is always made available to cheque signatories to safeguard against inappropriate expenditure.

The Headteacher will ensure that every cheque drawn against the delegated budget bank account bears the signatures of two signatories authorised by the Governing Body.

The Headteacher will ensure that all chequebooks will be held in a secure place at all times.

The Governing Body will ensure that school does not enter into any loan agreements, other than with the Council.

BANK ACCOUNT AND SIGNATORY INFORMATION

Binstead Primary School IWC

Branch: Newport IOW

Sort Code: 30-95-99

Account No: 02349261

Signatories: A Mosedale, S Whitter, A Pay, S Harris

Requirement: Any two to sign

8 Payroll

The Governing Body will maintain up-to-date procedures for the administration of personnel activities, including appointments, terminations and promotions.

The Headteacher will ensure that at least two people are involved in the processes of completing, checking and authorising all documents and claims relating to appointments and terminations of employment.

All personnel documents will be signed by the Headteacher.

The Headteacher will ensure that only authorised staff have access to the personnel files.

The School Business Manager will maintain a list of current staff employed, which will be updated promptly to reflect new starters and leavers.

The School Business Manager will ensure staff absences are recorded and monthly returns submitted to the school's Payroll and H.R. Staff absence is to be managed through the Staff Attendance Management Policy procedures. The Headteacher will inform the governing body of any long term absence.

The School Business Manager will review the payroll transactions for errors and/or omissions as part of the monthly reconciliation process. The monthly payroll report will be checked and signed by the Headteacher as evidence.

9 Best Value Statement

Introduction

The Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's Development Plan. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

What Is Best Value?

Governors will apply the four principles of *best value*:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?

- **Compare** - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Governors' Approach

The Governors and School Leaders will apply the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

Staffing

Governors and School Leaders will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of Premises

Governors and School Leaders will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access.

Use of Resources

Governors and School Leaders will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and learning.

Purchasing

Governors and School Leaders will develop procedures for assessing need, and obtaining goods and services which provide “best value” in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £5,000)
- procedures for accepting “best value” quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Pupils' Welfare

Governors and School Leaders will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

Health & Safety

Governors and School Leaders will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

10 Tax

The Headteacher in conjunction with the School Business Manager will ensure that the school complies with Value Added Tax (VAT) and other tax regulations.

All relevant finance and administrative staff are aware of VAT and Income Tax regulations.

Only proper VAT invoices are to be paid.

All employee type payments (including expenses) are paid via the payroll system so that all income tax and national insurance deductions are properly made and accounted for.

11 Assets

The Headteacher should ensure that stocks of materials and other usable resources are maintained at reasonable levels and subject to a physical check once a year. This will help to ensure that educational work is not delayed because of unavailable resources and to guard against waste and loss.

The Headteacher will ensure that up-to-date inventories are maintained of all items of equipment.

The Headteacher will ensure that the safe is kept locked, and that there is restricted access to the code. The code will be changed as and when staff change.

The Governing Body will maintain an on-going plan for the use, maintenance and development of the school's buildings.

12 Insurance

The Governing Body will notify their insurers, the Local Authority of any new risks, which may require insurance, or of any other alteration affecting existing insurance.

The school will immediately inform its insurers, the Council or their agent of all accidents, losses and other incidents that may give rise to an insurance claim.

The Governing Body will ensure that insurance arrangements cover the use of school property (i.e. laptops or musical instruments) when off the premises.

13 Data Security

The Headteacher and Governing Body will ensure that computer systems used for school management are protected by password security and only accessed by authorised staff.

The Headteacher will ensure that data is backed up regularly and that all back-ups are securely held in a fireproof location, or ideally off-site.

The Headteacher will in conjunction with the I.T. Leader establish and maintain a recovery plan to ensure continuity of financial administration in the event of an emergency.

The Headteacher will ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software will be used.