



St Bartholomew's CE Primary School

Finance

1 Introduction

The Governing Body recognises that it is ultimately responsible for the financial management of the school and has produced this policy document to help it fulfil those responsibilities.

2 Organisation

Recognising the importance and complexity of management in school, the Governing Body as a whole gives due consideration to all management matters including finance.

The Governing Body:-

Chair	Mr P Callow
Vice Chair	Mrs S Andleeb
Clerk	Mr G Peatling
Head Teacher	Miss S Ingle
Members	Mrs K Davison, Mrs S Dossett, Mrs P Peach, Mrs L Thomas

The Chair and Vice Chair are elected at the AGM each year.

The Governing Body plans to meet termly:

- to agree the budget for the new financial year
- to consider the budget monitoring report at each meeting
- to agree the finance plan at start of each new school year
- to consider and agree the capital expenditure program
- to measure implementation of the school's financial regulations

The Governing Body will be able to make and approve budget amendments. Minutes will be taken at each meeting.

The Governing Body will be required to maintain strict confidentiality with respect to payroll records and other sensitive information presented to it.

The Governing Body recognises the importance of Governors, the Head Teacher, the Finance Manager and staff having a full and clear understanding about their respective roles and responsibilities with regard to the financial management of the school. This section sets out those roles and responsibilities.

The Governing Body will:

- agree and record, in writing, the roles and responsibilities of the Head teacher and the Finance Manager;
- review those roles and responsibilities on an annual basis;

- consider the draft budget papers prepared by the Head teacher and the Finance Manager and approve the school's budget each year, ensuring that a copy is attached to the minutes of the meeting;
- submit the approved budget to the Local Authority (LA) within the specified timescale;
- consider budget monitoring reports produced by the Finance Manager for each meeting;
- consider the capital expenditure plan prepared by the Head teacher and have on-going review;
- approve the school's original and revised financial plans each year;
- take appropriate steps to ensure the school's budget does not overspend;
- receive detailed budget monitoring reports each term;
- agree the school's virement policy;
- establish the school's charging policy and review on an annual basis;
- ensure that the School Fund is audited each year;
- ensure that a signed statement confirming that the School Fund has been audited is submitted to the County Council within its specified timescale;
- review the financial training needs of Governors, the Head Teacher, the Finance Manager and staff on an annual basis and fund training needs, as appropriate;
- contact the LA and seek approval to overspend where this seems unavoidable;
- authorise the school's applications for loans from the County Council;
- satisfy itself that the Head Teacher, the Finance Manager and staff are fulfilling their responsibilities as set out in this policy document;
- review detailed budget monitoring reports at each Governors' meeting, ensuring that copies are attached to the minutes;
- record in writing the transaction/process authorisation limits etc., relating to the school's financial system for relevant members of staff;
- ensure that the school's Register of Business Interests and Conflict of Interests is kept up-to-date;
- ensure that the school complies with the LA's guidance relating to Extended Schools and, in particular, that it does not subsidise extended school activities from the school's main budget share;
- ensure that the school complies with the LA's Scheme for Financing Schools, as approved by the Secretary of State;
- familiarise themselves with the way in which schools in Lincolnshire are funded;
- contact the LA for advice in relation to leasing arrangements, as appropriate;
- ensure that the school obtains value for money;
- ensure that audit recommendations are implemented within a reasonable timescale;
- use management information, particularly that supplied by LCC, to challenge the way in which the school uses its financial resources;
- ensure that the school complies with LCC's financial regulations;
- ensure that the school has a list of certifying officers for the purpose of signing cheques, certifying employee claims etc. and review this on an annual basis;
- ensure that assets with a value up to £20,000 are disposed of in accordance with the guidance set out in the Finance Handbook;
- review this policy document on an annual basis.

The Head teacher will:

- familiarise him/herself with this policy document and his/her role and responsibilities;
- draft budget papers;
- draft original and revised finance plans;

- ensure that the School Development Plan priorities are properly costed and linked to the school's budget and finance plan;
- monitor the budget on a monthly basis;
- review the monthly financial statements prepared by the Finance Manager to ensure the financial records of the school are being correctly maintained;
- ensure that proper checks and controls are in place to cover day-to-day activities;
- authorise transactions and processes within the school's financial system up to limits agreed by the Governing Body;
- act as an authorised signatory for the purpose of approving purchase orders, approving bank payments and certifying employee claims, etc.;
- review reconciliations and returns on a monthly basis and initial such documents as evidence that such checks have been carried out;
- monitor the payroll records to ensure that reports are run on a monthly basis, that checks have been undertaken to ensure data is correct and initial documents as evidence that monitoring has taken place;
- agree virements up to his authorised limit;
- ensure an inventory is maintained;
- ensure that any budgets that are delegated to senior staff or departments operate within a similar controlled regime, with regard to budget monitoring and reporting etc;
- ensure that assets with a value up to £20,000 are disposed of in accordance with the Finance handbook.

The Finance Manager will:

- assist the Head Teacher with the draft budget papers;
- assist the Head Teacher with the draft original and revised finance plans;
- maintain all accounting records using the school's financial package;
- carry out transaction/processes within the school's financial system up to limits agreed by the Governing Body (see Appendix A);
- obtain signed approval from the Head Teacher for all purchase order requests;
- carry out the day-to-day running of the school's financial administration and ensure that LCC's timetable is adhered to;
- ensure that all LCC financial reporting deadlines are met and that all necessary statements of income & expenditure, balance sheet reports, bank reconciliation statements and any other required data are submitted in time to meet such deadlines;
- contact the school's nominated Finance Technician in the School's Finance team with concerns or queries regarding financial administration;
- ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to aid effective budget monitoring and management;
- ensure that payments are made to suppliers in accordance with supplier payment terms;
- obtain signed approval from the Head Teacher for every bank payment to be made, by cheque or by BACS and for any required standing order or direct debits;
- ensure that VAT is correctly accounted for and that forms VAT126 are submitted monthly to LCC within deadlines;
- ensure that VAT refunds due to the school are received from LCC and chase up LCC for such refunds if they are not received into the bank in a timely manner;
- ensure CIS is correctly accounted for when applicable;
- ensure that, where appropriate, claims on the sickness absence scheme are made promptly and no later than one month after the relevant sickness period;
- ensure that payroll reports are run and checked on a monthly basis, so that all adjustments are notified to the payroll providers in time to meet their cut off deadlines;

- maintain the School Fund and ensure that the records are kept up-to-date;
- ensure that all cheques and cash received at school are recorded in the financial records, locked away securely and banked as soon as is practical;
- ensure that the School Fund's annual accounts are prepared, audited and approved by the full Governing Body and submitted to the LA in the timescale specified;

3 Authorisation Limits for Purchase Orders

The Finance Manager will obtain approval from the Head Teacher for every Purchase Order request regardless of its value before raising the order. The approval will be in the form of either an original signature or by email confirmation from the Head Teacher's email account.

When the purchase order request has been approved by the Head Teacher, the Finance Manager can then raise the order. Once the purchase order has been input into the PS Financials online Portal for purchasing, the Finance Manager can authorise all purchase orders up to £1,000. Orders over £1,000 must be approved by the Head Teacher. These online authorisations will be requested by way of automated emails generated by the PS Financials system.

The Head teacher can authorise purchase orders up to a value of £100,000. Approval and authorisation from the Governing Body must be sought for all purchase order requests over £100,000.

4 Barclaycard

A Barclaycard account has been opened and a single card issued in the name of the Finance Manager. The monthly spend limit is £2,000 and any statement balances will be paid in full to avoid charges. The Finance Manager must obtain approval for every transaction for which the Barclaycard is used prior to the transaction taking place. An invoice, receipt or other documentary evidence must be kept in support of each Barclaycard transaction to confirm proper use. The Finance Manager will file the relevant documents together with the statements and reconcile these statements as soon as they are received. The Finance Manager will provide the Head Teacher with these monthly reconciliations confirming proper use of the Barclaycard.

5 Barclays Current Account

As the school changed to Prime Account status with effect from 1st April 2017, all payments are now made directly by the school and no longer through LCC. Budget share is received at intervals from LCC by direct credit into the Barclays current account. VAT126 VAT reclaims will also be received by direct credit into the Barclays current account from LCC.

The bank account is set up with three signatories being the Finance Manager (Alison Mackay), the Office Manager (Justine Waine) and the Head Teacher (Sophie Ingle). The signature rule in place is that any two signatories must sign all cheques.

The bank account is set up for online banking with three officials having access to the online banking service. All online payments must be set-up by the Finance Manager and then authorised by the School Administrator before they can be processed. The Head Teacher is authorised to access the online service in a "view only" capacity adding an extra layer of security to the process.

As there is now a charge incurred by Barclays Bank for cash and cheque bankings, all income banked will be deposited into the School Fund Santander account and held until the end of each month. At the end of each month, the amount held in the School Fund will be paid back into the Main Budget Barclays bank account by one single cheque transaction. This will incur a single bank charge of £1.50.

6 Virement Limits

To enable the best management of resources the Governing Body will allow virements.

Only the Head teacher shall have this authority up to a maximum of £5,000.

Virements above £5,000 to be approved by Governing Body.

All virements to be reported at subsequent meeting.

7 Financial Planning

The Governing Body recognises the importance of financial planning beyond the current year.

The Head teacher will prepare financial plan projections for the next five years.

The plan will show the projected numbers on the roll and the impact this has on the school's budget share, expenditure and carry forward.

Contingency plans will be included to deal with variations in projected numbers with particular reference to staffing.

8 Training

The Governing Body recognises the importance of financial training for governors and staff in helping them to fulfil their responsibilities in relation to the financial management of the school.

The training needs of all governors and staff will be reviewed each year. Appropriate budgetary provision will be made, where necessary, and governors and staff will be actively encouraged to undertake that training.

A programme of free training is available through the Local Authority.

9 Budget setting

The Governing Body recognises the importance of setting a detailed budget at the start of the year.

The Head teacher and Finance Manager will draft a detailed budget for each line of income and expenditure. It is recommended that the budget is re-evaluated each year (as opposed to, say, incremental budgeting) for the Governing Body's consideration.

The Head teacher will include options for increased spending, as set out in the School's development Plan, and cost-cutting measures, where appropriate.

10 Budget monitoring

The Governing Body recognises the importance of regular budget monitoring in helping to

detect accounting errors and identify, as early as possible, potential under and overspendings.

The Head teacher will monitor the budget on a monthly basis by reviewing reports from the school's financial system for errors, miscodings, large or unusual items, potential underspendings or overspendings against budget and act promptly, where appropriate.

11 Financial administration

The Governing Body recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous financial decisions in the school.

The Head Teacher will monitor the financial administration functions carried out by the Finance Manager, ensuring that:

accounting systems are kept up-to-date

monthly reports, VAT126 claims, etc. are completed in accordance with the LA's published timetable

appropriate action is taken where the LA advises the school that its day-to-day administration is not up-to-date

12 Reporting

The Governing Body recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the school.

The Finance Manager will prepare budget-monitoring reports for consideration by the Governing Body.

The reports will include for each line of income and expenditure:

the budgeted figure and the actual income or expense,

the variance in both value and percentage terms.

an explanation for all material variances

details of proposed virements

details of proposals for additional spending or cost –cutting measures

In addition to the reports in the school's financial system, the LA issues spreadsheet and word-processing documents to schools on an annual basis to provide a framework for the preparation of finance plans and budget monitoring reports to governors.

13 Financial planning

The Governing Body recognises the importance of financial planning beyond the current year.

The Head teacher and Finance Manager will prepare a financial plan covering the next five years.

The plan will show the projected numbers on roll and the impact this has on the School's budget share, expenditure and carry forward.

The level of detail shown in the plan will include, as a minimum, the information set out in the County Council’s financial planning spreadsheet, which is available to schools each year, free of charge.

The plan will include contingency plans, setting out the school’s proposals for dealing with variations including, in particular, changes in the projected number on roll.

The governing body will consider what impact the medium term finance plan may have upon staffing levels and develop outline plans and strategies for avoiding redundancy costs for future years.

14 Audit

The Governing Body recognises the importance of the County Council’s audit regime in assessing the adequacy of the school’s financial controls.

The Governing Body and Head teacher will ensure that auditors are given access to staff, all relevant records and property, as the auditors consider necessary.

The Head teacher will ensure that audit recommendations are implemented as soon as possible.

The Head teacher will familiarise himself with the Financial Procedures and Finance Handbook, which give guidance on best practice, internal controls and statutory requirements

15 Review

The Governing Body recognises the importance of keeping its Finance Policy up-to-date and will review the policy on an annual basis.

Signed: Head Teacher – Sophie Ingle

Signed:..... Finance Manager – Alison Mackay

Signed:..... Chair of Governors – Phil Callow

Reviewed June 2021
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