



Battledown Centre for Children and Families
A Specialist Early Years Centre

FINANCE POLICY

incorporating the school's policy for Charging and Remissions

Committee Responsible: Finance, Staffing & Premises

Date of Policy: February 2019

Review Date: February 2020

Signed Date
Chair of Governors

Finance Policy and Procedures

Introduction

Governors have a statutory responsibility for the overview of financial management.

The efficiency of the school will be judged in terms of:

- financial management
- financial decisions
- resources deployed to achieve the school's aims
- financial control
- evaluation of its cost-effectiveness

Aims

Successful financial management will underpin the school's mission statement and implementation of this policy will ensure that:

- Responsibilities are clearly defined
- Financial decisions are related to the School's Aims and the School Improvement Plan, and are effectively monitored
- Sound internal financial controls are established
- Value for money is achieved
- Personnel matters are administered effectively
- All income is recorded and receipted correctly
- Bank accounts, VAT and Payroll are administered satisfactorily
- The school's voluntary funds are administered efficiently and effectively.

Organisation of Responsibility And Accountability

The Governing Body is responsible to parents and the LA for the way the school is run.

Using the powers delegated by the full Governing Body, the Finance and Staffing Committee (which includes the Headteacher and Finance Administrator) assumes responsibility for decisions regarding financial affairs and reports to each Full Governing Body meeting.

An Appeals Committee will meet when required to hear appeals regarding staffing issues (Disciplinary, Grievance, etc). This Committee will comprise three Governors who have had no previous knowledge of or dealings with the issue being heard.

The Finance, Staffing & Premises Committee will be required to annually review the salaries of the Head and Deputy. Annual Salary notices to other members of staff will be issued where required.

The Headteacher is responsible for the overall and day-to-day management of the school and budget. The Finance administrator is responsible for the effective operation of the financial, administrative and personnel systems across the school, and is required to support and advise the Headteacher, SLT, and Governors on all financial and administrative matters.

In conjunction with the Headteacher and the Finance Administrator, and through its Finance and Staffing Committee, the Governing Body will set an annual budget, based on the funds delegated by the LA under the Schools Funding Scheme.

Internal Financial Control

The school should maintain appropriate accounting records and hold them securely. All cash, cheque and paying-in books should be held in the safe, access to which is restricted to the Finance Administrator, Premises Administrator and Headteacher. During daily use, the Finance Officer will keep small amounts of cash, cheques and paying-in books securely locked in the Admin Office safe.

Only authorised staff and Governors should be permitted access to the accounting records which should be securely retained when not in use. These authorised staff are : Finance Administrator, Premises Administrator and Headteacher, Deputy and Governors.

Resources

The financial records are kept on the SIMS system by the Finance Team (on networked computers), overseen by the Finance Administrator and Local Authority Area Finance Officer. Manual records are also kept. Pro formas are used for transactions and procedures such as initiating orders and submitting petty cash claims.

General Procedures

Frequency of Governor and Committee meetings

Every month during term time the following committee meeting are held: -

- Finance, Staffing & Premises Committee
- SDI & Safeguarding Committee

Every Term the Full Governing Body meeting is held on the following Wednesday at 6.30pm

Minutes of meetings

Copies of Minutes of Finance & Staffing and Premises Committee and SDI & Safeguarding Committee meetings are circulated to all Governors at the full GB meetings. Minutes of full Governors Meetings are considered for acceptance at the next meeting, and duly recorded as a true record or otherwise in those minutes. Ratified minutes of full Governors Meetings are available to staff and parents on request.

Budget

The approved Governors Budget Plan spreadsheet template together with the appropriate statement signed by the Chair of Governors, must then be submitted to GCC's Schools' Finance Team, by the required mid-May deadline.

In constructing the detailed budget, factors for consideration include:-

- current and previous year's expenditure levels on individual budget headings
- staff pay awards and increments, and known changes to staffing structures
- anticipated price inflation
- changes in the supply of services and contracts (traded services, utilities etc.).
- changing SD&I Plan priorities
- any anticipated changes in pupil numbers

Budgetary control and monitoring

The Headteacher is responsible for regular, detailed monitoring and review of the school budget which will include receiving appropriate monthly reports from the school's accounting system. The Headteacher may assign budgetary control of individual budget headings to other members of staff; however the Headteacher remains ultimately accountable to the Governing Body for all budget headings. Financial reports to the Headteacher and other budget holders, where applicable, should include the following information for each agreed budget heading:-

- total budget for year
- total expenditure and commitments to date
- projected variance

Non-pay expenditure, as notified by monthly on-line reports for central schools, must be reconciled promptly to the school's accounting system by the school finance officer.

Virements

It may be appropriate to action adjustments to the original budget (virements) during the year, for example as a result of additional income, new costs or changing national priorities etc. The Headteacher is, therefore, empowered to respond to changes to address variances by effecting virements between individual budget headings.

Where new or unplanned expenditure is necessary, the following individual virement authorisation limits are recommended:-

<u>Virement Amount</u>	<u>Authorisation level</u>	<u>Reporting to</u>
Up to £3,000	Headteacher or in their absence the Deputy Headteacher	Finance and Staffing Committee and then updating full Governing Body
£3,000-£5,000	Chair of Governors	Finance and Staffing Committee and then updating full Governing Body
£5,000- £10,000	Finance, Staffing & Premises Committee	subsequently reported to full Governing Body
£10,000 and over	Full Governing Body	

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

On behalf of the Headteacher, the Finance Administrator will present detailed budget monitoring reports to every Finance and Staffing Committee meeting. It is for the Finance, Staffing & Premises Committee to review and challenge these reports as appropriate with the Headteacher providing explanations for any significant variances identified. It is the responsibility of the Finance and Staffing Committee to report any significant budgetary issues identified to the Full Governing Body for decisions to be made regarding any remedial action or policy decisions that might be needed.

Payroll

Battledown uses *GCC* payroll and HR services. Payroll expenditure data, as notified by local authority payroll prints, must be entered promptly on to the school's accounting system each month by the relevant finance officer (i.e. Finance Administrator).

Checking of payroll data

Payroll data received monthly from Shire Hall must be scrutinised by:

- the Finance Administrator to check accuracy of salary and expense payments and signed off by the Headteacher, to ensure all employees are recognised.

Payroll amendments will be input by the Finance Administrator and authorised by the Headteacher via *GCC* E-form on-line processes. In the event of the online system not being available, completed forms will be sent to the relevant Pay and Conditions contact at *GCC* as directed.

Claims

Authorised time sheets are submitted directly to the relevant Pay and Conditions team contact, and are never returned to the employee.

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 BSC Financial Administration section should be contacted for advice.

Supply staff

All claims submitted by supply teachers must be authorised in writing by the Headteacher, or in their absence, the Deputy Headteacher. Reimbursement claims must be submitted on a monthly basis by the Finance Administrator. They must check on a monthly basis that correct amounts have been charged using the monthly expenditure printout.

N.B. The Governing Body will decide, on the basis of advice from the Headteacher, whether supply insurance cover will be taken out, and the extent of such cover.

Purchasing

Orders should be processed by the Finance Administrator, or in their absence the Premises Administrator, after initial approval by budget holders has been sought and given. The official order produced from the computer system must be signed by the Headteacher, or Deputy Headteacher 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 Finance Administrator.

When placing orders it is the responsibility of the initiator to ensure that Financial Regulations and Standing Orders are complied with.

Governor involvement

The Governing Body should ensure that the school obtains the best value for money from any purchase.

As well as ensuring that the above has been adhered to, it is the responsibility of the Headteacher to ensure that Governors are consulted.

To review the quotations when the lowest quote is not the most suitable or where the pre-requisite number of quotes could not be obtained. In such circumstances the Governors may formally authorise a waiver of the regulations, either prior to the purchase or retrospectively, if necessary

<u>Order Amount</u>	<u>Authorisation level</u>	<u>Governor Involvement</u>
£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.	On purchasing decisions when the estimated cost of one item exceeds £3,000. Finance, Staffing & Premises Committee and then updating full Governing Body
£5,001 - £15,000	independent written evidence (quotations provided on suppliers' headed notepaper) with least three prices obtained and retained.	To review the quotations obtained where estimated costs exceed £5,000. Finance, Staffing & Premises Committee and then updating full Governing Body
Over £15,000	For goods and services over £15,000, tenders should be invited according to procedures laid down in Standing Orders.	Governing Body to review tenders received and approve or decline

Receipt of goods

Once items ordered have been received, the originator of the order must ensure that items delivered correspond to details contained in the official purchase order. Upon examination of goods the originator of the order must ensure that both quality and quantity are appropriate and advise the Finance Administrator of any discrepancies.

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 Headteacher before being passed for payment (or in the Headteacher absence the Deputy Headteacher).

Invoices passed for payment must be recorded promptly in the school's accounting system by the Finance Administrator and any invoices relating to premises must be crossed checked with the premises log book

Income

Credit income

This where payment for goods/services provided by the school is made after the provision takes place. In all such cases, an official invoice will be raised by the Finance Administrator, and sent to the debtor as soon as possible, but no later than one week after their receipt of the provision of the goods/service.

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

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.

If after 84 days the debt remains unpaid, consideration will be given by the Headteacher and/or the Governors in accordance with the following limits:-

- up to £50 -Headteacher
- up to £100 -Chair of Governors
- £100 and over -Full Governing Body

as to whether the debt should be written off.

In each case, the possibility of taking legal action to recover the debt must be considered by the Headteacher, Chair of Governors, and Full Governing Body, as appropriate.

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.

Charging policy

The full Governing Body maintains a Charging & Remission Policy which, together with the full Finance Policy, is reviewed annually (see Appendix.) It is designed to cover charges such as those for:

- lettings (including hire of Soft Play)
- school trips and activities (including swimming, RDA and Bushley)
- private photocopying
- private telephone calls

- Extended Services during school holidays

Charges levied by the school are made in line with this policy.

Official Capitation

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 County Fund and coded to an appropriate income code. Monies received from any sales of school equipment must similarly be paid into the County Fund.

Donations

Donations from any source must be acknowledged by the issue of an official receipt to the payer. All donations must be banked promptly and intact. According to the donor's wishes, which must be clearly ascertained at the time of the donation, may be paid into either the County Fund or the Unofficial School Fund.

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.

Cash received from pupils in class must be recorded by the class teacher. Cash collected must be handed over to the Finance Administrator at the earliest opportunity. The Finance Administrator will issue an official receipt for the income in excess of £5.

Petty Cash

The school operates a petty cash bank float of £1000. Members of staff who have paid for school resources or supplies may be reimbursed by cash or cheque from these funds, to a maximum of £100.

Individual Cost Centre orders under £100 from suppliers may be placed on the Direct Debit card linked to the Imprest (Petty Cash) Account by the Finance Administrator or Premises Administrator. These transactions will be recorded with the other Petty Cash expenditure and reimbursements.

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

All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash record. In normal circumstances individual purchases from petty cash must not exceed the stipulated £100 and should have express prior approval of the Headteacher. Reimbursement must be claimed monthly. Headteacher or Deputy Headteacher in the absence of Head must certify the reimbursement claim.

Each time a reimbursement claim is submitted, the Finance Administrator must complete a reconciliation ensuring that cash expended, plus cash in hand or at bank equals the amount of the advance.

All members of staff who wish to purchase items using the petty cash account must obtain prior approval from the Headteacher or Budget holder. Vouchers (receipts, paid invoices etc.) to evidence the payment must be presented to the Finance Administrator by members of staff when reclaiming cash from the account. These vouchers must be retained by the Finance Administrator and returned with the reimbursement claim.

All cash and cheque books held must be retained securely in school safe.

The following are allowed to sign imprest account cheques for Petty Cash reimbursements over £10:-

- Headteacher
- Finance Administrator
- Premises Administrator

There must be two signatures on each cheque

Battledown's Unofficial Fund

Battledown's Unofficial Fund stems from charitable donations specifically given to support the all-round education of the pupils and the work of the staff employed to deliver this. All expenditure from this account has to be approved by the Full Governing Body within this context. These monies are held securely, and recorded separately, from the school's capitation funds.

Governors delegate the day to day management of the Unofficial School Fund to the Headteacher, who will ensure that expenditure is authorised within the limits specified for the school fund where this will benefit Battledown pupils, support school activities and contribute towards whole school initiatives. Where donors/fundraisers have stipulated the purpose of a donation, the school will ensure that these wishes are met. Governors are kept informed of all income expenditure through the Finance, Staffing & Premises Committee.

Maintenance

The accounts of the Unofficial School Fund are to be maintained on a day-to-day basis by the Finance Administrator/Premises Administrator. All related income and expenditure will be entered promptly in the accounts. Related bank reconciliations will be performed between the balance as per the accounting record and the balance as per bank statements monthly/when bank statements are received.

The Unofficial School Fund is audited annually by an independent accountant.

Signatories

The following are allowed to sign cheques on the bank account:-

- Headteacher
- Deputy Headteacher
- Finance Administrator
- Premises Administrator

There must be two signatures on each cheque.

End of year accounting and audit

Final accounts are prepared at the end of the School Fund financial year by the Finance Administrator. The independently audited accounts will be presented to the Full Governing Body for approval, which will be recorded in the minutes of the meeting. Once approved, the Clerk to the Governing Body will return form FN12 to the county's Schools' 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 Finance & Premises Committee and subsequently reported to the Full Governing Body.

Assets - Inventory

Full details (make, model, serial number, approximate value) of the 'portable, desirable, attractive' assets of the school, with a value of £250 or above, as well as any assets of intrinsic value (e.g. antiques) will be recorded in the school's inventory. All such items will be security-marked with Smartwater.

Inventories cover all areas of the school, and will 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 Finance Administrator is responsible for keeping the inventory up-to-date, as and when new items are received into school.

Items up to a value of £250 may be sold or written out of the inventory on the authority of the Headteacher. Over this limit, the Full Governing Body must authorise such disposal with details recorded in the minutes. Reasons must be recorded in the inventory in either case. An official receipt for sales income must be issued to the purchaser.

The inventory shall be checked against the actual assets by a designated person on an annual basis who will sign and date the inventory accordingly. Any discrepancies will be investigated immediately, and if necessary the Governors, Police and the authority's auditors will be informed.

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.

Register of Pecuniary and Other Interests

It is a requirement for all schools to maintain such a Register.

Persons to be included:

1. All Governors
2. Headteacher
3. All senior staff e.g. Deputy Head
4. All administrative staff

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:-

- Sanctioning/promoting the purchase of goods/materials/services from a company in which a Governor/senior member of staff has a financial interest without going through the correct objective procedures re. obtaining competitive prices;
- Sanctioning the promotion of a member of staff who has a close personal relationship (spouse, partner, son, daughter etc.) with Governor/senior member of staff, without going through correct objective procedures re. recruitment and selection.

It is difficult to compile a definitive, comprehensive list of the interests which should be recorded, but the following is intended to provide guidance:

A person has a direct, or familial, financial, or other interest in an organisation which could feasibly be in a position to benefit from the supply of goods/services to the school for example:

- 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)

As already suggested, the interest in the above 'supplying organisations' may 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

Other situations which are regarded as needing to be declared are those where someone is in a position to potentially influence decisions made about the school, for example, as:-

- a member of local council (County Council, District Council, Parish Council)
- a senior officer of the Local Authority
- a Member of Parliament
- an OFSTED Inspector
- an officer of a local council (District Council, Parish Council) in a senior capacity
- anyone having a close personal relationship (as described above) with any person falling into the above categories
- anyone having a close personal relationship with a Governor or member of staff (employed on a full-time, part-time, permanent, or temporary basis.)

Appendix to the Finance Policy -

CHARGING & REMISSION POLICY

1. Introduction

The Governing Body recognises the valuable contribution that the wide range of additional activities offered at Battledown, including Swimming, Riding for the Disabled and Bushley (Greenwood's Therapeutic Horticulture) make towards our pupils' education and experiences and seeks to support the appropriate provision of such activities as part of a broad and balanced educational programme for the pupils of the school. This policy is in line with the DFE document 'Charging for School Activities,' October 2014.

2. Charges

Charge will not be made automatically in all circumstances, but the Governing Body reserves the right to make a charge for the following activities organised by the school.

School Journeys in School Hours

- The board and lodging element of approved residential activities deemed to take place in school hours.
- The cost of meals, refreshments and entrance fees
- A voluntary contribution towards the cost of school minibus travel

Activities outside School Hours

- The full cost to each pupil of all approved activities deemed to be optional extras taking place outside school hours, or a contribution towards such costs.

School Property

- The Governors reserve the right to charge parents for non-accidental damage to, or loss of school property.

General

From time to time, the Governing Body may amend the categories of activity for which a charge may be made. Nothing in this policy statement precludes the Governing Body from inviting parents to make a Voluntary Contribution towards the cost of additional activities which take place in school time. Parents may be advised that the continuance of an activity may depend upon voluntary contributions, but once it has been decided to run such an activity no qualifying child will be excluded on the grounds of voluntary contributions.

The following standard paragraph is appropriate for inclusion in letters to parents regarding such activities:

*It would not be possible for the school to meet the costs of transport and admission without using funds required for our basic educational needs such as books and other classroom materials. Before we decide whether or not to make definite arrangements, we shall need to know how many parents would be prepared to make a voluntary contribution of £**** for the cost of this visit. I must stress that any financial contribution would be entirely voluntary and that your child would not be denied a place on the visit just because you declined to make a voluntary payment. However, the school will*

not proceed with the visit unless it is clear that there will be enough voluntary contributions for it to be financed.

If this full text is not included in letters, staff must ensure that parents have a clear understanding that any payments made in these circumstances are voluntary contributions.

Monies collected from parents for activities should be recorded in the classroom and paid to the Finance Administrator at the earliest opportunity. A "Day Trip and Residential" pro forma should be completed and returned to the Business Manager. No school monies should be retained in the classroom or in the personal possession of staff. Where monies are used during an activity day or days, it is the responsibility of the lead teacher to ensure that receipts are retained and notes kept of all transactions. At the end of the activity these should be returned to the Finance Administrator, with an updated pro forma, if the actual costs/income were different from the plan.

Extended Services

Charges will be made for activities held at school during holiday times, including Playscheme and Drop-in sessions. Such charges will depend on the activities planned, and will contribute to the cost of entertainment, resources and refreshments.

3. Remissions

Parents are exempt from payment if they qualify for any benefits from the following list:

- Income Support
- income-based Jobseekers Allowance
- income-related Employment and Support Allowance
- support under Part VI of the Immigration and Asylum Act 1999
- the guaranteed element of State Pension Credit
- Child Tax Credit (provided you're not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190)
- Working Tax Credit run-on - paid for 4 weeks after you stop qualifying for Working Tax Credit
- Universal Credit

The Governing Body may wish to remit in full or in part the cost of other activities for particular groups of parents, for example, in the case of family hardship. When a chargeable activity is arranged, such parents will be invited in confidence for the remission of charges in full or in part. Authorisation for such remission will be made by the Headteacher.

4. Freedom of Information Act

Where a request is made for information held by the school under the Freedom of Information Act, the school will charge an hourly rate that reflects the actual cost of compiling the information and photocopying costs. The school will inform the person requesting the information what the likely cost will be, before preparing and issuing the information.

5. Telephone Call and Photocopying Charges

The Governing Body and Headteacher agree to operate an honesty policy for staff to record in the relevant log any private telephone calls or photocopying made. Charges for these are itemised below and will be collected by the Finance Administrator and paid into the official school funds bank account.

Photocopying	A4B&W	A3B&W	A4 (Colour)	A3 (Colour)
Charge per page	5p	10p	10p	15p
Telephone Calls	Local	National		Mobile
Charge per minute	2p	2p		5p