

Hurworth School

Finance Policy

Accepted by: Governing Body – October 2009

Senior Leadership Team Lead Reviewer: Dean Judson/Eamonn Farrar

Review Cycle: 1 Year

Date for Review: October 2010

Internal Financial Control

The Headteacher is responsible for ensuring that all school income and expenditure is managed and administered effectively and responsibly, adhering to national and LEA guidelines within a framework provided by the Governing Body and recommendations from the Auditors consistent with Best Value principles.

The Headteacher can authorise the Finance and Administration Manager to make minor alterations to procedures when necessary, without prior consent of the Governing Body, for example changes in practices or terminology when software changes are made.

Budget Setting

- The Headteacher will ensure that a budget is set and presented to the Governing Body Finance Sub-Committee for approval in the Spring Term of each school year.
- Once the Governors have approved the budget, the Headteacher will authorise the Local Authority to enter the figures onto the computerised accounting system.
- A copy of the draft budget is discussed with a Local Authority officer prior to the budget going “live”.

Budget Virement

- The Headteacher has responsibility for administering the school’s budget and viring money.
- There is no financial limit on the Headteacher’s powers to vire money, as all virements are discussed with the Chair of the Governing Body prior to action being taken.
- The Headteacher can authorise the Finance and Administration Manager to complete these processes on his instruction. The Finance and Administration Manager can carry out these processes up to a limit of £10,000. Above this limit, the virement will be done by the Headteacher/Chief Executive.
(See procedure 1)

Departmental Budgets

- The Headteacher allocates each department with their own budget and delegates responsibility to the Heads of Departments for spending.
- A formula, agreed annually by the senior and middle management teams of the school, is used to allocate funds to departments.
- Purchase orders with a single item value over £1,000.00 must be countersigned by the Headteacher/Chief Executive.
- The Finance and Administration Manager produces a monthly report on departmental budgets for the person responsible for raising orders so that departments are not able to exceed their allocation. The Headteacher can authorise an overspend providing the department has evidence that income is due and will cover any overspend.

- The Finance and Administration Manager oversees and monitors departmental budgeting processes and produces monthly reports for each Head of Department.

Budget Monitoring

- LEA generated budget reports will be submitted to the Finance Sub-Committee termly and approved and signed by the Chair of this Committee.
- Monthly reports should be signed and dated by each Head of Department as evidence of the budget review process. (See procedure 2)

Asset Register

- Each department is responsible for recording stock items with a value of £50 and over. (See procedure 3)
- The Asset Register is currently in the format of an excel spreadsheet listing assets within each department.
- The Headteacher monitors the use of stock throughout the school.
- Stock items that are to be written-off must be recorded on a Stock Write-Off form signed by the Headteacher and/or Chair of Governors.
- The Finance and Administration Manager retains hard copies of each department's Asset Register and stock write-off forms.
- (See appendix 1, 2 & 3)
- A 'School Equipment Loan' sheet must be completed prior to any equipment being borrowed. (See appendix 4 and procedure 4)
- All loans must be logged on the 'School Equipment on Loan' sheet. (See appendix 5)

Ordering and Invoicing Processes

The Finance and Administration Manager has overall responsibility for all financial procedures in relation to ordering, payments and petty cash and delegates responsibility as follows.

Ordering

- Orders for goods and services are raised by the responsible admin assistant on the official school form of requisition and signed by the originator.
- Contracts/lease agreements etc under the Standing Order threshold of £35,000 are subject to the procedures detailed in procedure 13.
- Entered on to the computer accounting system by the responsible admin assistant in accordance with the LEA's procedures and despatched centrally.
- A copy order is retained by the office, with the school requisition form, until the invoice is received.
- The Finance and Administration Manager oversees the checking of outstanding orders following the generation of a report from the Local Authority.
- Any cancelled orders are filed, with an explanation, in the paid invoices file.
(See procedure 5)

Deliveries

- Delivery Notes are checked against goods/services received, by the receiving officer and are attached to the relevant purchase order.
- The recipient is responsible for authorising payment of invoices on receipt of goods.

Payments

- The receiving officer should certify all invoices before passing for payment.
- The Finance Assistant processes invoices for payment. Invoices will only be processed once the goods/services have been authorised as received by originator.
- The invoices are transferred electronically to the central Payments & Income department.
- Once processed, each invoice is stamped with 'PAID', signed by the Finance Assistant and dated.
- Paid invoices are filed with the corresponding delivery notes and purchase orders attached. (See procedure 6)
- Copy invoices must be 'Certified as not previously paid', dated and signed by the responsible Admin. Officer. (See procedure 7)

Petty Cash

- Initial imprest amount is £6000.
- NatWest cheque book account.
- Petty cash transactions and cheques are raised by the Finance Assistant.
- Cheque signatories for this account are Dean Judson - Headteacher, James Keating – Deputy Headteacher, Lindsay Burn – Assistant Headteacher and Elaine Colclough – Finance and Administration Manager.
- All petty cash folios are authorised by a cheque signatory.
- Transactions are recorded on the computer, from which a monthly printout can be obtained.
- The monthly returns are authorised by the Headteacher or delegated representative and then processed by the LEA.

Miscellaneous Income/Donations/Contributions

- Miscellaneous income is recorded in the receipt book by the Finance and Administration Manager and paid in to the Central account.
- Spoilt or cancelled receipts should remain in the receipt book with a brief explanation for the cancellation.
- The Finance and Administration Manager is responsible for notifying the Local Authority about allocating monies to appropriate cost centres by completing the relevant forms so that transactions can be made on the system.
- The paying in slip reference is recorded in the receipt book and either that number or the receipt number is used as a reference number when inputting the data.
- The Income Statement provided by the Local Authority is checked by the Finance and Administration Manager and signed and dated by the Headteacher as evidence of reconciliation.
- The receipt, income statement and any relevant documentation is filed in date order.

Lettings

The Governing Body has delegated the responsibility of deciding the annual charge for lettings to the Headteacher, to be endorsed by the Governing Body. The Finance and Administration Manager is responsible for taking new bookings, invoicing, collecting payment and issuing permits in advance of the letting taking place.

(See procedure 8)

Banking Procedures

- Cash and cheques are collected by Securicor every Friday for banking (See procedure 9).
- The total sum of cash held in the safe must not exceed £3000 at any one time.
- The school uses the Local Authority Purchasing Card payment system badged under the HM Government Procurement Card operated by Barclays Merchant Services. Cards are held by the Headteacher, Chief Executive, Finance and Administration Manager, Headteachers P.A., Senior Caretaker and Head of PR. These are used for school business where items/services cannot easily be purchased via a Purchase Order. The balance on each card is paid by the school in full by Direct Debit against a monthly statement. Transactions are recorded and processed in the same way as Petty Cash transactions

Quotations/Tenders

- Quotations (both successful and unsuccessful) in respect of the supply of goods and services must be filed in the office.
- The Finance and Administration Manager is responsible for obtaining and retaining quotations.

Voluntary Funds

School Fund

- Income outside the school budget is banked through “School Fund” and administered by the Finance and Administration Manager.
- Cash in relation to this account is accounted for and banked by the Finance Office staff.
- The school uses the Post Office for banking requirements. Any amounts banked are authorised by the Finance and Administration Manager.
- The Finance and Administration Manager is responsible for maintaining all financial records.
- A governor audits the accounts annually.
- The audited statement of accounts is presented to the Governing Body’s Finance Committee on an annual basis.
(See procedure 10)

PE Account

- The Head of PE holds an account for the purchase and sale of PE kit and equipment. The Finance and Administration Manager audits the accounts annually.
- A report of these accounts is presented annually to the Governing Body’s Finance Committee.

Geography Account

- The Head of Geography holds an account for the management of Geography field trips.
- The Finance and Administration Manager audits the accounts annually.
- A report of these accounts is presented annually to the Governing Body’s Finance Committee.

D&T Account

- The Head of D&T holds an account for the management of D&T income and expenditure.
- The Finance and Administration Manager audits the accounts annually.

- A report of these accounts is presented annually to the Governing Body's Finance Committee.

Ad-Hoc Items

School Insurance

- The school has entered into the LEA scheme for contents and buildings insurance via Zurich Municipal.
- School trip insurance is provided through the LEA Scheme, as required.
- Staff are required to have business insurance for all car users using their vehicles during working hours irrespective of whether they make a claim or not.

Personnel Records

- The Finance and Administration Manager maintains the school's personnel records.
- The Headteacher issues each member of staff with a job description and details of their pay annually.
- Records are held on SIMS with a file copy held by the Headteacher.
- The office staff may view personnel details.

Computer Systems

- Compliant with Data Protection Act and Registration.
- The school has adopted the authority's "Computer User's Checklist Guidance Notes and Procedures for Council Employees" issued in 1999.
- The school has developed policies and procedures specific to the school.
- The Network Manager has responsibility for all network and computer systems.
- Back-up disks are stored in the fireproof safe.

Free School Meals

Information is held on children who are entitled to Free School Meals.
(See procedure 11)

Lunch money passes

Pupils who have forgotten/lost dinner money will be issued with a lunch money pass.
(See procedure 12)

Form 7

The information is collected by the Assistant Headteacher (Administration) and the Headteacher's P.A. using PLASC software provided by the LEA.