

HURST PRIMARY SCHOOL



Finance Policy

Policy Reviewed: Autumn Term 2016

To be Reviewed: Autumn Term 2017

Signed: 

Dated: 24/11/2016

HURST PRIMARY SCHOOL
FINANCE POLICY
(FINANCIAL REGULATIONS AND PROCEDURES)

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1. INTRODUCTION

These financial regulations shall govern the financial arrangements relating to all of Hurst Primary School's finances and accounts.

2. DELEGATED AUTHORITY

- 2.1 The Governing Body of Hurst Primary School is responsible for the control of expenditure and income in accordance with the delegation of budgets and assisting the Education Funding Agency in the discharge of its statutory duties.
- 2.2 The Governing Body has in turn delegated the governors' financial responsibilities to the Finance and Premises Committee.
- 2.3 The Head Teacher (Accounting Officer) shall be responsible for implementing agreed policies and maintaining day to day control of the school's finances.
- 2.4 The Business Manager shall assist the Head Teacher in the discharge of financial responsibilities.
- 2.5 The following staff are designated as authorisers of:

(1) Salaries / Personnel Documentation

Chair of Governors (for documentation relating to the Head Teacher)
Head Teacher

(2) Overtime / Supply Requirements

Head Teacher
Deputy Head Teacher
School Business Manager

(3) Cheque Signing (two signatories required)

Head Teacher
Deputy Head Teacher
School Business Manager

(4) Orders

Head Teacher
Deputy Head Teacher

(5) Authorisation for Payment

Head Teacher

Deputy Head Teacher

- 2.5 Where governors' financial responsibilities are delegated the Governing Body will, however, remain accountable.

3. REVENUE BUDGET PREPARATION

- 3.1 The school's annual budget timetable will be as follows (based on financial year rather than academic year to meet EFA deadlines):

(1) Summer Term

- Agree staffing requirements for the following academic year
- Cost first draft of the school's budget for the following academic year
- Make appropriate adjustments to draft budget accounting for final funding allocations from the Education Funding Agency (EFA)
- Submit the budget to the Finance & Premises Committee for approval
- Submit the approved budget to the Full Governing Body for ratification
- Submit final budget to the EFA by required deadline.

(2) Autumn Term

- Prepare and submit Annual Report and Financial Statement
- Identify commitments and new plans; agree priorities.

(3) Spring Term

- Identify commitments and new plans; agree priorities.

- 3.2 The Head Teacher in discussion with the Senior Leadership Team and Year Group Leaders shall decide on the main priorities for the School Improvement Plan (SIP).

- 3.3 The Head Teacher and Senior Leadership team shall prepare costings for the SIP. The SIP will be shared with school stakeholders before submittal to the full Governing Body for approval.

- 3.4 The SIP and budget should be regularly reviewed and significant changes should be submitted for approval to either the Finance & Premises Committee or Full Governing Body as appropriate.

4. REVENUE BUDGET CONTROL

- 4.1 The Finance & Premises Committee (delegated by the Full Governing Body) will approve budget allocations within the overall budget. However, the Head Teacher will be responsible for the control of spending against agreed budget areas. An accounting system is in place to monitor commitments and liabilities.
- 4.2 Bank reconciliations should be prepared monthly and VAT126 claims submitted regularly to HMRC. These returns should be prepared by the School Business Manager or Finance Assistant and certified by the Head Teacher or School Business Manager.
- 4.3 The School Business Manager will assist the Head Teacher in preparing termly reviews of the budget for consideration by the Finance & Premises Committee
- 4.4 Budget holders (ie curriculum co-ordinators) will be advised of their budget allocation at the start of the academic year and provided with transaction reports and cash balances when required.

5. VIREMENTS

- 5.1 Substantial virements shall be approved and minuted by the Finance & Premises Committee and should be within the agreed criteria and financial limits.
- 5.2 The Head Teacher is given delegated power to vire from one budget to another and shall seek approval from the Finance & Premises Committee retrospectively where appropriate.
- 5.3 All virements exceeding £10,000 of the budget shall require prior approval from the Finance & Premises Committee.

6. AUTHORITY TO INCUR CAPITAL EXPENDITURE

- 6.1 The Head Teacher is given delegated power to incur expenditure up to £10,000 on any single item or issue.
- 6.2 All expenditure exceeding £10,000 shall require the prior approval of the Finance & Premises Committee.
- 6.3 Capital expenditure must be authorised by the designated staff.
- 6.4 Payment of invoices must be made through the school's accounting system and from the school's bank account.
- 6.5 As per the Academies Financial Handbook the Governing Body must seek approval from the Secretary of State for both short term borrowing and longer term loans. Borrowing will include credit arrangements, hire purchase and finance leases.

7 SCHOOL PAYMENT SYSTEMS

- 7.1 The School Business Manager and Finance Assistant shall be responsible for making all payments on behalf of the school.
- 7.2 All invoices passed for payment must be properly certified and authorised by the relevant designated staff.
- 7.3 Payments shall be made on original invoices only.
- 7.4 Before certification, designated staff must be satisfied that the goods and services delivered comply with the following:
- an official purchase was raised where appropriate
 - the delivery note has been checked
 - the goods received are of the correct quantity, quality and price
 - the goods have not already been paid for
 - there are relevant funds in the budget
 - the VAT chargeability on qualifying expenditure is shown.
- 7.5 Any payments by direct debit can only be initiated by the School Business Manager and all relevant authorising documentation must be signed by the Head Teacher.
- 7.6 The school credit card is kept securely and only used with the permission of the Head Teacher or School Business Manager. Total expenditure must be agreed by the Head Teacher or School Business Manager prior to the transaction being made.
- 7.7 Wherever possible payments / invoices will be paid by BACS.
- 7.8 All payments to staff are made by BACS. The school does not operate a petty cash system.

8. ORDERS FOR GOOD AND SERVICES

- 8.1 Budget holders should order goods and services from reputable sources taking into account quality and value for money. The school's order form must be completed detailing supplier, item and cost.
- 8.2 Orders must be raised in accordance with the following procedures:
- be signed by the budget holder
 - show correct quantities and prices
 - be authorised by the Head Teacher or member of the SLT
 - be processed through the school's finance system by the School Business Manager or Finance Assistant and a copy retained by the school as reference

- telephone or internet orders must be agreed by the Head Teacher of School Business Manager.

- 8.3 Delivery notes should be checked by the person requesting the goods and then attached to official orders.
- 8.4 Individual budget holders are not allowed to spend in excess of their budget allocation without consultation and approval by the Head Teacher.
- 8.5 Three written quotes should normally be obtained for all goods and services in excess of £10,000, unless no other equivalent good or services are available, or where governors have previously committed themselves to a particular service/supplier/brand.
- 8.6 For building works in excess of £10,000 three tenders will be obtained.
- 8.7 For building works in excess of £50,000 and Invitation to Tender should be issued. The process should follow formal procedures, including sealed bids and bid evaluation against specified criteria. Full tendering procedures are outlined in Annex A.
- 8.7 Where the tendering process is followed the project manager will keep accurate records of the tenders, the successful tender and, where the cheapest tender is not accepted, reasons for accepting the successful tender.

9. TRAVEL

- 9.1 Car user allowances are not permitted except for those journeys associated with residential trips. Claims should be made using the school's reimbursement claim form and must be authorised by the Head Teacher.

10. SALARIES, PENSIONS AND STATUTORY CONTRIBUTIONS

- 10.1 The Governing Body is responsible for its employee contracts of employment and for the salary and associated wage costs for all teaching and support staff.
- 10.2 The School Business Manager is responsible for providing the school's chosen HR and payroll providers with all the necessary information required to effectively administer the payroll and related staffing procedures.
- 10.3 The School Business Manager is responsible for the safe storage of all information appertaining to staff contracts, salaries, pensions and statutory contributions.

11. INCOME

- 11.1 The School Business Manager / Finance Assistant must maintain records of income received (eg Agora reports). Income received through Agora must be allocated to the correct cost centres.
- 11.2 Income received should be banked promptly and intact into the school's bank account.
- 11.3 The Head Teacher has delegated powers to write off debts up to £200. Larger debts should be discussed with the Chair of the Finance & Premises Committee and decisions made on an individual basis.
- 11.4 The Finance & Premises Committee shall approve a Charging Policy.

12. BANK ACCOUNTS

- 12.1 The Governing Body shall authorise the opening and closing of all bank accounts.
- 12.2 New banking arrangements should ideally be made at the beginning of an academic year.
- 12.3 The following procedures must be followed:
- cheque signatories as detailed in 2.5 above
 - bank statements reconciled as detailed in 4.2 above
 - the School Business Manager shall investigate and resolve discrepancies
 - the School Business Manager shall be responsible for the custody of unused cheques.
 - private cheques must not be cashed through the school's bank account
 - money, cheques etc belonging to the school must not be paid into a private bank account
 - the School Business Manager should ensure where possible that the total amount of cash held on the premises shall not exceed the insurance limit
 - cash should be banked regularly by either the School Business Manager or Office Manager.

13 CARRY OVER OF SURPLUS / DEFICIT

- 13.1 Any surplus at the end of the year will be carried over to the next year.
- 13.2 The Governing Body must inform the EFA immediately if a deficit is anticipated in the current year.

14 TRUST FUNDS AND INVESTMENTS

- 14.1 The school does not hold money in trust funds or investments.

15 LEASING

- 15.1 The Head Teacher must ensure that leasing agreements are operational and are approved by the Finance & Premises Committee prior to making contractual arrangements.

16 INSURANCE

- 16.1 As an Academy the school is responsible for its own insurance arrangements. The Governing Body should ensure that all insurance cover is adequate to cover the risks to which the school is exposed.
- 16.2 The Governing Body will meet the excess from insurance claims or losses through the school budget.
- 16.3 The School Business Manager will maintain a register of all accidents, losses and incidents and shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim.

17 HEALTH AND SAFETY

- 17.1 The Head Teacher must ensure that all staff comply with the school's health and safety policies and regulations.
- 17.2 The Head Teacher will report significant injuries to persons (staff/parents/pupils/visitors) to the appropriate body.

18 DATA SECURITY

- 18.1 The Governing Body will ensure that the school is registered in accordance with the Data Protection Act 1998.
- 18.2 The Head Teacher is responsible for ensuring that data is regularly backed up and that back up devices securely held.
- 18.3 The Head Teacher will ensure that only authorised staff have access to computerised financial systems and that those systems are password protected. Authorised users will not disclose their passwords and will change their passwords regularly.
- 18.4 The Head Teacher should ensure that systems are in place to safeguard school data against computer viruses.

19 SECURITY OF ASSETS, STOCK AND OTHER PROPERTY

- 19.1 The Head Teacher is responsible for the security of the school's premises and equipment.
- 19.2 The Head Teacher is responsible for the management of the school's assets.
- 19.3 The school should keep an inventory of all non-consumable items priced over £50. The inventory should be regularly updated in respect of purchases and disposals. Stock takes of inventories should be undertaken annually and certified by the Head Teacher.
- 19.4 The Finance & Premises Committee shall authorise the writing off of surplus, obsolete, damaged or stolen items which are of a higher value.

20 FINANCIAL IRREGULARITIES

- 20.1 The Head Teacher shall inform the EFA of any circumstances where a financial irregularity is suspected.
- 20.2 The Governing Body accepts that a suspected financial irregularity exists when:
- the school's financial regulations are not complied with (regardless of whether the school suffers a financial loss)
 - an employee gains unauthorised financial benefit from their association with the school.

21 AUDIT

- 21.1 The Governing Body must ensure that the appointed auditors are allowed access to documents relating to financial practices, staff and premises.

22 DOCUMENT RETENTION

- 22.1 The Head Teacher shall ensure that documents are retained in accordance with records management guidelines.
- 22.2 Documents no longer required should be disposed of safely by a reputable destruction company and a certificate of destruction supplied.

ANNEX A

TENDERING

Tendering is a formal procedure in which suppliers are invited to submit a sealed bid to a purchaser. Their bid is then evaluated together with other bids received against specified criteria. The following shows good practice in any formal tendering exercise.

- A pack of documents should be sent out to potential suppliers inviting them to submit a bid. The pack should contain:
 - a covering letter that includes tendering instructions, information on the project , timescales and administration
 - timescale for tender submission
 - project specification
 - evaluation criteria
 - pricing schedule
 - contract terms and conditions, including performance monitoring and payment schedule.
- All tenders received will be retained unopened until the tender deadline.
- All tenders will be opened at the same time in the presence of a designated project team.
- All tenders will be examined for suitability.
- The Governing Body will be advised of the successful bid and the reasons for choice.