



# Financial Management Procedures and Systems/User Manual

February 2026

<b>Approved by:</b>		<b>Date:</b>
<b>Last reviewed on:</b>	Updated February 2026 – J Petrie	
<b>Next review due by:</b>	June 2027	



## **CONTENTS**

<b>Introduction - School Financial Management</b>
<b>Bank Accounts</b>
<b>Introduction - School Financial Management</b>
<b>Bank Accounts</b>
<b>Responsibilities</b> <ul style="list-style-type: none"> <li>• The Governing Body and Head teacher</li> <li>• The Business Manager</li> <li>• The Budget Officer</li> <li>• Administration staff</li> </ul>
<b>SVFS</b>
<b>Purchasing</b> <ul style="list-style-type: none"> <li>• Key controls</li> <li>• Systems</li> <li>• Ordering</li> <li>• Deliveries</li> <li>• Payments</li> <li>• Procurement Card</li> </ul>
<b>Value For Money and Best Value</b>
<b>Tendering</b>
<b>Cash Management</b> <ul style="list-style-type: none"> <li>• Systems – Non-invoiced e.g. Meals/milk</li> <li>• Invoiced</li> <li>• Petty Cash</li> </ul>
<b>Payroll</b>
<b>Banking / Reconciliation</b> <ul style="list-style-type: none"> <li>• Systems – Advance</li> <li>• Banking</li> <li>• Cheques reconciliation</li> <li>• VAT Returns</li> </ul>
<b>Assets - Equipment Register</b>
<b>Back Ups</b>
<b>Whistle-blowing – Confidential Reporting Code</b>



## **Introduction - Financial Management**

The Headteacher, Governing Body and staff promote the highest standards of probity in dealing with financial issues. We have a comprehensive financial management system within school ensuring our finances are managed honestly and reliably.

### **School Financial Objectives and Aims:**

- establishing proper financial management arrangements and accounting procedures
- maintaining a reliable system of internal safeguarding against fraud
- ensure that funds are used for the purpose intended
- ensuring that the requirements of accountability under public finance are fulfilled
- to use the resources provided to the school to the benefit of all pupils.
- to abide by the principles of best value to ensure resources are targeted to priorities outlined within the school improvement plan.
- to utilise the school facilities and services to benefit schools and the local community
- to utilise funds to support of the philosophy and ethos of the school and all other policy statements.

This manual covers all key aspects of financial management within our school, including:

- Scheme of Financial Delegation
- Purchasing / VFM / Tendering
- Cash Management – Income / Petty Cash
- Payroll
- Accounting – Reconciliation / Banking
- Reporting
- Assets – Equipment Register

### **Scheme of Financial Delegation**

In order to allow effective management of the school's budget, the Governing Body have delegated the day-to day management to the head teacher, who is responsible for ensuring that the correct financial procedures and practice are adhered to.

Key Controls:

- Any variation from the scheme requires approval of the Governing Body.



- The Governing Body must approve the first formal budget plan – this must not be delegated to a committee. Other financial responsibilities may be delegated to a committee.
- Scheme states two limits:
- **Expenditure – School limit £10,000** (individual items & order totals)
- **Virements / Allocations – School limit £10,000** (virement is movement of funds between budget headings; allocation is movement of funds from contingency to budget headings).
- **All** virements & allocations must be reported to the Governing Body or Resources Committee

### Setting the school budget

The chair of governors, head teacher, budget officer and the school business manager model the school budget after receiving the delegated school budget share from the LA. The budget reflects the priorities within the School Improvement Plan and is then taken to the Resources Committee for its approval. When the Resources Committee has approved the budget it is then taken to the full governing body meeting for ratification.

During the budget setting process all procured contracts are reviewed and if necessary alternative providers sourced to provide the best service for the school at the best value, contracts are not automatically renewed each year.

### Bank Accounts

The school operates its bank account as follows:-

- Natwest/RBS – a current account used for payments of invoices by cheque, BACS and standing orders, income of LA funding as the monthly advance payment, VAT and maternity refunds and cash collected within parentpay from dinner money and school trips.

All financial transactions are made by the school and not by the local authority. The Local Authority will charge the school for services provided to the school by the Local Authority e.g payroll services.

### Responsibilities

#### The Governing Body and Head Teacher

The governing body, which includes the Head Teacher, has overall responsibility for the management and disbursement of the school budget allocation and other grants allocated to the school for school improvement. The overall responsibility for setting and monitoring the budget will be through the Resources Committee and ratified by the full governing body.



The Resources Committee will have delegated responsibility for monitoring the budget. In line with the terms of reference the Resources Committee will:-

- produce the annual budget for approval by the full governing body
- review the implications on the budget of the pay and conditions document
- receive reports at each Resources Committee meeting so they may monitor the position of budget
- monitor the actual spend against the approved budget on a regular basis by receiving reports from the business manager and finance officer and to advise the head teacher on measures to be taken to correct any variations where appropriate
- approve expenditure and virements over the sum of £10,000
- review quotations for services and equipment over the sum of £5000
- review on an annual basis the purchase of delegated services to ensure best value
- discuss any item related to finance and referred by the full governing body

The governing body delegates some decisions on expenditure to the Head teacher:

- authorisation to spend up to £10,000 on a single item
- authorisation to vire no more than £10,000 between codes in the budget without prior approval of the Resources Committee and to report such virements to it
- authorisation to dispose of or write off all surplus stock which should be duly recorded in the school inventory if required and be reported to the Governing Body over the value of £1,000

The delegated powers of the Head teacher and the resources committee are reviewed annually.

### **The Business Manager**

The current school business manager holds the Certificate of School Business Management (CSBM). An equivalent level of business and / or financial qualifications will be expected for any future post holder. The business manager is on the Senior Management team and has delegated responsibility for financial management from the Head teacher.

The business manager is responsible for the day-to-day operation of the school budget. This includes:

- Advising the head teacher and governors during the budget setting process and setting the school budget.
- Liaising with Budget Officer to finalise the school budget.
- Obtaining and monitoring funding information from the LA during budget setting and through the year.
- Ensuring details are readily available regarding the balance of funds, committed expenditure, income and profit
- Monitor expenditure and income and report to the head teacher and governors.



- liaising with banks and notifying them of changes e.g. signatories for the signing of cheques, setting up and monitoring standing orders.
- Overseeing the processing of orders and invoices.
- Monitoring all requisitions and invoices and monitoring the work of administration staff undertaking financial procedures relating to the requisition of goods and services for the school.
- Ensuring all purchases are posted to the correct ledger codes.
- Monitoring the administration staff undertaking cash responsibilities.
- Leading on the instruction of contactors and receiving quotations for building and maintenance works. Applying the practice of best value to determine the outcome of contract tendering.
- Leading on receiving quotations for all large school purchases.
- Monitoring of the budget in liaison with the budget officer.
- In liaison with the budget officer, providing up to date monitoring reports when required for the Resources Committee and a summary report for the full governing body
- Attending the Resources Committee meetings along with the budget officer when required
- In Liaison with the budget officers produce benchmarking data for governors when required
- Monthly bank reconciliation
- CB 12 reconciliation
- Investigate anomalies with relevant department

### **Budget Officer**

An annual premium is paid for a monthly service. Subject to time allocation, the company provides the following services to the school:

- Provide costings for new staffing appointments
- Enter initial budget allocation and any in-year budget adjustments
- Monthly budget reconciliation (bank account)
- Investigate anomalies directly with relevant departments
- Monitor budgets at all levels to identify any potential under/over spends
- Produce tailored monthly budget monitoring reports
- Advise on budget virements when appropriate
- Advise on legitimate standards fund expenditure
- Calculate budget share estimates and preliminary spending
- Plans for a three-year period, identifying potential financial implications
- Prepare annual spending plans
- Advise governors on financial issues and their responsibilities
- Complete accruals forms for return to the LA.
- Complete CFR return



- Payroll reconciliation
- Close down the financial system at the year-end
- Ensure that the information used by the LA. in calculating the schools formula funding is accurate
- Provide budget reports to forward with Resources Committee calling notices
- Attend Resources Committee meetings when required
- Interpret central and local government financial legislation
- Liaise with the local authority to request timely financial information

The purchase of this service is reviewed on an annual basis by the resources committee to ensure it is in line with best value principles.

**Administration Staff**

Security passwords are setup for individuals to access the information on the computer for Access Finance. Each member of the admin team has their own role within the finances of the school they are as follows: -

**Business manager** (Head/Deputy/Bursar Access Rights)

- has access to use the salary and budget planning tools, use Access Finance, bank reconciliation, authorise invoices, (Headteacher must sign and agree to authorise orders before they are authorised), manual journal processing, completing the monthly VAT return and bank reconciliation.

**Head teacher** (Head/Deputy/Bursar Access Rights)

- has access to use authorise invoices

**Senior Administrative Officer** (sec1 access rights)

- Entering income to Access Finance, process orders, process invoices, producing cheques for payment, petty cash expenditure/reimbursement/reconciliation

*Segregation of duties for the ordering process is set out as below:*

Stage	Activity	Person Responsible
1	Staff order to Senior Administrative Officer for resources or services.	Staff with budget authorisation
2	Best value for the cost of goods and services is presented by staff on order form	Staff with budget authorisation
3	Order agreed and signed by head teacher and placed on system	Administrative Assistant Senior Administrative Officer



		Business Manager
4	Order sent to company, using PO number raised on Access Finance	Administrative Assistant Senior Administrative Officer
5	Goods arrive in school and checked against delivery note – signed and dated.	Administrative Assistant / Senior Administrative Officer
6	Goods checked against order	Staff who placed order
7	Delivery note onto system	Senior Administrative Officer
8	Invoiced entered on system	Senior Administrative Officer
9	Invoice authorised - Access Finance	Business Manager
10	<i>BACS Processed</i>	Senior Administrative Officer Business Manager
11	Payment Authorised via Bankline	Headteacher Deputy Headteacher Business Manager

### SFVS

The school has completed the SFVS and submitted it to audit 2024/25 is in process and to be reviewed by governors, ready for deadline of April 2025

### Purchasing

Through effective financial management systems and procedures school will maintain the integrity of public funds when purchasing goods/ services.

This will entail three aspects:

- Probity – all parties will be dealt with on a fair basis; there will be no private gain through contractual relationships; funds are used for the purpose intended by the funding body.
- Accountability – the school is publicly accountable for its expenditure
- Value For Money – financial managers will demonstrate economy, efficiency and effectiveness in the use of public funds

### Key Controls:

- Operating systems and procedures are secure and well administered



- Segregation of duties
- Budget monitoring

### **Access Education Finance: How to enter a Purchase Order**

1. Go to Transactions.
2. Then click on Orders.
3. From the options, click on Purchase Orders.
4. Click on the blue + to create a new purchase order.
5. Enter the date of the purchase order.
6. Enter a ref for the order (If auto-generation of purchase order ref set up this will be greyed out).
7. Select a supplier from the drop down.
8. Can also enter contacts, notes, expected delivery date and best value evidence, but these are not mandatory. Click on the Create from Requisition button, it will bring up all of the requisitions for that supplier, or choose to see all requisitions with no supplier as well.
9. Tick the requisition(s) the order is created for, click select.
10. It will then populate the order from the requisition.
11. Edit the order if necessary.
12. Click on the blue + button to add any additional lines.
13. The user is now able to save the order as a draft to complete later.
14. Clicking the arrow next to the submit button will send an email to the supplier. To submit the order, click on the blue submit button, the order can be emailed at a later time.

### **Access Education Finance: How to enter a GRN**

1. To receive a Goods Receipt Note please follow the steps below:
2. Go to Transactions.
3. Click Orders.
4. Click Goods Receipt Notes.
5. Search for the relevant Purchase Order in the list.
6. Click on the icon in the GRNs column.
7. Click on Create GRN.
8. Select the item(s) from the list you would like to receive using the tick boxes.
9. Click Confirm.
10. Enter the amount you would like to receive in the Quantity Received column. You can also make any other amendments to the relevant fields at this stage.
11. Once all fields have been modified and completed click Submit.
12. These items will now be received.
13. Access Education Finance: How to match a Receipt to a Sales Invoice



**To match a Receipt to a Sales Invoice please follow the steps below:**

1. Go to Receipts.
2. Click Income Matching.
3. Select/enter the relevant filters. Mandatory filters include Customer.
4. Click the Filter button.
5. Select the relevant Invoice(s) and Receipt(s) using the tick boxes.
6. Click on the Match button.

**Access Education Finance: How to enter a Sales Invoice**

1. Go to Transactions.
2. Click on the Sales Invoices option.
3. Click on the blue + button.
4. Select a Customer.
5. Enter the description.
6. Select the Bank Account.
7. Select the invoice date & period.
8. Click on the 2nd blue + button.
9. Once entered, click on Submit.

**Access Education Finance: Processing a VAT Return**

1. To process a VAT return please follow the steps below:
2. Go to Reports.
3. Select VAT.
4. Select VAT Return.
5. Select Period From '0' and Period To 'The period you are claiming too'. Please ensure you always claim from Period '0' as this will capture any items not yet claimed for in previous months.
6. Tick Exclude Zero Balances.
7. Click Submit.
8. Click VAT Full Report. (This will download to Excel, this will be your Full Report for Submittal to the LA).
9. Click Generate VAT Return.
10. Click Export Return to Excel. This is the file you'll need to upload to HMRC.
11. Click Claim VAT.
12. Check you have done everything on the checklist.
13. Click Confirm. (This will lock the report down on your system).



## Access Education Finance: Overview of Journals

### Journals

- **Accruals** - Used to post accruals to allow any expenses or income to be recognised in the accounting period in which it occurs. This journal can be used at any period of the year but will only automatically reverse into the next year if posted in period 12 or 13. To post accruals between periods, users are able to post an accrual journal into a period, then duplicate the journal in the reversing period, and swap the debits and credits to reverse the journal
- **Cashbook Journal** - To use this journal, select a bank account to debit/credit. Users are able to post to balance sheet codes as well as to income/expenditure codes.
- **VAT Reimbursement** - To show any VAT that has been reimbursed. Only need to select the bank account and enter the amount, it will automatically post to the VAT control account.
- **VAT Payment** - To show a VAT payment. Only need to select the bank account and enter the amount, it will automatically post to the VAT control account.
- **Payroll Control** - Used to transfer from payroll control accounts to the individual cost centre/ ledger codes.
- **Payroll Payment** - Select the bank account and the Payroll Control Account and enter the amount that is being paid out.
- **Bank Transfer** - Used to transfer between two bank accounts, or a bank account and petty cash.
- **VAT Journal** - Used to enter journals that need to have the VAT included.
- **SBS Advance** - Used to show school business share from bank to the individual cost centres/ ledger codes.
- **Internal Transfer** - Transfer from one cost centre to another. Cannot post to balance sheet codes.
- **Prepayment** - Used to post prepayments to allow any expenses or income to be recognised in the accounting period in which it occurs. This journal can be used at any period of the year but will only automatically reverse into the next year if posted in period 12 or 13. To post prepayments between periods, users are able to post a prepayment journal into a period, then duplicate the journal in the reversing period, and swap the debits and credits to reverse the journal.



· **Internal Transfer** - This journal is used to transfer from one cost centre/ ledger code to another. For example, if an invoice or journal has been coded incorrectly.

### **Corrections**

· **Returns** - If have to return an item back to the supplier; can only put a return on from a purchase order or a GRN, not an invoice.

· **Reversals** - From here users can reverse, cheques purchase invoices, receipts, sales invoices, journals and BACS payments.

· **Write-Offs** - To write of sales invoices if they are determined to be uncollectible.

· **Supplier Refunds** - If there is a purchase credit note that and have received the money back from the supplier. Tick it as a supplier refund and it will then show as a refund on the bank reconciliation.

### **Migration Journals**

· **Creditor** - To bring any outstanding purchase invoices/ credit notes from the previous accounting software into HCSS Accounting, when first starting to use the software.

· **Debtor** - To bring any outstanding sales invoices/ credit notes from the previous accounting software into HCSS Accounting, when first starting to use the software.

· **Opening Balances** - To bring the opening balances from previous accounting software into HCSS Accounting, when first starting to use the software. These can also be used to balance sheet codes throughout the year.

· **Unreconciled Transactions** - To migrate any unreconciled transactions from the previous accounting software into HCSS Accounting, when first starting to use the software.

### **Access Education Finance: How to complete a Bank Reconciliation**

1. Go to Bank Reconciliation.
2. Select Manual Reconciliation.
3. Select Bank Account.
4. Enter Period and Date.
5. Statement Reference should automatically default to the next number, unless this is your first reconciliation for that specific Bank Account.



6. Opening Bank Balance should automatically default, unless this is your first reconciliation for that specific Bank Account.
7. Enter your Closing Bank Balance. This is found on your Bank Statement.
8. Click on Next.
  
9. Tick the required transactions in the Reconcile column.
10. The blue Reconcile button will become active once the transactions selected balance to the Closing Bank Balance that you have entered onto the system.
11. If the blue reconcile button does not become active, it will be because your statement does not balance to the figure you have entered. You will need to use the Save icon and then go and enter any missing transactions before returning to reconcile those transactions.

### **Access Education Finance: Overview of Reports**

Audit Lists The user is able to export a report for a specified date range to excel for:

- Purchase Day Book
- Purchase Returns Day Book
- Sales Day Book
- Sales Return Day Book

If the user selects all, they can get all 4 day books on multiple tabs within the report.

### **Bank**

Bank Reconciliation Statement The user is able to run a bank reconciliation report for any bank account. The report is as at the day its run, the user is unable to select a date/ period. It will automatically export to excel. This report shows the transactions that are waiting to be reconciled splitting it by lodgements not yet credited and cheques not yet presented. The balance per bank account figure comes from the bank reconciliation closing balance. The cashbook balance comes from the bank ledger code. Bank Reconciliations Transactions The user is able to run the report for any bank account, and are able to specify the statement number, or if left blank, it will run it for all statements. When clicking generate it will automatically export to excel. It will show the transaction, the supplier/ customer, the statement number it was reconciled on and the amount. Cheques Used On this report, the user is able to specify which bank account they would like to run it for and if they would like it for manual or printed cheques or both. The user is also able to select a cheque range. The report gives details of the cheques status, cheque date, value, supplier and cheque type.

### **Budget Holders**

Budget Holders Select a period range and cost centre(s) or cost centre group(s) to run the report for. Each cost centre is shown in an individual tab. It gives an overview of the budget, actual and commitment. Also gives full details of the transactions, accruals/ prepayments and outstanding commitments. This report can be viewed on screen, or exported to PDF or Excel.



**Budget Virement** The budget Virement report will only be used if the budget is manually entered on HCSS Accounting and no link with HCSS Budgeting. It gives details of the virements between the cost centres/ ledger codes, including the user and the reason the virement was made. **BVAVC** The Budget vs Actual vs Commitment (BVAVC) Report can be run for a single cost centre or all cost centres (if no cost centre is entered). Get the report to show additional information by ticking the ledger codes, fund codes and analysis code boxes. The BVAVC report is in 3 sections;

- % of Budget Spent - This shows the current budget, the current budget to date, the actuals and commitment on each cost centre. It also calculates the difference between the budget and the total and the % of budget spent.
- Comparative Budget sam - This report shows the fixed budget and the current budget for each cost centre.
- Expected Outturn - This report will be run for the current year through to period 12 any selection criteria will not be applied.

Expected Outturn is calculated by:

$(\text{Total Budget} / 12) \times (12 - \text{current period}) + \text{Actuals} + \text{Commitment} = \text{Expected outturn}$

## Customers

**Aged Debtor** This report shows any customer that has outstanding invoices. It gives a summary of the total amount outstanding. It also shows a breakdown of how overdue the invoices are (current, 1-30, 31-60, 61-90, and over 90). **Customer List** This report will give an overview of the customers who are set up on HCSS. Select an individual customer or if left blank it will include all customers. It gives the details of the customer's code, address (if "include address" box is ticked) invoice term, VAT number and if they have been set to on hold or not. The report can be exported to PDF or Excel.

## Financial

**Balance Sheet** A statement of the assets, liabilities and the capital. The user is unable to select a period for the balance sheet, it will include balances for the full year. Select to show debit and credit rather than just the total. The report can be exported to PDF or Excel.

**Income & Expenditure** On this report, The user can select a period range. If all other fields are left blank the report will run for all applicable ledger codes. Specify the report to show just the income/ expenditure for a fund code, analysis code and cost centre. It will then just show the ledger codes that have been used for that specification. The report can be exported to PDF or Excel. **Trial Balance** Shows the total debits and credits for each ledger code. Can select the period range to run it for. The report can be exported to PDF or Excel.

**Transaction Listing By Ledger Code** For this report, a period range will need to be selected. Select 1 or more ledger codes, if leaving the ledger code box empty, the report will run for a ledger code. The report once generated will automatically download in excel. This report has each transaction that has been entered for a



ledger code. It shows the value, description, VAT value, cost centre (if applicable) as well as who created and authorised the transaction. If running the report for multiple ledger codes it splits each ledger code out with a new header for each ledger code. Transaction List Report This report is similar to the transaction listing by ledger code report. It can be run for all cost centres or for selected cost centre(s). Instead of each ledger code being split under separate headings, the report is displayed in one list. Counterparty Contact Balances This report will show the balance for Counterparty Types attached to any Contact (within codes > supplier > defaults tab or codes > customer > defaults tab). It is sorted by Contact, Contact type and Ledger Code. The report can be sorted and subtotalled by any of the columns. Transaction List with VAT Code This report provides a list of all transactions similar to the Transaction List Report in a single flat list excel format. It includes the VAT code that was used against a specific transaction. The user is unable to select a period range. If clicking on 'Generate' it will export the report to excel. Trial Balance By Codes This report allows the user to export every combination of Ledgers, Funds, and Cost Centres to see the balance for each combination. The report can be exported to CSV or Excel.

## **Lists**

Chart of Accounts This report shows a list of all codes that are set up on HCSS Accounting split into the categories:

- Fund Codes
- Ledger Codes
- Cost Centre Code
- Cost Centre Groups
- Analysis Codes
- ISB Codes
- Ledger Types
- Report Codes

This report can be exported to excel or PDF.

Customer List This report will give an overview of the customers who are set up on HCSS. The user is able to select an individual customer or if left blank it will include all customers. It gives the details of the customer's code, addresses (if include address box is ticked) invoice term, VAT number and if they have been set to on hold or not. The report can be exported to PDF or Excel. Supplier List This report will give an overview of the suppliers who are set up on HCSS. Select an individual supplier or if left blank it will include all suppliers. It gives the details of the supplier's code, address (if include address box is ticked) invoice term, VAT number, bank account details and if they have been set to on hold or not. The report can be exported to PDF or Excel.

## **CFR (School's Only)**

CFR Return As part of the year-end process, a CFR (Consistent Financial Reporting) Return needs to be submitted to either the LA or the DfE through COLLECT. HCSS Accounting has an inbuilt CFR Return within the



Reports section. It is possible to generate either an Interim return (this cannot be uploaded to DfE COLLECT but does export to excel) or a Final return.

### **Suppliers**

**Aged Creditor** This report shows any suppliers that have outstanding invoices. It gives a summary of the total amount outstanding and any balances on the account. It also shows a breakdown of how overdue the invoices are (current, 1-30, 31-60, 61-90, and over 90). **Supplier List** This report will give an overview of the suppliers who are set up on HCSS. Select an individual supplier or if left blank it will include all suppliers. It gives the details of the supplier's code, address (if include address box is ticked) invoice term, VAT number, bank account details and if they have been set to on hold or not. The report can be exported to PDF or Excel.

### **VAT**

**VAT 126** This report can be used to preview and generate the VAT 126 report. It will include any purchase transactions with VAT on that are against a contact. If cashbook journals have been entered with VAT on, these will not be included in the VAT 126 report. To be able to generate the VAT 126 return there must be a VAT number entered for every supplier on the report. The user is able to download any previous report details by clicking on the blue download button at the top left of the page.

**VAT Return** This report can be used to preview and generate the VAT return. Any transaction with VAT will show on this report. This report should only be used if the school/ academy is VAT registered. The user is able to download any previous report details by clicking on the blue download button at the top left of the page.

**VAT Claimed Detailed** This report shows all of the transactions that the VAT has been claimed for, and the date that it was claim was generated. The report automatically downloads to excel when generated.

### **Procurement Card Purchasing**

The procurement card can be used to purchase items that cannot be purchased by any other approved route. It can be used in the same way as a personal debit/credit card:

- Over the phone – have your card at hand; you will have to quote your card number, expiry date, cardholder information and possibly some security details. You must provide a contact name and delivery address.
- Over the counter, face-to-face – just as you would use a personal debit or credit card
- Over the Internet – as an extra security feature the Card provider guarantee Internet transactions, meaning the Council is not liable for any Internet transactions you did not make.

### **VAT**

There are three types of supplier capabilities in relation to VAT:

- **Level 1 – UK non-evidence:** These suppliers do not have the capability to transmit VAT data electronically. As a result, the cardholder will be expected to obtain a VAT receipt/invoice for these types of transactions.



- Level 2 – UK Summary: These suppliers send summary detail up to a maximum of £5k. Above this a VAT receipt/invoice will be required as with Level 1 suppliers.
- Level 3 – UKLID: These suppliers transmit enhanced VAT information therefore no invoice is required to reclaim VAT.

VAT receipt must be obtained and contain the following information to substantiate the council's VAT claim:

- Name, address and VAT number of the supplier,
- Time of the supply
- Description of goods/service
- VAT rate charged and breakdown of the VAT charge in sterling
- The monthly card limit and individual transaction limit are set to a maximum of £2,000 per month and the maximum credit limit is set to £10,000 per annum. These limits are inclusive of VAT and any delivery charges and should be approved by Governors.
- The School is responsible for payment in full via Direct Debit for all transactions made with the card.
- This means ensuring that there are sufficient funds within the school bank account to pay the Direct Debit. The Procurement card must only be used when all other procurement routes have been exhausted.
- Cash withdrawals are not allowed and must always be blocked

The cardholder must check all expenditure on the card statement to ensure that payments are correct and only made for goods received. Any discrepancies must be rectified with the supplier.

### **Monitoring of card use and card misuse**

The PCA (Purchasing Card Administrator) will undertake random checks of procurement card usage to ensure that this is appropriate. Internal audit will also include checks as part of their regular audits. The cardholder will therefore need to maintain a record of transactions.

### **Transaction Logs**

- The SBM will complete Excel transaction logs which can be used by the school to record transactions and reconcile to the monthly procurement card statements.
- The procurement card statement can also be viewed online and exported into an Excel document. This can be forwarded to the PCA instead of the transaction log.
- These must be approved by a senior member of staff other than the cardholder and submitted to the PCA on a quarterly basis.
- Cardholders are not permitted to make use of personal loyalty cards for transactions using a school procurement card.
- Any consistent misuse will result in the card being cancelled with immediate effect.



## Security

- Procurement cards must be signed by the cardholder upon receipt.
- It is the cardholder's responsibility to ensure that the card is kept in a secure place e.g. office safe.
- Procurement cards must only be used by the cardholder. This means that it must not be used by anybody else in the cardholder's absence.

## Lost/Stolen Cards

- If a procurement card is lost or stolen Natwest Customer Services must be contacted immediately 0370 010 1152.
- The PCA must also be contacted immediately after the bank. Prakash Patel, Schools Strategic Finance Unit, 1 Providence Place, West Bromwich, Tel 0121 569 8174.
- If a procurement card is subsequently found after being reported lost or stolen, it should be destroyed as a new card will have been sent out by RBS.

## Damaged Cards

- If the procurement card becomes damaged, RBS/Natwest Customer Services should be contacted on 0370 010 1152.
- A new card will be issued immediately and the damaged card should be destroyed.

## Replacement Cards

- A new procurement card will be issued automatically shortly before the expiry date of your current card. When the new card becomes valid, the old one should be destroyed.

## Transaction Queries

- If a statement shows a transaction that has not been made, the supplier should be contacted directly. Where a credit is due the supplier will generate a refund, which will be processed back on to the account.
- If the query cannot be resolved with the supplier, Natwest Customer Services should be contacted on 0370 010 1152. The PCA should also be notified.
- Fraudulent Transactions and Preventing Fraud
- In the event of fraudulent use of your procurement card, you should contact Natwest Customer Services immediately on 0370 010 1152. The PCA must also be notified.
- To help prevent card fraud the following advice is recommended to cardholders:
- Never leave your procurement card unattended – for example, in a car or your office where thieves can easily find it.



- Try not to let your procurement card out of your sight when paying for goods and services at the point of sale. Never discard transaction slips that display the card number - always tear them up when you have completed the reconciliation process.
- Never write down your procurement card number.
- If you suspect your card has been stolen or lost, always report it.
- Your three-digit security code proves you have the physical card and should only ever be quoted to a supplier. The bank would never ask for this number if you are in any doubt always check before giving out any personal information out.

#### **Change of Situation**

- If the cardholder is leaving the school, the PCA must be contacted and the procurement card returned to them by hand or secure post. The PCA will then arrange for the card to be cancelled. New forms will need to be completed for a new cardholder.
- If there are any changes in the cardholders details e.g. change of name, the PCA must be contacted who will liaise with the bank to effect the necessary changes.
- If the school converts to academy status the procurement card must be returned to the PCA in order to be cancelled.



## Step-by-step process for using a procurement card





Best value provides a framework for the planning, delivery and continuous improvement of services. The overriding purpose is to establish a culture of good management for the delivery of efficient, effective and economic services which meets the needs of the users. This involves consideration of costs, making the most of money spent and making sure that the services and resources purchased meet the needs and priorities of the users.

School's procedures help to ensure we obtain value for money through our purchasing arrangements. Value for money is a means of achieving economy, efficiency and effectiveness in resource management.

All staff should consider the following;

- Economy: is it possible to minimise the cost of resources without losing the quality of service?
- Efficiency: what is the relationship between output in terms of goods, services or other results, and the resources used to produce them
- Effectiveness: to what extent have objectives been achieved?

### Tendering

Please refer to the **Scheme for the Financing of Schools Manual** [here](#)

Tendering is the formal procedure by which suppliers are invited to submit a sealed bid to a purchaser for goods or services over a prescribed amount.

Minimum requirements for obtaining competitive offers are detailed below:

Estimated Value of Goods, Services or Construction Works (£)	Requirements
0-1,000	To be treated as one-off non recurring requirement. Verbal enquiries can be made but must be confirmed via email from supplier. Copies to be kept Value for Money must be demonstrated.
1,001–10,000	Head Teacher to obtain at least three quotations. Verbal enquiries can be made but must be confirmed via email from supplier. Copies to be kept Advertising requirements: Find it in Sandwell
10,001 - 50,000	Head Teacher to obtain minimum of four formal written quotations. Copies of quotation to be kept on relevant contract file Advertising requirements: Find it in Sandwell
50,001 – EU Procurement Threshold	Minimum of six tenders to be invited, sealed or electronic tenders.



	Advertising requirements: Find it in Sandwell and if required alternative specialist publications. Tender schedule and documents to be kept along with Formal Contract where value exceeds £100,000
EU Public Procurement Thresholds* and Over	Prior to commencing any tendering process where the estimated value exceeds the current EU Procurement Limit Chief Officers must seek advice from the Procurement Strategy Officer. *
The requirement for written quotations applies in relation to contracts with an estimated value of £10,001 to £50,000. It is the primary responsibility of the Head Teacher seeking goods and materials or services to ensure value for money is obtained.	

### Tender Administration

Standing Orders shall apply to contracts for the supply of goods, services, materials or works that are estimated **to exceed £50,000**.

Any firm invited to tender should receive instructions as to how that tender should be submitted. These must incorporate the following safeguards:

- All tenders must be submitted in a sealed envelope which bears no indication of the identity of the tenderer.
- The envelope should be clearly marked with the word 'Tender' and with the name of the contract to which it relates
- The tender must be submitted to the school by a specified time and date clearly addressed to the Headteacher.
- Tenders must not be submitted by fax or any other electronic transmission of data, as the security of the information cannot be guaranteed.

Staff likely to receive tenders must be given clear written instructions by the Headteacher as to how the tenders are to be treated. The instructions must include the following:

- Tender envelopes must not be opened on receipt
- The date and time of receipt must be recorded both on the envelope itself and on a separate record.

Once received, tenders should be kept securely in the custody of the Headteacher until they are due to be opened.

- Tenders must be opened at the same time, as soon as possible after the closing date by members of the governing body designated for this purpose and a member of the school staff designated by the Headteacher. Tenders received after the specified time and date cannot be considered for acceptance and should be returned to the tenderer.



- Tenders whose source can be identified by any means must not be considered for acceptance.

Please refer to [Buying for Schools](#) guidance relating to tendering, [Schemes for Financing local authority-maintained schools](#) and [Fair Funding Scheme - Sandwell.gov](#)

### **Cash Management**

Non Invoiced Income – Milk/Trips, lettings etc...

All Income received must be officially recorded. Used receipts and other records of income must be held securely for the appropriate period. Stocks of unused receipts must be held securely when not in use.

Cash Handling – Although Grove Vale is cashless, there may be the odd occasion where cash payments may be made, in these circumstances relevant staff must ensure that all income is locked away to safeguard against loss or theft. For insurance purposes care must be taken not to exceed safe limits. All monies must be banked as soon as practicable.

### **Grove Vale's School Safe Limits are:**

- **Safe 1 - £3,000**
- **The school have carried out an assessment of their safes and sent the assessments to Risk & Insurance Services, at Sandwell Council, who have determined the above amounts.**
- **All income must be securely locked away awaiting collection.**

**We now operate as a cashless school.**

### **Invoiced Income**

This is used when an invoice has been raised for goods/services provided by the school e.g. lettings, supplying staff to other schools etc. Any monies are banked in the same way as non-invoiced income and posted on Access Finance using the correct cost centres and ledger codes. Invoices are then annotated that they are paid and the date the payment received and then filed.

### **Payroll**

***Staffing costs are the largest expenditure for a school. It is therefore important that payments are accurate, timely and made only where they are due services to the school. All payments made should agree with the individuals' condition of employment.***

Payroll information is received around 20<sup>th</sup> of each month, on an excel spreadsheet, through Webxchange. The LA amount is then reconciled to our Access Finance commitments, noting any anomalies.

Any differences must be investigated:

- Have any contracts been amended? Is Access Finance showing correct commitments?



- Is the Personnel Module up to date?
- Have any staff commenced maternity leave? If so, has it been coded correctly on LA Spreadsheet?
- Have there been any overtime claims?

Any anomalies still outstanding are reported to HR payroll for further investigation.

Reconciling Payroll on Access Finance – this is currently undertaken by the budget officer through the SLA

### **Banking / Reconciliation**

- Income should only be paid into The School Bank Account for:
- Advances and VAT reimbursements from Sandwell MBC
- Income generated by the school e.g. lettings, supply cover
- Donations and contributions from Parents Association, School Fund etc
- School Meals / Milk
- Childcare arrangements

Each school will receive 1/12 of their total budget allocation on the 26th day of each month commencing on the 26th April.

The advance details funding and charges to schools. This information is input into Access Finance by the Business Manager

### **Key Controls – Cheques**

- Unused cheque books and blank cheques (cheque stationery) must be kept in the safe
- Blank cheques must not be signed
- A record must be kept of all cheques used (cheque register)
- Reconcile the stock of unused cheques against this record. A member of staff who is not a signatory on the account must undertake the reconciliation.
- The cheque register must be kept in a separate location from the unused cheques.
- If any cheques are found to be missing, the RBS/NATWEST Bank must be informed in writing requesting to 'stop' the cheque. This can be done by emailing [publicsectorandcharitiesservicingteam@natwest.com](mailto:publicsectorandcharitiesservicingteam@natwest.com)
- The account must be controlled by at Least two signatures. *See Finance Fair Trading Appendix E, Page 15 for guidance on account signatories.*

### **VAT**

Schools are responsible for recording VAT correctly. There are 5 classifications of VAT:



1. Standard Rate – 20%
2. Lower Rate - currently 5%. This includes fuel and power supplied for domestic use
3. Zero Rate – this includes printed books/magazines/children’s clothes/transport
4. Exempt – this is not vatable at all and includes postage/ interest received/ lettings
5. Non Business or Outside the Scope - this is internal business, work carried out between one department and another within SMBC.

#### **VAT Returns**

- VAT returns must be in electronic format. They are sent electronically to the Council House using MoveIT. VAT claims should be carried out promptly on a monthly basis.
- Print the VAT submittal Report and respond yes to **Did the Report Print Successfully. This must be signed and filed.**
- Log into MoveIT and upload the report.

#### **Assets - Equipment Register**

All items of equipment which are of a permanent nature and which have a value either individually or in certain circumstances collectively of over £100.00 should be entered on the Asset register. A Certificate of Inventory must be completed for each Year End.

#### **Stocktake:**

An annual check must be carried out on all items of inventory to verify location, condition and to take action in relation to surplus or deficiencies.

#### **Security Marking:**

Equipment such as computers, cameras and video recorders etc should be identified with security markings as belonging to the school.

#### **Disposal of Items Condemned or Unfit for use:**

It is uneconomic and inefficient for the cost of the assets to outweigh their benefits. Obsolete, nonrepairable or unnecessary resources should be disposed of in accordance with the law and regulations of the local authority.

Sale of obsolete items of stock or equipment shall be made only on authorisation of the Head teacher.

**For full guidance and information please refer to:**

**[Schemes for financing local authority-maintained schools 2025 to 2026](#)**

**<https://www.sandwell.gov.uk/extranetforschools/downloads/file/2750/fair-funding-scheme>**



## **Back Ups**

It is critical that:

That a full backup of **ALL** Arbor data is made on a daily basis and it is the schools responsibility.

If any errors or skipped files are reported, then these are verified and any problems resolved.

All data is transferred to the council's backup service / service purchased annually through SIPS education

Whistle-blowing – Confidential Reporting Code

For full guidance and information please refer to: Appendix G – Fair Funding Document: Whistle Blowing &

Confidential Reporting

In May 1996 the Nolan Committee published a report on standards in public life as applicable to local public spending bodies, including schools. The report identifies seven principles that should be applied in public life:

Selflessness

Integrity

Objectivity

Accountability

Openness

Honesty

Leadership

Employees are often the first to realise that there may be something seriously wrong within the establishment in which they work. They may not, however express their concerns because they feel that speaking up would be disloyal to their colleagues. They may also feel harassment or victimisation.

**In line with the Local Authority's policy, Grove Vale Primary Schools Governing Body is committed to the highest standards of openness, probity and accountability. Employees who have serious concerns should come forward and voice those concerns.**

**PLEASE REFER TO THE LOCAL AUTHORITY FAIR FUNDING DOCUMENT FOR DETAILED INFORMATION ON FINANCIAL REGULATIONS AND PROCEDURES. A COPY OF WHICH CAN BE FOUND ON THE LOCAL AUTHORITY WEBSITE WITHIN THE STRATEGIC FINANCE SECTION OF VIRTUAL OFFICE. A LOG ON IS REQUIRED.**