

Shawclough Community school

Finance Policy



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ROLE OF THE GOVERNING BODY

The Governing Body is responsible for ensuring that all resources allocated to the school are used only in accordance with the terms of the Finance Scheme and will take steps to ensure that the financial management and organisation of the Governing Body are such as to enable it to fulfil its obligations.

The Governing Body recognises that it would be impractical to undertake all the day-to-day activities in discharging its responsibilities and it is necessary to delegate some of its functions through committees and the Head.

The delegated powers and duties referred to within this policy/manual apply to all committees and the Head unless otherwise stated. The Head may also delegate, provided the terms of further delegation are clearly outlined in this Policy.

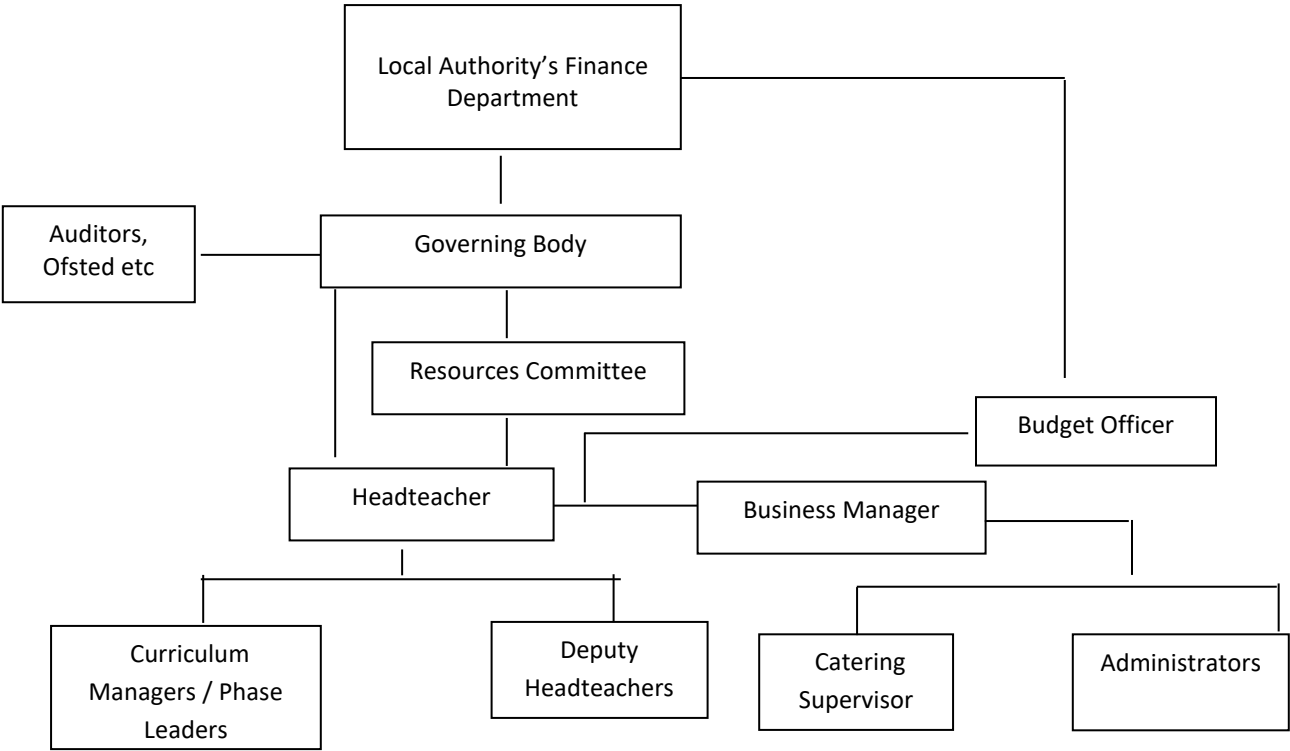
The Governing Body will keep under review its financial management arrangements and make amendments as necessary. The Head will advise the Governing Body where they feel such amendments to be necessary.

These procedures should be reviewed at least every 3 years but may be subject to more frequent amendments should the DCSG or LA requirements change.

Compliance with the School Finance Policy is mandatory and any contravention of procedures must be brought to the attention of the Head or Governors, whichever is appropriate.

The Governing Body has full accountability for the financial management of the school.

FINICIAL RESPONSABILITES STRUCTURE CHART



At Shawclough it is intended that members of staff are delegated responsibility to make decisions of how finance delegated to their areas of responsibility can and will be spent and the relationship with others. So that all staff understands where this responsibility lies an appendix is included as an appendix to this policy.

CONTROLS OF EXPENDITURE

The Governing Body approves the annual budget any substantial changes in accordance with this Policy.

The Governing Body has authorised the Headteacher to authorise any expenditure on goods and services up to the value of £10,000. Beyond that amount the expenditure must be referred to the Resources Committee.

The Governing Body has authorised the Resources Committee to authorise any expenditure on goods and services up to the value of £50,000. Beyond that amount the expenditure must be referred to the Full Governing Body.

FINANCE COMMITTEE AND TERMS OF REFERENCE RESOURCES COMMITTEE

The Resources Committee will meet at least 3 times each year to discuss the budgets, variances, financial objectives and any other appropriate business. The Committee has full delegated powers to make financial decisions.

The quorum shall be 3 members.

The Governing Body has a statutory responsibility for the oversight of financial management in the school.

The Governing Body has set up a Resources Committee with delegated powers to act for the Full Governing Body in matters of finance.

- The committee will consider the Headteachers advice and information on matters and make decisions.
- The committee will minute meetings.
- The committee will report back at each Full Governing Body meeting.

The Committee has terms of reference and a membership that is reviewed annually. Both of those documents are available from the school office.

The Governing Body is responsible for ensuring that all resources allocated to the school are used only in accordance with the terms of the Finance Scheme. Additionally they will take steps to ensure that the financial management and organisation of the Governing Body are such as to enable it to fulfil the obligations.

The Governing Body recognises that it would be impractical to undertake all the day-to-day activities in discharging its responsibilities and it is necessary to delegate some of its functions

through committees and the Headteacher. The delegated powers and duties referred to in this policy apply to all Committees and the Headteacher unless otherwise indicated. The Headteacher may and does also delegate some of those duties within the restrictions provided under the terms of delegation outlined in this policy.

The Governing Body will keep under review its financial management arrangements and make amendments as necessary. The Headteacher will advise the Governing Body when she feels such amendments to be necessary.

The Schools Administrator will advise the Headteacher of the practicalities of the managing of the finances of the school. The Headteacher will, in consultation with the Administrator, recommend appropriate necessary changes to the Resources Committee should they arise.

It is noted that the School Finance Policy is mandatory and any contravention of procedures must be brought to the attention of the Headteacher or the Governing Body whichever is appropriate.

Terms of Reference of Finance Committee

Financial Management Policy

1. To draft the school's financial management policy (including financial responsibilities to be delegated to the Headteacher and other senior staff where applicable):
 - in accordance with the Rochdale scheme:
 - after considering relevant advice from the LA, OFSTED, the Audit Commission and DfE; and
 - after consulting the Headteacher.
2. To present the draft policy to the full Governing Body for consideration and approval.
3. To monitor the implementation of the policy and to report to the full Governing Body.
4. To review the policy at least once every year and whenever relevant advice is received from the LA, OFSTED, the Audit Commission or DfE.

School Budget

5. To draft the school budget in line with the priorities set out in the school's 3-year Development Plan (including Financial Plan) and post-inspection action plan.
6. To present the budget to the full Governing Body for information
7. To monitor actual expenditure and income against the school budget and report on the significant variances to the full Governing Body.
8. To monitor variations to the original and revised budget. To approve budget virement up to 5% of the schools ISB budget share (or £50,000) whichever is the lower, larger virements to be approved by the Governing Body.
9. To regularly monitor pupil number trends to assess the effect on the delegated budget allocation.

10. To consider and to advise the Governing Body on the financial implications of adopting any policy under consideration with significant budget implications.
11. To undertake an annual review of all expenditure with a view to achieving “Best Value” in respect of the use of the delegated budget allocation. This will include a review of all contractors and suppliers to the school to ensure the existing arrangements are appropriate in line with DfE purchasing advice to schools (on the DfE web site).
11. To undertake an annual review of all sources of income received by the school to ensure fees and charges remain appropriate and in line with any increase in costs; and to monitor income received against the budget estimate as with expenditure.
12. To draft the school’s policy on lettings for consideration and approval by the full Governing Body.
14. To review the school’s policy on lettings (including charges) on an annual basis (and at other times as appropriate) and reports its conclusions to the full Governing Body.
15. To approve applications for use of the school premises in accordance with the policy of the Governing Body. (The full Governing Body - but not the Committee, which cannot delegate responsibility - may sh to delegate this responsibility to the Headteacher. In such cases, the Committee should receive reports on the Headteacher’s decisions).

School Fund and Other Voluntary Funds

16. To monitor the balance and expenditure of the school fund (and other funds held by the Governing Body) and to report on these at least annually to the full Governing Body.
17. To ensure that there is an annual audit of the school fund and of other funds held by the Governing Body, undertaken by person’s independent of operating the school fund, and to ensure that the results are reported to the full Governing Body.

Controls Assurance Statement.

18. To receive an annual report from the Headteacher confirming that the financial controls required to meet the requirements of the Scheme for Financing Schools are still in place and operating as intended and to advise the Governing Body accordingly.

INDIVIDUAL FINANCIAL RESPONSIBILITIES

HEADTEACHER’S ROLE

The Headteacher will have the major responsibility of the oversight of all the financial issues of the school. These will namely include:

- Responsibilities for ensuring sound systems of financial management and control are in place within the school.
- Responsibility for ensuring that school financial activities and transactions are processed properly in accordance with advice from the Education Department.
- Responsibilities for ensuring Education Department financial regulations are, where appropriate, implemented.

- Monitoring of invoices to be paid.
- Initialling Signing of Payment of Creditors slips relating to payment of invoices.
- BACS/Cheque signatory responsibilities.
- Spot checks on Bank statements, invoices paid, materials ordered etc.
- Ensuring the appropriate monitoring of Civica printouts from Education Department and match to planned expenditure and querying any anomalies.
- Ensuring the provision of information, figures etc. to Resources Committee on request.
- Provide termly financial statement for Governors of actual expenditure and projected expenditure under main cost headings.
- Organising for the staff to undertake regular annual inventory checks and the addition of new equipment to the inventory as and when purchased.
- Ensure that the inventory is accurate by spot checks.
- Monitor secure holding of school monies in safe by spot checks.
- Organising for the necessary insurance arrangements to be completed.
- Communicating the delegated budgets to the managers within the school.
- Approval of costing of all school trips.

DEPUTY HEADTEACHER'S ROLE

- Deputise all Headteacher's duties if and as needed.
- To undertake financial responsibilities for special projects undertaken in the school including grant bidding.

BUSINESS MANAGER & SCHOOL ADMINISTRATOR'S ROLE

The Business Manager

- Organising and accounting for the appointment of supply staff within the finance available.
- Authorise Orders and Requisitions
- Key Holder
- Preparation of Trading Accounts
- Management of Inventory
- Finance Reports termly to Governing Body.

The School Administrator's role is the major one at Shawclough. She has the up-to-date working knowledge of the systems in the school and the information the systems contain as well the skills and experience to ensure that the finances are properly managed. Her duties include

- Cheque signatory duties.
- Preparation of Chequebook Management returns to Education Department.
- Initial receipt of orders delivery, along with 2 other Admin. Staff.

- Maintenance of a ledger of accumulated expenditure to date under main cost headings.
- Disbursement of school fund.
- Ensure the safe and secure holdings of monies during the school day.
- Key holder of the money safe along with other Administrator and Headteacher.
- Receive charity fund raised income and ensure safekeeping of the same and carry out related transactions.
- Payment of invoices after clearance - this includes related paperwork and queries after clearance from the Headteacher.
- File and keep delivery notes for future reference.
- Organise for the distribution of orders to the appropriate person as they are received.
- Query or disputing invoices after consulting the Headteacher.
- Receive income for the various school funds (and where appropriate other funds) and secure same.
- Input of financial data onto the computer system and produce statements at the Headteacher's request.
- Collect and bank "school money" and appropriately record same.
- Check the Civica data sent to school on a monthly basis and report to Headteacher.
- Advise others within the school of the procedure necessary for the appropriate use of budget allowance
- Monthly VAT returns to the Local Authority
- Management of Inventory

ADMINISTRATOR

The dinner money clerk has an important role in the school ensuring that the income is appropriately handled. Her experience and knowledge of the children allows her to ensure that the Dinner Money accounts are well managed. Her responsibilities include:

- To receive the dinner money collection, account for it, and record.
- To receive money from breakfast sales, account for it and record as appropriate.
- Advise the Headteacher of any alteration in the collection or alteration in the numbers.

TEACHER'S ROLE

Within the financial policy all teachers in their capacities as curriculum leaders have a negotiated and agreed budget recorded in the SDP. Therefore the financial responsibilities apply to them individually as it does on the Phase Leaders who have a more direct responsibility for finance.

They are individually responsible for the following:

- Negotiate for the appropriate finance identified for management area in the development plan and ensure that the funding is appropriately used and accounted.

- Make recommendations to Phase Leaders on allocations of monies for school supplies and equipment in line with school development and yearly basic requirements for the areas in which they are working.
- Processing, recording on inventory and storage of resources ordered.
- Speedy transfer to office and school administration of all monies collected within the classroom for other activities.
- Follow the procedures for the use of School Fund and money from other accounts for example providing receipts for disbursements from the school fund.
- Seeking of clearance from the Headteacher before incurring expenditure of reimbursement from school raised monies.
- Organising and planning school group, class trips and outings in line with the Governors' charging policy. Seeking clearance from the Headteacher for costings of all such trips well in advance of the event. (Refer also to the Visits Policy)
- Adding items to the inventory as appropriate

REGISTER OF BUSINESS INTEREST

A register of the business and pecuniary interests of all Governors and Staff of the School will be kept and maintained by the Administrator who will update on an annual basis. The register will be available in the school for reference by Governors, staff and parents as needed.

7. Finance Planning and Monitoring

Link between academic and financial plans

A strategic financial plan will be maintained alongside the School development plan. The Plan will include details of projected expenditure on key activities e.g. staffing, repairs and maintenance, building development, school meals and other long-term contracts, central support services, staff development and training. The plan should conform with the school's aims and objectives.

The plan should be drafted on a rolling basis and reviewed and updated annually with objective criticism, review and assessment minute.

The finances of the school are basically needed for two distinct parts of the administration of the school.

One: the maintenance of the purpose of the school that is teaching

Two: the development of the school based on the school development plan.

The maintenance of the school includes expenditure for staffing, necessary education resources, heating lighting water and rates, cleaning and caretaking, grounds maintenance etc. those items that need to be in place so that the school can open to teach children.

The school development plan will include the finances necessary to complete that plan. The plan will aim to support the aims of the school. The current development plan is for the next five years and therefore to some extent the finance necessary for planned development can be estimated.

Budgets

School expenditure must be appropriate, controlled and prioritised against available resources. The annual budgeting process consists of four stages

Planning
Budgeting
Monitoring
Review

Operating budgets should be prepared within the context of a long-term plan

Budget Management

In order to distribute the budget effectively and efficiently, the budget will be divided into categories listed in the School Budget Plan

Submission of budget plan

The budget will be set appropriate to the current needs of the school. In order to distribute the budget effectively the draft budget will be divided into the categories in the school budget plan. The Headteacher who will submit the draft to the Resources committee will complete this. After scrutiny by the Committee the draft budget will be forwarded to the Full Governing Body meeting for approval. The budget then becomes the authorised budget for the School for that academic year.

Budget Monitoring and control

- The Headteacher prepares estimates of expenditure and income each year to present to the Resources Subcommittee and the Full Governing Body.
- The Headteacher ensures that planned expenditure for each year does not exceed the available budget, considering adjustment for surpluses from previous contingency projections. The Headteacher advises and informs the Resources Subcommittee of the facts.
- The Headteacher forwards details of the budget to the L.A. and Governors of any subsequent budget changes as required by change of circumstances.
- The Headteacher does profiling of the budget under the cost headings. The Headteacher takes the necessary steps to estimate accurately on the basis of available information. Some items

e.g. Building vandalism costs are an uncontrollable aspect of the budgeting and cannot be accurately estimated.

- The Headteacher provides termly reports to the Governors on spending.
- These include expenditure against allowance.
- Headteacher authorises with the chair of governors virements against headings where there is unanticipated extra costs being mindful of any risk to budget surplus/deficit.

The Headteacher has the responsibility for the day-to-day monitoring of the budget expenditure. Where there is variance from the plan the approval of the Committee will be sought. Any virement will be agreed and should there be a need for additional expenditure under any heading that finance will come from contingency or from other under spent headings.

Virement

When the actual expenditure exceeds or is likely to exceed the budget provision within that specific budget heading then if the sum is less than £7,500 the Headteacher may vire monies from the appropriate budget head. If the sum involved is more than £7500 then the decision to vire monies must be taken by the Finance Committee. Decisions taken by the Headteacher must be reported to the Finance Committee at the next meeting.

The Authority will be notified of any virement decisions in the year end forecasting reports.

Financial responsibility

The Governing Body has delegated responsibility for financial monitoring to the Resources Committee. The Resources Committee should meet at least three times each year and be kept up-to-date with the school's overall financial position.

All members of the Resources Committee must receive copies of the forecasting reports for the Authority. Each budget manager (officer with financial responsibilities) should receive the monthly accounting reports, which must be reviewed. These should also be presented to the following Resources Committee Meeting

Timetable for financial reporting

There are many tasks that have to be undertaken throughout the year by all those with responsibility for finance in the school. Some of those tasks are dependent on those tasks being completed in a timely way by those with responsibility. This is the defined plan for this school

Time of year	Tasks	Responsibility
Throughout the year	• Payment of invoices • Complete month end reconciliations • Check Civica printouts – monthly report to Headteacher • Inform Headteacher of any problems	Administrator

Throughout the year	• Receive reports about finances • Monitor the finances of the school	Headteacher Resources Committee Full Governing Body
Autumn term	• Meet to monitor the development of the Finances of the School • Information about adjustments reported to the Resources Committee • Consider the budget issues for the following year • Consider options list and the requirements of the SDP	Resources Committee
Autumn term	• Receive finance report	Full Governing Body
Spring term	• Meet with other Committees to consider their views of financial needs for the next year	Governors Committees
Spring term	• Receive finance report	Full Governing Body
February/March	• Draft the budget based on the indicative figures from the LA	Headteacher/ Business Manager Administrator/ Budget Officer
March/April	• Complete the current year final outturn	Business Manager/Administrator
May	• Present budget to the Resources Committee for detailed examination and recommendation to the Governing Body • Receive the outturn of previous year's budget • Ratify the budget for the current year	Business Manager and Headteacher
Summer Term	• Consider the development of the use of school finances	Resources Committee

Financial Administration

Office responsibilities

The School Administration Officer is responsible to the Headteacher for the routine operation of all financial and administrative matters, including legislation relating to finance. Specific responsibilities are detailed below:

- To co-ordinate budgets and monitor all finances of the school, ensuring efficient use of, and effective control of, the schools expenditure.
- To raise and process school orders and ensure the Headteacher's authorisation for
- goods and services.
- To ensure the integrity of raised cheques.
- To provide financial information and reports to school management, the Governing Body and the LA.
- Administration of school bank accounts.
- Operation of the financial functions on the office computer system(s).
- Bookkeeping of any manual accounting documents as directed by the Headteacher/Governing Body.
- Checking of invoices against the original order and passing to the Headteacher for notification of the payment date.
- Collection of school meals monies (including school meals arrears).
- Completion of supporting documentation for banking of school meals monies/school meals take-up.
- Acting as cashier for other school monies, including the petty cash system, the issue of receipts and, where necessary, the preparation for and banking of monies.
- Bank deposits; ensuring appropriate details of any deposits are retained.
- Oversight/administration of school lettings.
- Other general financial tasks as directed by the Headteacher. Control of financial stationary, such as official orders, cheques and deposit books.

Absence of Staff with Financial Responsibilities

In cases of emergency when a member of the financial staff is absent financial responsibilities may need to be transferred to another member of staff. The senior member of staff available will make the decision about the management and responsibilities based on the circumstances.

Purchasing

The school shall maintain a documented system for the processing of orders, receiving goods and the processing of invoices as outlined in the Umbrella Pack

Tendering

Specific procedures exist for the letting of contracts and the purchase of more expensive goods. Schools are recommended to adopt the procedures outlined in the appropriate section of the Umbrella Pack.

Payroll

The school will purchase the services of the Payroll through a Service Level Agreement.

Personnel

- The Governing Body has a scheme of delegation for appointments, contract changes and terminations, through a service level agreement with Payroll and Personnel.
- The Administrator checks all payroll printouts against school documentation monthly to ensure match.
- The Administrator raises pay queries, notifies relevant Personnel Section departments of appointments, terminations etc.
- The Business Manager is responsible for payroll changes and works with the administrator on any changes required

Assets

The school maintains and annually updates an inventory of assets. The main inventory is the electrical inventory which lists all vulnerable items which could be subject to theft which are easily portable such as laptops and ipads. All other assets are recorded on a photographic room inventory.

Insurance

Staffing

The School contract with Staff Absence to cover the absences of all employed staff. The system in place is organised so that all absences are claimed for at the appropriate time.

Balance of risks -RPA

The LA's RMBC shared risk scheme. All claims are registered at the correct time and claims pursued appropriately.

Other - RPA

The Headteacher and staff inform the LA of all accidents to pupils and employees.

Removal of school property from the school building must be cleared by the Headteacher/Business Manager.

Public Liability Insurance and Schools Trips are taken through the RPA

Income

How the cash income is accounted for

Income

- The Headteacher will ensure that all income due is received and cash collected is accounted for.
- The School Administrator will collect and bank income, this is cross checked by another member of the admin tea.

The school bank is – Lloyds Bank

(a) The official School Account (CBM).

(b) The unofficial School Fund Account.

(c) The School council account

- All accounts operate separately.
- There will be 2 signatories to each cheque out of 3 possible
- There will be 2 BACS 'signatures' – one to prepare the payments and one to authorise, the coding labels and invoices are still checked
- All cheques will be crossed A/C Payee only.
- Cheques will not be pre-signed.
- Cheque books will be securely stored.
- The school shall not overdraw or take loans.
- The school will reconcile bank statements monthly.
- The Headteacher will make a termly check of bank reconciliation.
- Individual staff may receive payments from School Fund and School Bank Account, given authorised school expenditure and receipt provision.

Lettings

We do not intend any lettings for the forthcoming year. For information regarding lettings please refer to the lettings policy.

Write-off Debts

The procedure when the school is confronted with a debt will follow:

- The debtor will be informed/reminded of the outstanding amount either verbally or in writing.
- A formal letter will be sent reminding the debtor of the outstanding amount, if appropriate with an invoice.
- The matter will be referred to the Headteacher.
- If the situation remains unresolved the matter will be referred to the Governing Body.
- The governing Body will make a decision as to the approval to write-off the debt.

All paper work will be maintained and kept for further reference.

Petty Cash

The LMS account is not used for petty cash. The School Fund Account is used for petty cash transactions. This account is audited and reported to Governors annually.

School Meals

All school meals money including meals bought by adults is managed by the Administrator.

The administrator monitors and records all incoming monies and balances to meals served on a weekly basis issuing credits and debits as appropriate. The Headteacher monitors the clerking overseeing the balances on a monthly basis. Evidence is collated on the Sims Dinner Money system and through Biostore.

School meals should be paid for in advance. For referral of debt, see the debt management policy.

SCHOOL BANK ACCOUNTS

The school uses a School RMBC LMS account for the management of the School's Budget. It also has a range of bank accounts which are audited and presented to Governors each year

Banking Arrangements

- There will be two signatories to each cheque out of three possible.
- All cheques will be crossed A/C Payee only.
- Cheques will not be pre-signed.
- Chequebooks will be securely stored.
- The school shall not overdraw or take loans.
- The school will reconcile bank statements monthly.

The Headteacher will make a monthly check of bank reconciliation's

VOLUNTARY FUNDS

- The Administrator will receive, bank, record all unofficial funds to school and disburse monies upon receiving appropriate receipts. The accounts will be audited annually and a yearly statement provided to Governors. The Headteacher, Deputy Headteachers and the Business Manager/Administrator will be cheque signatories, BACS payments are two to authorise.
- School funds will be operated separately from the official LMS bank account. There will be no transfers of funds from the LMS account to the other unless authorised by the Resources Subcommittee on behalf of the Full Governing Body.

Agreed purposes for School Fund spending include: -

- Party food, accessories, prizes
- Novelties, toys for fund raising events
- Coach/ transport costs for trips
- Trip entry fees
- Book club expenditure and receipts
- Performance/ Entertainment costs where voluntary contributions are requested
- Refreshment, entertainment for parents, visitors, Governors etc.
- Occasional gifts for non-teaching, teaching staff as agreed by the Headteacher/ Deputy Headteacher
- Trophies, certificates
- Fabrics, artefacts, materials and books
- Juice and sundries for inter-school matches
- Cooking ingredients
- Books and resources
- School Uniform or uniform accessories