



St. Cuthbert's
Roman Catholic High School

WHOLE SCHOOL POLICY

FINANCE POLICY



Mission Statement

'The Lord God requires of us that we should help others whenever we can, always make the right choices and be the best that we can be in everything that we do'.



Policy: Finance Policy		
Type: School Policy	Website: No	Author: D Mains
Approved: October 2020		Next Review: Autumn 2021
Frequency: Annual		Delegated: Finance and Premises Committee
Notes:		

CONTENT

Section 1	Role of the Governing Body	4
Section 2	Financial Responsibility Structure Chart	5
Section 3	Controls of Expenditure	6
Section 4	Finance Committee and Terms of Reference	6
Section 5	Individual Financial Responsibilities	8
Section 6	Register of Business (Pecuniary) Interests.....	9
Section 7	Financial Planning and Monitoring	9
Section 8	Financial Administration	10
Section 9	Absence of Staff with Financial Responsibilities	12
Section 10	Purchasing	12
Section 11	Tendering.....	12
Section 12	Payroll	13
Section 13	Assets	14
Section 14	Insurance	16
Section 15	Income	16
Section 16	Lettings	17
Section 17	Write-Off of Debts	17
Section 18	Petty Cash	17
Section 19	School Meals	18
Section 20	Financial Systems and Reconciliation	18
Section 21	Treasury/Cash Management.....	20
Section 22	Credit Card.....	21

SECTION 1

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 scheme for financing schools 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 Headteacher.

The delegated powers and duties referred to within this manual apply to all committees and the Headteacher unless otherwise indicated.

The Headteacher may also delegate, provided the terms of further delegation are clearly outlined in this Document.

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

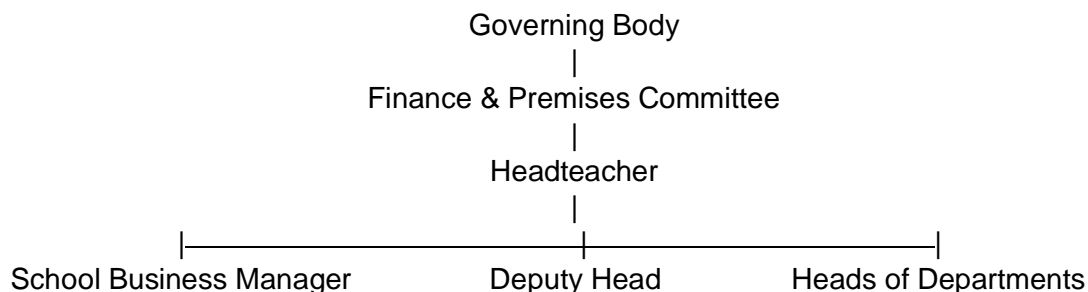
These procedures should be reviewed annually but may be subject to more frequent amendment should D of E or Local Authority requirements change.

Compliance with 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.

SECTION 2

FINANCIAL RESPONSIBILITIES STRUCTURE CHART

1 It is very important that the financial plan (or budget) is prepared within the bounds of the financial objectives of the school. In relation to the preparation of the school budget responsibility for separate activities are delegated to appropriate persons following the management structure of the school.



ACTIVITY	PERSONNEL	TIMESCALE
Preparation of first draft budget for following financial year.	Headteacher Deputy Head School Business Manager	January & February
Amended draft budget	Headteacher School Business Manager Chair of Governors for Finance & Personnel Sub Committee	March
Notification of budget share entitlement from LEA		Late March
Final Budget	Headteacher Chair of Governors/LEA for Governing Body	Late April Early May
Submission of approved budget to LEA	School Business Manager	Mid May

SECTION 3

CONTROLS OF EXPENDITURE

The Governing Body will approve the annual budget and any substantial changes to the budget in accordance with this Finance Policy.

The full Governing Body must authorise any expenditure on goods and services with a value of £250,000 and above.

The Finance and Personnel Committee must authorise any expenditure on goods and services with a value of between £30,000 and £250,000

The Headteacher or Deputy Head must authorise any expenditure on goods and services up to a value of £30,000.

SECTION 4

FINANCE & PREMISES COMMITTEE AND TERMS OF REFERENCE

The Committee will meet at least three 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.

Committee Membership

<i>Headteacher; + 8 Governors</i>

The quorum shall be one third of members.

Terms of Reference of Finance and Premises 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 & report to full governing body.
4. To review the policy annually and whenever relevant advice is received from the LA, OFSTED, the Audit Commission or DoE.

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. To take account of pupil numbers and expected income levels.
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 school's annual budget.
9. To monitor pupil number trends to assess the effect on the delegated budget allocation.
10. 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 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 draft the school's policy on lettings, if appropriate, for consideration and approval by the full Governing Body.
12. To review the school's policy on lettings (including charges) on an annual basis (and at other times as appropriate) and report its conclusions to the full Governing Body.
13. The Governing Body has delegated responsibility to approve applications for the use of the school premises to the Headteacher who will provide details of any lettings to the Finance & Premises Committee.
14. To review audit reports, consider recommendations and ensure actions are carried out in a timely manner.

School fund (and other funds held by the Governing Body)

15. 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.
16. To ensure that there is an annual audit of all voluntary and private funds. As a minimum these funds should be audited by two competent adults who have no financial responsibility for the accounts. The Governing Body must be satisfied that such audits have been completed and should formally record that the audited accounts have been accepted.

Controls Assurance Statement.

17. 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.

SECTION 5

INDIVIDUAL FINANCIAL RESPONSIBILITIES

- 1 The school has a clearly defined organisational structure with defined lines of reporting for all financial operations. In order to carry out its financial responsibilities effectively the Governing Body delegates most of its decision making to the Finance and Premises Sub Committee.
- 2 It is the responsibility of the Finance and Personnel Sub Committee to ensure the school prepares a budget plan and maintains the necessary systems for financial control although ultimately the full Governing Body are required to approve the annual budget plan.
- 3 The Governing Body have appointed a School Business Manager who carries out an essential role in the financial management of the school on a day-to-day basis, with the Headteacher being responsible for the overall strategic management in the longer term.
- 4 The school have also appointed additional staff who work on a day to day basis to assist with the maintenance of the schools finance function in the following areas:
 - Completion of LA returns
 - Orders and payments to suppliers
 - Raising of invoices & upkeep of the FMS Financial system

These staff are the School Bursar and the Finance Admin Assistants.

- 5 The organisational structure for financial control is summarised in the table below:

Governing Body	Approves annual budget plan and strategic plan. Delegates other decision making powers particularly relating to financial control to Finance & Personnel Committee
Finance & Premises Sub Committee	Discuss in detail annual budget plan for submission to Governing Body and has delegated responsibility for financial control.
Headteacher	Responsible for strategic financial management of the school. Attends the Finance & Personnel Committee and is responsible for ensuring appropriate controls are in place in school although in practice this is delegated to the School Business Manager.
Deputy Head & School Business Manager	Attends Finance & Personnel Committee and reports on behalf of the Headteacher on matters relating to financial control and budget monitoring. Responsible for regular monitoring reports to budget holders and has delegated responsibility for overall financial control in the school on a day-to-day basis and approves all invoices for payment. Responsible for the allocation of Capitation budget and reviews departmental spending on regular basis.
Bursar	General upkeep of the FMS financial system on a day-to-day basis, monthly returns to LA on chequebook management, issuing of cheques and invoices, banking and reconciliation of school bank account.
Finance Admin Assistants	Process of all orders through FMS and matches against supplier's invoices. Handling, ordering, distribution of consumable items and recharging thereof.

SECTION 6

REGISTER OF BUSINESS (PECUNIARY) INTERESTS

A register of business interests of all Governors and of staff with financial responsibility will be maintained by the *Headteacher* and updated on an annual basis. The register will be made available for inspection by the Governors, staff, parents and external agencies.

SECTION 7

FINANCIAL PLANNING AND MONITORING

Link between Academic and Financial Plans

The Budget Plan will be linked to the School Strategic Improvement Plan which will include details of projected expenditure on key activities e.g. staffing, repairs and maintenance, premises and curriculum development

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 Headteacher will determine appropriate levels of expenditure for each category and agree with the Finance and Premises Committee, a provisional annual budget. The provisional budget will, after scrutiny by the Finance and Personnel Committee, go forward to the full Governing Body as the suggested budget for their authorisation. It then becomes the authorised budget for the following financial year.

Budget Monitoring and Control

The Headteacher and the School Business Manager will be responsible on a day-to-day basis for ensuring that expenditure follows the budget plan. Where there is a variance from this plan then any unforeseen expenditure must be from either a contingency fund or virement from another budget head.

Virement

Where actual expenditure exceeds, or is likely to exceed, the budget provision within that specific budget head, then, if the sum involved is less than £25,000 the Headteacher may vire monies from either the contingency fund or another budget head. If the sum involved is more than £25,000 then the decision to vire monies must be taken by the Finance and Premises Committee. Decisions taken by the Headteacher must be reported to the Finance and Premises Committee at the next meeting.

The Authority will be notified of any virement decisions by submission of an amended budget plan.

Financial Responsibility

The Governing Body has delegated responsibility for financial monitoring to the Finance & Premises Committee.

The Finance & Premises 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 Finance & Premises Committee must receive copies of the forecasting reports. Each budget manager (officer with financial responsibilities) should receive the regular monitoring reports, which must be reviewed.

Timetable for Financial Reporting

The annual timetable for financial reporting is as set out below:

April	Year end procedures Monthly cheque book returns for period 12 of previous year Creditor and Debtor returns
May 31	Deadline for submission of annual school budget plan
Dec	School budget monitoring statement as at 30 th November
Feb	School budget monitoring statement as at 31 st January

SECTION 8

FINANCIAL ADMINISTRATION

Segregation of Duties

- 1 Duties undertaken relating to the finance function should be properly segregated between individuals. One of the prime means of control is the separation of those responsibilities or duties, which would, if combined, enable one individual to record and process a complete transaction. Proper segregation of duties reduces the risk of error and provides a safeguard against fraud and malpractice.
- 2 Functions that are required to be separated are as follows:
 - Authorisation of transaction e.g. purchase order or payment of invoice.
 - Execution of transaction e.g. placing of order or receipt of goods.

- Custody e.g. the storage and safeguard of goods and services.
 - Recording e.g. the accounting entries to record transaction.
 - Systems Development and Access e.g. operating procedures of computer system.
- 3 The Governing Body is ultimately responsible for ensuring sound financial controls exist and that there are adequate checks and segregation to ensure that the risk of error or fraud is minimised. In practice this is delegated to the Headteacher.
- 4 The systems in place are as follows:
- a) **Purchase Orders**
- All purchases must be raised by an official school order.**
The order must be approved (but not necessarily raised) by the nominated budget holder. The order must be authorised by a management nominee: Headteacher, School Business Manager or Deputy Headteacher.
- Once the order is signed as authorised the Finance Resources Clerk will enter details of the order on FMS to appropriate cost centre (liaise with School Bursar if in doubt). An official school order will then be printed and faxed, emailed or posted to the supplier by the Finance Admin Assistant.
- b) **Receipt of Orders**
- Goods can be received by a number of staff within the school including reception staff, caretaking staff or finance staff. Staff will be required to sign a carrier's receipt and should ensure goods received or delivery note is taken. The delivery note and order are then passed to the budget holder. Once the order has been confirmed as correct the delivery note is passed to the Bursar who will file and acknowledge receipt against original order.
- c) **Payment of Invoices**
- When the invoice is received from supplier the Finance Admin Assistant will reconcile this with the original order on file and mark on the order that the invoice has been received. The invoice is then checked against the order on FMS system and a certification stamp with authorisation blocks for Goods Received/Checked/Prices Correct/Additions signed by Clerk. Invoices are then processed on the FMS system and when payment is due a batch of invoices are passed to the School Business Manager for authorisation.
- d) **Issuing of Cheques**
- Bursar issues cheques payable to supplier and obtains two signatures:
- Headteacher, School Business Manager and/or the Deputy Headteacher
- e) **Faster Payment**
- On occasion, where suppliers do not accept cheques it is necessary to pay by Faster Payment. All the School Finance Procedures are followed, a log of payments is kept and signed off by the relevant signatories.
- f) **BACS**
- St. Cuthbert's are in the process initiating BACS for the payment of invoices.

SECTION 9

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 the secondary member of staff detailed below.

Primary Responsibility

Headteacher
School Business Manager

Secondary Responsibility

Deputy Headteacher
Bursar/Budget Officer EFC

SECTION 10

PURCHASING

The School will maintain a documented system for the processing of orders, receiving goods and processing invoices as outlined in the umbrella pack.

The school makes use of the council's STAR Procurement Service in order to obtain a balance between quality, efficiency and equality when contracting for the purchase of supplies of goods, equipment and services.

The Finance Team is available to assist budget holders in obtaining the appropriate supplier.

SECTION 11

TENDERING

The Headteacher, Deputy Head (Curriculum) or School Business Manager must sign all orders and therefore no other member of staff can place an order of any amount without their prior authorisation.

For purchasing of item/s in excess of £5,000 the following procedures need to be followed:

- i. Contact STAR Procurement service for recommended supplier.
- ii. If STAR Procurement are not used then budget holders are required to refer to the procedures outlined in the LA Financing for Schools, Section 10, Purchasing of Goods and/or Services, contained within the umbrella Pack, Guidance for Best Practice.

STAR Councils thresholds are as follows:

Goods, Services and Concessions

Procurement Activity opportunity	Minimum Requirement for advertising	the Value
£0 - £4,999.99	Minimum one	N/A* N/A*
£5,000 - £49,999.99	Minimum three	The Chest (and Contracts Finder over £25k where it is an open procurement process)

£50,000 and up to the Regulation Thresholds	In accordance with Rule 8 - Tenders	The Chest and Contracts Finder
Above the Regulation Thresholds	Most appropriate procedure permitted by the Regulations	OJEU Notice and Contracts Finder

Works and Public Works Concessions

Value	Procurement Activity	Minimum Requirement for advertising the opportunity
£0 - £4,999.99	Minimum one Quote	N/A*
£5,000 - £74,999.99	Minimum three	N/A*
£75,000 - £249,999.99	Minimum six Quotes	N/A*
		The Chest and Contracts Finder
£250,000 up to the Regulation Thresholds		The Chest and Contracts Finder
Above the Regulation Thresholds	Most appropriate procedure permitted by the Regulations	OJEU notice and Contracts Finder

The EU thresholds from 1st January 2014 are as follows

- Supply/Service contracts awarded by other contracting authorities (OJEU) – **£172,514**.
- Works contracts – **£4,322,012**.

“The new light-touch regime (LTR) is a specific set of rules for certain service contracts. Those service contracts include certain social, health and education services. This enables commissioning authorities to be more flexible with procurement process by streamlining the process from Preprocurement through to Contract management.” The Threshold for this is anything over **£625,050**.

Please note:

It is recommended that you seek both STAR Procurement (highly skilled, professionally qualified experienced team) and Legal advice before undertaking any OJEU or light touch procurement exercise.

SECTION 12

PAYROLL

Contracts, increments and honorariums

The school uses LA payroll services as part of a service level agreement package. The Headteacher authorises contracts for staff. (The monthly payroll report is checked to ensure that only authorised, valid payments are made). Headteacher’s PA submits electronic forms to LA on behalf of the Headteacher. The School Business Manager receives monthly reports on the changes.

Additional Hours/Overtime

Line managers authorise any required Overtime in advance and sign the monthly return accordingly. The Headteachers PA submits the returns monthly in accordance with the submission schedule. The School Business Manager checks that payments have been made correctly and that forms have been completed correctly. KIT payments are approved by the Headteacher, submitted by Headteacher's PA and filed appropriately.

SECTION 13

ASSETS

INTRODUCTION

The Governing Body is responsible for ensuring that assets purchased by the School are disposed of in an appropriate manner.

Assets may be disposed of where these are considered surplus to educational needs.

This policy sets out a framework to identify who has the authority to declare items to be obsolete, surplus or damaged beyond repair, and the means of disposal.

Where items are to be sold it is important that the best price for the item is achieved.

POLICY

Any item which is deemed to be obsolete or damaged beyond repair and is not appropriate for sale may be written off by the Headteacher.

Any item which is surplus to the school's requirements, and has a saleable value, may be sold to achieve the best possible price. The Governing Body has delegated responsibility to the Headteacher.

The disposal of any item requires the approval of the Headteacher.

Initial consideration should be given as to whether the item could be utilised elsewhere within the school.

Enquiries should be made with other Schools as to their interest in the acquisition of the item/s.

Items valued less than £50 may be sold at the discretion of the Headteacher. There is no need for the item to be advertised and common sense can prevail when determining an acceptable price for the item.

Items valued over £50 must be advertised prior to disposal

This may take the form of:

- a) Notice to be placed on staff notice board;
- b) Notice to be placed on view for pupils/parent bids;
- c) Offer to other schools;
- d) Other appropriate method.

All ICT equipment will be fully cleaned of information prior to disposal.

The disposal of an item of equipment must be recorded in the school's inventory together with the date of disposal, the reason for disposal, the approval of the disposal, where it went and the amount of sales proceeds if appropriate.

The School maintains an inventory of assets. Reports are circulated annually to staff for checking.

SECTION 14

INSURANCE

The School has the following policies:

1 Council Policies

The Council continues to hold most types of insurance cover relating to school activities. The policies include the following

- Employers Liability
- Public Liability
- Officials Indemnity
- Libel and Slander
- Motor Vehicle
- Fire
- Risk Management

2 School Policies

a) Diocesan Insurance

This provides 100% cover and is arranged by the Salford Roman Catholic Diocesan Trustees on behalf of the school with the CCIA.

c) School Trip Insurance

This cover bought by via RMBC Insurance Services SLA. d)

Claims

All staff, including Heads of Departments are responsible for reporting thefts etc. to the School Business Manager claims for reinstatement/replacement.

SECTION 15

INCOME

The school determines its income for inclusion in the school budget plan on an annual basis. All income that is included in the school budget should have defined procedures to ensure that it is paid on the due dates. This includes procedures for the monitoring and collection of outstanding debts.

Income paid to the school via cheque, cash or Bank Transfer requires an official pre-numbered receipt to be issued. These receipts are issued by either the Bursar or nominated clerk in the case of examination and IMS income. Cheques and cash are banked promptly.

The school maintains detailed accounting records to analyse income efficiently and accurately. The Bursar completes the monthly chequebook return to the LA which includes a CHQ4 analysis of income posted to the school bank account each month. The Bursar is also responsible for posting income to the appropriate accounts including those items received by journal transfer and are posted to FMS.

The Governing Body is ultimately responsible for setting the procedures for the writing off of outstanding debts but in practice this is delegated to the Finance and Premises Sub Committee. The School Business Manager and Resources is responsible for recommending the write off of debts and reports to Finance and Premises Sub Committee accordingly.

SECTION 16

LETTINGS

The school does not currently run a lettings scheme, however a Lettings Policy has been agreed in case of future need.

SECTION 17

WRITE-OFF OF DEBTS

As a voluntary aided school, Governors are responsible for the write-off of debts owing to the school up to a limit of £200 on an individual debt or no more than £500 in a financial year. Debts above this level need the prior, written approval, of the Director of Children's Service before being written-off. The Governors are responsible for ensuring that adequate arrangements exist for recovering sums due and that items cannot be overlooked or not recorded. Governors should ensure that there is an effective follow up procedure to make sure that outstanding sums are reviewed regularly and that appropriate action to recover such sums is taken without delay. If the school experiences problems recovering money from debtors then advice can be sought from the LA.

SECTION 18

PETTY CASH

The school operates a petty cash account to be used for small purchases and expenses in accordance with the terms outlined in Section 15 of the Guidance for Best Practice. Payments are limited to minor items (up to £40 as determined by the Headteacher) and claims must be accompanied by receipts and VAT invoices where appropriate. The school operates the IMPREST system for petty cash and the limit is £300, which is reimbursed as required. From time to time the School Business Manager verifies petty cash balances.

SECTION 19

SCHOOL MEALS (see Dinner Money Policy)

The School has brought the School Meal Service in-house from September 2020. The School operates a cashless system and uses Parent Pay for the collection of dinner monies. The children pay for their meals using a barcoded system.

Orders are placed using the School Systems and Procedures and invoices are paid similarly.

SECTION 20

FINANCIAL SYSTEMS AND RECONCILIATION

1 Introduction – FMS

The school uses the SIMS financial management software (FMS).

The school is also provided with hard copy printouts from the council's financial information system (CIVICA) on a monthly basis.

Both sets of information are important and provide the school with necessary data to control the overall use of resources. It is necessary to understand how the two systems interlink and this information is provided below.

2 FMS

a) Expenditure

This document is not a user guide to FMS and therefore will not provide detailed information on how the FMS package is structured or how information from the system is input or output. All items that are paid locally via the schools chequebook management account are automatically recorded on FMS as financial commitments. Orders are raised and ultimately recorded as actual payments when cheques for payment of invoices are processed by the school Bursar.

Budget monitoring reports generated through FMS provide up-to-the-minute information (including commitments) on all cheque book management areas, but manual input is required for transactions processed through the council's payroll system (mainly salaries, wages and supply cost) and also for transactions processed by journal transfer by the LEA (excluding CHQ4 items).

b) Income

Although FMS has the facility to produce debtor accounts for income due to the school, income is not posted to FMS cost centres until it is actually received. The Bursar is responsible for updating FMS with income received.

Items of income which are processed by journal transfer by the LEA (excluding CHQ4 items) are posted to FMS by the Bursar on a monthly basis after receipt of the period end CIVICA printouts.

3 CIVICA

a) System and Sources

CIVICA is the council's financial information system and is currently provided to schools via access to the Rochdale schools intranet, which are produced at the end of each calendar month following a timetable prescribed by the Treasurer's Department.

Various transactions affecting schools are input to the CIVICA system and include the following:

- i. Payroll Costs

Salaries, wages, supply, national insurance, superannuation and car allowances.

- ii. **CHQ4 Returns**
Monthly returns submitted by the school detailing expenditure and income incurred each month. Input to CIVICA by journal transfer.
- iii. **Creditors and Debtors**
Year-end returns completed by the school enabling transactions of both expenditure and income to be accounted for in the correct financial year. Input to CIVICA by journal transfer.
- vi. **Journal Transfers**
Miscellaneous items of expenditure and income can be input by journal transfer e.g. Central Services charges/SLA'S.

b) Printouts

The CIVICA monthly period end printouts are listed below:

- i. **Actual vs Budget Report**
Details the school budget, budget profile, previous period cumulative spend, actual spend in period, cumulative spend at the end of period and variance between this and budget profile.
- ii. **Historical Transactions**
Details all transactions input by Council to CIVICA in the period via sources listed above.
- iii. **Detailed Payroll Transactions.** Payroll printout for monthly paid and supply staff relating to the period.

c) Input to FMS and Reconciliation

It is the responsibility of the School Business Manager to ensure that payroll costs are updated to FMS once the period end printouts are received. The Historical Transactions printout is the most appropriate source document for this procedure. Once completed, employee costs can be reconciled between FMS budget monitoring report and CIVICA budget management report.

Chequebook management information should also be checked each month to ensure it has been input to CIVICA correctly (via CHQ4).

d) School Budget Monitoring Reports

Once payroll costs and journal transfers are input to FMS and the Bank has been reconciled the FMS Cost Centre Summary Report is used as the source document for reporting.

The School Business Manager uses the Cost Centre Summary Report and transfers the information to Excel Spreadsheet format using both for formal reporting to the Finance and Premises Sub Committee.

SECTION 21

TREASURY / CASH MANAGEMENT POLICY

OBJECTIVES

Treasury / cash management is defined as the management of the school's cash and cashflows, its banking arrangements and its investment and money market transactions. It requires the effective control of risks in relation to treasury activities and the pursuit of optimum performance consistent with those risks.

The objectives of our policy are:

- a) To ensure adequate, but not excessive, cash balances are held in our current account to cover day to day commitments
- b) To bank with an organisation on the Council's approved list for current accounts
- c) To invest surplus cash to earn an acceptable rate of interest to protect our cash balance against inflation
- d) To ensure that any funds invested are with banks and institutions which meet the minimum requirements in the Council's Treasury Management Strategy
- e) To spread risk between different institutions

Our investment priorities will be:

- a) Above All - Security – use high quality counterparties to minimise risk of capital loss
- b) Then - Liquidity – ensure cash is readily available when needed
- c) Finally – Yield – earn an acceptable rate consistent with inherent risks

GUIDELINES

Surplus funds will be identified throughout the year via cashflow monitoring for investment purposes.

The school will act with reference to the guideline figures provided by the Council's Treasury Team when managing the balance held within its current account and the amount invested.

The school will maintain a Register of Deposits & Investments recording the institution with which a deposit is placed, date of deposit, amount, interest rate, date of maturity, amount returned and interest earned.

BORROWING

The school will not overdraw its current account.

The school may not borrow without written permission from both the Council and the Secretary of State.

The school will not offer any form of security to its bank.

RESPONSIBILITY

The Headteacher and Governing Body have overall responsibility for the security and management of funds.

Governors' investment priorities are:

- Security – overall risk of capital loss is minimised
- Liquidity – the ability to release funds as it is needed
- Yield – earn a return consistent with the inherent risk

Governors have approved the use of the IMIS (Internally Managed Investment Scheme).

The day to day management of the treasury / cash management function is controlled by the School Business Manager.

The School Business Manager will liaise with the Headteacher / Governing Body when placing deposits in the school's name with approved institutions. No deposits will be placed without prior agreement with the Headteacher or other signatory subject to the schools bank mandate.

Authorised signatories are set out in the list forwarded to the Schools Finance Team.

A Schools treasury/cash management statement will be presented to the Governors finance & resources committee.

SECTION 22

CREDIT CARD

Why does the school have a credit card?

- Access to a wider range of suppliers on the internet and the potential for a reduction in the cost of goods.
- A quick and easy way to make low value purchase, increasing efficiency.
- More prompt delivery of goods as orders can be placed directly into the supplier's system.

Who will be issued with the credit card?

- Governors by issuing cards are giving a delegated authority to make purchases on behalf of the school to the limit on the card.
- Governors will issue the card to those who have delegated responsibility, in this case, the School Business Manager, the Headteacher or the Deputy Head. The card limit is £5000 however individual budget limits must be maintained.
- The cardholder will be informed of the card limit and their responsibility specified in this Policy.

Usage of the credit card

- The credit card can be used anywhere that accepts it – i.e. by phone, on-line or in person. However its use will be limited to purchases where payment by invoice is not available or delivery is needed urgently.
- Always obtain documentary support for your transaction. Obtain a VAT receipt where possible.

- The credit card must not be used in conflict with Contract Procedure Rules, procedures and limits approved by Governors.
- Use is for official school purchases only - all purchases must be within budget provision. Cards must not be used for personal use.
- The card number, security code (last 3 digits on rear of the card) and the PIN number must always be kept confidential.
- If used online details must not be stored by the supplier therefore PayPal and ebay are currently unusable.
- The overall credit card account limit is £5000.

Security

- The card will be kept in the finance office safe.
- Use of cards will be audited.
- Lost, stolen or damaged cards must be reported immediately to the supplier.

Internal Procedures

The school will incorporate the following into their internal procedures:-

- Order form is completed in the usual way and authorised in line with financial procedures. The order is processed onto the school accounting system to record the commitment.
- The cardholder makes the purchase and notifies the Bursar who records the information on a Transaction Log.
- When the goods arrive, the delivery details are noted on the log and the school accounting system.
- When the monthly statement is received it is reconciled against the Transaction Log.
- Once reconciliation is complete the statement and log will be authorised. The statement is then cleared by Direct Debit and payment details entered on the school accounting system (clearing purchase orders created as part of the purchase process).
- Any recoverable VAT will be claimed.

Completion of the Transaction Log

- All purchases must be recorded on a transaction log. A log must be kept for each month the card is used – **see attached form**.
- Record **date of transaction** i.e. date of purchase or order
- Record **name of supplier**
- Record **description of goods** purchased
- Record **transaction amount and Vat amount**
- Record **date goods received**
- Enter the **statement date** when it appears on your monthly statement from the bank
- All VAT receipts / paperwork to be attached to the transaction log.
- If goods are faulty or returned to the supplier the credit card account must be credited for the relevant transaction and recorded on the transaction log.

Reconciling the Card Statement to the Transaction Log

- A statement will be received each month.
- Each transaction must be matched against the transaction log
- If there is any discrepancy then contact the supplier.
- The Cardholder should sign and date the log and statement.
- The log and statement must then be signed and dated by the Headteacher who will check that all purchases are legitimate.
- The log, statement and all receipts etc. must then be entered into the schools accounting system. A copy of the log should be retained.

Headteacher

Signed: _____ Dated

Print Name _____

Chair of Governors

Signed: _____ Dated

Print Name: _____

Chair of Finance Committee

Signed: _____ Dated

Print Name: _____

Reviewed and Agreed at the Governing Body Meeting held on

Next Review: