

Finance Policy
Nursling C of E Primary School
Date of Issue: November 2023
Review date: November 2024



Review	
04/02/2020	Addition of statement about using DfE recommended national deals (in line with best practice in SFVS)
12/11/2020	Addition of payment by childcare voucher
12/11/2021	Amendments to wording of "banking arrangements"
08/11/2022	No changes
07/11/2023	Changes to cheque and Tax free childcare sections (page 6)

This policy compliments the HCC Manual of Financial Practice and Procedure (which the governing body adopts annually) to clarify operational responsibility.

Aims

1. To manage the finances of the school efficiently and to ensure financial integrity and propriety.
2. To ensure value for money
3. To use the budget to the best advantage of the current pupils

In order to achieve these aims we will:-

1. Define the responsibilities and establish delegated authority of the Governing body, the committees, the head and the staff.
2. Reflect the school's aims and objectives, seek to achieve "Value for Money" and monitor regularly to ensure efficiency.
3. Establish and maintain internal financial control to ensure reliability, accuracy and propriety of all financial transactions.
4. Achieve "best value for money" from supplies and services.
5. Ensure that the school's financial practices are in line with the Schools Financial Value Standard (SFVS) and HCC's financial regulations, contract standing orders and local government code of conduct.

Organisation of Responsibility and Accountability

The Head teacher is responsible to the Governing Body for ensuring that sound systems of internal control are in place that enables the proper processing of the school's transactions and activities.

The Environment and Resources (E&R) subcommittee, the Head teacher and the Finance Officer are accountable to the Governing Body for the proper management of the school finances.

Delegated spending limits are shown at Appendix A.

Pecuniary Interests.

Governors and staff are to declare any pecuniary interests that might have links with the schools financial dealings. It is important for anyone involved in spending public money to be able to demonstrate that they do not benefit personally from decisions that are made. Any interest so declared is to be kept in a register.

Budget

The School Improvement Plan is the basis for constructing budget plans.

- The Head teacher will prepare a draft budget at the appropriate time each year, consulting the E&R subcommittee as necessary. The Head teacher will also profile the budget in the light of experience and future spending plans.
- The draft budget will be considered by the E&R subcommittee who will then submit it to the Governing Body for ratification. The E&R subcommittee has delegated authority from the Governing body to approve the budget and revised budget if the meeting dates cannot be arranged to fit in with budgetary deadlines set by HCC.
- The E&R subcommittee, in conjunction with the Head teacher, is accountable to the Governing Body for the subsequent monitoring of the budget, bringing to their notice any developments that require their attention.
- The Finance Officer will produce monthly reports for the Headteacher, these will detail actual income and expenditure against budget. The Finance Officer will report to the Governing body 6 times a year - alternating half termly between E&R and FGB.
- Planned expenditure should not exceed the available budget, as adjusted for surpluses from previous years and other contingencies unless agreed to by the Governing Body.

Internal Financial Control.

The School should be confident that transactions will be properly processed and that any errors will be detected promptly. This requires simple financial controls:

- Two people are involved with all financial transactions. These are the Head teacher and the Finance Officer.
- Transactions have proper authorisations.
- Procedures are in accordance with the HCC School's Manual of Financial Practice and Procedures
- Governors will monitor to ensure that all procedures and processes are being followed

Insurance

The Headteacher is responsible for the management of insurance of the school fabric and contents with the LA.

The school is immediately to inform the insurers, the LA or their agents of any incident that might give rise to an insurance claim.

The school is not to give any indemnity to a third party without the written consent of the appropriate insurers.

Computer Systems.

The school, and the Governing Body, are registered under the Data Protection Act 2018. Only official software is to be used in the administrative computer system.

Information is "backed up" daily by the IBC on the centrally hosted computer system. Personal passwords are not to be communicated to others and are to be changed at regular intervals or as required by the computer system.

Procurement

The governing body should ensure that the school obtains the best value for money when making purchases. In line with HCC's contract standing orders the following limits shall apply:

- Value less than £1,000 - approved framework agreements should be used or, if not suitable, one written quotation should be obtained
- Value less than £100,000 - approved framework agreements should be used or, if not suitable, three written quotations should be obtained and the school accept the Best Value Quotation.
- Value > £100,000 (including 4 years aggregate) - approved framework agreement should be used or, if not suitable, tenders obtained. The school should accept the Best Value Quotation.

In circumstances where this is not feasible or where one of the higher quotations is preferred are to be referred to the E&R subcommittee and/or the Governing body for authorisation. Decisions and reasons are to be recorded in the minutes. In exceptional circumstances, the E&R committee and/or Governing body may give their approval via email.

The governing body shall also ensure that the school explores the DfE national deals, when their current agreements are drawing to an end, to determine whether greater value for money can be achieved.

Should a major item of expenditure require a tendering process, then the Governing body is to establish and carry out such a process in accordance with the advice provided by Hampshire County Council.

Orders for Goods and Services

Official orders are raised on the IBC system and are automatically sent to suppliers. These are to be used for ordering goods and services (except rates, utilities).

The Head teacher is authorised by the Governing Body to certify orders.

All orders must be initiated by the Finance Officer and authorised by the Head teacher. The person ordering the goods or services should be satisfied that they are appropriate, that there is budgetary provision and that quotations or tenders have been obtained if necessary.

Upon placing an order, the estimated cost is committed against the appropriate budget allocation so that an accurate view of expenditure against budget can be maintained.

Payment of Accounts.

Goods and services received are checked by the Finance Officer to ensure that they are in accordance with an order, referring as required to the person ordering the goods or service. The delivery note is then signed.

Payments are only to be made against a proper invoice after confirmation that:

- Goods and services have been received and cross-referenced to the order number.
- Expenditure has been properly incurred and payment has not already been made.
- Prices agree with quotations and the arithmetic is correct.
- VAT is correctly accounted.
- The invoice is correctly coded.
- That inventories have been taken.

Personnel.

The LA administers the school payroll. However, the Head teacher and the governing body are responsible for ensuring:

- Payments are made only to bona-fide employees
- Payments are in accordance with individuals' conditions of employment
- Payments are made only in respect of services provided to the school
- Amendments to the payroll are promptly processed.
- Personnel records should be retained securely.
- Discrepancies in the payroll between the budget and the monthly statements are to be investigated promptly to ensure that the school and LA are operating to the same inputs.

The Security of Stocks and Other Property

The Head teacher is responsible for the safe custody of cash and property.

The Head teacher should ensure that stocks are maintained at reasonable levels.

An inventory of attractive and portable items over the value of £250 is to be maintained with a note of make, model and serial numbers. These items should be marked to identify them as school property. Items taken off the school site are to be noted in the relevant book in the school office with the name of the custodian.

Write-offs or sales should be authorised by the Governing Body and be in accordance with LA regulations, using the appropriate forms.

Keys should be kept securely by the Head teacher. In addition, master keys to the school are to be held by appropriate teaching staff and caretaker. Key holders sign for the key on the appropriate form, which should be annotated when the keys are returned for any reason. Teachers with keys are informed of the Burglar Alarm number and code.

Banking Arrangements.

1. Petty Cash

The Finance Officer has secure custody of the school cheque books and is to oversee the school bank accounts as directed by the Head teacher.

All cheques on the School Bank Account are to be signed by the Head teacher or the Deputy Head teacher.

Bank Statements are to be obtained monthly and reconciled with the school accounts by the Finance Officer and verified from time to time by the Head teacher and/or a member of the E&R subcommittee. Petty cash claims are sent to The County Treasurers Department.

Only public monies are to be paid into the school bank accounts.

2. Purchasing Cards

Purchasing Cards are reconciled on a monthly basis. All purchase card expenditure must be approved online by the Headteacher and the Headteacher's expenditure by the Chair of Governors (see also HCC Statement for Financial Expectations).

3. Cash receipts

The maximum amount of cash to be held at the school will be in accordance with the insurance policy, currently £200 during the week and £50 over the weekend. A record will be kept of all cash and cheques held on the premises.

Cash and cheques will be collected in accordance with HCC Internal Audit Partnership (2016) Income Collection best practice Guidance notes.

Payment by cash is strongly discouraged but will be accepted in exceptional circumstances. In this case a numbered receipt is issued and an electronic copy serves as an internal record of the transaction. The money is paid into the Hampshire County Council Account via the Post Office from where it is transferred to the main school budget account.

4. Cheque receipts

Cheques received will be made payable to Hampshire County Council and are paid into the Post Office in a similar fashion to cash.

Reconciliation is achieved by comparison of School's Account Income System with the Giro paying-in book.

5. Online Payments

The Headteacher will ensure that the online payments service is available to all parents who wish to use it and that there is good audit trail.

6. Tax-Free Childcare or Childcare Vouchers

The Headteacher will ensure that the school is able to accept payment by Tax-Free Childcare (or childcare vouchers) for Wrap around care only. The Headteacher will ensure that there is good audit trail and that these payments are recorded within the School's Account Income System.

Voluntary Funds.

The school does not operate an unofficial fund.

APPENDIX A

Limits of Delegated Authority

- i) The Head-teacher only has a delegated expenditure limit of £5000 on all revenue (staff and non-staff budgets) and capital accounts. The Head-teacher may not exceed this limit without the prior approval of the Governing Body as recorded within Minutes.
- ii) The Governing Body may give prior approval to the Head-teacher to undertake expenditures over £5000 for specific purposes as recorded in the Minutes of the Governing Body.