

# School Finance Policy



**Normand Croft** Community School

**An International Family of Learners**

**Agreed and adopted by:** Finance & Resources Governing Committee

**Date:** 1<sup>st</sup> November 2019

**Next review:** November 2020

**Policy revisions :**

## **1. Budget Planning**

- a. The school's budget is set at the beginning of the school's financial year in April.
- b. The Head Teacher, working with the senior leadership team, 3BM SMS Officer, the School Business Manager and a member of the Finance & Resources Committee, assesses the school's needs on the basis of the previous year's expenditure, expenditure over time, and development objectives outlined in the school's current Annual Development Plan.
- c. This group will provide costed Budget Plan options to the Finance & Resources Committee to consider. A final budget is then prepared. The committee considers the plan and, if this is agreed, it is recommended to the Governing Body for approval.
- d. The process described above includes allocations for all staffing budgets as well as non-staffing budgets. The school will break down the budget into smaller budget categories known as cost centres. The school will set up a cost centre for every type of expenditure or income it wishes to monitor.

## **2. Budget Responsibilities**

- a. The Governing Body is responsible for the school budget, but delegates some of that responsibility to the Finance & Resources Committee and the Head Teacher. The responsibilities of the Finance & Resources Committee [and associated working parties] are set out in the Terms of Reference and these include the scheme of delegation to the Head Teacher.
- b. The Head Teacher is responsible to the Governing Body for ensuring that sound systems of financial control are established and maintained to ensure that transactions are processed correctly. The Head Teacher is also responsible for ensuring that the LA's financial regulations or standing orders are implemented.
- c. The School Business Manager is responsible for operating the accounts in accordance with the LA's financial procedures and the school's procedures.
- d. Other cost centres, or parts of cost centres [e.g. curriculum budgets], can be assigned to, and become the responsibility of, other named members of staff e.g. Deputy Head Teacher, Lead Teachers or curriculum leads etc.

### **3. Budget Monitoring**

- a. The school will monitor expenditure against the school's budget by checking salary payments on a monthly basis and through termly budget monitoring reports. In addition, the School Business Manager will ensure that all commitments [including orders & personnel contracts] are entered onto SIMS finance packages to ensure that cost centres do not overspend and that monitoring reports show actual expenditure as well as future committed expenditure.
- b. The termly budget monitoring report, created in partnership with the 3BM SMS Officer, will show expenditure to date, projected commitment and projected balance and will be sent to the Head Teacher and the Chair of the Finance & Resources Committee. Issues arising from the reports will be discussed by the Committee at their termly meeting.
- c. The Finance & Resources Committee shall keep under review the amount held in each cost centre and shall make transfers between cost centres [virements] as necessary to cover cost increases, to secure the most effective deployment of resources or otherwise to cover increases in expenditure. The Head Teacher is authorised to make virements in accordance with agreements made by the Committee and should ensure that the virement does not lead to an overspend in the original budget area.
- d. All virements will be reported to the Finance & Resources Committee at their termly meeting.

### **4. Orders and purchasing**

- a. All purchases are made by placing a requisition/order stating the amount committed. These must be authorised by an authorised signatory [i.e. most members of SLT] before they can be processed.
- b. When arranging the purchase of work, services or goods the best value for money will be achieved and competitive tenders sought where practicable.
- c. Expenditure of over £50.00 for local purchases [including purchases by the Site Manager for miscellaneous items] should, where possible, be authorised beforehand by the Head Teacher.
- d. An Expenses Claim Form should be completed with relevant receipts attached, displaying the VAT number. The claim form must be authorised by the Head Teacher or another authorised signatory.

- e. Governors and school managers will develop procedures for assessing need, and obtaining goods and services which provide “best value” in terms of suitability, efficiency, time, and cost. Measures already in place include:
  - i. The Finance & Resources Committee delegate local responsibility for expenditure up to £10,000.00 [gross] to the Head Teacher. Before committing any order for works, goods, or services in excess of £10,000.00, three written quotations will be obtained [except in exceptional circumstances where the school will work on the recommendation of the LA with regard to tenders or the purchasing of goods or services or will work with companies with which it has a long-standing relationship e.g. GLS for stationary services].
  - ii. The Governing Body or its delegated representative[s] are not required to accept the lowest tender if this does not appear to offer value for money. (e.g. suitability for purpose and quality of workmanship)
  - iii. The purchase of goods or services under £10,000.00 direct from known, reliable suppliers (e.g. stationery services, small equipment) will not require three quotes before committing any order for works. For goods or services in excess of £10,000.00 the Finance & Resources Committee will be consulted.

## **5. Placing Orders**

- a. Either the school’s requisition form or that of the contractor will be used to place orders.
- b. The order request must state from which cost centre the payment is to be made.
- c. The School Business Manager will collate requests for goods and, where possible, complete the order form.
- d. The School Business Manager will check whether there are sufficient funds in the cost centre concerned and orders will be passed to the Head teacher to authorise.
- e. Where a cost centre has insufficient funds the request will be passed to the Head teacher to make a decision as to whether a virement of funds should be made or an alternative cost centre identified.
- f. Once authorised the School Business Manager will send the order to the company by the most appropriate means e.g. fax, telephone, e-mail or post.
- g. A copy of the order will be held on file in the school office.

- h. All deliveries will be received by the school main reception and should only be signed for once they have been checked for damage and accuracy against the original order, or, where this is not possible, clearly sign that the goods have been received unchecked.
- i. A copy of the delivery note will be held on file in the school office when available.
- j. The School Business Manager then acts as the *Certifying Officer* and must sign next to the area *certified correct*.
- k. This certification means that:
  - i. the goods supplied, work done, or services rendered have been satisfactorily carried out and the order complied with
  - ii. the charges are correct and in accordance with quotations or contracts
  - iii. all appropriate discounts have been claimed [every effort should be made to ensure that discounts are not lost] e.g. discounts for early payment
  - iv. the account has not been previously certified for payment [unless in exceptional circumstance photocopies, faxes or statements will NOT be certified]
  - v. the proper entries have been made in the inventories or stores record any VAT recoverable on the payment has been identified and expenditure coded accordingly.
- l. Where appropriate, the School Business Manager will ensure that invoices are given to an *Authorising Officer*, usually the Head Teacher, who authorises the invoice for payment by signing next to area *Authorised to Pay*. This authorisation means that:
  - i. the invoice has been correctly certified and coded
  - ii. the invoice has not been previously paid [unless in exceptional circumstances we will not authorise faxes, photocopies or statements, only original invoices]
  - iii. the expenditure is covered by an approved budget provision
- m. All invoices should have the cost centre code, written in the boxes provided on the *official stamp* to which the expenditure should be charged. Invoices are then paid.

NOTE: The *Certifying Officer* must be different from the *Authorising Officer*. The school holds a list of authorised signatories, some authorised signatories maybe only authorised to sign for certain budget cost centres and up to certain limits. It is only once the above procedure has been followed that payment can be made via SIMS.

- n. Payment will follow the LA's agreed financial procedures which include:
  - i. payments against original invoices only
  - ii. adherence to VAT procedures
  - iii. invoices will have the correct cheque information attached
  - iv. paid invoices will be kept in monthly folders for easy access
- o. The School Business Manager will print the cheque and pass the cheque, plus the invoice, to the authorised bank signatories for signing in accordance with the LA financial regulations.
- p. Staff authorised by the Head Teacher to purchase goods or pay for services on behalf of the school may do so by the use of Credit Cards or Personal Cheques/Cash.
  - i. reimbursements will only be made on correct completion of an Expenses Claim Form and attaching appropriate receipts
  - ii. copies of credit card vouchers are not sufficient
  - iii. repayment will be made by cheque or cash
- q. Relevant items will then be entered in the school inventory by the School Business Manager

## **6. Authorised Bank Signatories**

- a. The School Business manager maintained the bank signatories list and a copy is kept with the LA finance.
- b. Is it good practice to have 3 members of the SLT as bank signatories.
- c. The Head teacher, Deputy Head teacher and Assistant Head teacher are authorised bank signatories.

## **7. Security of Stocks**

- a. Stocks will be periodically checked, and where new items need to be ordered, the School Business Manager will be informed and an order placed, following the procedure for ordering above.
- b. The school will maintain appropriate stock records in line with the LA recommendations.

## **8. Other school funds**

- a. In the current financial year, the school does not hold any additional funds or separate accounts.