



Pattishall Primary is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

Finance Policy

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FINANCIAL MANAGEMENT POLICY AND SCHEME OF DELEGATION

AIMS

The Governors of Pattishall CE Primary School believe that sound financial management policies are essential to the fulfilling of their statutory duties under government legislation. Sound financial management is achieved by:

- defining the financial roles and responsibilities of staff and governors under the Financial Management Standard in Schools Procedure.
- providing a framework to ensure that a consistently high standard of education is maintained for their pupils within the available resources.
- preparing the budget in accordance with the identified priorities of the School as identified in the Self Evaluation Form and School Improvement Plan.

Organisation for Responsibility and Accountability (Internal Financial Controls)

DELEGATED BUDGET

All Governors of the school have a collective responsibility for actions agreed in accordance with their own Standing Orders and regulations. Joint liability exists for such actions within the terms of the Education Act 1988. The Governors and Head Teacher are responsible for the proper financial management and probity of the school.

If it is suspected that money or property of the school has been stolen or misappropriated, or that a financial irregularity has occurred, staff must adhere to the school's Whistleblowing Policy.

The Governors have delegated day to day spending authority, within the approved annual budget for the School, to the Head Teacher. A register of governor pecuniary interests must be maintained and made available on the school website.

ORDERS

Orders may be placed by any authorised person (Headteacher, Bursar or Admin Assistant) and must only be made where there is sufficient budgetary provision. If the order is within the approved budget the Headteacher can approve expenditure up to £5,000; anything above £5,000 requires the approval of the Chair of Governors.

On receipt of goods, the delivery is checked against the consignment note and original order. The invoice is passed to the Bursar for payment, where a check is made on goods delivered, quantity and price.

Payment is usually made by cheque. The cheques are checked and must be signed by two authorised signatories, one of whom should normally be the Head Teacher. The cheque stub should also be initialled by the Headteacher. No member of staff may authorise cheque payments relating to expenditure incurred or services supplied by themselves or their relatives.

PETTY CASH

An arrangement has been made for cash facilities for a maximum sum of £199 to be cashed. The maximum to be held at the School at any one time is to be £199 and this is to be locked in a secure place whenever the premises are vacant.

Petty Cash may be used to reimburse any member of staff who makes a purchase other than by official order. Reimbursement is to be authorised by the Bursar. No individual should authorise their own expenses; all petty cash transactions must be countersigned by the Headteacher.

PROCUREMENT CARD

It is issued to the cardholder for the sole purpose of purchasing items for or on behalf of the school. A monthly purchasing card transaction log is used to record and report all Purchasing Card transactions, and is held by the Bursar and signed by the Head teacher. The current limit is £250. Current cardholders are Mrs Jane Chapman and Mrs Helen Dykes.

QUOTES AND TENDERS

Written quotations from independent suppliers are required for work:

- up to £1,000 - at the discretion of the head teacher
- £1,000 to £10,000 - two quotations
- £10,001 - £30,000 – three quotations

For work over £30,000, the school must put the project out to tender. NCC's procurement team can be used for this.

THE DATA PROTECTION ACT

The School is registered under the Act.

VIREMENTS

The Headteacher may make provisional virements of up to £1,000 at any one time, subject to reporting these back to the next Resources Committee for the information of the full governing body. All virement forms are signed by either the Chair of Governors or the Chair of Finance & Personnel.

BACK-UP PROCEDURES

The server backs up the computer system daily.

INVENTORIES

An up-to-date inventory of School property should be maintained and updated at least once a year. Serial numbers and identification marks should be recorded where appropriate as well as adequate descriptions for insurable items. The Admin Assistant has delegated responsibility for this task under direction of the Head Teacher.

LETTINGS

The Governors have adopted the Northamptonshire County Council's Lettings Schedule and Rates of Payment as a general guide, but have delegated authority to the Head Teacher to negotiate actual lettings charges, subject to keeping Governors fully informed of the actual position at the regular meetings.

SCHOOL FUND ACCOUNT

Formal annual accounts will be prepared covering activities in the School Fund Account for presentation to the Governors and for audit purposes. Preparation of these accounts will conform to the relevant provisions in the Schools' Financial Management Handbook, Private Funds, Appendix 3.

VALUE ADDED TAX

The Governing Body will comply with current VAT regulations.

ANNUAL BUDGET

The annual notification of budget is received by the Head Teacher and Bursar. The school's budget plan must be prepared with a view to breaking even or creating a surplus at the end of the financial year. If a deficit budget is anticipated, the NCC Head of Finance must be notified immediately. The budget will be prepared in accordance with the identified priorities of the School as identified in the School Development Plan.

BUDGET MONITORING

In the Autumn and Spring terms, contingencies and surplus balances will be examined and vired to other headings following recommendations by the Head Teacher and the Resources Committee.

At least once each term, the Resources Committee will report to the full governing body on the progress of the School against its agreed Budget, highlighting any variances of significance. In the Autumn and Spring terms forecasts of the likely outcome for the year will also be circulated to aid in the forward planning process.

RECONCILIATION OF ORACLE AND SIMS

The School accepts responsibility for ensuring that the statutory record of the School's accounts held on the County Council's accounting system accurately reflects income and expenditure incurred by the School. The School will notify the NCC if budget changes and debits are not properly recorded on the NCC account. In practice, the principal procedure is reconciliation between the NCC account and the School's SIMS records.

Accounting procedures utilise the SIMS computer system and follow the Local Authority's Financial Management Handbook (copies of which are available on the County Council Website).

In line with the Service Level Agreement with NCC's Schools Finance, there will be three visits per year to assist with, and audit, this procedure.

BALANCES AND CONTINGENCIES

It is a fundamental aim of the School that the income for one financial year is used in that year. It is not the policy of the School to hold large balances or contingencies. The exceptions to the general rule will be:

- A reserve of capital money may be retained to cover major but irregular works as identified by the Asset Management Plan, as approved by the Estates & Facilities Committee.
- A small general contingency fund (not exceeding 8% of the total annual budget) to cover any unforeseen overspending or changes in external circumstances.

Overall Guide

The Head Teacher and school staff are recommended to:

- Establish an appropriate framework of financial control in the public interest.
- Establish procedures which seek value for money.
- Ensure clear segregation and accountability for actions taken and not taken.

The Head Teacher should:

- Ensure clear records of financial transactions and decisions are maintained.
- Ensure the delegation of responsibility is accompanied by clear accountability and appropriate level of management supervision and monitoring.
- Ensure that financial procedures include adequate internal control.
- Ensure these financial regulations and other financial instructions are available to their staff.

Controls Assurance

The Resources committee should be responsible for completing the pre-certification checklist required in order that governors can ratify a Statement of Internal Control. This statement should set out the processes that are in place to ensure effective financial management of the school and its resources, whilst making it clear that “absolute” assurance cannot be given as internal control systems cannot prevent or detect all errors or irregularities. This statement forms part of the Schools Financial Value Standard (SFVS) Self-Assessment which should be completed annually as requested by NCC.

GOVERNOR EXPENSES

The Governing Body of Pattishall Primary School will not offer a facility for individual governors to claim expenses.

INCOME

Annual Review of Incomes

All charges levied, in accordance with the charging policy, including deposits, will be subject to annual review by the Governing Body in the month of September.

Administration of Income

Invoicing Procedures

- Invoices will be administered in accordance with the Financial Regulations relating to Accounts Receivable.
- Invoices will be prepared by the Bursar.
- Block Bookings: Invoices will be raised in full for a minimum of 10 sessions. Payment will be required in full at the commencement of the block booking.
- Payments in Advance: The policy is in line with receipt of other income.

Income Processing Procedures

- All income received will be passed to the Bursar who will keep a record of income received. A receipt will be raised for all income received.
- The receipt of income in respect of debtors invoices and non-invoice income will be recorded promptly on the school’s local accounting system.
- VAT will be accounted for in accordance with the guidance given in the Section 5 of the Financial Management Handbook.

- Income will be held in a locked safe/cabinet pending banking. Keys to the safe/cabinet will be held by the Bursar.
- Income will be banked promptly and intact.
- A monthly reconciliation will be performed by the Bursar to ensure that all income banked appears on the bank statement.

Credit Control

- The credit terms for debtors invoices are 14 days.
- A reminder letter will be sent to debtors who have not paid their invoices on the due date by the Bursar.
- If the debt remains unpaid a further reminder letter will be sent 30 days from the date of the first reminder letter by the Bursar. In addition where possible, the debtor will be contacted by telephone.
- At this stage the Headteacher will refuse the debtor any further access to the school facilities until the debt is paid. At the point at which a long standing debt is paid the Headteacher will decide if the debtor is to be permitted to make further use of the school facilities.
- If the debt remains unpaid for a further 30 days a third letter will be sent informing the debtor that the debt will be referred to the school's legal representative.
- If the debt remains unpaid and is for an amount greater than £500 it will be referred to the NCC's legal representatives. (debts in excess of £50 may be referred)
- If the debt remains unpaid and is for less than above, it will be referred to the Finance Committee by the Bursar.
- On a monthly basis a report will be presented to the Finance Committee detailing outstanding debts by age and value.

Write-off of Debt

- Write off of debt will only be considered when the credit control procedures have been exhausted.
- Before closure of the financial year a list of debts proposed for write off will be prepared by the Bursar and will be submitted to the Governing Body for consideration. The submitted list will be supported by details of the debt.
- The decision of the Governing Body will be clearly documented in the minutes of the relevant meeting.
- After the Governing Body has approved a debt write off, this will be recorded on the school's accounting system by the Bursar. Such write-offs will be cross referenced to the relevant Governing Body minutes.

Cancellation of Debt

- In instances where invoices have been incorrectly raised, the invoices will be presented to the Headteacher with an explanation of why the invoice is required to be cancelled. The responsible member of staff will mark "cancelled" across the invoice, and sign the invoice and all supporting documents which will be retained for audit purposes.

5 LINKED POLICIES:

- Whistleblowing