



Finance Policy

Alwyn Infant School and Courthouse Junior School Federation

Approved by:	Governing Board
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Last reviewed on:	July 2024
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Next review due by:	July 2025
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Introduction

The governing board has a duty to ensure the proper and efficient management of the money at its disposal for the purposes of the schools, and in particular that all available finance is targeted appropriately in order to raise educational standards. In relation to this duty, this policy aims to:

- Define the sources and purposes of income received by the schools and any restrictions on its expenditure;
- Identify the functions to be carried out in relation to the LA's scheme of financial management to avoid duplication or omission;
- Clarify the individual roles and responsibilities of those concerned with the management of the schools' delegated budget and other finances;
- Define the limits of delegated authority;
- Ensure that governors' statutory responsibility for the monitoring of financial management is carried out effectively;
- Provide a framework for accountability.

This policy statement has been written in conformity with the School Standards and Framework Act 1998 and RBWM's published Scheme of Financing for Schools.

Sources of Income

Income to the schools may come from a variety of sources. Although the purpose for which some of these may be used will be pre-determined, the governing board should take an overview in order to plan expenditure and ensure that money is used cost effectively and for the prioritised educational objectives established in the schools' strategic plans. Possible sources of income will include:

- Schools' budget share delegated annually by the LA;
- Income from lettings;
- Donations from parents and other sources;
- Receipts from fund-raising activities;

This policy statement applies to the use of income from all sources and its related expenditure.

Responsibility of the governing board

The governing board is responsible to the LA for the funds allocated for running the schools and accountable to the community for the appropriate use of funds within its control. This responsibility and authority is largely delegated to the Executive Headteacher, however the governing board retains some key functions as part of its overall responsibility. It remains the responsibility of the whole governing board to:

- Determine the broad priorities for expenditure and ensure that these are clearly identified through a strategic plan, which indicates the intended use of resources in order to achieve educational goals;
- Ensure that all members of the governing board are aware of the LA's scheme of financial management and that members of the governing board are familiar with its content;
- Submit an agreed budget plan to the LA each year by the specified date and at other times upon request;
- Establish, maintain and annually review a register of business interests for each member of the governing board, the Executive Headteacher and members of their immediate family;

The governing board delegates all other duties and financial powers to the Executive Headteacher and School Business Managers (SBMs). The division of responsibility is set out below and may be subject to amendment in discussion with those involved.

Delegation

Responsibilities of the governing board

Planning

- To approve a 3-year budget plan which identifies anticipated income and future resource priorities;
- To ensure that the annual budget plan reflects and supports the governing board's policies and prioritised educational objectives as identified in the School Development strategic plan, taking account of
 - Required and desired staffing levels;
 - Professional development of staff, and
 - Plans for development of the physical resources of the school.
- To establish, maintain and regularly review the schools' policy on letting of school premises and associated charges.

Monitoring

- To monitor effectively throughout the year, the progress of school income and expenditure, review in-year priorities and make adjustments as necessary within the overall budget provision, calling an emergency meeting of the governing board if necessary;
- To ensure that the schools abide by the LA's scheme of financial management and standing orders for purchasing, contracting and tendering matters;
- To ensure that adequate insurance cover exists against theft, loss of cash, possible claims, legal expenses, etc;
- To ensure that audit certificates are provided on an annual basis in respect of voluntary and private funds held by the school and a copy submitted to the LA;
- To ensure that the schools' financial procedures comply with the LA audit planning requirements, to receive reports following such audits, agree actions to be taken as a result of any recommendations and ensure timely completion.

Evaluating

- To ensure that maximum effective use is made of income in order to raise pupils' standards of attainment.
- Oversee expenditure of the delegated formula budget received each year in accordance with the rules and procedures laid down in the LA's scheme of financial management;
- Ensure that financial information and financial records are kept and supplied as required by the LA;
- Ensure that the schools follow any regulations and procedures established by the LA when making purchases, entering into contracts, paying staff and bills, collecting income, etc;
- Allow relevant financial transactions to be audited by the LA and/or Audit Commission;
- Review and approve bank mandates, authorised signatories and the register of certifying officers as required and submit these to the Chair of Governors for signature.

Responsibilities of the Executive Headteacher

The governing board delegates the day to day management of the school's finances and administration of expenditure to the Executive Headteacher who will act in accordance with the LA's scheme of financial management and any policies agreed by the governing board.

The Executive Headteacher will be responsible to the governing board for the day to day control and disbursement of finances and is expected to:

Plan

- Ensure that the governing board and in particular members of the governing board receive the advice and support they require in order to fulfil their statutory responsibilities;
- Develop a rolling programme of expenditure for large items such as ICT;
- Establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- As far as is practicable, ensure the segregation of duties of staff concerned with financial transactions.

Monitor

- Ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including: -
 - The placing of orders, checking deliveries, authorising payments, etc.;
 - Purchasing of goods and services;
 - Protection and control of consumable stock such as stationery;
 - Maintenance of equipment;
 - Safe custody and control of cash and other property belonging to the schools.
- Regularly monitor planned expenditure;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;
- Arrange appropriate security measures such as marking of valuable items;
- Provide reports to the governing board as stipulated within policy and at other times on request.

Evaluation

Evaluate strengths and identify shortcomings in the schools' financial administration.

The governing board will support the efforts of the Executive Headteacher and staff to implement the policies.

Responsibilities of the SBM

The governing board delegates the day-to-day management of the schools' finances and administration of expenditure to the Executive Headteacher who will act in accordance with the LA's scheme of financial management and any policies agreed by the governing board.

The Executive Headteacher delegates day to day operational management to the School Business Manager of financial processes, monitoring and reporting (including accounts payable and accounts receivable as defined in the controls checklist). The School Business Manager is expected to:

Plan

- Ensure that the governing board and in particular members of the governing board and Executive Headteacher receive the advice and support they require in order to fulfil their statutory responsibilities;
- Assist in the development of a three-year budget plan updated annually to monitor surplus balances and plan expenditure to deliver best value;
- Assist the governing board and Executive Headteacher in developing a three year rolling programme of expenditure linked to the strategic plan, particularly for large items such as buildings and ICT;
- In conjunction with the Executive Headteacher, establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- In conjunction with the Executive Headteacher, as far as is practicable, ensure the segregation of duties of staff concerned with financial transactions.

Monitor and control

Working with the Executive Headteacher to ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including:

- Receipt of income
- The placing of orders, checking deliveries, authorising payments, etc.;
- Purchasing of goods and services;

- Protection and control of consumable stock such as stationery;
- Maintenance of equipment;
- Safe custody and control of cash and other property belonging to the school.
- Carry out monthly reconciliation of bank account (FMS6 schools) and salary check.
- Carry out any other financial or administrative tasks considered appropriate by the Executive Headteacher
- Regularly monitor planned income and expenditure and report to Executive Headteacher;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;
- Liaise with the Executive Headteacher to arrange appropriate security measures such as marking of valuable items;
- Provide reports to the Executive Headteacher/ governing board as stipulated within policy and at other times on request.
- With the Executive Headteacher, liaise with external bodies for audit purposes.

Evaluation

Regularly review with the Executive Headteacher strengths and shortcomings in the schools' financial administration procedures and provide reports of any material weaknesses.

Best Value

The governing board expects that planned expenditure will reflect the principles of best value, taking into account the guidance provided in the LA's scheme of financial management. The annual budget plan submitted to the LA will include a statement setting out how these principles are being followed.

Competitive estimates will be obtained for all expenditure exceeding £1,000, with three written quotations being required for any planned expenditure in excess of £3,000 unless it is impracticable to do so. In such cases, the reasons for not doing so should be documented and authorised by the Executive Headteacher or governing board depending on the authorisation level required.

The schools will tender in line with the EU public procurement thresholds.

Related Party Transactions

In the event that a member of the governing board, or member of staff, or a close relative of such a person, might have a stake in a company or organisation bidding for a contract to be awarded by the school, the governor or member of staff concerned must declare this interest and take no part in the procurement procedure.

Levels of Delegation

Income Source	Finance Committee	Executive Headteacher	Head of School	SBM
Main school budget	Needs to approve any item >£1,000 Challenge virements when reported	Expenditure not to exceed £15,000 on any one item. To report to the governing board any possibility of an over/under spend tend Virements of less than £15,000		To report to the Executive Headteacher any possibility of an over / under spend Report virements of more than £15,000 to finance

			committee as part of regular budget monitoring
Private School Funds	Any available sum on any item.	Up to £5,000 on any one item.	
Lettings	Set annual charging rates	Discretionary variation of charges	
School Purchasing cards		Monitor appropriate use of School purchasing card.	Control, monitor use of School purchasing card and journal expenditure to correct Cost Centre/ account codes.

Insurance

All monies held in schools will be covered by insurance up to an agreed sum. The School Business Manager shall ensure that the insured amount is not exceeded.

The School Business Manager is expected to annually review the RPA insurance arrangements and to make recommendations on appropriate cover to the governing board.

Monitoring and Reporting

The governing board will:

Ensure that minutes of each meeting are taken and circulated.

The Executive Headteacher will:

- Provide regular reports to the governing board;
- Provide any such other information as the committee requires in order to monitor the budget;
- Establish and make known reporting procedures to monitor all planned expenditure and keep these under annual review;
- Review on an annual basis the internal financial control and reporting procedures and arrangements for promoting cost-effectiveness

The School Business Managers will:

- Provide monthly reports to the Executive Headteacher;
- Assist the Executive Headteacher to provide reports to the governing board;
- Discuss with the Executive Headteacher termly budget recalculations or funding adjustments and assist with preparing reports;
- Recommend with the Executive Headteacher the reallocation of funding to address planned variance during the year;
- Provide any such other information as the Executive Headteacher and governing board requires in order to monitor the budget;
- With the Executive Headteacher, establish and make known reporting procedures to monitor all planned expenditure and keep these under annual review;
- Work with the Executive Headteacher to review on an annual basis the internal financial control and reporting procedures and arrangements for promoting cost-effectiveness.

Purchasing Card / Store Cards

The governors approve the use of a Lloyds Bank Purchasing Card to operate the schools' bank accounts. The accounts are in the name of the schools and are for the sole use of the SBMs / finance assistant, whose name will appear on the card. The use of this card will be reviewed annually by members of the governing board. The governors also approve the use of a Trade UK store card.

Petty Cash

The school does not hold petty cash.

Appendix A Purchasing procedures

The allocation of funding to each budget heading is decided each year by the Executive Headteacher in close consultation with the School Business Managers and approved by the governing board. Under no circumstances can those allocations be exceeded beyond levels of delegation in the Finance Policy without referring back to the finance committee who will either make a decision or if the matter falls outside their delegated authority, make a recommendation to the full governing board. Selected individual members of the senior leadership teams are authorised signatories (as notified to RBWM on the authorised signatories list) for payments in relation to personnel, premises-related costs and non-curriculum related expenditure. Curriculum related budget allocations are delegated to subject leaders or other specific staff. The following procedures are issued.

Ordering

- Obtain quotes to ensure best value and value for money
- Complete internal order form
- Seek authorisation from the Head of School or the Executive Headteacher
- Raise the purchase order
- Send the order to the supplier
- Upon receipt of goods, the person who requested the goods or an admin assistant checks against the delivery notes to confirm receipt. The goods received should also be checked against and attached to the original order and SBM advised of any issues with order.
- Upon receipt of invoice, the order and delivery note are matched to it and the Head of School / Executive Headteacher authorises payment.
- School Business Manager raises payment on computerised system, issues cheques and creates BACS payments.

Claiming expenses

Receipt passed to School Business Manager who raises non-order invoice against staff and then raises payment on computerised system. Any payments to the Executive Headteacher must be countersigned by the Head of School.

Capital Purchases

An RBWM Project Notification Form must be completed prior to proposed expenditure and returned for approval with written details of quotations and project management.

Once Part C: 'Permission to Proceed' has been completed, the form is returned by RBWM giving authority to incur expenditure.

Tendering Process

The schools follow advice from the DfE's 'Buying for schools service' and use approved frameworks where available.

School Purchasing Card

On-line payments and telephone orders may be paid for in advance using the school's purchasing card. The ordering procedures must be followed as above before the card is used to purchase an order.

- Usually a confirmation email is received from the on-line retailer to match the school purchase order.
- When the goods arrive, the invoice in the parcel must be matched to the order and any queries immediately raised with the supplier.
- The invoices are collated in the purchasing card file and matched back to the monthly statements sent by Lloyds Bank.
- All the invoices are entered on Bromcom Finance and paid against the purchasing card account.
- When the statement is received, it is reconciled against the purchasing card account in Bromcom, and a cash book journal is entered to clear the purchasing card account and generate the payment on the bank account. At the month end, this payment is reconciled to the Lloyds Bank statement on the FMS6 system.

Payment of Accounts

Payment should not be made unless a formal invoice addressed to the school has been received.

The invoice is checked for the following prior to payment:

- Quantities received are matched against the relevant order and delivery note or receipt.
- Prices accord with quotations, catalogues, tenders.
- The invoice is arithmetically correct and the VAT correctly accounted for.
- Discounts where available have been taken.
- The invoice has not been paid previously.

Appendix B Local finance procedures

Financial control

- SBM and finance assistants are permitted access to the accounting records and computer systems, which are password protected.
- The school uses the Bromcom computer system to record financial transactions within the school. This is reconciled monthly to RBWM's Agresso finance system.
- The school is registered with the Information Commissioners Office (ICO) in accordance with the Data Protection Act 2018.
- All financial transactions are traceable from the original documentation to the accounting records.
- Alterations to any original documents such as cheques, invoices, orders, etc., are clearly made in ink.
- All cheques and BACS payments are authorised by two of those named on the list of Authorised Signatories.
- Imprest claims are signed by the Executive Headteacher / Head of School.
- Cheque books, cash and financial documents are kept securely either in the safe or the Finance Office which is locked overnight.
- Copies of all financial documents including paid invoices are retained for a minimum of 6 financial years.
- All paid invoices have the date and cheque number or BACS run number noted.
- Any expenses incurred by the Executive Headteacher on behalf of the school are checked and counter-signed by a member of the senior leadership team. Any individual expense that exceeds £500 is counter-signed by the Chair of Governors.
- The Executive Headteacher and School Business Managers review the expenditure monthly.

Banking arrangements

- The schools operate a Super Imprest Account from RBWM. The current float value is £30,000 for Alwyn and £30,000 for Courthouse. The schools submit details of payments / income completed each month and RBWM 'tops up' the bank account back to the agreed float value.
- The schools have their own cheque book / printed cheques with which to pay non-staffing invoices and can also pay by BACS via Lloyds Bank.
- The main LA account is held at Lloyds Bank in Maidenhead.
- The schools are not involved in cash flow management but receives an interest credit for banking with the authority.
- This account enables the schools to establish automatic direct debits for which there are no bank charges.
- Submission of reimbursement claims automatically accounts for the VAT reimbursement.
- Agresso is the definitive record of school expenditure against the approved budget.
- The School Business Managers reconcile bank statements to school records.

Setting the budget

- When the schools' indicative budgets are released by RBWM, the Executive Headteacher and School Business Managers will start to prepare the annual budgets for the schools.
- The School Business Managers will provide the Executive Headteacher with information regarding basic goods and services expenditure, which must be taken into account.
- The School Business Managers will provide to the Executive Headteacher information on the projected pay costs for the next year for staff currently employed by the schools.
- The School Business Managers and Executive Headteacher will construct a provisional budget plan and submit this to the governing board for discussion.
- When the actual budget total is known, the final budget plan will be drawn up and submitted to the finance committee for discussion and the FGB for approval.

Monitoring the budget

- The School Business Managers alert the Executive Headteacher to any overspend that is likely to occur before an order is placed.
- Agresso and Bromcom are reconciled monthly.
- Ordering of goods is computerised and therefore committed expenditure is seen at point of ordering and printouts are available at any time.
- Financial summaries are issued 6 times per year to the governing board, reporting the actual YTD spend versus the budget. These are saved on the governors' Sharepoint and discussed at full governing body meetings.
- The Executive Headteacher and SBMs review the expenditure on a monthly basis.

School business manager – monthly tasks

Upon receipt of the monthly CFR Agresso reports supplied by the LA, the School Business Managers carry out the following checks as part of routine monitoring procedures:

- Ensure the records kept internally on the Bromcom system are in-line with the records held on Agresso with RBWM.
- Monitor spending and reviews committed expenditure, alerting the Executive Headteacher to any significant variances.
- Check payroll transactions against time sheets and contracts to ensure that only staff employed at the school appear on the returns;
- Payments are in line with individual employees' conditions of employment;
- Any amendments which have been notified to the LA have been properly processed;
- Any overtime or supply time sheets have been processed correctly;
- Compare expenditure on staff against budget and explains any variances;
- Prepare a forecast for the projected financial position at the end of the year.

Best value and value for money

When ordering goods and resources for school use, best value for money is sought by:

- Comparing prices from a number of catalogues;
- Seeking competitive estimates for work or services exceeding £1,000;
- Obtaining three written quotations for work or services above £3,000 unless it is impracticable to do so;
- In exceptional circumstances, when 3 quotations have not been possible to obtain, the Executive Headteacher has discretion to proceed with the purchase and this will be documented.

Personnel

The Executive Headteacher takes responsibility for ensuring that:

- The process of completing, checking and authorising all documents relating to appointment, termination of employment and expenses are properly completed.
- No payments are made directly to any employee or other individual in respect of work carried out.

Appendix C

	FGB	Finance Committee	Executive Headteacher	Heads of School	Business Managers
Approval of annual budget / 3 year plan	/				
Virements under £15,000.			/	/	/
Virements over £15,000.		/			
Authorise expenditure over £15,000 <u>£10,000</u>		/			
Authorise use of school purchasing card	/				
Appointment and salary of all staff			/		
Appointment and salary of Executive Headteacher	/				

Authorisation of Revenue and Leasing Contracts	All revenue and leasing contracts should be tendered and authorised as per the Standing Orders for Contracts Entered Into By School Governing Bodies , contained in RBWM Scheme for Financing Schools Chapter (primarysite-prod-sorted.s3.amazonaws.com)
Authorisation of Capital Contracts	All capital contracts should be tendered and authorised as per the Standing Orders for Contracts Entered Into By School Governing Bodies , contained in RBWM Contracts Management Handbook for Financing Schools and subject to appropriate authorisation of capital funding.