



Finance Policy

Originator: Kim Pizzo
September 2020



1. Organisation of Responsibility and Accountability

- 1.1. The powers of financial control are delegated by the governors to the Resources Committee.
- 1.2. The extent of these powers has been clearly delineated on the Resources Committee terms of reference.
- 1.3. Day to day management is undertaken by the Headteacher and her representatives on behalf of the committee. This authority is also regulated by the terms of reference.
- 1.4. All governors and staff have declared any pecuniary interest they have, which must be held on the register of pecuniary interests.
- 1.5. The Head is responsible to the governing body, through the Resources Committee, for ensuring that sound systems of internal control are in place that enable the proper processing of the school's transactions and activities.
- 1.6. The Head is responsible for ensuring that the LA's financial regulations for the school are always followed.

2. The Budget

- 2.1. The school's budget will be set against the school's aims and objectives as expressed in its long-term vision (a three-year plan) and annual school improvement plan.
- 2.2. Priorities for action will be clearly costed and a timetable for implementation will be established.
- 2.3. These plans will be approved by the Resources Committee on behalf of the Full Governing Body.
- 2.4. By March of each year the priorities for the next financial year will be drawn up. By May a draft budget will be presented to the Resources Committee for consideration. The final budget will be presented to the Committee for their approval and will be ratified at the next full Governors meeting.
- 2.5. The Governing Body will ensure that planned expenditure does not exceed the available budget (including estimated carry forwards).
- 2.6. By the 31st May, at latest, the Head will forward the approved budget to the LA.
- 2.7. The budget will be profiled on the Local Authority Accounting system in line with the anticipated receipts / payments. Adjustments will be made as required to accommodate individual amendments.
- 2.8. The Resources Committee will meet termly. The Headteacher and School Business Manager will present up to date reports including actual and commitments to date.
- 2.9. Budget Managers will receive reports quarterly to review spending and commitments.
- 2.10. The School Business Manager will be responsible for reconciling budgets and informing the Head of any need for action
- 2.11. Each variant over £5,000 between budgets must be approved by the Resources Committee.
- 2.12. The Resources Committee must be consulted if the Head proposes making any significant change to the budget structure.
- 2.13. The Governors will refer to the LA for approval of Capital expenditure.

3. Internal Financial Control

- 3.1. The Headteacher will ensure that duties related to financial administration are distributed so that at least 2 people are involved. The work of one should act as a check on the work of the other and all checks should be fully documented.
- 3.2. Currently, the Head and the school Business Manager are the responsible persons.
- 3.3. Arrangements must be made to plan for the absence of any key personnel involved in financial management. The head will be guided by the School Financial Adviser on this matter.
- 3.4. Alterations to any cheques, invoices, orders will be made in ink and signed.
- 3.5. Accounting records will be locked in a fireproof cabinet and kept for 6 years plus the current year.
- 3.6. All transactions will be traceable from the original documents.
- 3.7. Only the Head, School Business Manager and Chair of Resources Committee will have access to financial records.
- 3.8. There will be a maximum of six credit cards available at the Head's discretion to spend up to £500 per month, £2000 for the Headteacher, notwithstanding the emergency use on residential. Copies of transactions are to be given to the School Business Manager within 7 working days.

4. Insurance

- 4.1. Under the Scheme of Financial Management of Schools, the City Council will continue to procure and administer cover for Marshfields unless other arrangements are made.
- 4.2. Insurance contracts will be renewed annually.
- 4.3. Items over £1000 will be added to the school's inventory. Invoices for the purchases will be retained.
- 4.4. The school will report all losses, whatever the circumstances, whether or not this leads to an insurance claim.
- 4.5. School property that may be used off-site must be subject to insurance cover.

5. Computer Systems

- 5.1. The school and governors are registered for Data Protection (GDPR as of May 2018).
- 5.2. All discs will be backed up daily and monthly. All monthly back up data will be kept off site by Tesselate. This data will be tested regularly.
- 5.3. The school will only use recommended software which is authorised to use.
- 5.4. The school will put in place plans to upgrade the IT equipment and software as necessary.

6. Purchasing

- 6.1. The school will always endeavour to get the best values for any purchase.
- 6.2. Purchases over £2,000 will be subject to competitive tendering. 3 quotes must be received for any purchases above £2,000 and 2 quotes for any purchases below £2,000 but above £500.
- 6.3. All purchases above £20,000 must be agreed by the Full Governing Body.
- 6.4. All purchases must be supported by a computer-generated order, through the school's system. Copy orders will be retained in a secure cabinet.
- 6.5. Only the Head or Deputy Heads can certify orders. The Head or Deputy Heads are responsible for checking the validity of orders.

- 6.6. The School Business Manager will be responsible for checking goods received against the original order. The School Business Manager will sign all delivery notes unless they are not on site. Anyone else signing on the SBM's behalf must inform the SBM as soon as possible about the arrival of goods.
- 6.7. The School Business Manager will process the invoices for payment after certification that goods and services have been received and that the price is right. The Head will be responsible for monitoring this process.
- 6.8. Only original invoices will be used to certify payment.
- 6.9. 2 signatures will be required to authorise all cheques and BACs payments. The Head and the Deputy Heads will be signatories.
- 6.10. Cheques will be processed weekly.
- 6.11. The school will comply with the CBI code of practice for remittance of invoices within 30 days.

7. Personnel

- 7.1. The Resources Committee has delegated powers to authorise all staff appointments, terminations and promotions.
- 7.2. EPM is contracted to support the governors in undertaking their responsibilities.
- 7.3. Currently the City Council payroll Service will administer all payments to staff on behalf of governors.
- 7.4. The Head will carry out day to day tasks, including renegotiating job descriptions and deploying staff, on behalf of the governors.
- 7.5. All records are kept according to procedures governed by the General Data Protection Regulations (GDPR as of May 2018)
- 7.6. Salary payments will be checked on a monthly basis by the School Business Manager and the Head. This will then be authorised by the Head.

8. Security of Property

- 8.1. The Head is responsible for the safe custody of cash. The School Business Manager will be responsible for managing cash on a day to day basis.
- 8.2. Budget holders will be responsible for informing the holder of the inventory about purchases made. The Inventory holder will be responsible for maintaining and updating the Inventory.
- 8.3. Inventories will be formally checked once a year by the School Business Manager and countersigned by the Head.
- 8.4. Any property taken off site must be signed for. A register will be kept by the School Business Manager to record loans.
- 8.5. The Chair of the Resources Committee will approve any resources that are written off or disposed of because they are surplus to requirements.
- 8.6. The safe must always be kept locked. The Head and the School Business Manager will be the only key holders.

9. Charging

- 9.1. Any lettings and charges will be in accordance with procedures adopted by the governors – see the charging and letting policy.

- 9.2. The School Business Manager is responsible for all income, orders and invoices. The Head will countersign all financial accounts and records.
- 9.3. Invoices will be issued electronically, being numbered and dated.
- 9.4. All monies received will be recorded.
- 9.5. All cash, cheques and receipts will be stored securely.
- 9.6. Cash will be paid promptly into the bank.
- 9.7. The School Business Manager will reconcile sums collected to sums deposited in the bank. Paying in slips will show a split of cash and cheques.
- 9.8. Debt can only be written off in accordance with the LA's own procedures.

10. Banking Arrangements

- 10.1 2 signatures will be required to authorise all cheques and BACs payments. The Head and the Deputy Heads will be signatories.
- 10.2 Manuscript signatures will be retained for security.
- 10.3 All cheque books will be securely stored in a fire-proof cabinet.
- 10.3.1 The school will not go overdrawn, negotiate an overdraft facility or arrange to borrow any money.
- 10.4 Statements will be received weekly and checked against income and expenditure by the School Business Manager.
- 10.5 All surplus balances will be carried forward to the next financial year.

11 Petty Cash

- 11.1 The Finance and Property Committee agree a level of £200 petty cash to be held in School i.e. that sum covered by insurance.
- 11.2 The School Business Manager will be the only person with access to petty cash and will administer all payments.
- 11.3 Petty cash will only be administered if payments have been authorised by the Head and if the staff member provides proper vouchers for payment.
- 11.4 All payments will be supported by a receipt. Staff must sign for any payment received.
- 11.5 Personal cheques will not be cashed.
- 11.6 The Head will monitor and countersign records for the payment of petty cash.

12 Voluntary Funds

Not applicable to Marshfields School.

This document will be reviewed annually.