



Finance Policy

Living our Vision

The **FACE** of St. Mark's: **F**orgive, **A**spire, **C**ompassion, **E**ngage

*We, at St. Mark's C of E Junior School, are a community of learners, we show **aspiration** in every aspect of our learning: aiming high to achieve the very best we can and actively encouraging others to do the same. Learning more about ourselves, others and our world is seen as a joy and a huge privilege.*

*Through our learning, we deepen our relationships with one another, showing **compassion** and **forgiveness** in all that we do.*

*We **engage** in our learning as we embrace challenges, learn from and with each other and celebrate the success of others which leads to the mutual flourishing of all.*

This policy provides the framework for the planning that enables the delivery of our vision within the funds available. Its purpose is to achieve educational and financial sustainability to deliver the best curriculum the school can afford to meet the needs of pupils at St. Mark's.

1. Budgets

1.1 Budget construction

The Headteacher is responsible for the detailed preparation of the annual budget. In doing this, she should consult with other members of staff to ascertain detailed requirements.

The funding allocated to the school is largely determined by the Government and Local Authority (LA). The school also seeks additional grant funding when it is suitable.

The Staffing & Finance Committee will establish the overall sum within which the budget should be set and the amount of any anticipated balance to be carried forward into the following financial year.

In constructing the budget, the Headteacher must take account of priorities identified in the School Development Plan (SDP) and incorporate the costs of these in the budget. Priorities identified in the SDP must always be costed.

The budget total must not exceed the amount of the LA allocation plus or minus any balance brought forward from the previous year. If it appears that this cannot be achieved, the Headteacher and Chair of Governors must inform the Education Department immediately as this becomes apparent.

The Staffing & Finance Committee must meet in the Autumn term to consider a broad budget strategy, and again in the Spring term to consider and approve the detailed budget. The Staffing & Finance Committee will approve the full budget, minute this approval and report to the Full Governing Body. The LA must be informed of the approved budget, in a format determined by the LA. This statement must be signed by the Chair of the S&F Committee.

In constructing the detailed budget, factors the Headteacher must take account of include: -

- Any anticipated changes in pupil numbers
- Current and previous year's expenditure levels on individual budget headings
- School Development Plan priorities
- Staff pay awards and increments
- Anticipated price inflation

- Changes in the staffing complement
- Changes in the supply of services (gas, electricity, water etc.).

In addition to the annual budget, the school will prepare simplified 3-year rolling budgets allowing for long term planning, taking account the financial implications of future forecasts. These will also be shared and reviewed by the Governors.

1.2 Budgetary control and monitoring

The Headteacher is responsible for regular, detailed control of the school budget. To achieve this, she will receive half termly reports from the school's accounting system. Such reports shall show, for each budget heading: -

- Original Budget
- Current Budget
- Commitments
- Payments
- Reconciled
- Total Paid or Committed
- Balance Remaining
- % Budget Spent

The Headteacher is empowered to take remedial action to address variances, by effecting virement between individual budget headings. Individual virements may be authorised as follows: -

- **Up to £2500 total** in any financial year at the discretion of the Headteacher
- **£2500 - £7500 total** in any financial year by agreement with the S&F committee
- **More than £7500** in any financial year Full Governing Body approval

Virements, once approved, must be promptly recorded in the school's accounting system by the School Business Manager to keep the approved budget up to date.

The School Business Manager will present detailed budget monitoring statements to the Staffing & Finance Committee on a termly basis, such statements shall show for each budget heading: -

- Original Budget
- Current Budget
- Commitments
- Actual Payment
- Reconciled
- Total Paid or Committed
- Balance Remaining
- % Budget Spent

It is important that this reporting not only explains the past but allows the Staffing & Finance Committee to see the expected year end position and informs the development of the rolling budget plan. These reports will be made available by the School Business Manager at the finance meeting.

The Staffing & Finance Committee shall consider such financial reporting; the Headteacher/School Business Manager will provide explanations for any significant variances identified. The Chair of the Staffing & Finance Committee shall report termly to the full Governing Body, identifying any significant budgetary issues and any remedial action taken or needed, and any policy decisions needed.

The Headteacher may assign budgetary control of individual budget headings to other members of staff. Such members of staff may request budget statements of their account(s). The information provided should include:

- Budget
- Expenditure to date

- Balance remaining

The Headteacher remains ultimately accountable to the Governing Body for these budget headings.

Payroll expenditure data notified by Shire Hall (electronically) must be entered promptly each month by the School Business Manager on to the school's accounting system.

Other, non-pay, expenditure notified by Shire Hall must be reconciled promptly on a monthly basis to the school's accounting system by the School Business Manager.

When the accounts for each financial year are closed, a final statement from the school's accounting system must be presented to the next meeting of the Staffing & Finance Committee.

2. Payroll

2.1 Starters/variations/leavers

All forms for: -

- setting up new employees on the payroll (starters)
- effecting variations to pay
- taking existing employees off the payroll (leavers)

Must be prepared electronically by the School Business Manager and authorised (electronically) by the Headteacher, or in their absence, a member of the Senior Management Team (Payroll signatory). Such forms must then be sent via the secure systems.

2.2 Claims

All claim sheets submitted by a member of staff must be checked and input electronically by the School Business Manager, then authorised (electronically) by the Headteacher, or in their absence, a member of the Senior Management Team (Payroll signatory). Authorised time sheets must be sent electronically to Shire Hall.

2.3 Checking of payroll data

Payroll data received monthly from Shire Hall (electronically) must be scrutinised by:

- the School Business Manager to check the Payroll Advance Notification before payment is made from the bank and contact Payroll if there are any discrepancies. The School Business Manager will ensure there are enough funds in the Bank account to meet the payroll charge.
- The School Business Manager will ensure all employees are recognised, and pay appears reasonable.
- The School Business Manager will check accuracy of pay calculations and then reconcile to the bank.

2.4 Pay-related expenses

All mileage-related expenses and bus/train/taxi fares must be processed through the payroll system and never paid via petty cash or through the bank account. General expenses for all staff will be checked and authorised by the School Business Manager e.g. parking charges and can be reimbursed through petty cash. Payroll related expense claims from the Headteacher and Deputy Headteacher will be checked by the School Business Manager and then passed to the Chair of Governors for authorisation (payroll signatory) before entering onto the electronic system.

2.5 Supply teachers

The Governing Body will decide, on the basis of advice from the Headteacher, whether supply teacher insurance cover shall be taken out, and the extent of the cover. All claims submitted by supply teachers must be prepared (electronically) by the School's School Business Manager, or in their absence, the Headteacher or a member of the Senior Management Team. Reimbursement claims must be submitted on a monthly basis by the School Business Manager. The School

Business Manager must check on a monthly basis that correct amounts have been charged as per the Payroll printout.

2.6 Payroll signatories

The Governing Body will agree payroll signatories each year and minute their approval.

3. School Fund

3.1 Accounts

The account of the School Fund is to be maintained on a day to day basis by the Administrator. All income and expenditure will be entered promptly in the account. A bank reconciliation will be performed monthly when bank statements are received, between the balance as per the accounting record and the balance as per bank statements. After reconciliation, the Administrator should then pass the Bank Statements to the School Business Manager for signing off.

The school fund is typically used for monies for school photographs, book fairs, donations and sponsor money.

All activities that include VAT will be paid through the main budget account in order to pass savings onto the parent.

3.2 Signatories

The following are allowed to sign cheques on the bank account: -

- Headteacher
- Three other signatories as agreed by the Governing Body.

There must be two signatures on each cheque.

3.3 Banking of School Fund

School Fund monies must be banked as frequently as possible by either the School Business Manager or the Administrator. The objective is to reduce vulnerability to theft.

3.4 Final accounts and audit

Final accounts showing the starting and year end balances are prepared at the end of the School Funds financial year by the School Business Manager. The School Business Manager will oversee the School Fund Accounts. The accounts will be audited by an appropriately qualified independent examiner to provide assurance that records are complete and accurate and clearly show the financial position of the fund. The independent examiner need not be professionally qualified but should be entirely independent from any involvement with the administration of the fund and should not be related or responsible in any way to those operating the fund. The independent examiner will be appointed by the full Governing Body and will not be a member of the Governing Body. In appointing an auditor and operating the Fund, the Governors will follow the instructions laid down in the [County Council's Manual of Unofficial Funds](#).

The audited accounts should be presented to the Finance & Staffing Committee and reported to the full Governing Body. Governors' approval must be recorded in the minutes of the meeting. Once approved, the Clerk to the Governing Body will return the requested form to Shire Hall in the format required by the Education Department.

School Fund monies must be kept, and recorded, separately from the school's capitation monies and securely held.

BACS Payments

The School Business Manager produces the BACS report to be signed by 2 signatory officials authorising the School Business Manager to process the BACS payment.

4. Assets

4.1 Inventory

The portable, desirable, attractive assets of the school, as well as any assets of intrinsic value (e.g. iPads, laptops, sound system) will be recorded in the school's inventory (over £500). Full details (make, model, serial number, approximate value) shall be recorded.

The School Business Manager is responsible for informing the Administrator of key details in order for the inventory to be kept up to date.

Items up to a value of £1000 may be sold or written out of the inventory on the authority of the Senior Leadership Team. Over this limit, the Staffing & Finance Committee must authorise and details recorded in the minutes. An official receipt for sales income must be issued to the purchaser.

All sales of equipment are subject to VAT and therefore the appropriate records must be kept to repay the correct amount of VAT to Customs and Excise.

The inventory shall be checked against the actual assets by the Headteacher or person appointed by the Headteacher on an annual basis. Any discrepancies shall be investigated immediately, and if necessary the Governors, Police and the authority's auditors shall be informed. The check shall be evidenced by the checker signing and dating the inventory. All inventory items (over £500) should be security marked:

- Invisibly with smart water and
- Visibly with warning stickers.

4.2 Off-site register

Any inventory items over £500, (except laptops & iPads) taken off-site by members of staff for official purposes, must be recorded in a register. The date borrowed, and the signature of the borrower must be recorded. On the return of the item the date of return will be recorded.

5. Income

Where possible all income should be received into the school accounts electronically.

5.1 Credit income

(Where payment for goods/services provided by the school is made after the provision takes place).

An official invoice must be raised by the School Business Manager in all cases and sent to the debtor as soon as possible after the provision of the goods/service.

A file of copy invoices will be maintained by the School Business Manager and will be arranged in numerical order. A record of payment, when received, should be written onto the invoice and if necessary, show when reminders are sent (see below).

Reminders will be sent after the following periods if the debt remains outstanding: -

- 1st reminder 14 days
- 2nd reminder 28 days

The first reminder will take the form of a polite 1st reminder note, followed by a second reminder slip if necessary. If reminders do not bring a close to the debt, the School Business Manager will telephone the debtor.

If attempts to recover the debt fail, a letter will be sent requesting payment signed by the School Business Manager. In some circumstances, a payment plan may be drawn up by agreement of the School Business Manager or Headteacher.

If after 84 days the debt remains unpaid, consideration will be given by the Headteacher and/or Governors to writing the debt off in accordance with the following limits: -

- Up to £50 - Headteacher may authorise write-off
- Up to £100 - Staffing & Finance Committee may authorise write-off
- £100 and over - Full Governing Body may authorise write-off.

In each case, the possibility of taking legal action to recover the debt must be considered by Staffing & Finance Committee.

As well as sending formal reminders, efforts must be made by the school to contact the debtor in order to secure recovery of the debt. If payment has not been received after 30 days of raising the invoice, no further goods or services must be provided until the outstanding debt is settled.

When an invoice is paid, an official receipt should be issued to the debtor and the receipt number written on the copy invoice; a duplicate copy of the receipt must be retained at school in the Receipt Book.

5.2 Cash income

(where payment is received at the time goods/services are provided).

An official receipt must be issued to the payer at the time the payment takes place, and a duplicate copy retained at the school.

5.3 Banking

All income received (cash or cheque) must be banked promptly and intact. No payments may be made out of income collected. A record to evidence the banking must be kept (e.g. bank stamped paying-in slip) or BACS Advice.

5.4 Charging policy

The full Governing Body will set a charging policy to cover: -

- Lettings
- Educational activities

The charging policy will be reviewed annually by the Governing Body. Charges levied by the school will be in line with this policy.

5.5 Donations

Donations from any sources must be acknowledged by the issue of an official receipt to the payer. All donations must be banked promptly and intact.

5.6 Security of receipt books

All unused receipt books must be held securely by the School Business Manager.

6. Purchasing

6.1 Ordering

School procedures for purchasing should ensure that purchases are as required and are for bona fide purposes.

Orders should be processed by the School Business Manager after initial approval by budget holders has been sought and given. The official order produced from the computer system must be signed by the School Business Manager before it is sent to the supplier. If an order has been placed over the telephone an official confirmatory order must be produced along with Gloucestershire County

Council's Purchasing Terms and Conditions. Orders sent electronically must be in PDF format (secure) and have GCC Terms & Conditions attached.

Official orders must not be used to procure goods for private purposes.

Official order stationery must be held in a secure location.

Copies of all official orders placed must be retained on file at the school by the School Business Manager.

When placing orders, it is the responsibility of the Headteacher to ensure that Gloucestershire County Council Financial Regulations and Standing Orders are adhered to, these being -

6.2 Quotations/tenders

Financial Regulations - for orders for goods/services under £50,000:

£1,000 - £5,000 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.

£5,001 - £50,000 - independent written evidence of at least three prices should be obtained and retained.

Independent written evidence means quotations provided on suppliers' headed notepaper.

Standing Orders - for orders for goods/services over £50,000.

Tenders should be invited in one of three ways, and in accordance with specific GCC Contract Standing Orders.

from at least three contractors included on a standing list - SO49; or where no standing list exists from at least three appropriate contractors - SO.50, or

By open competition by advertisement in local newspaper or appropriate journal - SO.51.

6.3 Governor involvement

As well as ensuring that the above have been adhered to, it is the responsibility of the Headteacher to ensure that Governors (usually the Staffing & Finance Committee) are consulted in the following circumstances:

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On purchasing decisions when the estimated cost of one item exceeds £5,000

Review of quotations obtained where estimated costs exceed £5,000.

Review of quotations when the lowest quote is not the most suitable or the pre-requisite number of quotes could not be obtained. In such circumstances, the Governors should formally authorise a waiver of the regulations, either prior to the purchase or retrospectively, if necessary.

6.4 Receipt of goods

Once items ordered have been received, the Administrator Assistant or School Business Manager must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods, staff must ensure that both quality and quantity are appropriate.

6.5 Invoice check and authorisation

Invoices received must be checked to both copy orders and delivery notes to ensure that invoices relate to goods ordered and delivered. Staff should notify the School Business Manager of discrepancies or error of ordering immediately. Invoices should also be checked for arithmetical correctness. All invoices must be paid within 30 days of receipt. Payment will be made by BACS from the school or cheques.

Invoices received for payment must be recorded promptly in the school's accounting system by the School Business Manager. Invoices are paid using BACS, the preferred method of payment. Transactions are processed using the Barclays Bank Secure Payment System, Level 1 authorisation is required under GCC regulations. Cheques will be processed by the School Business Manager and signed by at least two signatories from the Banking Mandate.

6.6 Credit Card Use

It may be necessary in some instances for goods or services to be paid via a credit card:

- To procure goods in the event of urgency
- To procure goods/services from suppliers outside of the UK
- To make foreign transactions (residential visits abroad)
- To take advantage of promotional discounts/savings
- To purchase goods/services directly from the internet.

Any purchases by credit card should be followed up by an official order, where possible, to provide a commitment on the accounting system and reconciled each month.

6.7 Petty Cash/Imprest Account

Day to day operation of the petty cash/imprest account is the responsibility of the School Business Manager. The balance figure is to be kept at £200.

All petty cash expenditure and reimbursement income must be promptly recorded in the petty cash record on the accounting system.

Reimbursement will be when the advance has been used or at the School Business Manager's discretion. The Headteacher and one other of the designated signatories must sign the manual cheque book for reimbursement (any two signatures). The School Business Manager must produce documentary evidence of expenditure.

Each time a reimbursement is processed, the School Business Manager must complete a reconciliation ensuring that cash expended, plus cash in hand equals the amount of the advance.

All members of staff who wish to purchase items from the imprest account must obtain prior approval from the Headteacher. Receipts or paid invoices to evidence the payment must be presented to the School Business Manager by members of staff when reclaiming cash from the account. These receipts must be retained by the School Business Manager and kept in a secure place. Receipts should contain the necessary information to reclaim VAT, if paid, e.g. date, VAT Registration number, description of goods, amount net, amount of VAT paid and rate of VAT and then the total cost. VAT may be reclaimed if the net cost is not shown but only the total cost is given. The receipts will be input into the accounting system until the balance of imprest needs reimbursement. The manual cheque number should be input into the accounting system.

In normal circumstances individual purchases from petty cash must not exceed £100. In exceptional circumstances payments up to £200 may be made, with the express prior approval of the Headteacher. Such payments should be for emergencies only and should not simply result from a lack of planning.

All cash and cheque books held must be retained securely in a lockable cabinet with restricted access.

6.8 Use of Consortium, and Term Contractors (Maintenance Work)

If the Consortium is used for any purchases, or if the LA-approved Contractors are used for maintenance work, then the school need not seek competitive quotations to comply with Financial Regulations. However, if, for purchases up to £2,000, the Headteacher/School Business Manager wishes to obtain

quotes in competition with the Consortium/approved Contractors, then this may be effected. Above £2,000, Governors may decide to seek such competitive prices.

7 Capitation Bank Account

7.1 Appointment of Bankers

Three banks must be considered when choosing a bank to manage the cash budget. The Governors should determine which bank would best suit the needs of the school. Barclays Bank is appointed.

7.2 Bank Accounts

The school must not enter into an overdraft facility agreement. The Headteacher is responsible for ensuring credit balances remains on the account.

7.3 Standing Orders/Direct Debits

Direct Debits are allowed to Suppliers such as BT, CBC, Data Protect & Gloucestershire County Council and Barclaycard.

7.4 Cheque Signatories/BACS

There must be at least four signatories to the account – Headteacher and three other signatories. The Chair of Governors may also be a signatory. Two signatories must sign the cheques. It is the responsibility of the signatories to check corresponding documents to the cheque and check for accuracy.

7.5 Cheque Book Stationery

All cheque stationery held in school must be kept securely in a locked cabinet. Persons holding a key should be limited.

7.6 Statements

Bank Statements should be downloaded on a monthly basis. The bank statements should be reconciled to FMS6 promptly by the School Business Manager. Any charges/discrepancies on the statements should be dealt with immediately. The Headteacher should be notified of any irregularities to the statements.

7.7 Issuing of Cheques The School's School Business Manager will input the cheque numbers from the cheque stationery onto FMS6 and will check they correspond. Any spoilt cheques are to be marked in red ink with a line through the amount box. Cheque advice slips must be attached to the invoice. Cheques printed must be attached to supporting documents for signing.

8 VAT

8.1 VAT Reporting

VAT will be claimed for reimbursement each month. The School Business Manager will be responsible for ensuring that monthly VAT reports are sent to HMRC after the end of each month. The School Business Manager will be responsible for accurate recording of the various VAT codes and will monitor that reimbursement of VAT is made to the school on a timely basis. The School Business Manager is responsible for ensuring that current VAT guidelines are followed in relation to Capital Expenditure in Voluntary Aided Schools.

References can be made to the following current documents:

VAT – a Guide for Schools with Local Bank Accounts

VAT and Capital Works at VA Schools

9. Register of Pecuniary Interests

The school shall maintain such a Register. The Clerk to the Governing Body will request any pecuniary interest to be declared at each meeting and minute any declarations.

9.1 Persons to be included: -

1. All Governors
2. Headteacher
3. All senior staff (e.g. members of the Senior Management Team)

9.2 Interests to be recorded

The basic principle to be followed is that any interest should be recorded which could be seen to improperly influence any decisions taken, pecuniary or otherwise, regarding the operation of the school.

A positive return is required for all those who satisfy the criteria in section 9.1. If they have no interests to declare then a nil return is to be recorded. This is to ensure that everyone has been asked to declare any interests and that an interest hasn't been missed by oversight.

Examples of such improper influence might be: -

- To purchase goods or materials from a company in which a Governor/senior member of staff has a financial interest without going through the correct procedures re. obtaining competitive prices;
- promoting a member of staff who has close personal relationship (spouse, partner, son, daughter etc.) with Governor/senior member of staff, without going through correct procedures of recruitment and selection.

There can never be a definitive, comprehensive list of the interests – refer to Gloucestershire County Council for further, up to date guidance:

- building contractors
- plumbing contractors
- electrical contractors
- audio/visual goods suppliers (e.g. T.V.s, video recorders, hi-fi etc.)
- repair/maintenance of equipment (electrical and other)
- suppliers of computer hardware and software
- suppliers of stationery
- suppliers of educational equipment (e.g. P.E. equipment) - suppliers of furniture, fittings, carpets, curtains etc.
- decorating contractors - catering contractors
- suppliers of provisions
- suppliers of clothing
- suppliers of building materials
- suppliers of catering equipment
- suppliers of fuel
- suppliers of vehicles
- suppliers of books
- grounds maintenance contractors
- gardening contractors
- suppliers of grounds/garden maintenance equipment - suppliers of plants, trees, seeds etc.
- suppliers of heating equipment
- suppliers of lighting equipment
- suppliers of musical instruments
- suppliers of insurance
- consultants (e.g. legal, financial, training, property)
- suppliers of security services and supplies
- suppliers of art materials
- suppliers of telecommunications equipment
- suppliers of photographic equipment
- transport contractors (e.g. coaches, taxis etc.)
- holiday/travel operators
- suppliers of supply teaching cover

- suppliers of peripatetic teaching
- suppliers of banking services
- suppliers of workshops etc. (e.g. drama, music)
- the interest in the above 'supplying organisations' may, for example, be: -
- as a director
- as an employee
- as a major shareholder
- as a major investor
- as a major debtor/creditor
- having a close personal relationship (spouse, partner, son, daughter, parent etc.) with a person in the above categories
- being in a position to potentially influence decisions made about the school, e.g. as: - - member of local council (County Council, District Council, Parish Council)
- Business of Local Education Authority in a senior capacity
- Member of Parliament
- OFSTED Inspector
- Business of local council (District Council, Parish Council) in a senior capacity
- having a close personal relationship (as described above) with any person falling into the above categories
- having a close personal relationship with a Governor or member of staff (employed on a full-time, part-time, permanent, or temporary basis).



Signed: _____ Chair of Staffing & Finance Committee On behalf of the Governing Body

Date: 21.09.23

Date of Policy : Summer 2023

Person(s) Responsible : Staffing & Finance Committee

Date of Review : Summer 2025