

## **SANDAL PRIMARY SCHOOL AND NURSERY**



## **FINANCIAL AUTHORITY AND BUSINESS PROCEDURES**

**CONTENTS****PAGE NO.**

1.	Financial Planning & control	3
2.	Budget Preparation Timetable	7
3.	School Financial Value Standard	9
4.	Financial Responsibilities	12
5.	Business Procedures	14
6.	Operation of Bank Accounts	16
7.	Letting of School Facilities	19
8.	Purchases & Payments	20
9.	Payroll & Personnel	22
10.	Expenses	23
11.	Income	24
12.	Insurance	25
13.	Accounting Records & School Assets	26
15.	Services & Catering Services	28
16.	Retention of Records held in School	29
17.	Appendices	
	Appendix A	31

A good Manager sees the situation, sees the possibilities and makes the possibilities happen. Management in schools is all about enabling children to learn and fulfil their potential within a secure, safe and pleasant environment. There is a need for clear vision of direction, responsibilities and priorities. Neither school development nor provision of resources can be carried out in isolation and therefore there is a need for a clear management framework, which defines internal responsibilities for decision making and sets out accountabilities for decisions taken.

The legal responsibilities of the Governors and the Head have to be reconciled with the need for the Head to have a clear responsibility for managing the school on a day-to-day basis.

Governors have a statutory responsibility for the oversight of financial management and the school's efficiency and effectiveness with which resources are deployed to achieve the school's aims and objectives and to match its priorities.

## **1. Financial Planning and Control**

### **Introduction**

A formal and secure system is essential for sound financial planning and control. The purpose of the procedures that follow is to prioritise available resources, control expenditure and detail financial accountability. Financial responsibility of the Governing Body, its committees and senior staff will be outlined and staff capability and training matched to responsibilities. Additionally, authority and supervision levels will be outlined.

Procedures will detail effective and secure financial systems and arrange for their proper documentation.

These procedures are for internal use at Sandal Primary School and Nursery only and are designed to comply with DFE requirements. Reference should also be made to the local education authority's guide "Scheme for Financing Schools". The School follows the authority's Financial Regulations for Maintained Schools.

This manual shows the robust system of controls that safeguard the school against fraudulent or improper use of public money and assets. All staff and governors will be made aware of this manual upon induction to the school showing the procedures in place relating to fraud and theft, the controls in place to prevent them and the consequences of breaching these controls.

### **The Budget**

The budgetary planning process consists of four phases:

- Planning
- Budgeting
- Monitoring
- Review

Careful planning ensures that monitoring of realistically determined budgets provide an accurate indicator of the school's economic health. Success in meeting budgetary aims can only be achieved if care has been taken in the determination of policies and expenditure is strictly controlled throughout the budget period. A continuous review of the aims and priorities of the School Development Plan should follow from regular monitoring and analysis of budgetary Financial Authority and Business Procedures: May 2025

performance. Responsibility for the control of budgetary affairs ranges from the Governing Body at one end of the organisational hierarchy through to staff directly employed in the classroom or in other supporting roles. It is an absolute requirement that the School's Development Plan is consistent with the 3 year budget allocation i.e. it can be seen to be affordable. Similarly the budget plan must demonstrably support the Development Plan.

### **Budgetary Planning**

The school's annual budget is planned in March as soon as the next year's financial figures are known. This is done by the Finance & General Purpose Committee and then submitted to the LEA School Funding Team for approval and advice. The Finance & General Purpose Committee meets four times per year to review budget expenditure and the Head consults members of the committee regarding expenditure. In the final Qtr (Jan & Feb) of the financial year, members of the Finance & General Purpose Committee receive monthly Budget monitoring reports. General Purpose Committee report back to the whole Governing Body on finance at the following Governors' Meeting. This committee has delegated powers to authorise expenditure within the budget plan within the financial year, without prior reference to the Governing Body. The Head, the Deputy Head and School Business Manager have delegated powers to spend over the year, within the budget plan, up to a limit of £10,000 (as agreed at the full governing body meeting 16<sup>th</sup> September 2014) not prejudicing the ability of the school to sustain itself throughout the year.

The expenditure at Sandal Primary School and Nursery falls into three major categories which are:

- Staff costs
- Educationally directed costs
- Fabric management costs

**Staff costs** – Due to the high proportion of expenditure on staffing costs the Headteacher retains direct responsibility for this area. It is the responsibility of the Headteacher to prepare and control the budget for school staffing costs. The budget must provide sufficient funds for an appropriate and suitably qualified staffing structure to be established and maintained and also for the costs of professional development and targeted initiatives. Functional control of budget expenditure is delegated to the School Business Manager who must inform the Headteacher of variations to planned budget patterns.

**Educationally directed costs** – The Headteacher has overall responsibility for this area but appoints Budget Holders in the various Curriculum Areas to have responsibility for their departmental capitation. Functional control of budget expenditure is delegated to the School Business Manager who must inform the Headteacher of variations to planned budget patterns.

**Fabric Management Costs** – The Headteacher again has overall responsibility for premises and central services working together with the Finance & General Purpose Committee and the School Business Manager, who is responsible for the preparation of Capital Grants. It is the responsibility of the School Business Manager to prepare and control the budget for expenditure in relation to all areas of the school's outlay relating to premises and site management.

These operating budgets must be prepared within the context of a long-term (3-5 year) plan. The plan must specify the objectives of the school, from the School Development Plan, over several years.

A clear documented statement of the accounting bases and assumptions must be maintained by the School Business Manager to support budget preparation and financial reporting. These should be in keeping with general policies for the school's reports to the DFE.

### **Budget Control and Monitoring**

Budget holders retain responsibility to the Headteacher for routine control and monitoring of their budget expenditure, although in practice this will be completed by the School Business Manager. Close liaison between the School Business Manager and the budget managers will be necessary and procedures to facilitate this will be addressed later. Unforeseen variations to predicted expenditure are investigated and a monthly report given to the Headteacher.

### **Review of Budget**

The process of budget review is continuous and close watch must be kept over actual against predicted expenditure. Detailed records of historical expenditure and any corrective action taken will be of great value in future planning. These reports and in particular the action taken on variances, are regularly reviewed by the Finance & General Purpose Committee and authorised to signify agreement on actions taken. Any further action taken must be clearly documented.

### **Governing Body**

The Governing Body is responsible for:

- Adhering to any Financial Standard in place by the present Government
- Planning and conducting school affairs in order to remain solvent
- Obtaining Value for Money in all areas
- Establishing proper financial management arrangements, accounting procedures and maintaining a sound system of internal controls
- Ensuring that funding from the LEA and any other public sources is used only in accordance with the provisions of this manual
- Providing such information as the LEA may reasonably require, satisfying the LEA that the financial management and organisation of the Governing Body are of a sound order.

### **Finance & General Purpose Committee**

The Finance & General Purpose Committee has delegated responsibility for routine financial planning and control and is responsible for:

- The recommendation of the annual budget to the Governing Body including the delegation of budget responsibilities to budget managers
- The regular monitoring of actual income and expenditure against each budget and revised forecast for the budget period
- Delegated powers to approve expenditure up to £10,001-£25,000 (as agreed at the full governing body meeting 16<sup>th</sup> September 2014) each term
- Reviewing reports by the council's Internal Audit department as to the effectiveness of financial procedures and controls
- Carrying out annual self-assessments of the Schools Internal Controls and making appropriate recommendations to the Governing Body eg. the issue of the Annual Statement of Internal Control (SIC).

The Finance & General Purpose Committee will meet at least once every term. Quarterly monitoring will be shared with members of the FGP committee.

**Headteacher**

The Headteacher has delegated responsibility for

- The management of the school's financial position at a strategic and operational level
- The management of effective systems of internal control
- The management of other financial issues

The Headteacher is considered by the LEA as the person with overall responsibility to the Governing Body for the financial management of the school. The Headteacher should ensure that the Governing Body is provided with relevant and accurate financial advice, that proper and adequate financial systems and controls are in place and that accounts are prepared and maintained as required by the Governing Body and the LEA.

**School Business Manager**

The School Business Manager is responsible for providing financial advice to the Headteacher and for ensuring that the procedures set out in this manual are applied.

**Conclusion**

A realistic and achievable budget is fundamental to school planning. Financial planning and control requires close checks and different areas of responsibility are split within defined manageable areas, to help the School Business Manager produce a consolidated budget. This suggested budget requires approval by the Finance & General Purpose Committee before being submitted to the Governing Body for authorisation.

## **2. Budget Preparation Timetable**

Trigger points in the annual budgetary process together with associated actions are described below.

### **Quarterly Returns**

Quarterly income and expenditure, enabling account and bank reconciliation returns must be submitted to the School Funding Team as follows:

Period Ending	Returns Due
30 June	31 July
30 September	31 October
31 December	31 January
31 March	30 June

The set dates for reporting to the LEA are inflexible and failure to meet them is liable to incur light touch “penalty points”.

Budget managers review progress with the School Business Manager by exception on a monthly basis.

Quarterly financial reports are distributed to members of the Finance & General Purpose Committee.

### **Annual Return**

Completed year end accounts must be submitted to the LEA by 21<sup>st</sup> May.

### **April**

The new financial year starts.

### **April/June**

As the volume of accruals diminish, progressive closure of the previous year’s accounts is enabled. Projected carryover of assets and liabilities is determined.

### **September/November**

Continuous reassessment of budget accuracy continues. Unplanned events, changed priorities and inflation rates are taken into account. Budgetary planning meetings for the next financial year commence. The most accurate historical information available is used to forecast expenditure levels.

### **January/February**

By now Bradford Council should have produced a reasonably accurate assessment of funding for the school for the next financial year. This enables the Headteacher and the School Business Manager to produce a proposed budget for presentation to the Finance & General Purpose Committee.

### **3. School Financial Value Standard**

Governors must demonstrate compliance with the School Financial Value Standard (SFVS) annually, through the submission of a completed self-assessment form signed by the Chair of Governors, this is to be submitted by March 31<sup>st</sup> annually. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner.

The SFVS has been designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place. SFVS is not externally assessed, local authorities will use schools' SFVS returns to inform their programme of financial assessment and audit.

#### **Key Benefits**

1. A school well-managed financially is likely to be well-managed in other respects, and therefore a better all-round school.
2. SFVS encourages schools to learn from and apply best practice.
3. It helps schools to make better use of their resources, to improve value for money and allow a greater focus on children's outcomes and learning.
4. It provides a clear and consistent benchmark which schools can use to encourage self-improvement.
5. SFVS helps school leaders and Governing Bodies to better understand their roles and responsibilities in relation to effective financial management, and how decisions on expenditure are linked to educational priorities.
6. It helps key groups and individuals to reflect and ask questions about processes in a systematic way, widening out overall knowledge of school financial management.
7. It provides guidance to show how longer-term strategic development planning can link to the annual financial planning cycle, to help a school to achieve its educational priorities.
8. The raised profile of the importance of effective financial management provides School Business Managers and office staff with recognition as professionals in their field.
9. The profile of Committee Clerks is also raised, helping to professionalise their roles, and improve the quality of minutes and clarity of decisions.
10. SFVS provides external, evidence-based confirmation that procedures and processes are appropriate.
11. Preparation for assessment focuses schools' minds on what they are doing and why they are doing it, in relation to financial procedures.
12. Assessment also provides the opportunity to develop new/updated documentation which was weak/missing before.



13. The SFVS Toolkit can help to define the material for Governor induction packs, building on standard documentation and reducing the time taken to create such documents.
14. It can help to define a clearer role for Governors and greater focus on strategic management and challenge, with Governors being more confident in asking questions and acting as a critical friend.
15. The wider scope can result in areas of potential weakness being highlighted that have not traditionally been examined by an internal audit or through Ofsted inspections, e.g. governance issues.
16. SFVS allows authorities to be more objective in making a judgement on schools' financial management arrangements, and therefore what action they can expect schools to take where there are areas to address.
17. Achievement of SFVS helps to ensure that sufficient emphasis is being given to efficiency and to making the most effective use of public resources.

#### **Timetable for necessary annual checks for SFVS**

<b>Meeting date</b>	<b>Checks</b>
Autumn Term	Quarter 2 Finance Monitoring Report Staff Pay and Performance Management Presentation of Audited School Funds Account Presentation of Audited Breakfast Club Account Approval financial procedures & financial delegation
Spring 1	Quarter 3 Finance Monitoring Report School Whistle blowing policy Best Value Statement Lettings Report
Spring 2	Review Premises Plan Monthly Bank Reconciliation reports for Jan & Feb Financial Value Standard Assessment Form Financial Value Standard - Governors' Skills Matrix
Summer Term	Quarter 1 Finance Monitoring Report Review teachers' pay Staffing Structure Review statement of internal control Benchmarking

#### **4. Finance Responsibilities**

Every effort has been made to relieve sole responsibility from individuals within the financial chain and separation of duties has been arranged wherever possible. Failing this the most secure alternative has been adopted.

The School Business Manager is responsible to the Headteacher for routine operation of all financial, legal and administrative matters. Specific responsibilities within this wide area are detailed below. A few of these tasks are further delegated to the office administrators.

## **Finance**

It is the responsibility of the School Business Manager:

- to co-ordinate budgets and monitor all finances of the school, ensuring efficient use and effective control of the school's expenditure
- to produce quarterly and annual outturn statements
- to ensure compliance with all relevant orders and instructions issued by both the DFE and the LEA
- to ensure the integrity of raised cheques by reference to the completeness of the appropriate invoice control stamp
- to control the administration of the payroll and where necessary liaise with the payroll agency. Ensure staff are made aware of financial benefits which are available
- to provide specialist financial advice at meetings of the Leadership Team, Finance & General Purpose Committee and the Governing Body and the practical implementation of decisions taken at these meetings
- the administration of the school bank accounts
- the operation of the financial functions of the computer package
- processing of properly authenticated orders onto a computer system, signing these orders and afterwards posting or faxing to the supplier
- book-keeping of manual accounting documents
- checking of invoices against the original order and passing to the Head for authorisation
- entering of purchases in the assets register and inventories

## **Buildings**

- to be responsible for the upkeep of the school buildings and premises
- line management responsibility for all premises related staff
- to be responsible for administration of letting of the school facilities

## **Contracted Services**

- to monitor and review the operation of all contracted services and ensure quality control
- to seek tenders for all contracted work in the school
- to review and renegotiate contracts at least annually

## **General**

- to be responsible for all LEA and DFE returns
- to advise on LEA and DFE directives
- to advise teaching staff with responsibility for funds
- to ensure compliance with the contents of this Guide

It is the responsibility of the office administrators:

- to tick off and sign deliveries for correctness or to allocate these deliveries to the correct department for ticking off and signing
- to act as cashier for all school monies, issuing of receipts and the preparation for and banking of monies
- to administer petty cash to members of staff
- to perform general financial and administrative tasks as directed by the School Business Manager
- to raise purchase orders as necessary and pass to the School Business Manager for authorisation
- checking of invoices against the original order and passing to the Head for authorisation

## **5. Business Procedures**

### **Confidentiality**

Much of the material in use in the School Office is private and of a confidential nature.

### **Accounting**

Financial returns to the LEA include all transactions and balances relating to the delegated budget from the LEA. All returns are completed on a consistent basis throughout the school year.

Accounts are prepared on an accruals basis meaning that income is recognised at the point it becomes due to the school and expenditure at the point where relevant goods and services are supplied

Commitment accounting based upon the principle of recording expenditure when the commitment is actually made is particularly useful when controlling expenditure as at all times, the budget available for further expenditure can be readily identified.

### **Best Value**

The Head and Governing Body will support the School in their key principles and approach to achieving maximum value from the resources allocated to the School and achieve efficiencies in all areas by optimising the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements detailed.

All staff involved in any financial process have a responsibility to achieve best value.

Best value is not just about economy but also about effectiveness and quality.

Competition is the most powerful management tool with regard to testing best value but it is only a tool and is not in itself enough to demonstrate that best value is being achieved.

### **Segregation of Duties**

Duties are segregated between individuals as far as is practicable.

Segregation of duties reduces the risk of error or intentional manipulation through checks built into procedures.

The procedures contained in this manual have been developed to separate as best as is possible the functions of authorisation, execution, custody and recording.

### **Register of Interests**

All staff and governors declare any direct or indirect (i.e. where their company or a relative is involved rather than themselves) pecuniary interest at all times and must enter any on-going interests that may give rise to a conflict of loyalty in a Register of Interests kept in the school. This register is drawn to governors' attention once a year and amended as necessary. It is held in school and is available for viewing by interested parties which may include staff and parents.

### **Goods and Services for Private Use**

The school does not under any circumstances obtain goods or services specifically for private use by governors or staff.

### **Reconciliations**

The School Business Manager completes a full reconciliation of all bank statements to computerised cash books monthly and signs the statement. This is checked by the Headteacher quarterly. Any resulting adjustments are to be addressed promptly. Cash books and reconciliations are available for examination by the Finance & General Purpose Committee and other members of the Governing Body.

### **Controlled Stationery**

Control of financial stationery such as official orders, receipt books, cheque and deposit books and invoice control slips is administered by the School Business Manager. Official orders are produced electronically from Access Education Finance software with the school's standard delivery address clearly stated. Used documentation is retained for audit. Cheque signatories initial the appropriate line on the invoice control stamp. BACS reports are signed and authorised by the Headteacher.

### **Bank Deposits**

Particulars of any deposits are entered on the counterfoil of the paying in book (or a duplicate copy used). The particulars include the amount deposited and the details of the origin. The income is entered into an Income Book and then the receipts are checked to balance against the total in the Income Book.

### **Personal Cheques**

The school does not cash personal cheques.

### **Returned Cheques – from Bank**

On receipt of advice from the Bank regarding a returned cheque, the Finance Officer will ascertain the reason for the returned cheque. If this is marked "Refer To Drawer Please Represent" it will be represented and checked carefully for payment upon representation. If the cheque is returned to school the drawer of the cheque will be contacted and alternative payment negotiated.

### **Postage Stamps**

Postage stamps are ordered online through Royal Mail Direct and paid for using the school Credit Card. Upon receipt the stamps are entered into the postage book. Stamps are issued when required and a record kept of usage in the postage book. Stamps are balanced by the office administrator and any discrepancies reported to the School Business Manager. If any discrepancy cannot be rectified the School Business Manager will report and sign the difference in the postage book.

Staff are not permitted to purchase postage stamps from the school.

## **6. Operation of Bank Accounts**

The procedures required for the operation of Sandal Primary Schools' bank accounts are detailed below. A separate account is held for public and private funds.

DFE regulations forbid the school to borrow. Accounts therefore are not allowed to be overdrawn in aggregate or incur overdraft charges.

### **Cheque Signatories**

All cheques are signed by two signatories, both of whom must see all supporting documentation before signing the cheque.

Authorised signatories are listed below:

Headteacher

Deputy Headteacher

School Business Manager

Senior Administrator

A monthly bank statement is obtained detailing transactions up to and including the last working day of each month. Reconciliations of bank details to information held on the school's accounting system are completed monthly by the School Business Manager. Bank statements are initialled to evidence this.

Where appropriate the school may authorise standing orders, direct debits or BACS/CHAPS transfers. This will be in accordance with the above rule for signatories.

The school uses BACS to make payments along with a Lloyds Bank cheque book which is used for emergencies.

The school does not use cash dispensers but does have a credit card.

Any cheques which require cancellation are clearly marked "cancelled" and retained for inspection by audit.

Cheques are never pre-signed.

Chequebooks are kept in the safe. Access to cheques is restricted to Senior Management and Administration Staff only.

A control record is maintained detailing the cheque number sequence of all cheques and cheque books received and the date that these were received.

### **Internet Banking**

The Headteacher, School Business Manager and Senior Administrator are authorised to view and print information on the Lloyds Bank Account.

### **Charge Cards**

The use of charge cards does not infringe borrowing restrictions so long as the balance on the account is cleared in full at the end of each month.

Documentary proof of any goods purchased with the card is returned to the School Business Manager as soon after each purchase as is reasonably practical.

Transactions are reconciled to statements by a person other than the signatory and the statement signed as evidence of the checks made.

Cards are only to be used for the use of the school and not to be used for any form of personal transaction.

### **Credit Card Guidance**

The card may only be used by the Headteacher, the Deputy Head, the School Business Manager for purchases in store or online.

### **Transactions**

All transactions are approved within the school budget.

Cash withdrawals are not made and the card is not used for personal purchases.

Approval from the appropriate budget holder is made in accordance with the school's scheme of delegation and checks made to ensure that there is sufficient budget available before making any purchase.

The contract standing orders, procurement rules and regulations are followed.

Credit cards are only used where it is not possible to make normal commercial credit arrangements i.e. order – goods received – invoice.

Credit cards are used to make purchases from the internet or from high street suppliers but not for building works or utility bills.

Payment in advance of receipt for goods and services with the credit card is permitted provided it can be demonstrated that by doing so best value has been obtained.

VAT receipts are obtained for all relevant purchases.

When making purchases from internet suppliers:

The office e-mail address is provided;

Goods and services are delivered to the school not to a private address;

Staff always check that they are not being overlooked when using a credit card online.

Many secure Websites use password access to authenticate cardholders and passwords remain confidential; On-line purchases are only made on a secured web page. A secured page has a little padlock (that is locked) displayed in the lower right corner of the browser. The web address will start "https" (other Web sites normally start "http"). Cardholders can check the level of security that the site has in place by moving the mouse pointer onto the padlock to see what number is displayed. If the number is less than 40 the site should not be used for on-line purchases because this does not give a sufficiently secure connection to protect sensitive, financial or personal information;

Personal details are never given that are commonly used for identity verification (e.g. mother's maiden name) over an insecure internet connection. This information is only given if the company ABSOLUTELY requires it.

**Record keeping – credit card**

All receipts and delivery notes should be handed to the School Business Manager at the earliest possible opportunity.

School Business Manager completes a Credit Card Transaction form and this is signed by the Headteacher or the Deputy Head.

School Business Manager is responsible for completing the transaction on the School's accounting system and initials the form on completion

**Petty Cash**

Petty cash is maintained on an imprest system. The only deposits to petty cash will be from cheques cashed specifically for that purpose. The receipt will be recorded in the petty cash account with the date, amount and cheque number.

A petty cash box is held in the safe. The float limit is to be maintained at £250.

Petty cash claims are to be made using petty cash vouchers, supported by receipts and must be authorised by the appropriate budget holder and will be reimbursed by the Office Administrator. The maximum reimbursement will normally be £30.00 however in exceptional circumstances the School Business Manager may authorise a higher limit. In this case, the School Business Manager will countersign the relevant petty cash voucher. If items are to be purchased in cash an advance may be obtained. The School Business Manager will perform spot checks on the Petty Cash for correctness.

All transactions are recorded at least on a monthly basis and reconciled monthly by the School Business Manager and entered quarterly into the return to Bradford Council.

**Cash limit in safes**

The safe has a cash limit of £1000 overnight as per the school's insurance policy. This covers all school activities. External providers who may hold cash at school should have their own Public Liability Insurance.

## **7. Letting of School Facilities**

Economic charges will normally be levied for the letting of school facilities. Certain costs such as the intrinsic costs of heating, lighting and caretaking are incurred even when the facility is unoccupied and as such are not considered when calculating purely economic costs. Instead the marginal costs due solely to the letting are used. These include costs incurred by the same factors but on a different, extra scale. Normally, the minimum charge will be levied to ensure that there is no loss to the school. If a profit element is to be included the charge will clearly be higher.

### **Letting Procedure**

The Governing Body has a Lettings and Charging policy for letting of the school. Daily control of school letting is the responsibility of the School Business Manager who is authorised to negotiate fees within the limits determined from time to time by the Governing Body.

When an enquiry is received for a let the forms are sent to the potential hirer. On receipt of these forms the letting may progress at the discretion of the School Business Manager. If the let is not to take place a letter is sent to the applicant stating the reason. If the letting is accepted the School Business Manager signs a copy of the Letting Form on behalf of the Governing Body.

As soon as a let is accepted the School Business Manager raises and sends an invoice requesting full payment in advance of the letting. This procedure has been established to minimise the potential for the write-off of any eventual bad debts. Receipt of payment is recorded by the School Business Manager on both the invoices out form and the lettings form.

If payment is not received within the stipulated time, a reminder letter is sent to the hirer requesting payment within seven days. If payment is still not forthcoming a further letter is sent notifying the hirer that unless payment is received within seven working days the offer to let will be withdrawn. Where a let has taken place without prior payment, the paragraph will be amended in that the second reminder letter will inform the hirer that proceedings will commence in the County Court to recover all outstanding debts without further notice if payment is not received within seven days. Any outstanding payments are brought to the School Business Manager attention at each monthly reconciliation.



## 8. Purchases and Payments

Strict procedures for financial dealings have been determined and are detailed in the following paragraphs.

The school holds a list of approved suppliers which is kept by the School Business Manager.

### QUOTATIONS

- Under £1000 budget holders must use known reliable suppliers (eg for stationery and small equipment)
- Over £1000 but under £10,000 budget holders must obtain 3 quotations by using price lists, catalogues and verbal quotations.
- Over £10,000 up to £75,000 4 written quotations must be obtained. This may necessitate inviting 5-6 suppliers to submit quotations. Normally only the most commercially favourable quotation is accepted but when this is not felt viable the School's tender quality evaluation document must be completed to show the reasoning behind the decision and therefore show "best value". The Finance & General Purpose Committee will need to consult and formally approve this process.

The Headteacher, Deputy Head and School Business Manager have delegated authority from the Governors to authorise orders up to £10,000, within the defined school budget. The sequence of events for ordering and payment of goods and services is as follows:

The originator completes a requisition form and obtains authorisation from the appropriate budget holder, the Headteacher, Deputy Head or School Business Manager. The requisition is passed to the office administrator who will raise an order on the next order run. Orders are produced on the computer system and printed on official stationery. A sequential order number is automatically issued. The order is dispatched to the supplier by post or fax and a copy retained. All financial dealings require either an order number or a receipt.

Where, exceptionally, authorised staff order goods or services without an order number (ie by telephone) the School Business Manager is informed as soon as possible and a retrospective order raised. This is most likely to occur in emergencies eg making the school safe following break in or in the holidays when the caretaker needs goods and services but he informs the School Business Manager immediately on return to work. He is authorised to order in the holidays up to the value of £250.

Deliveries are checked and confirmed by either the originator or the office administrators who must authorise satisfaction (quantity and quality) on the supplier's delivery note. The delivery note is passed to the Senior Administrator who files it awaiting receipt of the invoice.

Invoices, once stamped with the invoice control stamp, are passed directly to the Senior Administrator who checks it as being financially sound. The Senior Administrator locates the second copy of the order in the sequential file and attaches it to the order and delivery note which are stapled behind the invoice. Any financial variations between the order and invoice are queried and resolved. The invoice is then passed to the Headteacher or Deputy Head for authorisation.

Details of the invoice are entered into the computer system and approved by the Senior Administrator. On the appropriate payment day a BACS run is raised. The cheque is printed out and a copy of the details (the upper part) stapled to the front of the invoice. The Senior Administrator adds the cheque number and date of posting onto the invoice control stamp.

The complete bundle of papers with the cheque is signed by the School Business Manager and passed to the Headteacher or Deputy Headteacher who countersigns the cheque.

Invoices are filed alphabetically by supplier name.

Cheques which remain unrepresented after six months are not likely to be honoured by the bank and are “written back” (i.e. the original entry reversed). A further payment is made to the supplier as appropriate.

Supplier statements are informally reconciled every month.

## **9. Payroll and Personnel**

Payroll and personnel functions are administered on behalf of the school by Bradford Council.

Changes to the payroll are advised in writing by the School Business Manager. All such letters are signed or initialled by the Headteacher or Deputy Head and a copy retained for audit purposes. These include overtime payments and other payments and deductions.

When the payroll reports are received from Bradford Council, the School Business Manager checks them for accuracy and initials them to show this. They are then entered onto the computer.

Access to personnel, payroll and payment records is strictly restricted to senior staff members. When not in use such information is kept under lock and key.

An individual cannot authorise a document which generates a payment to themselves.

Additional payments to the Headteacher must be countersigned by the Chair of Governors.

The payroll agency is responsible for paying salaries, PAYE/NIC, pension and other contributions on the due dates as appropriate.

## **10. Expenses**

### **Staff Travel**

Travel expenses are refunded via payroll to the member of staff completing an official travel claim form and passing this to the School Business Manager. This is then approved by the Headteacher or Deputy Head. The Deputy Head or School Business Manager is authorised to sign claims made by the Headteacher. The member of staff must produce a Vat invoice for petrol purchased before the day of travel and present this with the travel claim form.

Refunds of rail travel are normally limited to a maximum equivalent of the standard class return fare. When this limit is not imposed the Headteacher must sanction and justify the increased rate with an accompanying memo as to why a higher rate is reasonable.

## **11. Income**

Delegated budgets received from the LEA and all income from other sources is identified and verified to ensure completeness.

All income is included in the annual budget and procedures are in place to ensure income is received on the due dates. Any additional income received during the course of the year is added to the budget figure.

The governors determine and review annually all fees, charges and concessions.

### **Receipts**

All cash transactions are properly documented and receipted. Cash received is banked in its entirety and not used to offset purchases.

### **Debtors**

All debtors are invoiced promptly.

When debtor payments are received the School Business Manager records the transaction to the relevant financial code and arranges to bank the income at the earliest opportunity.

### **Interest**

Bank interest arising from the LEA delegated budget is included as income in the delegated budget and applied to the same sub-heads for which the delegated budget was given.

### **Breakfast Club**

The Breakfast Club funds will be kept in a separate bank account. These will be audited and presented to the governing body annually.

Payment from the parents is made through the online payment system, this is reconciled on a weekly basis by the Senior Administrator.

Refunds will only be paid when the club is closed due to unforeseen circumstances.

Any debtors will be sent a reminder text/email. This will be followed up by a letter from the SBM and then governors if and when appropriate.

Any charges incurred due to returned cheques will be passed on to the parents concerned.

## **12. Insurance**

It is the school's responsibility to purchase an appropriate level of insurance cover in the most cost effective way.

The core elements of insurance which can be bought are as follows:

- property damage (buildings and contents)
- business interruption/consequential loss
- money
- fidelity guarantee
- employer's liability
- public/products liability
- governors' liability and professional indemnity
- libel/slander
- legal expenses
- personal accidents
- engineering
- motor vehicles

The school building and contents is covered by Zurich Insurance which carries a £250 excess. This covers the use of school property when off the school premises.

Staff Supply Insurance is taken out with a private company and reviewed on an annual basis.

## **13. Accounting Records and School Assets**

All transactions are recorded so that source documents can be traced.

The books of prime entry, orders, delivery notes, invoices, credit notes, cash record and bank statements are retained for six years along with payroll and VAT records. This is the minimum period required by both the Inland Revenue and HM Customs and Excise.

### **Security of Stocks**

A check on consumables is taken regularly by the Office administrator to ensure that stocks are maintained at a reasonable level.

There is an inventory of all major items ie. Computers etc and this inventory is checked annually.

If any school property is taken off the premises it must be signed out and in. There is a book allocated for this purpose in the school office.

Assets may be disposed of, within the limits imposed by the DFE, with the authority of the Governing Body. Details of disposals are documented on a disposal of assets form which must be signed by the Headteacher and countersigned by either the School Business Manager or the Deputy Head.

## **Computer Controls**

The computer system is the primary administrative and financial tool of the school. The school operates the Access Education Finance system as the administrative software. Rights of access and entry are granted to all staff but only the Headteacher, the Deputy, the School Business Manager and the office administrators have rights to approve transactions. Routine matters relating to the network are undertaken by the ICT Manager.

## **School Assets**

School assets are items or groups of items material to the accounts. In determining the materiality, the school should look at the costs of the asset, the value of it to the school and the effect of its loss on the school.

All assets are recorded on an Inventory Record Sheet which is held on the School Network and updated by the ICT and Communications Officer. Additions and disposals are clearly documented on the register.

## **14. Premises Services and Catering Services**

### **Premises**

School cleaning, site and ground maintenance services are provided in-house. The School Business Manager has line management responsibility for all premises staff.

Teaching and support staff are asked to co-operate with regard to the maintenance and health and safety of the school campus and its buildings and in particular its cleanliness and security.

A book is kept in the School Office in which to record any problem that needs the Site Supervisor's attention. The Site Supervisor will prioritise and take action to solve the recorded problems. Sheets are kept in the staffroom for staff to report on any health and safety issue that may need attention. These are to be handed to the Headteacher or School Business Manager.

### **Catering**

School catering is provided by contract caterers. The company is solely responsible for the accounting and banking of all monies associated with the provision of catering services. School dinner money can be taken to the School Office where it will then be transferred to the contractors.

## **15. RETENTION OF RECORDS TO BE HELD AT SCHOOLS**

The following is a list of documents/records to be held at the school under the arrangements for LMS. It is stressed that these items represent the minimum documentation to be retained as determined by the Inland Revenue, Customs & Excise, D.S.S., and other interested bodies. The retention periods are listed in the right hand column.

**TYPE OF RECORD****RETENTION\*****A CASH INCOME RECORDS**

Receipt books	6
Till rolls	6
Sales records	6
Ticket and receipt control records	3
Daily cash sheets/ reconciliation sheets	6
Paying-in vouchers	6
Shorts and overs records	3
Bank statements	6
Banking arrangements	3
All cash books	6

**B CREDIT INCOME RECORDS**

Copy income accounts	6
Authorities for debts written off	6
Any other prime records	6

**C OTHER INCOME RECORDS**

Legal agreements	3
Scales of charges	3
Lettings records	3
Registers of attendance	3
Free meals registers	6
School meals records	6
Tuck shop records and reconciliations	6
Postal remittance books	3
Refund forms	3

**D EXPENDITURE RECORDS**

Goods requisition documents	3
Official orders and copy orders	6
Goods received notes/Delivery notes	3
Inventory additions/deletion documents	3
Inventory register	Indefinite
Payment records [invoices, etc.]	6
Petty cash records	6
Postage records	3
Car allowance log-sheets	3
Cheque books/statements/returned cheques	6
Credit note records	6
Lists of authorised signatories - requisitions	3
- orders	3
- invoices	3
- cheques	3
- acquisition of assets	3
- disposal of assets	3

**E STAFF / PERSONNEL RECORDS**

Prime payroll documentation [e.g. authorised disbursement documentation]	3
Payroll input data [e.g. computer input forms]	3
Employee personnel files	Indefinite

	Salary / personnel cards	Indefinite
	Attachment of Earning records	Indefinite
	Approvals for special leave	3
	Sickness records	3
	Disciplinary papers	3
	Copy timesheets	3
	Flexisheets/Signing-in books	3
	Copy Medical-in-Confidence forms	3
	Copy absence returns	3
	Annual leave records	3
	Sick notes	3
	Attendance records	3
<b>F</b>	<b>CONTRACT RECORDS</b>	
	All records / correspondence relating to contracts under seal	12
	All records / correspondence relating to contracts not under seal	6
<b>G</b>	<b>ACCOUNTING RECORDS</b>	
	Budget working papers	3
	Financial reports	3
	Bank reconciliation statements	6
	Any other primary accounting record	3

\*The period is the current year plus the following number of complete financial years



## 16. APPENDICES

### Appendix A

#### SANDAL PRIMARY SCHOOL AND NURSERY

#### QUALITY EVALUATION SHEET FOR TENDERS

**Description of Goods or Service:**

**Evaluation Panel Members:**

Criteria	Panel Mark	Comments
Company is long-established		
Goods, work or services are known to the School		
Quality is known from goods, work or services supplied elsewhere		
Company has a quality accreditation		
Company displays a good understanding of School's requirements		
Company's personnel are impressive		
Company has a good Health and Safety record		
Company displays a flexible approach		
Company's proposed timetable meets School's requirements		
Company has shown full commitment to the tender		
<b>Total Marks</b>		

Key to marking system: 0-3 = Poor 4-6 = Average 7-8 = Good 9-10 = Outstanding

Signed:

Date:

(Chair of Tender Panel)