



# **Finance Policy**

**Review Date: April 2024**

**Next review Date: April 2026**

**Adopted by the Governing Body on: 20<sup>th</sup> May 2024**

## Review

The governing body reviews this policy every two years. The governors may, however, review the policy earlier than this, if the government introduces new regulations, or if the governing body receives recommendations on how the policy might be improved.

### VERIFICATION CERTIFICATE

Document Title:	Finance Policy
Issue:	3
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Signature:	
Date:	23/04/2024
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Position:	Chair
Signature:	
Date:	22/05/2024

### DOCUMENT ISSUE/AMENDMENT HISTORY

(previous versions not numbered nor amendments noted)

Issue	Date	Amendment
1		Policy reviewed and updated for full governor ratification
2	11 April 2022	Policy reviewed and updated.
3	23 April 2024	Policy reviewed and updated with several additions and clarifications.

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## 1. Overview

The Governing Body of Cirencester Primary School (the School) is committed to ensuring that the School meets all of its statutory obligations, complies with the Local Authority's financial regulations and maintains the School Financial Value Standard (SFVS) for maintained schools.

The detailed financial responsibilities of the Governing Body, its committees, the Headteacher and other staff are defined in this Finance Policy. This should allow the Governing Body to ensure that adequate systems of financial control are in place, and that it receives the financial information it needs to carry out its role.

The purpose of this manual is to ensure that the financial management of the School conforms to the following objectives and principles:

- i. A clear definition of financial responsibilities;
- ii. A clear separation of duties where necessary and appropriate;
- iii. The operation of effective financial checks and controls;
- iv. Integrated financial planning and budgeting;
- v. Regular and clear financial monitoring and reporting at an appropriate level of detail;
- vi. Compliance with rules and regulations and with audit requirements;
- vii. The securing of best value for money;
- viii. Operation in accordance with generally recognised financial best practice;
- ix. Clearly defined delegations of authority

## 2. Roles & Responsibilities

The full Governing Body will:

- have the responsibility, through the Resources Committee, the Headteacher and the Business Manager, to ensure that the statutory requirements for financial management are met and to ensure compliance with the local authority's regulations
- set spending priorities
- consider and approve the budget and
- delegate certain powers and responsibilities in relation to financial matters to the Resources Committee as defined in that Committee's Terms of Reference.

The Resources Committee has the responsibilities defined in that Committee's Terms of Reference.

The School ensures that the Governing Body is kept fully informed about financial issues and developments at meetings of the Resources Committee by recording the details in the minutes. Following discussion, any issues of a significant nature are then fed back to the Governing Body.

The Headteacher and Business Manager will:

- ensure compliance with the local authority's financial regulations
- ensure that sound systems of internal control are in place

- be responsible for day-to-day financial management
- compile draft budgets and
- supply the Governors with budget monitoring information on a regular and timely basis.

All employees will be required to:

- comply with the School's financial regulations and
- adhere to the School's financial transaction processes as laid down from time to time.

### **3. Best Value**

The Governing Body is accountable for the way in which the School's resources are allocated to meet the objectives set out in the School's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost.

The Governors, Headteacher and other staff will apply the principles of best value when making decisions about:

- allocation of resources to promote the aims and values of the school
- targeting of resources to improve standards and the quality of provision
- use of resources to support the educational needs of all pupils.

Governors, Headteacher and other staff:

- should not waste time and resources on investigating minor areas where few improvements can be achieved
- should not waste time and resources to make minor savings in costs
- should not waste time and resources by seeking tenders for minor supplies and services.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important priority matters.

The School will submit a Schools Financial Value Standards statement to the local authority every 12 months, outlining the School's approach and policy in relation to ensuring that "best value" is achieved.

### **4. Effective Controls**

#### **4.1. Separation of Duties**

The School maintains this manual of detailed procedures in order to reflect the day-to-day management of financial administration. As far as possible, the allocation of duties has been made to ensure that the same person is not responsible for a process from start to finish in order to reduce the risk of error or intentional manipulation. Where this is not possible, the Headmaster or Business Manager undertakes some form of internal check, e.g. review the bank reconciliations, review of paying-in slips, etc. As far as is possible, the following functions are separated:

- Authorisation
- Execution

(E.g. the authorisation of orders and invoices is separated from the placing of orders and raising of cheques, etc.)

- Custody
- Recording

(E.g. the responsibility for managing assets is separated from the recording of items on the inventory and again from the annual checking process, etc.)

In the event of long-term absence of any of the post holders, their responsibilities should be delegated upwards until alternative arrangements can be made.

#### **4.2. Approved Signatories**

Authorisation on an action, transaction, etc. is a key internal control. Staff are expected to exercise authority only where they have been delegated the power to do so. Authorisation is clearly recorded by the individual's signature and printed name. External agencies, notably the payroll provider, are notified of changes to authorised personnel promptly.

All orders and invoices are authorised for payment by the Headteacher or Business Manager.

#### **4.3. Maintenance of Complete and Permanent Records**

The School ensures that complete financial records are maintained at all times so that transactions are traceable from the original documentation to the accounting records and vice versa. Where amendments are required, the person making the change initials the alteration. Records are retained for the length of time recommended.

#### **4.4. Internal Audit**

The School will be subject to a review by the local authority's internal audit team or will undertake a controls self-assessment at least annually. The School will submit the results of the internal audit / self- assessment to the Governors Resources Committee and activate a timely action plan to implement any recommendations made by auditors or address any weaknesses identified by the controls self-assessment. The Resources Committee will monitor progress against any such action plan to ensure that there are no unnecessary delays in its implementation.

At least every 12 months, following the above audit or controls self-assessment, the School will sign the Schools Financial Value Standard following discussion and approval by the full Governing Body.

## **5. Budgets**

### **5.1. Budget construction**

The Headteacher and the Business Manager are responsible for the detailed preparation of the annual budget. In doing this they should consult other members of staff to determine detailed requirements.

The Resources Committee will scrutinise all budget provisions to determine the overall sum within which the budget must be set and the amount of any anticipated balance to be carried forward into the following financial year. Thereafter the draft budget will be submitted to the full Governing Body with a recommendation for adoption.

In constructing the budget, the Headteacher must take account of emerging priorities that are likely to be identified in the school's curriculum, annual School Development Plan and Action Plan. If these have cost implications these costs must be accounted for in the budget. Priorities identified in the School Development Plan must always be costed.

The budget total must not exceed the amount of anticipated funding from the local authority, central government or other sources (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 appropriate department within the local authority immediately this becomes apparent.

The Resources Committee should meet to consider a broad budget strategy at its first meeting in each calendar year and again in the Spring term to consider and approve the detailed draft budget. The full Governing Body must subsequently approve the full budget, and minute this approval. The local authority must be informed, in the prescribed manner (Governors Budget Plan) of the approved budget. The budget plan submitted must be signed by the Chair of Governors.

In constructing the detailed budget, factors that must be taken into account should include:-

- any anticipated changes in pupil numbers
- current and prior year expenditure levels for each cost centre
- anticipated School Development Plan and Action Plan priorities
- staff pay awards and increments
- anticipated price inflation
- changes in the staffing complement and
- changes in the School's anticipated need for goods and services.

## **5.2. Budgetary control and monitoring**

The Headteacher and the Business Manager are responsible for regular, detailed control of the school budget. To achieve this they will produce monthly reports from the School's accounting system. Such reports shall show, for each cost centre:-

- total budget for the year
- total committed, invoiced and actual expenditure for the year-to-date, with a forecast to the end of the financial year and
- any variance between the budgeted and actual/forecast amounts for the year-to-date and the full financial year.

The Headteacher and Business Manager will take remedial action to address variances, including, where appropriate, by effecting virement of balances between individual cost centres.

Individual virements may be authorised as follows:-

<b>Amount of virement:</b>	<b>Authorisation required:</b>
up to £1,000	Headteacher / Business Manager (and subsequently reported to the Resources Committee and full Governing Body)
£1,001 to £4,999	Chair of Governing Body or Chair of Resources Committee (and subsequently reported to full Governing Body)
£5,000 - £7,999	Resources Committee (and subsequently reported to full Governing Body)
£8,000 and over	Full Governing Body

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

The Business Manager will present detailed budget monitoring statements to each meeting of the Resources Committee, such statements shall show, for each cost centre:-

- total budget for the year
- total committed, invoiced and actual expenditure for the year-to-date and a forecast to the end of the financial year and
- any variance between the budgeted and actual/forecast amounts for the year-to-date and the full financial year.

The Resources Committee will consider such statements; the Business Manager will provide explanations for any significant variances identified. The Chair of the Resources Committee will report to each meeting of the full Governing Body, identifying any significant budgetary issues with any remedial action taken or needed, and any policy decisions needed.

The Headteacher may assign budgetary control of individual cost centres to individual members of the Senior Leadership Team or, in exceptional circumstances, other individual members of staff. These budget-holders must receive monthly budget statements as detailed above. The Headteacher remains ultimately accountable to the Governing Body for these budget headings.

Payroll expenditure data notified by the local authority (in print or electronic media) must be entered promptly each month by the Business Manager or Finance and Personnel Administrator on to the School's accounting system.

Other, non-pay expenditure notified by the Local Authority must be reconciled promptly on a monthly basis to the School's accounting system by the 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 Resources Committee for consideration.

## 6. Payroll

The School has a contract with GCC for its payroll and HR provision. In general the Business Manager oversees HR, contracts and the administration of the payroll side, alongside the Business & HR Assistant. The guidelines for the recruitment process are set out in the Schools 'Safer Recruitment Policy'.

### 6.1. Pre-Employment Checks

Before a member of staff is allowed to take up their position, the School ensures that thorough checks are undertaken to prevent unsuitable people from gaining access to children and to maintain the integrity of the teaching profession. These checks include:

- identity confirmation
- academic qualifications, where appropriate
- professional and character references
- previous employment history
- DBS clearance
- Health Clearance

Detailed procedures are in place for those members of staff who are involved with the appointment process.

In extreme circumstances, (e.g DBS is delayed), a thorough risk assessment will be carried out by the Headteacher to potentially enable the member of staff to commence working.

### 6.2. Starters/variations/leavers

All forms for:-

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

must be completed and signed by the Business Manager. Such forms must then be uploaded promptly to the local authority via E Forms by the Business & HR Administrator.

### 6.3. Time sheets

All time sheets submitted by a member of staff must be checked initially by his/her line manager and then authorised (signed) by the Headteacher or the Business Manager. Authorised time sheets must be uploaded to the local authority via E Forms, and never handed back to the employee.

### 6.4. Checking of payroll data

Payroll data received monthly from the Local Authority (in print or on electronic media) must be scrutinised by:

- the Headteacher, to ensure all employees are recognised, and pay appears reasonable (no detailed check) and
- the Business Manager, to check accuracy of pay calculations.

## **6.5. Pay-related expenses**

All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash, or by the creditor payment system. If any doubt exists about whether an item should be processed via the payroll system, the Creditor Control section at the local authority must be contacted for advice (Tel: 01452 425940).

## **6.6. Supply teachers**

The Governing Body will decide, on the basis of advice from the Business Manager, whether supply teacher insurance cover shall be taken out, and the extent of the cover. All claims submitted by supply teachers must be checked by the Finance and Personnel Administrator and authorised by the Business Manager. Reimbursement claims must be submitted on a monthly basis to the Business Manager or Finance and Personnel Administrator. The Business Manager must check on a monthly basis that correct amounts have been charged as per the local authority expenditure printout.

## **6.7. General Expenses**

It is the policy of the School that expenses will only be paid in respect of costs incurred while on School business.

All benefits in kind, such as accommodation, use of telephones, vehicles, provision of clothing, equipment, etc., will be paid through the payroll provider to enable taxable deductions to be taken into consideration.

Staff travel expenses which arise as a result of working on School business away from School premises are claimed on a monthly basis using an expenses claim form which is duly authorised.

For tax reasons, mileage can only be claimed for the excess mileage in traveling to School, rather than between School and home.

Payment is only made when supported by authorised claim forms.

The rates at which mileage and subsistence allowances are paid do not exceed the maximum level of the HMRC Authorised Mileage Rate.

# **7. School Fund**

## **7.1. Accounts**

As a maintained school the majority of the School's transactions are through a centrally held bank account with Gloucestershire County Council. For other transactions, the School operates a separate bank account with Lloyds Bank Plc, known as the 'School Fund'.

The accounts of the School Fund are to be maintained on a day to day basis by the Business Manager, Finance and Personnel Administrator and School Administrator. All income and expenditure will be entered promptly in the accounts.

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. If the two records do not match (excluding uncleared cheques and receipts), the discrepancies are investigated. The bank reconciliation is independently reviewed (with written confirmation of that review).

## **7.2. Signatories**

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

- Headteacher
- Deputy Headteacher
- Business Manager
- Chair of Governors

There must be two signatories on each cheque. Cheque signatories may not sign cheques drawn in their own favour.

## **7.3. Security and Control over Cheque Stationery**

The Business Manager is responsible for controlling cheques and/or cheque books in issue. Cheque books are ordered automatically, printed cheque stationery is ordered as required. When not in use, cheques, cheque books and printed cheque stationery are kept securely. Access is restricted to the following personnel:

- Business Manager
- Finance Assistant

The Finance Director is responsible for periodically checking the sequence of unused cheque books to ensure that all unused cheques can be accounted for. Any anomalies are reported to the Headmaster immediately and the bank informed not to honour cheques which cannot be accounted for.

## **7.4. Online Banking**

Online banking has not been set up for the School Fund accounts.

## **7.5. Business Cards**

Business debit cards are held in the name of the Headmaster and the Business Manager, and are kept securely in a safe.

## **7.6. Reconciliation Process**

Printed bank statements are received from the bank on a monthly basis. The Business Manager is responsible for overseeing the reconciliation of all accounts undertaken by the finance team. The reconciliation must be done at least on a monthly basis.

Once the items on the bank statements have been cleared, the list of unreconciled items is reviewed, and examined for old expenditure items and outstanding income items. All cheques that have not been presented at the bank within six months of production are investigated and written back into the account, where appropriate. Outstanding income items are investigated and chased through the bank, where appropriate.

## **7.7. Final accounts and audit**

Final accounts are prepared at the end of the School Fund financial year by the Business Manager. The accounts will be audited by an auditor appointed by the full Governing Body. The auditor 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 local authority's Manual on Unofficial Funds.

The audited accounts should be presented to the Resources Committee for scrutiny and full Governing Body for approval. 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 the local authority in the prescribed format.

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

## **8. Assets**

### **8.1. Inventory**

The portable, desirable, attractive assets of the School, as well as any assets of intrinsic value (e.g. antiques) will be recorded in the School's Asset Register. Full details (make, model, serial number, date of acquisition, date of disposal, approximate value on acquisition and disposal) shall be recorded.

The Business Manager, Site Manager and School Administrators are responsible for keeping the Asset Register up to date by adding new items when they are received into school and recording authorised disposals.

Items up to a value of £250 may be sold or disposed of with the authority of the Headteacher. Over this limit, the Chair of Governors or Chair of the Resources Committee must authorise disposals and report to the Governing Body and record details in the minutes. Reasons must be recorded in the Asset Register, together with the Headteacher's signature (up to £250) or the Governors' minute reference (£250 and over). An official receipt for sales income must be issued to the purchaser. In all instances that items are sold or disposed, due steps should be taken to ensure that best value is obtained.

Inventories of assets shall cover all areas of the school, and be arranged on a room-by-room basis. A separate inventory will be maintained to include items which are not allocated to a specific room.

The inventory of assets recorded in the Asset Register shall be checked against the actual assets by the Headteacher and Business Manager on an annual basis. Any discrepancies shall be investigated immediately, and if necessary the Governors, Police and the Local Authority's auditors shall be informed. The check shall be evidenced by the checker signing and dating the inventory.

All inventory items valued at over £250 should be security marked

- invisibly with an ultra-violet (or security) pen and

- visibly with warning stickers and
- with Smart Water (provided by the Local Authority).

## 8.2. Off-site register

Any inventory items 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. Members of staff with designated laptop computers and other equipment (e.g. mobile phones) must sign to accept responsibility for them.

## 9. Income

### 9.1. Credit income

*(i.e. where payment for goods/services provided by the school is made after the provision takes place.)*

An official invoice must be raised by the Business Manager, Finance Administrator or Business & HR Administrator, in all cases and sent to the debtor as soon as possible after the provision of the goods/service, and no later than one week after the provision.

A file of copy invoices will be maintained by the Business Manager or Finance and Administrator; this will be arranged into 'paid' and 'unpaid' invoices. The copies of unpaid invoices will act as a control record for the sending of reminders and the chasing of unpaid debts.

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

- 1st reminder: 30 days
- 2nd reminder: 60 days

If after 90 days the debt remains unpaid, consideration will be given by the Head Teacher and/or Governors to writing the debt off in accordance with the following limits:-

- up to £50 - Head Teacher or Business Manager may authorise write-off
- £50 to £100 - Chair of Governors or Chair of Resources Committee may authorise write-off
- £101 to £1,000 - Full Governing Body may authorise write-off
- £1,001 and over - Local Authority must authorise

In each case, the possibility of taking legal action to recover the debt must be considered by the Headteacher, Chair of Governors or Chair of Resources Committee, and Governors as appropriate.

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 28 days of raising the invoice, no further goods or services must be provided until the outstanding debt is settled.

When an invoice is paid, details of the payment must be written on the copy invoice, and this transferred to the 'paid' section of the file. 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 the School.

### **9.2. Cash income**

*(i.e. 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.

### **9.3. 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. stamped paying-in slip) and should show clearly the split between cash and cheques and list each cheque individually.

### **9.4. Charging policy**

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

- lettings
- school trips
- music tuition
- private photocopying
- private telephone calls

The charging policy will be reviewed annually by the Resources Committee with any recommended changes approved by the full Governing Body. Charges levied by the School will be in line with this policy.

A separate Charging Policy is maintained for the Nursery.

### **9.5. 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.

### **9.6. Official Capitation and School Fund income**

All income used to offset expenditure incurred on the capitation budget (e.g. lettings, photocopying, telephone calls, music tuition, sales of work) must be paid into the official Local Authority fund and coded to an appropriate income code. Monies received from any sales of School equipment must similarly be paid into the Local Authority fund.

Donations may be paid into the Local Authority fund or the School Fund, dependent upon the wishes of the donor (which must be ascertained beforehand).

### **9.7. Cash received from pupils**

All cash should be paid directly into the School office. When cash is received from pupils by any other staff it must be handed over to a member of the School Office staff on the day it is received. The Finance and Personnel Administrator or an authorised member of the School Office staff will issue an official receipt for the income.

### **9.8. Security of cash, cheques, receipt books and tickets**

Cash and cheques are locked away each evening to safeguard against loss or theft. All unused receipts and tickets to be used to acknowledge receipt of income must be held securely in the School office. Cash held on the School premises must not exceed the limits prescribed in the School's property insurance policy.

## **10. Purchasing**

### **10.1. General**

Because the School is using public funds, it is vital to achieve the best value for money possible from all purchases, whether they are for goods or services (subject to the caveat in section 3 above). In this context, value for money is about getting the right quality at the best available price in an efficient and timely manner. This often means looking further ahead than the immediate purchase, especially when selecting equipment, and taking into account associated costs such as supplies and maintenance. It is also important that contract specifications contain detailed service and quality provisions.

### **10.2. Ordering**

School procedures for purchasing should ensure that purchases are as required, are for bone-fide purposes and achieve best value (considering price, quality and fitness for purpose) for the School.

Orders should be processed by the Business Manager or the Finance and Personnel Administrator after initial approval by budget holders has been sought and given. The official order produced from the computer system must be signed by the budget holder before it is sent to the supplier. The budget holder should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. If an order has been placed over the telephone an official confirmatory order must be sent.

When an order is placed, the estimated cost should be committed against the appropriate budget allocation so that it features in subsequent budget monitoring.

Official orders should be used only for goods and services provided to the School and 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 Business Manager or the Finance and Personnel Administrator.

When placing orders it is the responsibility of the initiator to ensure that Local Authority accounting instructions are adhered to, these being:-

### **10.3. Quotations/tenders**

The School procedures for quotations and tenders follows GCC guidelines as set out below.

- Up to £15,000 – may be procured after obtaining a single written quotation which must be obtained against a written request for a quotation. Any alternative quotations used for comparison may be taken from suppliers' written or verbal quotations or catalogues/price lists.
- £15,000 to £75,000 - independent written evidence of at least three prices should be obtained and retained.

Independent written evidence means quotations provided on suppliers headed notepaper.

- £75,000 threshold - may be procured after having undertaken a tendering process.

#### 10.4. Contract specification

A tightly drawn up contract specification is the best way for the School to ensure it receives the service it was expecting. It is the basis on which the School can seek redress for service quality or quantity if it falls below the level specified and therefore provides a framework against which the success of the contract can be measured.

Where appropriate, a contract specification should ideally contain the following elements:

- Contract duration
- Definitions
- Contract objectives
- Services to be provided
- Service quantity
- Service quality standards
- Contract value and payment arrangements
- Information and monitoring requirements
- Procedure for dealing with disputes
- Review and evaluation requirements

#### 10.5. Governor involvement

As well as ensuring that the above have been adhered to, it is the responsibility of the Headteacher to ensure that:-

- prior authorisation from the Governors is obtained on purchasing decisions when the estimated cost of one item exceeds the following thresholds:

<b>Estimated cost of one item:</b>	<b>Authorisation required:</b>
£1,000 to £2,999	Business Manager or Headteacher (and subsequently reported to the Resources Committee). Order or contract signed by Headteacher or School Business Manager

£3,000 - £4999	Resources Committee (and subsequently reported to full Governing Body). Order or contract signed by Headteacher or Business Manager
£5,000 and over	Full Governing Body. Order or contract signed by Headteacher <b>and</b> Business Manager

- Governors review quotations obtained where estimated costs exceed £2,000 or when the lowest quote is not the most suitable and
- Governors see evidence of best efforts to secure probity and value for money in relation to all purchasing activities.

### **10.6. Receipt of goods**

Once items ordered have been received, a member of the School Office staff must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods the Finance and Personnel Administrator must ensure that both quality and quantity are appropriate.

Delivery notes should be given to the Finance Administrator to be placed on file with the order copy to await receipt of the invoice.

### **10.7. 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
- to confirm that prices accord with quotations, tenders, contracts or catalogue prices;
- for arithmetical correctness and
- to confirm correct accounting treatment of VAT.

All invoices must be certified for payment by the Headteacher or Business Manager before being passed for payment.

Invoices passed for payment must be recorded promptly in the school's accounting system by the Business Manager or Finance and Personnel Administrator.

### **10.8. Petty Cash**

Day to day operation of the petty cash account is the responsibility of the Finance Administrator. The petty cash account should be operated by a member of office staff authorised to do so.

All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash record.

Reimbursement must be claimed monthly or when one-half of the imprest advance has been used. The Headteacher or School Business Manager must certify the reimbursement claim.

Each time a reimbursement claim is submitted, the Finance Administrator must complete a reconciliation ensuring that cash expended, plus cash in hand or at bank, plus stamps held, equals the amount of the advance.

All members of staff who wish to buy items from the petty cash account must obtain prior approval from the Headteacher or Business Manager. Vouchers (receipts, paid invoices etc.) to evidence the payment must be presented to the Finance and Personnel Administration Officer by members of staff when reclaiming cash from the account. These vouchers must be retained, by the Finance and Personnel Administrator and attached to the reimbursement claim.

In normal circumstances individual purchases from petty cash must not exceed £30. In exceptional circumstances payments up to £50 may be made, with the express prior approval of the Headteacher or the Business Manager. 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.

Personal cheques cannot be cashed from the petty cash fund.

### **10.9. Use of Term Contractors (Maintenance Work)**

If the Local Authority approved Term Contractors are used for maintenance work up to the value of £5000, then the School need not seek competitive quotations to comply with the provisions in section 10.3 above. Tendered day work rates are published in the logbook (updated annually) which can be used to compare prices when ordering works, they will then be deemed to have compared three prices in accordance with standing orders and financial regulations. However if the Headteacher, the Business Manager and/or Governors wish to obtain quotes in competition with the Term Contractors, then this may be effected.

## **11. Capital Income and Expenditure**

The staff and Governors will exercise the same controls for capital income and expenditure as required for revenue items.

### **11.1. Formula Capital Allocation**

On an annual basis, the School receives an allocation of Capital according to the funding formula. This can be spent in the year of allocation or carried forward for up to three years to support the larger capital projects of the School. The School is aware that any balances not spent within three years may have to be returned.

## **12. Register of Pecuniary and Other Interests**

The school shall maintain such a Register.

### **12.1. Persons to be included:-**

- All Governors
- The Headteacher

- All members of the management team

## **12.2. 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.

Examples of such improper influence might be:-

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

There can never be a definitive, comprehensive list of the interests which should be recorded, but the following is intended to give some guidance:

- having a financial, or other, interest in an organisation which could feasibly be in a position to supply goods/services to the School e.g.
  - 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 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 a/an:-
    - member of local council (County Council, District Council, Parish Council);
    - officer of Local Education Authority in a senior capacity;
    - Member of Parliament;
    - OFSTED Inspector;
    - officer 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; or
  - having a close personal relationship with a Governor or member of staff (employed on a full-time, part-time, permanent, or temporary basis).

### **13. Policy Review**

This Finance Policy shall be reviewed at least every two years by the Resources Committee, with any recommended changes approved by the full Governing Body.