



Excellence for All

## FINANCE POLICY

### Rationale

The Governing Board has a core function of overseeing the financial performance of the organisation and making sure its money is well spent. This includes ensuring that financial matters are delivered in accordance with, and to the standards and timetable required by the Government and the Local Authority, (RBWM).

This document sets out the policy, procedures, responsibilities and delegations established by the Governing Board to meet this core function. It is published along with other policies on the school's website.

### Key Principles

- The financial responsibilities of the Governing Board, any committees, Governors leading on finance, the Headteacher and staff should be clearly defined, and limits of delegated authority established. These should be documented in approved terms of reference and readily available to interested stakeholders (e.g. RBWM, parents, staff, Ofsted)
- The budget should reflect the school's educational objectives and be aligned to the School Improvement/Development plan and be submitted to Borough each year by the required date (and at other times upon request)
- All spend should seek to achieve value for money and be subject to regular effective monitoring
- There should be an established framework of sound financial controls to ensure the accuracy and integrity of all financial transactions
- Staff must ensure that all purchases and capital investment arrangements achieve the principles of best value
- All income due should be identified and promptly collected.
- Receipts and payments should be recorded with a clear audit trail
- There should be procedures in place for the administration of HR and payroll with appropriate segregation of duty between the HR and payroll function
- The school must be compliant with all VAT and other applicable tax regulations
- The school must be adequately insured, and all insurance arrangements should be reviewed at least annually against the current risk environment
- The school must comply with the requirements of the Data Protection Act 1998
- Donations to the school are subject to the same controls and rigour as any public funds
- It is important to be able to demonstrate that there is no conflict of interest and that individuals have not benefited personally from decisions they have made on behalf of the school
- All staff are responsible for the security of the school's property and assets, to avoid loss or damage and for ensuring economy and efficiency in the use of resources
- In addition, staff with financial responsibilities over budgetary recommendations and control, must have these clearly documented in their job descriptions

- The Clerk to the Governing Board maintains and annually reviews a register of pecuniary interests for each member of the Governing Board, the Headteacher and members of their immediate family

## Responsibilities of the Governing Board

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

- Determine the broad priorities for expenditure and ensure that these are clearly identified through a School Development Plan which indicates the intended use of resources in order to achieve educational goals;
- Ensure that all members of the governing board are aware of the LA's scheme of financial management  
[https://manorgreenschool.sharepoint.com/:b:g/Finan/EdT\\_XvTtx29EmpChDmmeT94BY\\_PzxT3gQ1zITdIDUT7SQAQ](https://manorgreenschool.sharepoint.com/:b:g/Finan/EdT_XvTtx29EmpChDmmeT94BY_PzxT3gQ1zITdIDUT7SQAQ)
- Submit an agreed budget plan and best value statement to the LA each year by the specified date and at other times upon request;
- Establish, maintain and annually review a register of business interests for each member of the governing board, the Headteacher and members of their immediate family;

The governing board delegates all other duties and financial powers to the Headteacher and Head of Finance. The division of responsibility is set out below and may be subject to amendment in discussion with those involved.

## Responsibilities of the Headteacher

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

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

### Planning

- Ensure that the governing board receive the advice and support they require in order to fulfil their statutory responsibilities;
- Develop a rolling programme of expenditure for large items such as ICT;
- Establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- As far as is practicable, ensure the segregation of duties of staff concerned with financial transactions so that at least two people are involved with both receipts and payments or highlight where it doesn't exist.

### Monitoring

- Ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including:
  - The placing of orders, checking deliveries, authorising payments, etc.;
  - Purchasing of goods and services, including appropriate use of School credit cards;
  - Protection and control of consumable stock such as stationery;

- Maintenance of equipment;
- Safe custody and control of cash and other property belonging to the school;
- Regularly monitor planned expenditure;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;
- Arrange appropriate security measures such as marking of valuable items;
- Provide reports to the Finance Committee as stipulated within this policy and at other times on request.
- Ensure that these monitoring and control systems are publicised to governors and staff and kept under review at least annually.

### **Evaluation**

- Evaluate strengths and identify shortcomings in the school's financial administration and provide reports on these at least annually to the governing board.
- Ensure all short comings are addressed in the school's risk register.

The governing board will support the efforts of the Headteacher and staff to implement the policies and may suggest improvements.

### **Responsibilities of the School Head of Finance**

The Headteacher delegates day to day operational management to the Head of Finance. The Head of Finance reports to the Headteacher and is responsible for the day to day management of the school's finances and administration of expenditure in accordance with the LA's scheme of financial management and any policies agreed by the governing board.

### **Planning**

- Ensure that the governing board and Headteacher receive the advice and support they require in order to fulfil their statutory responsibilities;
- Develop a three-year budget and update it during the year to monitor balances and plan expenditure to deliver best value;
- Assist the Headteacher in developing a three year rolling programme of expenditure linked to SDP and AMP particularly for large items such as buildings and ICT;
- In conjunction with the Headteacher, establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- In conjunction with the Headteacher, as far as is practicable, ensure the segregation of duties of staff concerned with financial transactions so that at least two people are involved with both receipts and payments.

### **Monitoring and control**

- Working with the Headteacher ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including: -
- Receipt of income
- The placing of orders, checking deliveries, authorising payments, etc.;
- Purchasing of goods and services
- Safe custody and control of cash and other property belonging to the school.
- Carry out monthly reconciliation of bank account and salary check.
- Carry out any other financial or administrative tasks considered appropriate by the Headteacher
- Regularly monitor planned income and expenditure and report to Headteacher;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;

- Liaise with the Headteacher to arrange appropriate security measures such as marking of valuable items;
- Provide reports to the Headteacher as stipulated within this policy and at other times on request.
- Produce monitoring reports for budget holders and report to the Headteacher on any overspend situations once every short term.
- With the Headteacher, liaise with external bodies for audit and FMSiS purposes.
- Arrange for items to be added to the inventory by an appropriate person.

### **Evaluation**

- Annually review with the Headteacher strengths and shortcomings in the school's financial administration procedures and provide reports on these annually to the governing board with progress made in addressing weaknesses.

The governing board will support the efforts of the Headteacher and staff to implement the policies and may suggest improvements.

## **Procurement**

The governing board expects planned expenditure to reflect the principles of best value, taking account of guidance provided in the LA's scheme of financial management.

Competitive estimates are to be obtained for all expenditure and confirmed on the completed Purchase Order Form. Procurer is to ensure value for money by obtaining three price comparisons for all purchases. For goods valued over £2,000, three written quotes are to be obtained.

## **Sources of Income**

Income to the school comes from a variety of sources. Although the purpose for which some of these may be used will be pre-determined, the Governing Board should take an overview of all sources to plan expenditure and ensure that money is used cost-effectively and for the educational objectives established in the School Development Plan. Income includes:

- Place Funding
- Top-up funding
- EFA Post 16 Grant
- Pupil Premium
- Pupil Premium Looked After Children
- Pupil Premium Service Children
- Universal Infant Free School Meals
- Year 7 Catch up Premium
- PE Release Grant
- Revenue Brought Forward
- Income from Facilities/Lettings
- Schools Direct Salary Grant
- Income from Catering
- Income contributions to visits
- Donations

## Financial Management within the School

The Finance Policy framework is supported by key finance policies. Adherence to these policies is a requirement for all finance staff, all budget holders and the Headteacher. Any exceptions to Policy must be reported to the Governing Board for upfront approval.

Failure to adhere to the Finance Policy framework and its supporting policies will be considered a breach of contract and subject to the school Disciplinary Policy.

Key supporting financial policies are outlined in the Appendices:

FG1 - Financial Authority Limits  
FG2 - Best Value Statement  
FG3 - Credit Cards  
FG4 - Ordering Supplies  
FG5 - Petty Cash  
FG6 - School Lettings  
FG8 - Accounts Payable  
FG9 - Accounts Receivable  
FG10 - Anti-fraud and anti-corruption policy  
FG11 - Travel Policy

## Governance routine requirements

To fulfil its financial responsibilities, the Governing Board requires the School's Head of Finance to provide information that includes:

1. In-year budget with evidence of its links to the SDP for approval in time to meet RBWM deadline
2. Three-year budget with evidence of its links to the SDP for approval to meet RBWM deadline
3. Monthly management accounts with forecast of outturn at 31 March
4. Monthly report of debtors & creditors
5. Quarterly update to the three-year budget
6. Quarterly report of capital expenditure against budget
7. Quarterly report of disposals
8. SFVS for approval by end of December
9. Confirmation by the end of May that the FMS accounts for the year ending 31 March have been reconciled to Agresso and closed down
10. Periodic reports from spot checks and audits
11. Annual review of value for money including analysis of benchmarking information
12. Annual review by Headteacher of the strengths and shortcomings of the school's financial administration

Notes:

- a. Monthly reports not required for end of April, May, August & December
- b. Monthly reports are to be accompanied by evidence that FMS and Agresso reconcile

## Review and Management of Policy

### Review of Procedure

This policy will be subject to annual review that considers any changes in legislation or revisions to the RBWM's scheme of financial management.

### **Management of policy**

The Governors and Headteacher have overall responsibility for the content and operation of this policy. The Head of Finance is responsible for initiating its annual review and for recommending any changes required.

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The Governing Board approved this policy on date: 26<sup>th</sup> November 2020

Signed:            Richard Pelly, Chair of Governors

Signed            Joolz Scarlett, Headteacher

### Summary

Budget spend authority within specified limits is delegated to the Headteacher and by the Headteacher to agreed budget holders. This responsibility forms part of their job role.

The Head of Finance is to ensure that relevant, accurate and timely information is available to Budget Holders to enable them to monitor and control their budget effectively.

All budget holders must operate within the School's agreed controls and procedures. Any exceptions are to be referred for pre-approval to the Headteacher and Governing Board. For their duties as Budget Holders, staff are accountable to the Headteacher.

Budget Holders:

1. May authorise orders up to but not exceeding the levels of their delegated authority, having obtained purchase order numbers from Finance Staff in accordance with the School's procurement procedures.
2. Must not attempt to circumvent controls e.g. by placing multiple orders within their authority limit which in totality exceed their authority limit.
3. Are to monitor and control the expenditure against budget levels.

### Financial Controls over Budget Approvals on Spend

1. Expenditure exceeding the Headteacher's limit is to be referred to the Governing Board for approval.
2. The school credit cards are to be setup to the limits defined in the Credit Card section of the policy. No cash may be drawn on them and full reconciliation and sign off procedures must be followed.
3. No cheques may be authorised by a single signatory. Signatory limits will be reviewed by the Headteacher annually
4. All budget holders are to be provided with a summary of their expenditure on at least a termly basis.
5. Monthly reports are to include explanations for any variance of a budget line exceeding 5% of its budget.
6. Any spend exceeding £5,000 not allowed for within the budget is to be referred to the Governing Board for approval prior to commitment.

## Levels of Delegation

	Authority and limits for items and orders within their delegated budget					
	Spend	Cheques	Journals & Virements	Credit card limit	Order limit	Payroll
Headteacher	Note A	Yes	Note A	£3,000	Note A	Yes
Deputy Headteacher	£20,000	Yes	No	No	Note B	Yes
Head of Finance	£20,000	Yes	Note B	£3,000	Note B	Yes
Head of HR Strategy & Development	£20,000	Yes	No	£3,000	Note B	Yes
Head of Operations	£3,000	No	Note B	£3,000	£3,000	No
Headteacher's PA	No	No	No	£250	£250	No
Any Other Budget Holders	Delegated budget	No	No	No	Delegated Budget	No

### Notes:

A: May authorise expenditure up to whichever is less of £50,000 or 50% of the relevant annual budget line on any one item.

B: May authorise expenditure up to whichever is less of £25,000 or 25% of the relevant annual budget line on any one item.

## FG2: Best Value Statement

The Headteacher and Governors of the school are committed to achieving Best Value in all decisions made.

Budget Holders are to retain evidence to show that their spending decisions are cost effective and achieve the principle of Best Value, so that the Governing Board can approve a Best Value Statement when approving the annual budget.

## FG3: Credit Cards

All purchases using credit cards are to follow the approved process for ordering supplies (see FG4 Ordering Supplies)

Where a supplier does not have an existing credit account but offers best value, in the first instance budget holders should discuss with Finance how a credit account can be set up.

Where a credit account is not possible e.g. to facilitate online orders, an order may be placed on a school credit card.



## Use of the credit card

Credit cards may only be used by authorised staff on the following basis:

1. Where items cannot be ordered through the school's normal procurement method or where doing so does not offer best value
2. Where sufficient budget is held for the procurement of the items
3. That purchases are limited to items for school use only
4. That cards are set to the credit limits defined below
5. That VAT invoices are obtained for purchases
6. That cash is not drawn on any card
7. That staff are responsible for the safe custody of cards
8. That staff are responsible for reporting immediately the loss or theft of card to Barclaycard and to the school
9. That staff sign card immediately upon receipt
10. That the card remains the property of the school and must be returned immediately upon request

## Credit Card holders and limits

Job Role	Credit Card Limit
Headteacher	£3,000
Head of Finance	£3,000
Head of HR Strategy & Development	£3,000
Head of Operations	£3,000
Headteacher's PA	£250

## Financial Oversight

1. It is the responsibility of the credit card holder to ensure that all purchases are backed up by a relevant VAT receipt
2. Finance staff are to report immediately to the Headteacher any concerns regarding best value relating to purchases
3. Finance staff are to reconcile all goods and services spend to the credit card statement monthly
4. Reconciled credit card statements are to be available on request to the Finance Governor and Chair of Governors.
5. The credit card statements of the Headteacher will be reviewed at least annually by either the Chair of Governors or the Finance Governor
6. Any concerns raised must be addressed with either HR or the Headteacher and reported to the Governing Board (e.g. misuse)

## FG4: Ordering Supplies

All purchases on behalf of the school must be from suppliers that offer the best value for money.

Before placing an order, budget holders ordering goods or services should consult the school's approved supplier list and seek guidance from the Finance team if they cannot obtain the order from already approved suppliers.

## Placing an Order

1. School Order Form is filled in (available from the library in the administration corridor or on request from Finance Staff).
2. Before filling in the form:
  - a. Ensure the product is fit for purpose
  - b. Ensure that it can be delivered by the supplier within desired timeframe
  - c. Consider delivery costs
3. Complete the Order Form including delivery costs
4. Obtain purchase order number from Finance Staff
5. Obtain approval from the relevant budget holder
6. Once approved pass the form to Finance Team

Help and advice are available from the Finance Team when placing an order.

## Budget holders

1. Headteacher
2. Deputy Headteacher
3. Head of Finance
4. Head of HR Strategy & Development
5. Cluster Leaders
6. Head of Operations
7. Exam's Officer
8. Specific Curriculum Leads

All requests for orders must be in writing. Finance Staff may not process any orders without the appropriate written authority for audit purposes. An email will suffice.

## FG5: Petty Cash

In exceptional circumstances (i.e. where either payment on account or by credit is not possible) petty cash may be used. All petty cash spend is subject to a limit of £70.

All petty cash spend is to be reviewed monthly by the Finance team and any exceptions e.g. misuse, reported to Head of HR and the Headteacher as appropriate.

It is the responsibility of Budget Holders to ensure they have receipts for all purchases and that receipts are submitted before any expense claims can be paid.

## Guidance

1. Petty cash will be processed weekly
2. An email will be sent by Finance when the payment is ready
3. Payment of a claim of £20 and over will be paid via cheque. Values under £20 will be settled in cash.
4. Petty cash required in advance for curriculum purposes (i.e. bus fares) is available up to the sum of £70 by prior arrangement with the Head of Finance subject to budget holder approval.

## FG6: School Lettings' Policy

### Introduction

Manor Green School welcomes the opportunity to share its facilities with the local community, and has the following spaces available for hire:

- Conference Room
- Large Hall
- 2 smaller Halls
- Specialist Spaces – Soft play room, ICT Room
- Hydrotherapy Pool
- School Grounds

Information about the Management, Administration and charges for Lettings may be found in the School's Lettings Policy on the School's website.

Enquiries about hiring any of these facilities should be sent by email to [facilities@manorgreenschool.co.uk](mailto:facilities@manorgreenschool.co.uk) or made by phone to 01628-513800.

## FG8: Accounts Payable

Finance Staff are responsible for

1. Paying suppliers directly through cheque payment issued via our bank account
2. Payment via credit card (restricted as per policy FG3 Credit Cards)

### Accounts Payable Controls

- a. Appropriate segregation of duties must be maintained. Finance Staff are to reconcile all invoices received to orders and delivery notes (where applicable)
  - b. Any mismatches are to be raised with the Budget Holder in the first instance
  - c. All invoices are to be signed and dated to confirm that they are ready for processing
2. Finance Staff are to enter the invoices into the accounting system
  3. A separate Finance team member is to check the validity of invoices with the appropriate budget holders and only then mark them ready for payment in the accounting system
  4. Finance Staff initiate the cheque run weekly which to pick up all authorised invoices in the accounts system for payment
  5. The cheque payment schedule will be forwarded to signatories for approval as per the delegation of authorities
  6. The schedule will require two signatories both of which should be outside of Finance Staff

### Cheque Signatories

The RBWM Banking Mandate defines all current signatories of which any two can sign. The mandate, last updated November 2017, defines the post holders below as signatories:

Job Role
Headteacher
Deputy Headteacher
Head of HR Strategy & Development
Head of Finance

**In line with RBWM requirements any amendments to this banking mandate require sign off from both the Chair of Governors, and the RBWM Director of Finance.**

## **FG9: Accounts Receivable**

### **Accounts Receivable Controls**

Finance staff raise uniquely numbered invoices for:

- a. School Lettings on a monthly basis in arrears
- b. Other local authority SEN top ups in Summer, Autumn and Spring Terms

The pupil lunches are managed by Finance staff and are recorded daily onto a system by classroom staff. The parents/carers access their child's account and pay directly online. This process is self-receipting.

Any arrears greater than one calendar month are to be reported to the Headteacher. Arrears are to be managed through an escalating process of standard letters. The school reserves the right to collect debt through external agencies or legal proceedings if appropriate.

Finance staff process donations directly into the accounting system from cheques received and from BACS payments direct into the school's bank account.

### **Credit Control**

Invoicing is to be carried out monthly unless otherwise agreed in writing with the Head of Finance. Invoices are to be issued on 30 days from the date of invoice basis.

Contact is to be made with the customer 30 days from the date of invoice if unpaid. Finance Staff are to work with customers to obtain prompt payment.

Arrears are to be managed through an escalating process of standard letters. The school reserves the right to collect debt through external agencies or legal proceedings if appropriate

## **FG10: Anti-fraud and Anti-corruption Policy**

The school follows the RBWM Anti-fraud and anti-corruption policy which can be found on the RBWM website.

## **FG11: Travel Policy**

Staff may claim reimbursement for reasonable travel expenses incurred wholly, necessarily and exclusively in the course of the school's business. These may arise from attending meetings, training or conferences.

### **1. Travel Expenses**

- a. Payment for mileage will be paid at the HMRC Approved Mileage Allowance Payments rate (currently 45p per mile for the first 10,000 miles). The rate is paid irrespective of the fuel type or capacity of the car.
- b. Staff are encouraged to car pool where possible.
- c. Mileage claims must have attached a VAT receipt for fuel used. The claimant is responsible for attaching the receipt and the line manager is responsible for checking the receipt is valid prior to payment.

- d. An appropriate receipt must:
  - i. Be dated before the date of the journey claimed for.
  - ii. Show the amount of fuel purchased in litres.
  - iii. Show the name of the fuel supplier and their VAT registration number.
  - iv. Account for at least 25% of the total amount of the mileage claim.
- e. If several low mileage claims are submitted, a single receipt showing fuel purchased to cover all the miles claimed is sufficient.
- f. If a member of staff starts/ends their journey at their home, and the distance travelled is less than the distance that would have been travelled had they started/ended at the school, the lesser distance will be paid.
- g. The date of, reason for, starting point and destination of the journey should all be shown on the Staff Expenses Claim Form.
- h. Claims submitted over a month after the expense incurred may not be paid.
- i. Parking or speeding fines will never be reimbursed.

## 2. Vehicle Insurance

- a. Insurance for business use is required. The school does not provide car insurance for staff using their own vehicles. Staff members are responsible for ensuring they are appropriately insured prior to travel.
- b. Staff must also ensure that the car is safe and legal to drive.

## 3. Use of Public Transport

- a. Tickets for the use of public transport for eligible journeys will be reimbursed upon receipt, provided the expenses are reasonable.
- b. Staff should use the most economical class of travel. This will generally be standard or economy class.
- c. The school will not pay for the travel of any accompanying person, unless their attendance is required as a representative of the school or the staff member requires assistance by means of reasonable adjustments.