



School Financial Management Policy and Code of Practice

Signed: March 2023
Next Review date: March 2024

SCHOOL FINANCIAL MANAGEMENT POLICY AND CODE OF PRACTICE

1. AIMS

- This code of practice brings together decisions made and systems established by the Governing Body of Greenvale School in line with the LA's Financial Regulations, the advice of the Audit Commission and the Borough Auditors.
- The aims of the Code of Practice are to ensure that the school has established procedures which enable the Governors, Headteacher and staff to
 - (a) support the school's Improvement plan by efficient use of resources and
 - (b) to ensure financial accountability and integrity.

2. FINANCIAL PLANNING

- The school's budget plan is central to the achievement of the school's educational objectives. These are contained in the School's Improvement Plan and will therefore be under constant review by the Governors Finance and Resource Committee and agreed annually to allow the school's budget plan to be prepared before the commencement of the financial year. A final budget plan will be agreed by the Governing Body when notification of the school's budget share has been received.
- Responsibilities devolved to the Finance and Resource Committee, the Headteacher and members of staff will enable the finance and resource committee to make decisions and manage the school's finances to achieve the overall aims and priorities established by the whole school as agreed by the Governing Body.
- By receiving regular reports from the Finance and Resource Committee, the Governing Body will be able to evaluate the extent to which financial decisions have promoted the prioritised educational objectives of the school and monitor the effective use of resources.

3. MONITORING

- Monitoring will help secure value for money and financial probity while ensuring expenditure stays within budget. It will be achieved by adherence to agreed financial systems and particularly those relating to purchasing.
- The Headteacher and School Business Manager will monitor expenditure to ensure accuracy especially in relation to payroll charges.
- The school's bank account will be reconciled monthly and will be reported to the LA with the VAT return.
- The monthly Payroll reports from the LA will provide the focus for monitoring, which will extend to all other relevant areas of the budget.
- The monthly report to the LA will provide the focus for a review of the school's spending against budget plan and spending profile.

- The Finance and Resource Committee will meet at least once a term to monitor and review the budget and take action as necessary. This process will enable the school to address potential overspend or under spend.

4. **FINANCIAL SYSTEMS**

Signatories to cheques will be from the Headteacher, Deputy Headteachers, School Business Manager

BACS Authorised personnel will be one inputter, one importer and one authoriser.

- The school will have its own individual bank account as part of the LA's umbrella arrangements with Nat West.
- The School Business Manager will ensure regular banking of monies.
- The school will also have its own independent bank account for school fund.

5. **Accounting System.**

- All financial transactions will be recorded in the appropriate manner on the RM Finance system and/or the school's manual accounting system. Note: The school will be transferring to Access the financial system support by the Finance department in Lewisham this aim to move over the next 18 months to fully paperless accounting system
- Monthly/quarterly/yearly reports to the LA will be completed by the Bursar.

6. **Purchasing**

- Orders may only be authorised by the Headteacher and the Deputy Headteachers.
- All orders will initially be raised by the Budget Holder using official pre-numbered requisition/official order forms. Note: this process will move away from paper orders to online purchase orders
- Where an order is made verbally/by telephone by a Budget Holder, an authorised written confirmation order should be sent within 24 hours. Note: to be replaced electronic order
- When placing an order value for money will be ensured by comparing prices/quality and obtaining discounts where possible. See table below.

EXPENDITURE	ACTION
£0-£10,000	No quotations
Over £10,001 - £25,000	Three written quotations
£25,001 - £50,000`	Four written quotations
£50,001 - £100,000	Tender and outside PFI remit
£100,000 +	Tender with LA approval

Where a quotation other than the lowest is accepted the reasons for doing this will be recorded in writing.

- Payment will be made by the, School Business Manager when the following checks/procedures have been carried out:
- Goods/services which were ordered have been received and are satisfactory in both quantity and quality.

Authorised Signatory List

Role	School Governors	Headteacher	Deputy Head	Budget Holders	School Business Manager/Senior Lead for HR & Premises
Cheque or Electronic Payment		√	√		√
Certifying Invoices for Payment		√	√		√
Requesting Orders for £5000 & above	√	√			
Requesting Orders up to £5000	√	√	√		
Orders Under £1000		√	√	√	√
Officially Raise the Order		√	√	√	√

- The price is as agreed at the time of ordering, correctly calculated and with appropriate discounts.
- Inventories have been updated where applicable.
- Appropriate VAT and taxation regulations have been applied.
- The invoice is an original VAT invoice addressed to the school, an agreed electronic invoice by the school/supplier (or a certified copy invoice) and **not** a photocopy or faxed invoice.
- Where goods and/or services are regularly purchased from individual contractors, there will be annual checks to ensure the school is receiving best value for money.

7. **STOCK CONTROL**

- The Facilities Manager will maintain stock books/electronic records listing all resources and equipment with a value of £1000.00 and above or items termed as desirable.
- New purchases will be recorded by the Facilities Manager on 'Every' the new electronic asset management system
- An annual stock check will be initiated by the Facilities Manager.
- Database available on read only for inspection.
- Authorisation will need to be given by the budget holder and Facilities Manager for the disposal of surplus stocks, furniture and equipment with a value of £500 or under.

8. **PETTY CASH/REIMBURSEMENT**

- Authorisation for any purchases should be received from the Headteacher and Deputy Headteachers.
- All claims for petty cash/reimbursement will be supported by an official petty cash/reimbursement voucher.
- No single reimbursement, unless authorised by the Headteacher, in excess of £30 will be permitted from petty cash account.

- The Headteacher will ensure that specific approval from the Chair of the Finance and Resource Committee or the Chair of Governors is given to sign reimbursement cheques over £250.
- Voucher/receipts/paid invoices for petty cash disbursements, showing VAT where appropriate, must be obtained.
- No one can authorise their own petty cash/reimbursement.

9. **SECURITY**

- School money and cheque books must be kept securely and do not leave the premises. Always stored in a locked drawer

10. **ROLES AND RESPONSIBILITIES.**

The Governing Body

- Has overall responsibility for financial planning and control to secure the most effective use of available resources;
- Will establish and monitor financial systems to support its financial responsibilities and ensure probity;
- Will pay due regard to the LA's financial regulations and provide reports which are requested by the LA to carry out its financial responsibilities;
- Will devolve responsibilities as described in this Code of Practice to the Finance & Resource Committee, the Headteacher, School Business Manager, the Senior Administrative Officer and Budget Holders but will -
- Will receive regular financial reports to enable it to ensure priorities are being addressed and to monitor the effective use of resources.
- Will ensure the accountability of staff.
- Will receive an outline budget plan from the Headteacher and Finance and Resource Committee and agree the school's budget plan, which will be set within the available resources, when the school's budget share has been received.
- Has designated the members of staff listed in Annex A as Budget Holders.
- Has designated the following people as signatories for the school's bank account; Head teacher, Deputy Headteachers, School Business Manager.
- Will regularly review security arrangements and receive reports on losses through theft and vandalism.
- Will receive regular financial reports indicating potential overspend and under spend.

- Will review and monitor the school's purchasing policy.
- Will seek financial advice from the LA when necessary.
- Will complete a Register of Business interests form annually.
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11. FINANCE AND RESOURCE COMMITTEE

The Finance and Resource Committee will scrutinise and where necessary approve financial expenditure to ensure the achievement of the school's management plan.

To this end it will

- Receive regular financial reports.

Scrutinise and agree the costing of staffing plans of the Human Resources Committee

- Supervise and agree the purchasing or tendering of any items of expenditure over £10,000 but less than £50,000, minuting where a quotation other than the lowest is accepted. Provided that the Committee may only spend £50,000 twice in any financial year following which approval must be sought from the governing body.
- Approve budget virements where necessary.
- Approve disposal of stock / equipment with a write off value of over £500
- Submit minutes and reports to at least once a term to the Governing Body.
- Monitor all financial systems.
- Respond in detail to audit reports.
- Will receive an outline budget plan from the Headteacher and agree the school's budget plan, which will be set within the available resources, when the school's budget share has been received.

12. THE HEADTEACHER

- Will advise the Governing Body on financial matters.
- Will prepare a budget plan and options which reflect the school development plan priorities.
- Will ensure the agreed financial procedures are followed on

- purchasing procedures
 - budget virement
 - budget reports to governors and LA
 - security of stock (including stock taking)
 - disposal of stock/write off
- Will be one of the signatories for the school's bank account.
 - Can approve budget virements up to 1% of the staffing budget and 5% of other budgets.
 - Can approve expenditure not in excess of £10,000.
 - Will sign the stock books when the annual stock check is carried out confirming acceptance.
 - Will only authorise payment of invoices if she has not authorised the PO.
 - Will authorise non order transactions e.g. card transactions and reimbursement vouchers.
 - Will be a GPC (purchasing card) holder.
 - Will sign the procurement card statement to confirm checked and accuracy.

The Deputy Head

- Will be a cheque signatory.
- Will be the authoriser ONLY for BACS transactions, agreeing/signing the payment pending report. Authorise the BACS transactions.
- Will be a budget holder
- Will complete a register of Business interests form annually.

13. SUPPORT STAFF

The Senior Lead for HR and Premises

- Will be a cheque signatory.
- Will be the authoriser ONLY for BACS transactions, agreeing/signing the payment pending report. Authorise the BACS transactions.
- Will be a budget holder
- Will complete a register of Business interests form annually.

The School Business Manager & Senior Administrative Officer

- Will be a cheque signatory.
- Will be the importer ONLY for BACS transactions, agreeing/signing the payment pending report. Create the BACS export file and export ready for authorisation. Send remittances by email to the payee.
- Will maintain all school accounting records retaining the current and the previous seven years' financial records.
- Will assist the Headteacher in preparing budget plan options.

- Will be a budget holder.
- Will ensure payments are made by cheques or petty cash.
 - by cheque when purchasing procedures have been completed.
 - by petty cash when claims up to £30 are made by Departmental budget holders.
 - Will ensure that cash held in the school safe does not exceed the amount covered by insurance.
- Will ensure regular banking of monies and ensure insurance limits are adhered to.
- Will authorise payment of invoices.
- Will authorise reimbursement vouchers.
- Will be a GPC (purchasing card) holder.
- Will complete a Register of Business interests form annually.
- Assist the Headteacher in preparing regular reports for the Finance Committee.
- Maintain the admissions register (the green book) which will be retained in perpetuity.
- Will be the treasurer of the School Fund account.

The Bursar will

- prepare relevant reports to the LA and regular reports for the Governing Body having completed a monthly bank reconciliation and VAT return.
- Will be the inputter ONLY for BACS transactions, inputting the invoices onto the finance system ready for the Business Manager or Senior Administrative Officer to import.
- prepare monthly/six monthly/yearly reports to the LA.
- The Bursar will reconcile the procurement card statements and sign.
- The Bursar will complete a Register of Business interests form annually.

The Facilities Manager will

- Authorise and dispose of stock / equipment with a write off value of under £100, together with the relevant Budget Holder, and report to the Headteacher on a termly basis.
- Ensure assets containing sensitive data are disposed of securely. All other assets will be disposed of complying with legal requirements and regulations.

- Stock/equipment that is written off will be deleted from the inventory.

14. BUDGET HOLDERS

- Sample signatures of all budget holders are held by the Schools Business Manager/Senior Administrative Officer
- Each budget holder will prepare an annual budget plan based on their improvement plan within their budget allocation.
- Each budget holder will monitor their spending against expenditure reports issued by the Bursar/ Schools Business Manager and using any accounting records that they may themselves maintain.
- Budget holders will submit to the School Business Manager a VAT receipt (or till receipt) to claim petty cash and will not exceed £30 on any petty cash purchase.
- Budget Holders must complete an official pre numbered order form, available from the Facilities Manager.
- Budget Holders must ensure that appropriate budget is available before requesting that an order be raised or invoice be paid by the School Business Manager
- Verbal orders made by Budget Holders should not occur but in an emergency must be confirmed by an authorised official written order within 24 hours.
- Budget Holders will ensure purchasing procedures are followed.
- All budget holders will complete a Register of Business interests form annually.
- For orders, the approval of the Headteacher or of a Deputy Headteacher will be sought. Where a quotation other than the lowest is accepted, it should be reported to the Finance & Resource Committee and duly noted in the minutes.
- The Facilities Manager will record the receipt of goods by highlighting the items and signing/initialling, having made certain that the order is complete, and informs the School Business Manager
- The Facilities Manager will enter inventory items ~~in the stock books as they are received~~ on the electronic assets data base
- Budget Holders will ensure goods are kept safely and marked with security labels as appropriate.
- When old stock over £500 is to be disposed of the agreement of the Headteacher /or Finance & Resource Committee will be obtained in writing.
- An annual stock check will be carried out by each budget holder and the Facilities Manager. The Headteacher will sign the stock books confirming acceptance of the annual check.

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Reviewed in committee on:

Approved by the Governing Body on:

Signed Chair of the Finance Committee:

Dated