



## **Foxton Primary School**

### **Finance Policy**

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Reviewed by:	Janet Muir, Elly Thomas and Lisa Murphy
Next Review date:	June 2023
Signed:	

# Foxton Primary School

## Finance Policy

This Finance Policy has been written to:

- a. Set out in writing the roles and responsibilities of the Governing Body, its committees, the Headteacher and other staff in relation to financial decision-making and administration. This allows the Governing Body to ensure adequate systems of financial control are in place and that it receives the information it needs to carry out the role. Defining the responsibilities ensures that all essential duties and all requisite controls are exercised without unnecessary duplication of effort.
- b. Set out the policies of the school in terms of the financial systems and procedures.

### 1. Governance

The Governing Body has a strategic role in the financial management in schools; alongside the Headteacher they have direct control over substantial amounts of funding delegated to them and make key decisions about the allocation of financial resources. The Governing Body will be responsible for determining the guiding principles and for ensuring the school meets all its statutory obligations and complies with the Schools Financial Regulations (SFR), Contract Regulations for Schools (CRS), and the Scheme for Financing Schools (SFS).

The aim of the Governing Body is to ensure that all resources made available to the school are used in an efficient and effective manner. The requirements of the Schools Financial Value Standard (SFVS) will be met, and the principles of best value will be considered at all times.

#### 1.1 Financial Organisational Structure

**Full Governing Body**



**Finance, Premises and Personnel Committee**



**Headteacher**

## 1.2 Governing Body

### *Role:*

The Governing Body are to carry out their functions with the aim of taking a largely strategic role in the running of the school.

Financial Responsibilities (as set out in the SFR (11<sup>th</sup> edition) section 3):

- 1.2.1 Ensuring the school meets all its statutory obligations and through the Headteacher complies with the SFS, SFR and CRS.
- 1.2.2 Ensuring that the allocation of resources promotes the aims and values of the school, as per the School Development Plan (SDP).
- 1.2.3 To safeguard the spending of public money from waste or misuse.
- 1.2.4 Comply with any statutory obligations or requirements of the Local Authority in the management of school finances.
- 1.2.5 Annually set a balanced budget and where this is not possible to apply to the Local Authority for a licenses deficit budget, including submitting a recovery plan. The Local Authority cannot write off a school deficit.
- 1.2.6 The Governing Body is responsible for the control of staff and the security, custody and control of all other resources including plant, buildings (except where they are the responsibility of the Head of Property), materials, cash and stores appertaining to the school.
- 1.2.7 The Governing Body is responsible for the overall finances of the school. Day to day financial and management responsibilities must be aligned so that Headteachers are responsible for the financial consequences of their decisions. Budgets must be assigned to one authorised budget holder only.
- 1.2.8 The Governing Body must report to parents annually on its stewardship of the school's finances.

Other Financial Responsibilities of the Governing Body

- 1.2.9 Set up a Business Committee to consider strategic financial issues on behalf of the Governing Body, including defining the terms of reference, the extent of its delegated authority and ensuring it receives minutes of the committee meetings. Its remit and membership should be reviewed annually.
- 1.2.10 Establish the financial limits of delegated authority to the Headteacher and/or other members of staff (including virements). The level of delegation of financial powers to the Headteacher must be reviewed annually and recorded in the minutes of the Governing Body.

- 1.2.11 Agree with the Headteacher the minimum frequency, level of detail and general format of financial reporting to the Governing Body.
- 1.2.12 Establish a register of Pecuniary Interests of Governors, the Headteacher and any other members of staff that influence financial decisions in accordance with the SFR, and ensure it is maintained up to date.
- 1.2.13 Adopt the whistleblowing policy detailed in the SFS.
- 1.2.14 To approve the school's annual budget.
- 1.2.15 To approve the school's Finance Policy each year.
- 1.2.16 To prepare, approve and submit the school's SFVS return and subsequently monitor the progress of any improvements actions.

### **1.3 Finance, Premises and Personnel Committee**

#### *Role:*

To undertake finance functions as set out in the terms of reference approved by the Governing Body.

#### *Responsibilities*

- 1.3.1 Draw up the budget for approval by the Governing Body, ensuring that the budget reflects the school's priorities and educational objectives outlined in the SDP, in consultation with the Headteacher.
- 1.3.2 To establish and maintain an up to date medium-term financial plan (3 year budget projection), in consultation with the Headteacher, that reflects the SDP. This will include forecasting the likely future pupil rolls and income levels.
- 1.3.3 To monitor budgeted income and expenditure, to ensure planned expenditure for the year does not exceed the available resources and report any significant variances to the Governing Body.
- 1.3.4 Formally approve in-year budget revisions to the annual budget set.
- 1.3.5 Consider the school's policy for balances in accordance with the SFVS, including regularly reviewing the level of the school balance and the spending plan for the balance.
- 1.3.6 Explore different expenditure options and assess expenditure bids.
- 1.3.7 Ensure that the school operates within the SFR and CRS and provide financial information as required to the Local Authority.

- 1.3.8 Evaluate the effectiveness of financial decisions and refer specific problems to the Governing Body/relevant committee.
- 1.3.9 To approve the spending decisions where there is a balance on the school's voluntary/private funds.
- 1.3.10 Review and respond to reports by Internal Audit on the effectiveness of the financial procedures and controls.
- 1.3.11 To approve the ordering of all goods and services, and the payment of all accounts in excess of the degree of financial delegation given to the Headteacher.
- 1.3.12 To annually review fee policy, including lettings charges, remissions and expenses policies.
- 1.3.13 To ensure that the school obtains value for money when purchasing goods and services from all suppliers including the Local Authority and outside contractors. This includes considering and approving the Local Authority traded services buy back decisions.
- 1.3.14 To make decisions on expenditure following recommendations from other committees. To ensure that the school's financial performance is compared at least annually to similar schools, reasons for differences examined and action taken where necessary (including local financial analysis pack and national benchmarking data).
- 1.3.15 Evaluate the soundness and effectiveness of the school's financial management systems against SFVS.
- 1.3.16 To ensure that accounts are properly finalised at year-end in accordance with the SFR and other statutory legislation.
- 1.3.17 To ensure that the financial procedures are documented and regularly reviewed. Consider and approve the authorised signatories.
- 1.3.18 Ensure financial records are maintained and that they provide sufficient explanations.

#### **1.4 Senior Leadership Team**

##### *Role:*

The Headteacher is responsible for the internal organisation, management and control of the school; and for advising and implementing the Governing Body's strategic framework. In particular the Headteacher will formulate aims and objectives, policies and targets for the Governing Body to consider adopting; and report to the Governing Body at least once every academic year. Where functions have been delegated to the Headteacher the Governing Body is able to give reasonable directions in relation to that function.

*Responsibilities:*

- 1.4.1 Leading and managing the creation of a strategic plan, underpinned by sound resource planning and which identifies priorities for targets for ensuring that pupils achieve high standards and make progress, increasing teachers' effectiveness and securing school improvement.
- 1.4.2 To prepare the annual budget, based on realistic estimates of expenditure and income, sufficiently in advance of the financial year for consideration and approval by the Governing Body, including assumptions underpinning the budget.
- 1.4.3 To submit the approved budget according to Local Authority requirements and timescales each year.
- 1.4.4 To prepare regular reconciled monitoring reports, showing expenditure (including known commitments) and income against the approved budget. The report will include reasons for any significant variances; identify action to be taken/recommendations and progress on actions identified.
- 1.4.5 To consider budget revisions required and present to the Business Committee for approval.
- 1.4.6 To submit any approved budget revisions to the Local Authority at least on a quarterly basis.
- 1.4.7 To ensure that the financial information provided to the Governing Body and Business Committee meets their requirements; are timely, accurate, understandable etc.
- 1.4.8 To report to the Governing Body and Finance, Premises and Personnel Committee any policy changes where the budget will be significantly affected.
- 1.4.9 Identifying, evaluating and managing all significant operational risks to the school in accordance with the Local Authority's risk management policy.
- 1.4.10 Ensuring that the relevant Local Authority regulations or DfE requirements are implemented.
- 1.4.11 Establishing sound internal financial controls, which are managed on a daily basis by the Headteacher and Finance Manager.
- 1.4.12 Ensuring effective implementation of the financial systems and procedures described in the Internal Financial Procedures document (Annex 1) (even in the absence of staff), and that they are followed.
- 1.4.13 To ensure that arrangements are in place to monitor the effectiveness of internal/financial controls.
- 1.4.14 Checking that the funds delegated are correct.

1.4.15 To ensure that all expenditure from sources of earmarked funding is accounted for separately and that funding is used for its intended purpose.

## 1.5 Finance Manager

### *Responsibilities*

1.5.1 To assist the Headteacher to prepare the annual budget based on realistic estimates of expenditure and income, including assumptions underpinning the budget.

1.5.2 Maintain appropriate working papers.

1.5.3 To assist the Headteacher in preparing regular reconciled monitoring reports, showing expenditure (including known commitments) and income against the approved budget. The report will include reasons for any significant variances; identify action to be taken/recommendations and progress on actions identified.

1.5.4 To provide monthly budget monitoring information to the Headteacher and cost centre budget holders.

1.5.5 To ensure that there are sound internal financial controls for the reliability and accuracy of the school's financial transactions.

1.5.6 To ensure that there are written descriptions of financial systems and procedures which are kept up to date and all appropriate members of staff are trained in their use.

1.5.7 To provide financial information.

1.5.8 To generate and monitor income for the school.

1.5.9 To monitor expenditure charged to the school and correct any errors.

1.5.10 To submit the required Finance reports to the Local Authority on a quarterly basis.

## 1.6 Delegated Limits (Authorised Spends)

<b>Item</b>	<b>Finance, Premises and Personnel Committee</b>	<b>Headteacher</b>
Procurement – Ordering and Payment of Goods and Services	Above £5,000	Less than £5,000
Virements between budget heads	Above £5,000	Less than £5,000

## 1.7 Authorised Finance Functions

The following members of staff are authorised for the finance functions listed, this will be annually reviewed by the Finance, Premises and Personnel Committee:

Name	Job Title	Function
J Muir	Headteacher	Authorising orders
J Muir S Atkinson	Headteacher Senior teacher	Authorising Invoices/credit notes
J Muir S Atkinson E Thomas	Headteacher Senior teacher Finance Manager	Cheque Signatories (2 Signatories are required)
J Muir S Atkinson	Headteacher Senior Teacher	Authorising School Bank Account, BACs payments
J Muir S Atkinson	Headteacher Senior Teacher	Authorising Pay Sheets/Overtime
J Muir S Atkinson	Headteacher Senior Teacher	Authorising Travel Claims
J Muir S Atkinson	Headteacher Senior Teacher	Authorising Insurance Claims

## 1.8 Procedures

All documentation for accounts and finances will be kept in accordance with the SFR, SFS and CRS. An Internal Financial Procedure document has been prepared for all financial systems and is regularly reviewed in accordance with the SFR. It is available to staff and stored with the Finance Manager and on the School's shared office system and as annex to this Policy document (Annex 1).

## 1.9 Minutes

Minutes are taken at all Governing Body and Committee meetings, duly circulated and agreed. The minutes are accurate and include all the necessary information; clearly documenting issues discussed, items agreed and action to be taken.



Committee minutes are presented to the next Governing Body meeting, where they will be agreed as a true record and provide an update to the full Governing Body.

## **2. Financial Planning**

- 2.1. The school has an SDP, which includes a statement of its educational goals to guide the planning process. The SDP covers the school's educational priorities and the budget plans for at least three years, showing how the use of resources is linked to the achievement of the school's goals.
- 2.2. A draft medium-term budget (budget projection) is prepared by the Headteacher and Leadership Team for approval by the Finance, Premises and Personnel Committee in the spring term. The medium-term financial plan covers the current year and next three financial years and is reviewed each term. The plan reflects all the growth and development issues included in the SDP and demonstrates that the SDP is sustainable, in financial terms.
- 2.3. A draft budget is prepared by the Headteacher and Leadership Team and presented to the Finance, Premises and Personnel Committee in the spring term. The annual budget is based on building up budgets from a zero budget. The assumptions and calculations to produce the annual budget are clearly documented and retained in the relevant file. The budget is based on realistic estimates of all expected expenditure and income, including grant income and school fund contributions, so that planned expenditure does not exceed the available budget and takes account of all relevant conditions laid down in the SFR.
- 2.4. The final budget is approved by the Governing Body in April/May. The Headteacher/Finance Manager then forwards the budget, including assumptions underpinning the budget and estimated balances brought forward to the Local Authority, in the approved format and within the required timetable. The Headteacher and Chair of Governors authorise the budget by submitting a signed form with the budget plan.
- 2.5. The budget is analysed over cost centres to ensure effective financial control.
- 2.6. A budget is regularly reviewed (including a thorough review in the autumn term and the completion of the Forecast Outturn as required by the Local Authority) by the Headteacher and changes proposed presented to the Finance, Premises and Personnel Committee. Any revisions to the budget are approved by the Finance, Premises and Personnel Committee, entered onto the school's FMS system and submitted to the Local Authority as required.
- 2.7. To aid in-year budget monitoring the annual budget is profiled over the year, estimating the amount of income/expenditure that will fall in each month. The budget is monitored using the percentage-spent reports and therefore the budget is profiled into equal twelfths.

- 2.8 Expenditure is only incurred where there is budget allocated.
- 2.9 If the school is intending to set a deficit budget this will be agreed by the Local Authority and in accordance with the SFR.
- 2.10 Any budget surpluses are earmarked for specific future needs to ensure that pupils benefit from the planned approach to spending that does not deprive them of resources in a given year.

### **3. Best Value**

The Governing Body has regard to the principles of best value, as outlined in the SFR, when making decisions about how the available resources to the school are to be utilised.

### **4. V.A.T. requirements**

- 4.1 The guidelines on the accounting of V.A.T., as detailed in the SFR, are followed for all income and expenditure.
- 4.2 V.A.T. is only reclaimed on tax invoices for supplies direct to the school for which the school retains ownership.
- 4.3 V.A.T. is only reclaimed where a properly constituted V.A.T. invoice is received, in accordance the SFR.
- 4.4 All finance and administrative staff are made aware of the requirements for V.A.T.

### **5. Schools Financial Value Standard (SFVS)**

The SFVS will be carried out annually by the Headteacher, Finance Manager and one Governor and approved by the Finance, Premises and Personnel Committee and the Full Governing Body during the spring term, and submitted to the Local Authority by the deadline.

### **6. Debt Management**

The school follows the debt management guidelines as stated in section 10 of the SFR.

## **7. Income**

- 7.1 It is the budget holder's responsibility to ensure that procedures for the collection or invoicing of income due adhere to the SFR such that:
  - 7.1.1 All income due is identified and accounted for properly;
  - 7.1.2 Invoices for income due (or credit notes) are raised as soon as the chargeable goods or services are provided;
  - 7.2.3 All monies received are brought into account promptly, correctly, accurately and completely;
  - 7.2.4 All income is held securely, banked properly and intact;
  - 7.2.5 VAT is accounted for correctly.

## **8. Cash Security**

- 8.1 All persons involved in cash handling have a duty to ensure that practice and procedures properly safeguard cash holdings in their possession, but not at risk to their own person.
- 8.2 The Headteacher must ensure that written procedures exist covering the aspects of cash security as outlined in the SFR (Section 17).
- 8.3 The Headteacher must also ensure banking arrangements minimise monies held as outlined in the SFR (Section 17).

## **9. Insurance**

- 9.1 Insurance cover is at least as good as the minimum cover arranged by the Local Authority and that the sums insured are commensurate with the risk.
- 9.2 The adequacy of insurances is reviewed every year to ensure that an appropriate level of cover is maintained.
- 9.3 All employees of the school are included in suitable fidelity guarantee insurance.
- 9.4 The Officer Manager notifies the insurers or the Local Authority of all new risks, property, equipment and vehicles that require insurance, or of any other alteration affecting insurance.
- 9.5 The Officer Manager immediately informs the insurers or the Local Authority of all accidents, losses and other incidents that may give rise to an insurance claim within twenty four hours of the occurrence.

## **10. Payroll**

- 10.1 The school's payroll provider (EPM) is responsible for making payment of all salaries, wages, gratuities, compensation and other emoluments to all current and former employees of the school.
- 10.2 It is the Headteacher's (or other delegated person's) responsibility to ensure that:
  - 10.2.1 Payments are correct, authorised and accounted for properly;
  - 10.2.2 Payments are made only to bona-fide employees of the school and to valid beneficiaries of the pension and compensation schemes;
  - 10.2.3 Allowances and deductions are authorised, correct and are properly accounted for and the persons in receipt of allowances are eligible for them;
  - 10.2.4 Payments are lawful;
  - 10.2.5 Payments are within budget.
- 10.2 The Headteacher must ensure that the appointment of all employees is in accordance with the policies of the Governing Body at the approved grade and rates of pay.
- 10.3 No person may authorise any notification to the payroll provider concerning amendments to his/her own pay.
- 10.4 The school's payroll provider must be notified as soon as possible of all matters affecting payroll payments.
- 10.5 All documents sent to the school's payroll provider must identify clearly to whom they relate.

## **11. School Assets - Inventory**

- 11.1 The regulation of assets applied to all those (owned or leased) which cost more than £500 and to all portable and attractive items owned by the Local Authority or the school.
- 11.2 The Headteacher is responsible for ensuring all security and records pertaining to assets are maintained in line with the SFR (see also Appendix 1, Internal Financial Procedures).

## **12. Security of Assets**

- 12.1 Proper security is maintained at all times for all buildings, stocks, stores, furniture, plant, vehicles, equipment, cash, etc. in accordance with the SFR.
- 12.2 Keys to safes and similar receptacles are stored securely on the premises. The loss of such keys will be reported to the Office Manager.

## **13. Data Security**

- 13.1 Ensuring the integrity, availability and confidentiality of data is an important matter and is subject to a number of legal acts (e.g. Computer Misuse Act 1990, Data Protection Act 2018, General Data Protection Regulation 2018, Copyright Designs and Patent Act 1988). The school therefore adheres to the Local Authority's Information Systems Security Policy.
- 13.2 The Headteacher and Governing Body are responsible for making arrangements to ensure the school is compliant with the Local Authority's Information Security Policy.
- 13.3 Computer systems used for financial management are protected by password security to ensure that only authorised members of staff have access. Passwords are changed on a termly basis.
- 13.4 Passwords are cancelled or changed when a member of staff leaves.
- 13.5 The school will ensure that data is backed up on a regular basis, and that back up devices are clearly labelled and kept in a fireproof cupboard. All financial data are centrally hosted within Cambridgeshire County Council.
- 13.6 Back up devices are not kept near the server in case of fire.
- 13.7 The school will establish a recovery plan to ensure continuity of financial administration in case of emergency.
- 13.8 To protect against viruses only authorised software is used and anti-virus software is up to date.
- 13.9 All software used is correctly licensed and all copyright laws observed.
- 13.10 Computer facilities are only used for authorised purposes.

## **14. Fraud and Corruption**

- 14.1 The school follows the Local Authority's Anti Fraud and Corruption Policy.

## **Annex 1**

### **Foxton Primary School Internal Financial Procedures**

#### **INTRODUCTION**

The school has adopted the Cambridgeshire County Council's SFS which includes contract (Annex 5) and financial regulations (Annex 4) and all staff with financial responsibilities must abide by them when making financial decisions. Copies of the scheme are kept in the Governing Body file and electronically on the school's office share system.

#### **SECTION 1**

##### **System Security**

1. The school operates a Bromcom computerised Finance system, approved by Cambridgeshire County Council.
2. It is the responsibility of the Headteacher to ensure the confidentiality and security of the system and that a regular and secure backup of the financial system is in place (see point 3 below).
3. The school's office files, pupil data and financial data are held centrally within the school computer system and are automatically backed up daily.
4. The Bromcom Finance module has access limited to the following users:
  - Elly Thomas (Finance Manager)
  - Janet Muir (Headteacher)
  - Donna McDonald (Procurement Officer)
  - The Bromcom helpdesk/development team
5. It is the responsibility of the Headteacher to ensure that each user has a separate user login and password.
6. It is the user's responsibility to ensure that:
  - no other person knows their password
  - the password is at least eight characters with mixed alpha and numeric characters
  - the password is changed termly

## SECTION 2

### **Expenditure on Goods and Services**

1. Purchases of goods and services require an order form to be completed so that the Headteacher can authorise and monitor all spending, and so a commitment of spend within each budget can be made where possible on the system. The Headteacher must sign all order forms and authorise Purchase Orders on the Bromcom system.
2. An order form must also be completed and authorisation sought from the Headteacher before oral (telephone) orders and orders made over the internet are made. Again, the Headteacher must sign and authorise all order forms prior to any purchase.
3. Purchases may only be made for school purposes. Staff and any other organisations are not permitted to use school orders for non-school purchases.
4. When raising an ~~order~~order, the Headteacher is responsible for ensuring that the order:
  - is completed correctly;
  - complies with SFR, CRS and EU directives;
  - quotations or tenders have been obtained if necessary;
  - is appropriate for school purposes;
  - offers the most favourable terms for price delivery and quality for the school
  - can be covered by the appropriate budget – this is routinely checked by the Procurement and Finance Manager.
5. The Headteacher must authorise the order.
6. The school's Procurement Officer (or the Finance Manager, when appropriate) will:
  - enter the authorised order onto Bromcom;
  - email or order to supplier or enter purchase order number at checkout online.
7. On receipt of the goods ordered, to ensure separation of duties, the Procurement Officer will:
  - check that the goods delivered agree with the delivery note and that the goods received agree with the original order from the order file;
  - sign and date the delivery note to acknowledge receipt of goods;
  - pass the delivery note to the Finance Manager;
  - distribute goods.
8. On receipt of the invoice the Finance Manager will scan and save a copy in files and add to Bromcom for Headteacher to authorise it
9. The Finance Manager will attach relevant documentation (~~i.e.~~i.e. delivery note) for an order to each invoice before the Headteacher authorises, so it can be checked if needed.

10. When certifying the invoice for payment it is the Finance Manager's responsibility to ensure that payment is only made where goods or services have been received or carried out. (Note: in certain limited circumstances e.g. payment of course fees, payment may be required in advance. In these circumstances, if unavoidable, payment may be made provided proper procedures are introduced that ensure that the goods/services paid for are received and are of sufficient quality and if not a refund obtained). On receipt of the invoice the Finance Manager will:
  - check the delivery note to ensure goods invoiced have been received and ensure items have not been previously passed for payment;
  - check off invoice against copy order for correctness of price and quantity
  - attach relevant documents to invoice where appropriate;
  - check that prices, discounts and other allowances are correct, and that all calculations on the invoice (including VAT) are arithmetically correct;
  - liaise with the Procurement Officer regarding any errors or queries, and arrange for him/her to contact the supplier for a revised invoice or credit note;
  - scan invoice and save to files;
  - Headteacher to authorise on Bromcom;
  - enter invoice onto Bromcom finance system;
  - pay invoice via BACS or cheque via the Bromcom finance system and then the Natwest Bankline;
  - go through BACs payments and cheque run with Headteacher or equivalent while they authorise the BACs payments.
  
11. Authorised cheque signatories for the school bank account are:
  - Elly Thomas
  - Janet Muir
  - Stephen Atkinson
  
12. Authorised card holders for Natwest Bankline are:
  - Elly Thomas
  - Janet Muir
  - Stephen Atkinson
  
13. The Headteacher or other authorising signatory will:
  - check that the invoice has been authorised and that the amount agrees with the BACS amount;
  - if confident that paperwork is in order, authorise the BACS payment on Natwest Bankline;
  
14. The Finance Manager will then:
  - file the invoice marked as paid in the Invoices File – A to Z by Supplier .



## SECTION 3

### Payroll

1. The school's payroll provider, EPM, is responsible for making payment of all salaries, wages, gratuities, compensation and other emoluments to all current and former employees of the school.
2. The Headteacher must ensure that the appointment of all employees is in accordance with the policies of the Governing Body, at the approved grades and rates of pay.
3. The rules for determining whether an individual is treated as an employee or as self-employed for tax purposes are complex, and there are severe penalties for failing to deduct tax where it is due. Budget Holders should refer to the detailed guidance available in the HR Policies and Procedures Manual (Part D: Contracts of Employment). EPM can advise in cases of doubt.
4. No person may authorise any notification to EPM concerning amendments to his/her own pay.
5. It is the duty of the Finance Manager to keep the Headteacher informed of payroll budget balances and any payments that will take the budget into overspend.
6. It is the duty of the Officer Manager and Finance Manager to ensure that all documents sent to the school's payroll provider should identify clearly to whom they relate.
7. It is the Finance Manager's responsibility to ensure that:
  - payments are correct, authorised and accounted for properly;
  - payments are made only to bona-fide employees of the school and to valid beneficiaries of the Pension and Compensation Schemes;
  - allowances and deductions are authorised, correct and are properly accounted for and the persons in receipt of allowances are eligible for them;
  - payments are lawful (i.e. within the powers of the County Council);
  - payments are within budget.
8. EPM will e-mail monthly payroll costing reports to the school. On receipt of the report the Finance ~~Mnager~~Manger will:
  - check payments are made only to bona-fide employees of the school;
  - check employee FTE is correct;
  - check employee scale and point on scale point is correct;
  - check supply teacher payments agree with supply teacher timesheets;
  - make sure any allowances are correct and that the employee is eligible to receive them e.g. honorarium payments;

- make sure any overtime or expenses are authorised and agree with the authorised form submitted to the Headteacher and input on the EPM Portal;
- must file, either in the EPM File or electronically, copies of all overtime and expenses forms submitted;
- make sure any amendments have been authorised by the Headteacher, or if relating to the Headteacher have been authorised by the Chair of Governors/Senior Teacher;
- query any anomalies with EPM and ask for revised reports if necessary;
- when satisfied the report is correct, review with the Headteacher and obtain the Headteacher's signature and ask them to authorise the payroll on the EPM portal;
- journal the payroll payments to relevant cost centres and ledger codes on the school's financial system and ensure that the payroll control is reconciled at month end.

#### 9. Staff Absence

- It is the responsibility of all staff to inform the Headteacher by 8am of any absences.
- It is the responsibility of the Headteacher to inform the Administration Manager of any such staff absences.
- It is the responsibility of the Administration Manager to record all staff absences on the school staff absence spreadsheet indicating the date and type of absence as well as recording them on the EPM portal. Absences are also recorded in the Bromcom MIS system.
- The Headteacher will inform staff members of the number of days they have taken as absence other than personal absence.
- The Administration Manager, with the Headteacher's authorisation, will inform staff of any unpaid absence.

#### 10. Staff Expenses

- It is the Headteacher's responsibility to ensure that EPM is provided with details of all benefits in kind provided or expenses reimbursed to its employees to ensure that income tax and national insurance contributions are collected on all qualifying expenditure.
- Staff travel and expense claim forms are kept in the Personnel documents file in the office cupboard and it is the responsibility of staff to claim for any travel expenses they may incur on school business. Mileage is paid at the rate of 40p per mile.
- Before incurring any ~~expenses~~expenses, staff must obtain the Headteacher's authorisation.
- Once the expense has been incurred the completed claim form must be submitted to the Headteacher for authorisation, who will also check that the claim is correct and in accordance with the requirements of the school. The authorised form must then be given to the Finance Manager.
- On receipt of the claim form the Finance Manager will check:
  - a) that the form has been authorised by the Headteacher;

- b) that the event claimed for has been attended by the claimant;
- c) add the expense claim onto the EPM portal and file the authorised claim form in the EPM file.

11. Payroll Amendments

- It is the Office Manager's responsibility to inform EPM of any matters affecting payroll payments such as appointments, dismissals, resignations, contract amendments, honorarium payments, retirement or any other change of circumstances affecting remuneration.
- It is the responsibility of the Office Manager to ensure that EPM is notified of all information concerning the above matters to ensure that the correct deductions are made for pensions contributions, Income Tax, National Insurance, sickness and maternity pay, and other miscellaneous deductions. These changes must be authorised by the Headteacher before EPM is informed.
- In the case of amendments to the Office Manager's pay or contract it is the responsibility of the Headteacher to inform EPM.
- In the case of amendments to the Headteacher's pay or contract it is the responsibility of the Chair of Governors to inform EPM.

12. Data Protection

- It is the responsibility of the Headteacher, Office Manager and Finance Manager to ensure that the school's data protection policy is adhered to in all payroll matters.

## **SECTION 4**

### **Staff reimbursement**

1. The school operates one system for reimbursing staff for payments made on behalf of the school. Receipts are processed through Bromcom and payment is made via BACS.
2. It is the Finance Manager's duty to ensure that payment of salaries or wages to staff, travel expense claims or payments which could be considered as such by the Inland Revenue, e.g. honoraria, are not paid through the sundry invoice system and that all such claims are processed through the school's payroll provider, EPM.
3. Staff should only use their own money to purchase goods for school if there is no alternative, e.g. purchase of cooking ingredients and consumables for class lessons. It is the duty of the member of staff to obtain a VAT receipt for all goods purchased with the VAT amount clearly identifiable. Where it is not possible to obtain a VAT receipt another form of receipt must be obtained as proof of purchase.
4. Before purchasing goods for school using personal money, staff must first obtain permission from the Headteacher. This is done using a purchase order form which is

available in the main office. This form requires a signature from the Headteacher and from the staff member and is filed by the Finance Manager. It is the Headteacher's duty to ascertain that there is no other method to purchase the goods through the school's ordering system and that the budget has sufficient funds to cover the expense.

5. BACS Payments to Staff Members:

Receipts are passed to the Finance Manager who checks that expenditure has been authorised by the Headteacher and that the receipt(s) attached agree with the receipt submitted, that any VAT is clearly identified and that the receipt is arithmetically correct. The Finance Manager then processes the claim as a sundry invoice through Bromcom, ensuring when possible that any VAT is identified. Individual members of staff are listed as sundry suppliers within Bromcom and the procedure is the same as for payments made in Section 2 above.

## SECTION 5

### **Income**

1. To ensure adequate separation of duties within the cash collection and banking process the following activities, as far as is possible, will be carried out by:
  - collecting or receiving money - Office Manager
  - recording and banking receipts - Finance Manager
  - reviewing and reconciling receipts to cash banked – Finance Manager
  - authorisation of debt write offs - Headteacher
2. It is the Finance Manager's responsibility to ensure that procedures for the collection or invoicing of income due are operating and that the procedures are carried out such that:
  - all income due is identified and accounted for properly;
  - invoices for income due (or credit notes) are raised as soon as the chargeable goods or services are provided;
  - all monies received are brought into account promptly, correctly, accurately and completely;
  - all income collected is banked and intact;
  - VAT is accounted for correctly.
3. It is the Office Manager's responsibility to ensure that all Income received to the school office is held securely and recorded in the My Child at School payment system where appropriate.
4. It is the responsibility of the Finance Manager to record all school budget income received in the appropriate manner and to ensure it is entered onto the school's financial system.

5. It is the responsibility of the Office Manager to process and maintain the My Child at School payments (which includes class trips, breakfast club and school meals) system and make sure all pupil accounts are checked regularly and chase any arrears.
6. The Office Manager initially handles all cash/cheques that come ~~in to~~ into the school for banking and makes sure the monies are stored in separate files according to their budget (i.e. school meal money, breakfast club money).
7. It is the responsibility of the Finance Manager to prepare income for banking. Income to be banked must be entered onto a banking record form (held electronically on Office Share system at school). Cash and cheques recorded on the banking record form must agree with the bank paying in slip.
8. It is the duty of the Finance Manager and Office Manager to ensure that monies banked agree with income collected and carry out regular reconciliations of amounts collected to cash banked as recorded on copy paying-in slips.
9. For cash and staff security it is the duty of the Finance Manager to ensure that banking is carried out in order that no set pattern may be recognised.
10. Where there is a large amount of cash to be banked, there must be two members of staff taking the cash to the bank (usually the Finance Manager and the Office Manager).

## **SECTION 6**

### **Assets and Inventory**

1. It is the duty of the Office Manager to enter all individual items of value exceeding £500 or items of lesser value if they are considered portable and desirable onto the school's inventory data base. Furniture need not be included unless it is considered unique or particularly valuable. Serial numbers of equipment must be noted as this information may be very useful to the police if items are stolen.
2. It is the responsibility of the Headteacher to ensure that the register is kept up to date and to update the Office Manager of any loans or write-offs. The Headteacher must sign the inventory book to authorise write-offs, transfers and sales.
3. It is the responsibility of the Headteacher to ensure that inventories are checked annually. The existence of items loaned out, and those held on loan should also be checked. It is the duty of the Office Manager to carry out the annual check.
4. A print out of the completed inventory must be signed by the Headteacher.

5. Surplus, obsolete or unserviceable equipment must first be offered to other establishments or departments. If it is not required by other parts of the Local Authority, it should be sold at the best price available, in accordance with the CRS. The agreed price must be paid before removal of the item.
6. Where computers are to be disposed of, IT advice must be sought in view of the implications for software licenses and data security. This is currently the responsibility of the Senior Teacher.
7. It is the duty of the Headteacher to keep a copy of the computerised inventory off-site.

## **SECTION 7**

### **Purchase Cards**

1. School purchase cards are held by the Headteacher and the Senior Teacher.
2. When purchases are made with the purchase card, the Headteacher or Senior Teacher must follow the procedures for ordering in Section 2 and the procedures set out in the Purchasing Card Procedures manual which is filed with the Finance Scheme.
3. It is the responsibility of the Finance Manager to keep records of purchasing card transactions. It is the duty of the Finance Manager to ensure that all purchase card expenditure is recorded onto the Bromcom Finance system.

## **SECTION 8**

### **Budget Monitoring**

1. Local Authority Reporting
  - It is the responsibility of the Headteacher to ensure that the Budget setting timetable and Year End timetables (including CFR reporting) set by the Local Authority are met by the school. This includes arranging for Governor Budget set meetings to be arranged in order that the budget may be approved. It is the duty of the Finance Manager to ensure that the necessary reports are produced in a timely fashion to meet the Local Authority timetables.
  - It is the responsibility of the Headteacher to ensure that Budget monitoring and reporting are carried out in a timely fashion to meet the timetables outlined in the current Cambridgeshire County Council Corporate Requirements for Bank Account Schools.
  - The school is required to create monthly reports in Orovia software which is accessed by the Schools Corporate Team.

- The reports are produced direct from the Bromcom Financial System and the Orovia Software.
- It is the duty of the Finance Manager to ensure that these reports are created monthly.
- The Finance Manager must produce the reports on a monthly basis, usually within 10 working days of the previous month's end. The Finance Manager will send the month end report to the Headteacher and Chair of Business Committee monthly, to monitor monthly performance against the budget.
- It is the responsibility of the Headteacher to carry out checks to ensure that the reports are reconciled with the latest bank statement, and to sign the quarterly VAT submittal form.

## 2. Governor Reporting

- It is the responsibility of the Headteacher to ensure that reports for Governor Business Committee meetings and to the Full Governing Body for Budget Approval are sent to Governors at least one week before the date of the meeting. The ~~Finance~~ Finance, Premises and Personnel Committee meets once per half term to monitor the budget and as necessary to approve the budget for the next financial year.
- It is the duty of the Finance Manager to ensure that the reports are produced in a timely fashion to send to Governors. It is also the duty of the Finance Manager and Headteacher to ensure that the reports are clear and easy to understand.

## 3. Budget adjustments

- Virement forms are used to do budget adjustments and these must be signed by the Governing Body before any adjustments are made.