



*Produced by: Education Financial Services*

**FINANCE  
POLICY AND  
PROCEDURES  
FOR  
LYDEARD ST.  
LAWRENCE  
SCHOOL**

**ACADEMIC YEAR 2009/10**

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# FINANCE POLICY FOR SCHOOLS

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## **SECTION 1- ORGANISATION AND ACCOUNTABILITY**

### **Objective**

To ensure that the finances available to the School are utilised effectively in ensuring the best possible resources and environment in which children can learn and develop to their full potential.

The following section outlines the responsibilities of:

- |    |                                    |
|----|------------------------------------|
| .1 | The Corporate Director - Finance   |
| .2 | The Corporate Director - Education |
| .3 | The Governing Body                 |
| .4 | The Finance Committee              |
| .5 | The Headteacher                    |
| .6 | The Deputy Head                    |
| .7 | The Finance Officer                |

#### **.1 Responsibilities of the Corporate Director - Finance**

- Proper administration of the County Council's financial affairs.
- Preparing and publishing the County Council's financial accounts.
- Providing adequate and effective internal audits of maintained schools in Somerset.
- Approving the format and content of all financial returns and procedures.
- Regularly providing schools with information relating to all of the school's transactions that have been processed by central financial systems.
- Giving authority to open/vary/close a bank account in the name of the school except for unofficial funds.
- Has the right of access to any relevant information or data relating to a school's delegated budget, including information held within the school, and the right to attend any relevant meeting of a Governing Body and to speak on financial issues.

#### **1.2 Responsibilities of the Corporate Director - Education**

- Ensuring Governing Bodies have available adequate advice, information and support to enable them to fulfil their responsibilities.
- Submitting an annual budget for the forward year to the Schools' Board each year. This must then be approved by the County Council.
- Following approval the relevant distribution formula is applied to the Individual School's Budget (ISB). Details will then be provided to each school no later than 15 March of its delegated budget share.
- Publishing information required by the School Standards and Framework Act 1998 ("the 1998 Act").
- Has the right of access to any relevant information or data relating to a school's delegated budget in order to fulfil his responsibilities.

- By 31 May will confirm with each maintained school the level of its accumulated surplus/deficit at the previous 31 March.
- Reporting on the state of the Annual School Budget and outturn (carry forwards) for each year to relevant Education Committees.
- In conjunction with the Corporate Director - Finance, may carry out a formal investigation on a school with an accumulated deficit or surplus of 10% or more.
- May suspend the Governing Body's right to a delegated budget if a school has failed to respond to warnings/advice from the Authority, has persistently failed to comply with the Financial Management Scheme or is not managing the budget satisfactorily.

### 1.3 **Responsibilities of the Governing Body**

- Responsible for well being and control of staff (Whole School Pay Policy).
  - Responsible for security, custody and control of resources of school (plant, buildings, materials, cash, stocks).
  - Must comply with responsibility in relation to Health and Safety.
  - May incur expenditure up to the total of the delegated budget share of the school after allowing for the carry forward.
  - If no notification given, can spend up to 40% of its delegated budget share for the preceding year until its current year figures are available.
  - Ensuring that adequate financial procedures and controls exist to minimise the risk of loss, wastage or misappropriation and also to satisfy official requirements relating to VAT, income tax, NI, CIT, etc.
  - Governors may delegate any of these powers to a Committee or to the Head.
  - Governors have the power to limit the delegated powers of the Head if it is considered to be necessary.
- (Prior consultation with the Corporate Director - Education is strongly recommended if such action is considered).
- Register of Business interests are reviewed annually to ensure it is up to date. A Governor must withdraw from meetings where he or she has a financial interest in any matter under consideration.
  - By 30 June Governors must formally approve the school's budget plan, taking into account such things as current spending, priorities in SIP, future commitments, pupil numbers etc.
  - Notifying details of the budget plan in the required format to Schools Finance Team with the assumptions underpinning it.
  - Submitting an annual statement with the budget which reflects the principles of Best Value.
  - Approving at least three signatories to cover for absence. A Governor can only sign as a second signatory.
  - Reporting to the LEA where surplus balances exceed 10% of the school's budget share giving details of how the balances will be used.

- Ensuring that an up-to-date inventory is maintained for items with a replacement cost of £100 or more and an expected life of at least one year. Ensuring that the inventory is checked against the items at least annually. Discrepancies are reported to Governors to investigate. Keeping a record of write-offs.
- Nominating an independent person to audit the unofficial fund at least once per year. (See Section 12.3.2)
- Leasing agreements may only be entered into after consulting the Corporate Director - Finance.
- Money may only be borrowed with written permission of the Secretary of State. This does not apply to Trustees and Foundations.
- Approving the write-off of debts.

#### 1.4 **Responsibilities of the Business Committee**

The Governing Body has delegated to the Business Committee the following responsibilities:

- The drafting and recommendation to the Governing Body of the annual budget.
- The monitoring of the budget, expenditure and income.
- Ensuring expenditure does not exceed the available budget.
- Authorising in advance virements exceeding £1,000. –Virements to be a standing item on each Business Committee agenda with minutes accurately reflecting discussion that took place.
- Authorising expenditure not covered by the heading in the original agreed budget, or a change in policy.
- Delivering a full financial report to the Governing Body twice yearly - in the Autumn and Spring terms.
- Delivering a brief report to termly meetings of the Governing Body.
- Informing the Welfare Committee, at the earliest opportunity, of the budget available for staffing.
- Maintaining a Charging Policy for income from educational trips, lettings and sales.
- Writing off bad debt subject to paragraph 8.5 of Financial Regulations.
- Maintaining a Tendering Policy.
- Making decisions on the buyback of Education Support Services, following consultation with the Chairperson of each Governors' Committee.
- Writing the financial section and agreeing costings for the School Improvement Plan.

- Authorising the reallocation of money following the identification of an excess of £1,000 or more under a budget heading in the annual budget plan. The reallocation shall be carried out after consultation with the Headteacher and Chairpersons of spending Committees.

## 1.5 **Responsibilities of the Headteacher**

1.5.1 The Governing Body has delegated to the Headteacher the following responsibilities:

- the strategic direction and development of the school
- the teaching and learning of the school
- leading and managing staff to secure improvement
- the efficient and effective deployment of staff and resources
- accountability to Governors and others, such as parents, pupils, staff and the local community.
- Ensuring all reasonable action is taken to minimise risks.
- By 31 March each year, or within 30 days of the budget share being issued, the Head must prepare estimates of expenditure and income covering the next financial year for consideration and approval by the Governing Body.
- Ensuring that a monthly reconciliation between SIMS and QSPF is carried out by the last working day of the month following the month of account. (Also bank reconciliation if LCB).
- Submitting a written report to Governors or Business Committee at least termly on the progress of the budget, explaining variations from expected spend/income and advising on the likely final position. (These are kept for current and two previous years). Informing Corporate Director - Education immediately if the school's budget looks as though it will be overspent at the end of the year by 5% or more with a proposed course of action to recover the deficit.
- Authorising and recording virements below a level of £1,000 in advance. (Retaining virements form for current and two previous years.)]
- Reporting virements to Governing Body at the next available opportunity.
- Submitting a formal response to the Head of Audit Services within one month's receipt of an internal audit report.
- Responsibility for the identification of all income due, its prompt collection and banking, and the maintenance of complete and accurate records.
- Responsibility for ensuring that VAT is treated correctly on all transactions.
- Notifying the Corporate Director - Finance immediately of all new/anticipated/changed risks requiring insurance.
- Notifying the Corporate Director - Finance as soon as possible of all matters affecting staff payments.
- Responsibility for controlling access to all data in the school in accordance with the Data Protection Guidelines and Codes of Practice.

## 1.6 **Responsibilities of the Senior Teacher**

- In the absence of the Headteacher, all the responsibilities of the Headteacher while ensuring that the Headteacher's responsibilities (ref 1.5) are checked by a second person, a member of the Business Committee. The Senior Teacher (or her named substitute) is also responsible for signing all invoices for payment with effect from September 2008.

## 1.7 **Responsibilities of the Finance Officer**

- Carrying out work in line with the LEA Financial Regulation.
- Assisting with the preparation of the school budget, setting expenditure thresholds and profiles.
- Notifying the LEA of the school's approved budget plan by the end of June.
- Ensuring orders are processed for all purchases, except for items purchased through petty cash.
- Checking goods and services received against delivery notes, orders and invoices and ensuring the school is charged only for goods received.
- Processing invoices.
- Monitoring budget progress and providing information for the Headteacher, Governors and budget holders as required, including preparation of monthly reports for the Business Committee and twice yearly reports for the Governing Body.
- Receiving and banking income for official and unofficial funds. Maintaining separate official and unofficial funds and ensuring income is allocated to and payments are from the appropriate fund, with no mixing of funds. (See Section 12.1.1)
- Pursuing bad debts and recovering wherever possible.
- Preparing cheques.
- Recording income and expenditure of official and unofficial funds; maintaining financial records and reconciling with bank statements and computer tabulation sheets.
- Preparing an end of financial year report for Governing Body for unofficial funds. Submitting a copy together with certificate of auditing to the LEA.
- Arranging reimbursement of the Imprest Account.
- Reconciling transactions between the LEA's corporate system (QSPF) and the school's computerised system (SIMS) by the last working day of the month following the month of account.
- Liaising with staff of the Education and Treasurer's Departments and providing returns and other financial information for the LEA, as required.

- Carrying out end of year procedures for closing old year accounts and identifying creditors and debtors and providing information in accordance with the timetable issued by Education Finance, transferring balances to the new year and setting up the budget for the new year as directed by the Headteacher and Governors.
- Holding an up to date inventory of school equipment.
- Maintaining daily backups of computer-held information and ensuring tapes are securely stored away from the main computer site.

## **SECTION 2 - INTERNAL FINANCIAL CONTROLS**

### **Introduction**

Internal controls are the processes and procedures which management set in place to ensure that their objectives, financial and operational, are met. Internal controls mitigate the risks which management identify as obstacles to achieving their objectives

It is the responsibility of the Headteacher and Governors to ensure that the School staff and assets are properly protected through internal financial controls and that they can demonstrate sound financial practice.

#### **2.1 Division of Duties**

2.1.1 Division of Duties is the involvement of more than one member of staff in the undertaking of financial tasks. This ensures that one person is not solely responsible for any given function and helps protect against possible error/fraud.

Refer to Appendix 3 which details Division of Duties for processes ie order, invoicing, and petty cash including cover for absences. Authorised signatures listed have been agreed by Governors. See 2.4 below. In the school all transactions are traceable through the system from start to finish, eg in order to achieve this for ordering and invoicing the following process has been added:-

- (1) Individual staff prepare orders on School requisition forms.
- (2) Budget Holder signs this Proforma.
- (3) Finance Assistant prepares orders on SIMS-LRM.
- (4) Head signs orders.
- (5) Senior Teacher (or named substitute teacher) signs invoice for processing.
- (6) Finance Assistant prepares invoices on SIMS-LRM for invoice upload.
- (7) Prior to upload, Headteacher signs the batch header.

#### **2.2 Document Alterations**

2.2.1 No alterations are made to any invoices. If a change is required, the Finance Assistant requests an amended invoice from the supplier.

## 2.3 **Reconciliation**

2.3.1 Reconciliation is carried out on a monthly basis between 6th and 30th of the month of account by the Finance Assistant. The Headteacher should sign the computer tabulation sheets following the reconciliation certifying the total expenditure and formula fund allocation. Form 10 (Reconciliation Balance Summary Form) is completed by the Finance Assistant and then checked and signed by the Headteacher, with the LRM suspense list and fund review attached. These are submitted to the Schools Finance Team immediately following reconciliation or at least on a quarterly basis, e.g. Months 3, 6, 9 and 12.

2.3.2 If appropriate, a Form 11 is completed by the Finance Assistant for any transactions to be queried or recoded, etc. and submitted to Education Financial Services by the 20th of the month.

## 2.4 **Authorised Signatories**

2.4.1 A list of personnel authorised to sign orders, invoices, cheques, etc. are detailed in the minutes of the Governor's meeting at which they were agreed. (Currently S Wood, J O'Brien, J. Willis, G. Stripp)

## 2.5 **Register of Business Interests**

2.5.1 This is reviewed annually, even if a 'Nil' return, see Appendix 1

## 2.6 **Retention of Records**

2.6.1 Documents need to be retained for Inland Revenue and Customs and Excise purposes. See Appendix 2 for details. Documents are archived annually by the Finance Assistant, as appropriate.

## **SECTION 3 - BUDGETING/FINANCIAL MANAGEMENT AND PLANNING**

### **Introduction**

The Governing Body is collectively responsible for the overall direction of the school and its strategic management which includes the preparation and monitoring of the schools budget. This is approved and signed by the Chair of Governors and forwarded to the Education School's Finance Team, no later than 30th June.

#### **3.1 Funding**

- 3.1.1 The majority of the funds received by school are devolved through the LEA via The Section 52 Statement (Formula Funding), usually received in March. This allocation is calculated using a formula based on many factors which affect the school's funding. Additional allocations are made throughout the year including Standards Funds and Devolved Formula Capital Grants (DFCG). The school also has the opportunity to raise additional funds (Income), for example via Lettings or PTA organised events.
- 3.1.2 Currently, the LEA is reviewing the way in which schools are funded to move from Formula Funding to Activity Linked Funding (ALF).

#### **3.2 Preparation of the School Budget**

- 3.2.1 The priorities within the School Development Plan (SDP) contain accurate financial estimates and form the driving force of the budget with an emphasis on Best Value. The budget is prepared by the Head Teacher. Initially, this will be presented to the Business Committee prior to agreement by the full Governing Body.
- 3.2.2 The budget produced is based on:
- planned staffing levels for the coming year
  - historical expenditure adjusted for inflation and any known changes
  - curriculum budgets set on the basis of need. Costed budget plans are produced by budget holders and submitted to the Headteacher for consideration
  - new initiatives that are known and included and costed in the SDP
  - anticipated income, Standards Fund and DFCG expenditure
  - funding for rates, at actual cost
- 3.2.3 If the budget allows, the Headteacher should include a small general contingency which may be used for supporting any budget area where expenditure exceeds expectations.
- 3.2.4 The Headteacher considers changes in pupil numbers and other likely variables when anticipating likely levels of future formula funding. If possible, maintaining an "earmarked" contingency which can be used to smooth fluctuation within the budget year by year.
- 3.2.5 Any budget surplus is discussed with the Business Committee to decide on the priorities within the SIP for these monies to be spent.
- 3.2.6 If the budget being prepared is in deficit, the Headteacher needs to review the budget and present different options to meet the shortfall to the Business Committee.

### 3.3 **Budget Monitoring and Reporting**

- 3.3.1 Regular monitoring of income and expenditure against the agreed budget is central to effective financial management.
- 3.3.2 After the monthly reconciliation with the LEA's financial system QSPF, the Finance Assistant produces monthly budget monitoring reports/system printouts for income and expenditure for the Headteacher and curriculum budget holders. These include:
- the approved budget
  - revised/current budget
  - budget movements
  - sums committed but not yet paid
  - actual expenditure to date
  - balances remaining
  - percentage spent
- 3.3.3 The Headteacher monitors expenditure on the initiatives set out in the SIP, analyses the monthly reports/printouts to identify any variances/unexpected expenditure and takes any necessary action.
- 3.3.4 Curriculum budget holders receive and review their monthly reports comparing the amount committed/spent against their budgets. Periodically, these reports are reviewed by the Headteacher.
- 3.3.5 At least once a term, the Headteacher presents the budget monitoring report to the Business Committee, providing explanatory notes, details of budget movements and any remedial action taken/required or items requiring further discussion.
- 3.3.6 If it is anticipated that the school may go into a deficit situation by 5% or more by the end of the financial year, the Headteacher will inform the Education School's Finance Team immediately, with a proposed course of action to recover the deficit.
- 3.3.7 Carry forwards at the end of year will be discussed with the Business Committee to decide how the money will be spent on the school's priorities within the SDP. Where the balance exceeds 10% of the school's budget share, the Governing Body may be required to report reasons for the underspend and its intended future spending plans for the carry forward to the LEA.
- 3.3.8 Thresholds on SIMS - LRM for curriculum budgets are set at a realistic level and updated when necessary.
- 3.3.9 Should the School ever change its banking arrangements, to become Local Cheque Book, the Headteacher should produce monthly Cash Flow Forecasts to ensure the school does not go overspent. Thresholds are set on all budget areas.

### 3.4 **Virements/Budget Movements**

- 3.4.1 The Governing Body have agreed on an amount that can be vired without their prior approval to allow some flexibility within the everyday running of the school. This stands at £1,000.
- 3.4.2 All virements are recorded on a virements form by the Finance Assistant, then authorised by the Headteacher in advance of being actioned on SIMS - LRM. They are reported to the Finance Committee at the next available opportunity.

3.4.3 A record of virements for the current year and two previous years are kept by the school.

3.4.4 Virements are a standing item for the Business Committee and Committee minutes will reflect any discussion that took place this subject.

### 3.5 **Forward Financial Planning**

3.5.1 The Headteacher reviews the school's pupil numbers annually in the Autumn term for the next three years to assess the effects on the school's estimated level of Formula Funding.

3.5.2 During the budget setting process in the Spring term, the Headteacher produces a detailed budget plan for the forthcoming year and skeleton budget plans for the following two years. The skeleton budgets are reviewed and updated termly with any significant changes.

3.5.3 The estimated levels of Formula Funding for the future years are compared to the budget plans to identify any trends/concerns that can be brought to the Business Committee's attention.

## **SECTION 4 - PURCHASING**

### **Introduction**

The School wants to achieve Best Value from all of its purchases. Best Value in this context means getting what is needed in the correct quality, quantity and time at the best price possible. Although price is not always the overriding factor, in deciding which suppliers to use, it is an important one. There are various ways of establishing whether the price being obtained is competitive. Consulting the County Purchasing Advisor/Contract Support Service Unit, checking trade journals and catalogues and seeking quotations or formal tenders are all examples of good practice. This section highlights the procedures in testing the market. It also covers the placing of orders and paying for goods and services.

#### **4.1 Orders**

- 4.1.1 Official orders are issued for all work, goods or services except for supplies of public utility services and purchases from imprest/petty cash of not more than £100 in value.

The following procedure is followed:

- Three quotations are required for individual purchases or services exceeding £500 in value. If the lowest quote is not accepted, the reasons are reported to the Governing Body and minuted.
  - Governor's approval is required for orders of an individual item exceeding £1,000.
  - Where the school is engaging in works such as building, decorating etc. where the Construction Industry Scheme (tax) applies, the Finance Assistant must ensure that the supplier is registered under the scheme before accepting them to carry out the work. Contact Keith Perry Ext. 5551 in Exchequer Services for further details if necessary.
  - Three tenders are sought if the school enters into a contract for the supply of goods or services involving total payments of £10,000 or more. Records are kept of how and from whom tenders were sought, what tenders were received, who was the successful tenderer and the reasons for not accepting the lowest tender. Contracts are only entered into after ensuring Best Value has been obtained.
- 4.1.2 When orders are placed reasonable steps will be taken to ensure value for money, bearing in mind, price, discounts, quality delivery, guarantee, after sales service etc.
- 4.1.3 The school should not enter into a financial agreement with capital implications without the approval of the LEA eg leasing a photocopier.

- 4.1.4 Requisition forms are kept in the office and are used for curriculum requests and authorised by the budget holder or Headteacher before an official order may be processed. Budget holders should ensure there are sufficient funds within their Budget. If unsure of the current balance the Finance Assistant is consulted.
- 4.1.5 All commitments are entered on SIMS-LRM by the Finance Assistant in the form of an official order once a decision has been taken to purchase goods or services.
- 4.1.6 All official orders are printed and then signed by the Headteacher or in their absence the Senior Teacher
- 4.1.7 A copy of all orders are retained at the school.
- 4.1.8 All official order stationery is kept secure in a locked cabinet. Any spoilt order forms are kept for reference.
- 4.1.9 A copy of all orders are kept for a minimum of current plus preceding three financial years.
- 4.1.10 Outstanding orders are reviewed on a termly basis and cancelled or followed up as necessary. If cancelled, a reason is written on the copy order for audit purposes.
- 4.1.11 Orders may not be raised on behalf of, or for the benefit of, private individuals or organisations.
- 4.1.12 Telephone orders are discouraged and only used in exceptional circumstances. If an order is placed in this way, it is made clear that it is subject to SCC terms and conditions and written details are supplied immediately to the Finance Assistant to enable a confirmation order to be raised on SIMS - LRM and sent to the supplier.
- 4.1.12 If inspection copies are requested for books or equipment a copy of the request is given to the Finance Assistant so that a commitment can be made against the relevant budget.

## 4.2 **Delivery Notes**

- 4.2.1 All delivery notes are checked by the Teacher, Teaching Assistant or Finance Assistant to ensure that the goods listed have been "Received". Checks are evidenced in writing. The delivery note is then passed to the Finance Assistant.
- 4.2.2 The inventory is updated by the staff member responsible for items of furniture, equipment etc. of £100 or more.
- 4.2.3 Delivery notes are checked to the order and any discrepancies are followed up by the Finance Assistant. The delivery note is then attached to the SIMS copy order.

## 4.3 **Payment of Invoices**

- 4.3.1 Where goods are supplied by a supplier registered for VAT, a valid VAT invoice is obtained.
- 4.3.2 Payments to individuals (other than some CIS contractors) who supply goods or services to the school (eg tuition, lecture, performances etc.) are made via the payroll system using a PRF 50.

4.3.3 The Finance Assistant checks the delivery note to the invoice, to ensure that the school is only charged for goods received. Payments are not to be made from statements or 'brought forward balances'.

If payment is to be made on a copy invoice as the original has been lost, checks are carried out to ensure it has not been paid. It must then be endorsed 'copy, not previously paid'.

4.3.4 The copy order and delivery note are attached to the invoice which is then to be passed to the Senior Teacher (or her named substitute) for signing and authorising prior to processing on SIMS - LRM.

4.3.5 The invoice is then processed as soon as possible on SIMS - LRM by the Finance Assistant to ensure prompt payments are made and discounts are taken. The 'paid by' date on SIMS is the same as the invoice date as the credit terms are held centrally on QSPF. Non-order invoices are dealt with similarly.

4.3.6 The invoice is stamped as "paid" and the date of payment recorded. The invoices are then held in the SIMS authorisation file awaiting transmission to County Hall.

4.3.7 The authorisation file awaiting transmission is printed, checked and then manually certified correct for payment by the Headteacher.

4.3.8 The file is then transmitted via the SIMS/Creditor interface system by the Finance Assistant.

4.3.9 The invoices are then attached to the authorisation file and retained for the current year plus the preceding three years.

#### 4.4 **Division of Duties**

4.4.1 Please refer to Appendix 3. This details staff responsible for the signing of orders, invoices etc. as agreed by Governors.

## **SECTION 5 - INCOME**

### **Introduction**

Income can be **vulnerable** and the income collection system should meet the following objectives, namely that:

- all income including VAT due to the school is identified;
- all collections are receipted and banked promptly and completely;
- the accounting records and debtor's accounts are properly and promptly updated.

The Headteacher has overall responsibility for the identification and prompt collection of all money due to the County Council (see Financial Management Scheme 5.1.1) and ensures that adequate division of duties exists between the collection, transfer of monies between staff, recording and banking of income. Ideally the person collecting income is different from the person that records and banks the income. This reduces the risk of error and fraud. (Division of duties for the school to be listed on Appendix 3)

#### **5.1 RAISING INVOICES**

5.1.1 An account is raised by the Finance Assistant via the County Treasurer's income system or the school's own billing system, ensuring the invoice complies with the requirements for a tax invoice, eg SCC VAT number, sequentially numbered, etc. An invoice is sent to the customer for goods and services provided.

5.1.2 Invoices for regular lettings are raised by the Finance Assistant half termly. For one-off lettings invoices will be raised within 14 working days of the event.

#### **5.2 COLLECTION AND BANKING OF INCOME**

5.2.1 Income collected in class is recorded on record sheets by the teacher. The income is then taken to the Finance Assistant and checked and signed for. All other income received is recorded on record/monitoring sheets.

5.2.2 A receipt is issued by the Finance Assistant for any cash received via the office for amount over £100.

5.2.3 Cash and cheques are kept in a safe place prior to banking. Income is banked promptly and paying in slips completed in full.

#### **5.3 RECORDING AND RECONCILIATION**

5.3.1 Income is recorded on SIMS promptly ensuring the correct VAT treatment is applied.

5.3.2 Where appropriate details of the transactions are entered on a virement (budget movement) sheet, authorised by the Headteacher and allocated to the correct budget heading.

5.3.3 Reconciliation of income is carried out on a monthly basis by the Finance Assistant, ensuring that all income received has been banked.

5.3.4 Independent checks are made by the Headteacher to ensure that all income expected has been recorded, banked and received. Evidence of these checks is made in writing.

5.3.5 All income records, eg record sheets, receipts, invoices, etc are kept for the current year plus the previous three years.

## 5.6 **DEBTS POLICY**

5.6.1 Bad debts will be pursued by the Finance Assistant and money recovered wherever possible. Where money is not recovered the matter will be referred to the Business Committee who may write off the debt subject to paragraph 2.1.7 of the Financial Management Scheme as follows:-

"The total amount of debt written off locally by a Governing Body in a financial year must not exceed 1% of the school's delegated budget share for the year."

5.6.2 Subject to the paragraph above, debts due from a single debtor up to a total value of £500 in any one financial year may be written off, but only on the direct authority of the Governing Body, that is, by resolution at a Governing Body meeting. Before referring a debt to the Governing Body for approval to write off, the Corporate Director - Finance is consulted through Schools Finance Team to ensure that there are no other outstanding financial transactions involving the County Council and the individual or organisation concerned.

5.6.3 The school must maintain a record of all debts written off showing what attempted recovery action was taken and the justification for non-recovery. The form of this record is approved by the Corporate Director - Education through Schools Finance Team. At the end of each financial year a written report is sent to Schools Finance Team detailing the value of debts written off during the year.

5.6.4 Any debts due from a single debtor of £1,000 or more in any financial year may only be written off on the authority of the Schools' Board. If this situation is likely to arise, guidance is sought urgently from Schools Finance Team.

Appendix 4.1 - The school's Charging Policy.

Appendix 4.2 - The school's Letting Policy.

Appendix 4.3 - Lettings conditions of hire.

## **SECTION 6 - BANKING ARRANGEMENTS**

(For schools operating Local Cheque Management ONLY)

### **Introduction**

The proper administration of bank accounts is a fundamental financial control. In particular, regular bank reconciliations are essential as they prove that the balances shown in the accounting records are correct and provide assurance that the underlying accounts are accurate. The internal controls documented in this section guard against potential error or fraud.

#### **6.1 BANK ACCOUNTS**

6.1.1 The current banking arrangements are discussed annually by the Governing Body. Money is now banked within two weeks of receipt unless in excess of £500 in which case it will be banked by the end of the working day.

6.1.2 The school has the following bank/building society accounts:

- High Interest Account
- Current Account

Arrangement currently exist to transfer all surplus balances to be swept from the Current Account into the High Interest Account automatically.

6.1.3 Bank statements are received monthly and are reconciled by the Finance Assistant to the transactions held within the SIMS LRM system. Any discrepancies are investigated. This reconciliation is checked and certified correct by the Headteacher (Form LCB1) who reports to the Business Committee and the LEA.

6.1.4 The governing body have agreed three signatories, two to sign each cheque and a third to cover any absence. This has been minuted in the meeting in which it was agreed. Three sample signatories of each authorised person have been sent the bank. Blank cheques are never signed.

6.1.5 Advances of the budget are received on the first day of each term. Any funds surplus to immediate requirement are identified and invested to optimal effect in the High Interest Account in accordance with the LEA's investment policy. A deduction is made by the LEA to offset the interest lost through devolvement of funds.

6.1.6 The accounts should not go overdrawn, as there is no overdraft facility allowed.

#### **6.2 CONTROLLED STATIONERY**

6.2.1 All controlled stationery is kept securely.

6.2.2 Spoilt cheques are kept safely for reference.

## **SECTION 7 - PETTY CASH/IMPREST**

### **Introduction**

Petty cash is a small sum of money, determined by formula pupil numbers, which is held in a separate bank account at our local National Westminster Bank on behalf of the school. When expenditure is incurred, it is charged against the school's budget and the bank account is reimbursed. The school is issued with a chequebook and will receive monthly statements of the account transactions.

#### **7.1 Purpose**

7.1.1 This money is used for expenditure which falls into one or more of the following categories:-

- Cash payments too small for an order to be acceptable
- An emergency purchase where immediate settlement is required
- Purchase of postage stamps
- To obtain greater discounts for settlement by cash/cheque
- To obtain goods/services from suppliers who do not accept official orders
- Legitimate educational expenditure financed by School Fund may be reimbursed to School Fund through petty cash enabling any VAT to be saved

7.1.2 Petty Cash is not used for:-

- Making payment to staff, or paying for services such as mobile telephones, fuel or services that may be liable to Construction Industry Tax
- Making payments to individuals (e.g. theatre groups, authors, musicians, self employed) who require cheques to be payable to them personally.
- Cashing Personal cheques
- Paying in income

7.1.3 Exceptions to the rule

Staff are reimbursed if they purchase resources/specific items on behalf of the school upon production of a valid receipt (See Section 2 of VAT Manual - "Invoices and Record Keeping"). Individuals are reimbursed upon production of rail/car park tickets and interview expenses for unsuccessful candidates who are not employed by SCC.

Payment can be made to Window Cleaners and Piano Tuners who use their own equipment.

#### **7.4 Payment Methods**

7.4.1 Payments can be made by cheque or cash. To obtain cash, the Finance Assistant will draw a cheque for cash at the local branch. Both the chequebook and any cash are kept securely in the safe.

7.4.2 The governing body have agreed three signatories, two to sign each cheque and a third to cover any absence. This has been minuted in the meeting in which it was agreed. Three sample signatories of each authorised person have been sent to Schools Finance Team, on the appropriate form, who then notify the bank. Blank cheques are never signed.

7.4.3 All payments of more than £100 must be approved by the Headteacher before the money can be spent. An order is raised on SIMS - LRM which is signed by an authorised officer, retained at the school and cancelled once the petty cash expenditure has been entered.

If a VAT receipt cannot be obtained, a petty cash voucher is completed and authorised but no VAT can be reclaimed.

## 7.5 **Recording Transactions**

7.5.1 All receipts/vouchers are signed by the Headteacher and promptly entered by the Finance Assistant onto a cheque/cash control sheet (Forms 21.1 and 21.2). It is then entered onto SIMS - LRM, by the Finance Assistant on a weekly basis, in order to keep the system up to date and provide accurate budgetary information. When the transactions are entered onto SIMS - LRM the appropriate VAT category is used, ensuring Non-business is used if no valid VAT receipt has been obtained.

7.5.2 The Finance Assistant uses the Form 21 to balance the account to the school float. It is a reconciliation between records of expenditure, cash in hand, the balance at the bank and any outstanding reimbursements. This is completed every time a claim for reimbursement is made. The Finance Assistant verifies the cash in hand held and the cash in hand on SIMS - LRM. Form 21 is checked by the Headteacher before the reimbursement claim is authorised.

7.5.3 A reimbursement claim is completed by the Finance Assistant when approximately half the float has been spent. The claim is checked and authorised by the Headteacher before being submitted to Exchequer Services - Creditors.

7.5.4 When the reimbursement is shown on the bank statement, the Finance Assistant will record the reimbursement on SIMS - LRM.

7.5.5 At year end, the Finance Assistant must complete the Petty Cash form sent from Schools Finance Team. The form is checked and signed by the Headteacher and returned with a bank statement showing the balance at the 31<sup>st</sup> March by the 31<sup>st</sup> April.

## **SECTION 8 - TAX**

### **Introduction**

The headteacher is responsible for ensuring that the school complies with Value Added Tax (VAT) and other tax regulations, and ensuring that all relevant finance and administrative staff are aware of them. Consultation with the detailed guidance provided by the LEA minimises the risk of misinterpretation.

Payments are only made on receipt of proper VAT invoices. (See Section 2 of VAT Manual - "Invoices and Record Keeping")

#### **8.1 VAT**

##### **8.1.1 LEA Maintained and Voluntary Controlled Schools/Community, Controlled or Foundation Schools.**

For official funds only, the governing body is seen to be acting as the agent of the LEA in respect of purchases funded via LEA budgets or grants paid through the LEA. This covers purchases funded from schools delegated budgets or from the Local Schools Budget held centrally and made available to the school by the LEA. It also covers income received. This entitles the school to recover the VAT incurred.

#### **8.2 Construction Industry Tax (CIT)**

8.2.1 If payment is to be made under this scheme the subcontractor must have a tax exemption certificate or registration card. Contact Keith Perry Ext. 5551 in Exchequer Services for further details if necessary.

## **SECTION 9 - ASSETS**

### **Introduction**

The school has many valuable items in use throughout the site. Some of these items are fixed, but many are portable and therefore may be vulnerable to theft. A properly maintained inventory is also useful in supporting budget demands for replacements and for insurance purposes in the event of damage or loss.

#### **9.1 Buildings**

9.1.1 The school building is alarmed. Access is controlled through Keypads, with the code being changed on a regular basis. Separate systems are in place for the extended school/kitchen building.

The listed key holders are:

Headteacher	G. A. Stripp
Senior Teacher	J. Donovan
Learning Support	J O'Brien
Finance Officer	S. Wood
Cleaner	D Drinkwater

#### **9.2 Building - Repairs and Maintenance**

9.2.1 The governing body is responsible for the maintenance of the school buildings and the planning of any future developments. The schools buys into the Buildings Maintenance Indemnity Scheme run by County's Property Services Department in order to be covered for all repairs and maintenance costs.

9.2.2 The school provides an annual return and the property is inspected annually to ensure that the buildings are properly maintained.

#### **9.3 Inventory**

9.3.1 All items purchased above £100 are recorded in the school inventory upon receipt, giving full details of:

- Value
- Date Purchased
- Description
- Serial Numbers (where applicable)
- SCC Security Number
- Useful Life
- Location within school.

9.3.2 The Inventory is reviewed annually by the Headteacher, supported by a Governor with any discrepancies being investigated. A sample check is undertaken by a teacher to ensure that all relevant goods have been recorded.

9.3.3 All items recorded on the inventory have been security marked using the County Council's sticker system.

9.3.4 A booking out system, held in the School Office, is employed where any goods may be taken off site. This details:

- Name of Borrower
- Item borrowed
- Date Borrowed
- Condition of Goods when removed
- Date Returned
- Condition of Goods when returned

9.3.5 A record is maintained of all disposals, including the proceeds of the sale, the date of transaction, and the name and address of purchaser.

#### 9.4 **Cash/Bank and Cheque Books**

9.4.1 These are kept in the filing cabinet other than when in use.

9.4.2 The value of petty cash held within the school is kept to a minimum.

9.4.3 Any income collected from pupils is recorded and banked as soon as possible in order to maintain only minimum levels are held on the premises.

#### 9.5 **Stock**

9.5.1 All consumable stock is stored centrally in the stock cupboard.

9.5.2 A physical check is carried out termly to ensure that stock is kept at a reasonable level.

## **SECTIONS 10 - INSURANCE**

### **Introduction**

It is the Headteacher's responsibility to review annually the school's insurance requirements and to ensure that all policies are adequate and are providing Best Value, e.g. Premium, Excess costs, etc. All new items purchased are reviewed for risk and if necessary the insurance company advised appropriately.

#### 10.1 **'Balance of Risks' Contents and Buildings Insurance**

10.1.1 The school has purchased the optional insurance extension to BMIS covering theft, malicious damage, burst pipes and accidental damage. This cover also includes all school owned computers, details of which are recorded in the school inventory. An excess of £100 applies to each and every claim except in the case of computers, where there is no excess.

#### 10.2 **Building Maintenance Insurance**

10.2.1 The school buys into the Building Maintenance Indemnity Scheme through the LEA.

#### 10.3 **Supply Insurance**

10.3.1 The school buys into the Primary/Special Schools' Supply Mutual Fund (SMF) administered by the Education Department. The scheme reimburses the school to cover the cost of any supply costs incurred.

#### 10.4 **Employers Liability Insurance**

10.4.1 The Bath and Wells Diocesan Board of Finance holds a policy on behalf of the Governors and Trustees of the school. A copy of the Certificate of Employers' Liability Insurance is on display in the school office.

#### 10.5 **Lettings Insurance**

10.5.1 Lettings insurance, available through the LEA, is offered by the school to all hirers of the school premises (other than commercial organisations who should have their own Public Liability cover). A fee based on 12% of the hiring cost is added to the lettings charge. The school is then invoiced annually by the LEA.

## **SECTION 11 - COMPUTER SYSTEMS/DATA SECURITY**

### **Introduction**

The School is becoming more and more reliant on computers to process and record financial and other management data efficiently. Therefore, it is important that this information is properly protected, backed up and to have a recovery plan to ensure continuity of financial management in cases of emergency. Only authorised users have appropriate access and individuals are aware of the impact the Data Protection Act has on them and the organisation.

#### **11.1 The Data Protection Act 1998**

11.1.1 The School and Governing Body register annually under The Data Protection Act. It is the System Manager's responsibility, eg the Headteacher, to control access to all data in the school in accordance with the Data Protection Act (ref 1.5.13) and to ensure that all staff are aware of their responsibilities/obligations at all times.

11.1.2 All information relating to personnel is:

- obtained and processed fairly and lawfully
- held only for specified lawful purposes
- adequate, relevant but not excessive for those purposes
- accurate and up to date
- available to those people referred to
- kept securely.

11.1.3 Information should not be kept longer than necessary and neither used nor disclosed other than in accordance with the above purposes.

11.1.4 Any new uses of personal information is notified to the Data Protection Officer at County Hall. Offences against the Act are criminal, and individuals will be held personally responsible.

#### **11.2 Access/security**

11.2.1 The purpose for controlling access is to ensure that only authorised personnel are able to access information that is relevant to the tasks for which they are responsible. It prevents unauthorised access to information which could result in accidental or deliberate corruption of the data and which might contravene the confidentiality part of the Data Protection Act.

11.2.2 One person, the System Manager, is responsible for the overall control of all systems. Access rights are determined and monitored by the System Manager, who should deal with problems as and when they arise.

11.2.3 Computers should not be left unattended with information displayed on the screen, or be easily accessible by any unauthorised users. Where possible computer screens are locked (by password/locking the workstation), or if this is not possible, the computer is closed down whilst it is left unattended.

11.2.4 Access to software is restricted according to the level of access required for an individual to carry out their job to an expected level. These access rights are reviewed regularly by the System Manager.

11.2.5 Only Licensed Software, authorised by the County's ICT Department, is installed onto the Schools network, which is protected through a virus guard so that any files received from outside sources can be virus checked before being opened.

### 11.3 **Passwords**

11.3.1 Individuals are responsible for the accuracy of information which is kept secure from unauthorised persons. Passwords must:

- not be told to anyone else
- never typed in when someone is watching
- be changed regularly eg. every three months, or as soon as someone else finds out about it
- be difficult for someone else to guess ie. avoid using names etc.
- a mixture of alphabetic and numeric characters

11.3.2 Full access to SIMS - LRM is restricted to the System Manager and Finance Officer.

### 11.4 **Servers**

11.4.1 With the development of ICT software and hardware the server is not used as an everyday machine. Therefore, it is stored in the Dolphin Room and should never be turned off to ensure back up procedures are not compromised.

### 11.5 **Back Up**

11.5.1 Back up copies of all data are made automatically overnight. A daily set of data tapes are used to provide back up copies, which are kept in a lockable, fireproof safe in the staff room.

11.5.2 The Finance Assistant is responsible for checking the back up each morning and for initiating a safe system for storage and retrieval. This involves using 10 tapes, as recommended, in the following way:

- Monday, Tuesday, Wednesday & Thursday.
- Friday 1, Friday 2, Friday 3
- Month 1, Month 2, Month 3

11.5.3 At the end on each week, the relevant Friday's tape is taken by the Finance Officer to be stored off the premises, to be stored for the week. This can then be rotated on a weekly basis. Every 4<sup>th</sup> Friday, the relevant Month's tape is used in place of the Friday tape.

11.5.4 The back up tapes are replaced annually.

### 11.6 **Virus Protection**

11.6.1 Current versions of anti-virus guards (Network Associates) are installed on the networks server to safeguard software against viruses and to avoid any corruption of data. Using only authorised software will contribute to this protection.

### 11.7 **Computer Printouts**

11.7.1 Each month, the Finance Assistant downloads and prints details of expenditure recorded on QSPF (County's Accounting System) relating to the School's budget. These printouts are used in the SIMS reconciliation process to ensure that the school's financial records match those recorded by County.

11.7.2 These printouts are stored carefully in a lockable cabinet, as they contain personal information relating to staff employed at the school, for 3 years plus the current year.

## 11.8 **Internet**

11.8.1 Access to the World Wide Web is limited to staff whose need is relevant to the tasks, for which they are responsible. Personal use of the Internet for **viewing only** outside normal working hours is at the discretion of Head Teacher.

11.8.2 When making personal use of the Internet the following are prohibited and will result in the disciplinary procedure being invoked:-

- hacking of any kind;
- purchase of goods and services;
- use for any kind of personal gain, e.g. advertising goods for sale, dealing in shares or other commodities;
- accessing pornographic or gambling sites;
- accessing chat lines;
- printing or downloading information.

## **SECTION 12 - PERSONNEL/PAYROLL**

### **Introduction**

Salary costs make up around two-thirds of the school's budget. Although the school purchases its payroll and personnel services from the LEA, it is the Governing Body's and the Headteacher's responsibility for ensuring payroll and personnel controls are in place and the risks surrounding appointments are satisfied through Police and medical checks.

#### **12.1 Regulations**

12.1.1 The school is aware of a number of areas where Inland Revenue regulations affect or determine the way payments are made. This is of particular importance relating to individuals who are self-employed offering services to the school (this excludes individuals/companies subject to CIS scheme, (See Section 8.2). Payroll transactions are processed only through the payroll system and not through petty cash, using a PRF50. (See Section 7.1)

12.1.2 The Governing Body has established procedures for the administration of personnel activities, including appointments, terminations and promotions. Information necessary to maintain records of service for Superannuation, National Insurance and Income Tax is kept secure for seven years, with only authorised staff allowed access to personal records, in order to comply with the Data Protection Act. (See Section 11.1)

#### **12.2 Payroll Forms (PRF's)**

12.2.1 The payment of all salaries, wages, pensions and other expenses are processed through various PRF forms. These are completed by the Finance Assistant and authorised by the Headteacher before being submitted to payroll by the appropriate deadline. Specimen signatures have been sent to the payroll administrator. No employee can certify expenditure from which he or she might personally benefit. The Chair of Governors signs any amendments to the Headteacher's contract.

#### **12.3 Links with SIMS**

12.3.1 Information held within SIMS - Personnel feeds through against contracts shown in SIMS - LRM giving details of both salary commitments and actual payments, displaying variations which are investigated as part of the reconciliation process by the Finance Assistant. Therefore, it is vital that the SIMS Personnel module is kept up to date by the Finance Assistant with the correct information through PRF's.

12.3.2 The Headteacher regularly checks staff payments details against the monthly tabs, evidencing each page with initials.

12.3.3 Both the Finance Assistant and the Headteacher check the staffing records held within Payroll through the "Termly List" issued by Education Personnel.

#### **12.4 Pay Policy**

12.4.1 The school has a separate Pay Policy filed in the Secretary's office, which is reviewed annually by the Headteacher and Welfare Committee.

## **SECTION 13 - UNOFFICIAL/VOLUNTARY FUNDS**

### **Introduction**

The unofficial funds generally consist of other income generated by the school and is managed with as much care and diligence as the delegated budget (official funds). These funds are used for any reason which benefits the children and the school at the discretion of the Headteacher.

#### **13.1 Separation of Funds**

13.1.1 This fund is kept completely separate from the official fund. It has independent records and has its own bank account accruing interest. The two funds are never involved in the same transaction/activity.

#### **13.2 Charity Commission Registration**

13.2.1 As the income received currently exceeds the £1,000 mark, the school has registered the fund with the Charity Commission in order to obtain tax relief and possible further funding where only charitable status is considered.

#### **13.3 Management of Accounts**

13.3.1 The fund is administered by the Finance Assistant who keeps records of all transactions and reconciles to the bank statement.

13.3.2 The Headteacher ensures that the accounts are prepared annually and audited by a person independent of the school. These are then presented to the Governing Body at their meeting in the Autumn Term. Once accepted by the Governing Body, the Headteacher ensures copies are sent to the LEA with the Auditor's certificate.

#### **13.4 Cheques and Receipts**

13.4.1 The Headteacher ensures that every cheque drawn is signed by a minimum of two persons as authorised by the Governing Body and that supporting documentary evidence for the cheque is retained. Three signatories have been approved, two to sign each cheque and a third to cover any absence.

13.4.2 Income is paid into the account as quickly as possible after being received and receipts are issued if requested.

**REGISTER OF BUSINESS INTERESTS**

The Governing Body of ..... School have agreed that the governors and designated staff should “Declare any links they have with companies or organisations from which the school may wish to buy goods or services. It is important for anyone involved in spending money to demonstrate that they do not benefit personally from decisions that they make”.

The Governing Body have defined a “business interest” as a situation where the person concerned, their family (immediate and other relatives) or close friends have a connection with a potential supplier, or where there is a business connection, ie common directorships/partnerships.

In this connection I would be grateful if you would please complete the form below and return it to ..... by .....

Please state “nil” if that is the case.

Name	Name of company or organisation	Nature of business or interest	Date entered in register

## RETENTION OF RECORDS

Documentation, files and records are retained to act as a record and support for actions taken and to assist future reviews of policy. They are also retained to satisfy the requirements of Internal Audit, External Audit, Custom and Excise and the Inland Revenue. This section identifies the minimum period of time that records should be retained to satisfy all these requirements.

Financial Regulations require the retention of certain records for specified periods. If in doubt, a minimum of six years should be applied. Specific regulations are as follows.

<b>COMPUTER TABULATIONS</b>	3 years plus current year
<b>SIMS DATA</b>	3 years plus current year
<b>COPY ORDERS</b>	3 years plus current year
<b>DELIVERY NOTES, CREDITOR INVOICES, CREDIT AND DEBIT NOTES</b>	3 years plus current year
<b>RECEIPT BOOKS</b>	3 years plus current year
<b>PETTY CASH BOOK</b>	3 years plus current year
<b>BANK STATEMENT, CHEQUE BOOK STUBS (including analysed cheques)</b>	3 years plus current year
<b>CASH RECORDS AND TILL ROLLS</b>	3 years plus current year
<b>DEBTOR ACCOUNTS</b>	3 years plus current year (providing debt has been collected)
<b>STORES DOCUMENTS (not including inventory records)</b>	1 year plus current year
<b>INVENTORY RECORDS</b>	6 years plus current year
<b>TIMESHEETS</b>	2 years plus current year
<b>EMPLOYEES' RECORDS, PERSONNEL ACCIDENT REPORT</b>	7 years following cessation of contract
<b>TENDERS (schedule of limited/opened)</b>	6 years plus current year after settlement of final account
<b>TENDERS (schedule of price approvals, other correspondence)</b>	6 years plus current year after settlement of final account
<b>CONTRACT DOCUMENTATION, FINAL ACCOUNTS AND SUPPORT EVIDENCE</b>	6 years plus current year after settlement of final account
<b>OTHER SITE DOCUMENTS eg DIARIES</b>	1 years plus current year (providing sufficient documentation is held confirming exact dates of work etc.)

**DIVISION OF DUTIES CHART**

	Head	Snr. Teach*	Teachers	Fin. Asst	Fin. Off.	Teaching Assist.	Caretaker
<b>A. ORDERING</b>							
Complete and authorise requisition form (budget holders)	T	T	T	T			T
Process order on SIMS (LRM)				T	T		
Authorise order on SIMS (LRM)	T	(T)		T			
Sign paper copy of order	T	(T)					
Check delivery note to goods received			T	T		T	T
Check delivery note to order		(T)		T			
<b>B. INVOICE PAYMENTS</b>							
Check invoice to delivery note/order (where applicable)	T			T			
Sign invoice to authorise payment		T					
Process invoice on SIMS (LRM)				T	T		
Authorise invoice on SIMS (LRM)				T	T		
Authorise invoice batch header (including checking against invoices attached)	T	T					
Upload batch to County				T	T		
Check payments on QSPF tab	T				T		
<b>C. PETTY CASH</b>							
Sign cheques (2 signatures)	T	T		T		T	
Issue cash		(T)		T			
Sign receipts/vouchers to authorise	(T)	T					
Record expenditure in manual records				T			
Record expenditure on SIMS (LRM) and produce reimbursement claim				T	T		
Sign reimbursement claim (including checking against the supporting receipts/vouchers)	T	(T)					
Balance petty cash (form 21)				T	T		
Check petty cash balance form (including counting any cash in hand)	(T)	T			T		
<b>D. INCOME</b>							
Raise invoices/request's income and keep records of all income due				T	T		
Collect income, count and record manually		T	T	T		T	T
Issue receipts (where practicable)		T	T	T		T	T
Record on SIMS (LRM)				T	T		
Complete paying-in book				T	T		
Bank income						T	T
Spot check income received against records of income due	T	(T)					
Check income collected to amount banked and amount on QSPF	T	(T)					

**DIVISION OF DUTIES CHART (Cont)**

	Head	Senior Teacher*	Teachers	Fin. Asst	Fin. Offic	Classroom Assistants	Chair of Governors
<b>E. RECONCILIATION</b>							
Process suspense list				T			
Check staff payments, travel, income, etc. to paper record's				T			
Allocate income if required - authorise - action	T			T			
Complete Form 10 or LCB Forms				T			
Sign and Check Form 10 or LCB Forms	T	(T)					
Complete Form 11				T			
Sign QSPF tabs	T	(T)					
Print reports				T			
Review monthly reports	T	(T)					T
Complete any budget movements required - authorise - action	T	(T)		T			T (if over allowed limit)
<b>F. PERSONNEL/PAYROLL</b>		(T)		T			
Complete payroll forms for contract changes, supply, etc.							
Authorise payroll forms	T (except own)	(T)		T			T (for Head)
Update SIMS (Personnel) for contract changes		(T)		T	(T)		
Check staff variances on SIMS (LRM)				T			
Check staff payments on QSPF tabs				T			
Monitor staff budgets	T	(T)		T			

(T) cover for absence

\*Mrs J Willis is currently named teacher, conducting the finance roles of the 'Senior Teacher' for 2009/10

## CHARGING POLICY

### Charges for School Activities

The Education Reform Act 1988 clarifies the activities for which charges can be made or voluntary contributions sought.

The Act gives LEA's and schools the discretion to charge for optional activities provided wholly or mainly out of school hours, and the right to invite voluntary contributions for the benefit of the school or in support of any activity organised by the school whether during or outside school hours.

As from April 2001 the Governors will operate the following policy on charges and contributions for school activities where such activities involve additional expenditure.

### Charges

The school will charge in the following circumstances allowed by the Act:

- (a) The provision of music tuition given to pupils as individuals or in groups **except** where it is given to fulfil:
- statutory duties relating to the National Curriculum or
  - requirements specified in the syllabus for a public exam.
- (b) Ingredients and materials for cooking and CDT (Craft, Design and Technology):
- Materials will be charged for, or parents will be required to supply these, if the parents have indicated in advance a wish to own the finished product.
- (c) Activities which take place wholly or mainly outside school hours and which are not a statutory part of the National Curriculum: eg outings, visits, cricket coaching, cycling courses.
- Charges will be made for all or part of a pupil's travel costs, board and lodging costs, materials and equipment, entrance fees, non-teaching staff costs, any insurance and costs of engaging teaching staff specifically for the activity.
- (d) Activities which involve pupils in nights away from home:
- Charges will be made for board and lodging. Families receiving Income Support or Family Credit will be exempt from board and lodging charges.

## **Voluntary Contributions**

Voluntary contributions will be sought from parents for activities which supplement the normal school curriculum, eg outings and visits which take place wholly or mainly during school hours; visits to the school by theatre groups and other organisations providing an educational service.

When voluntary contributions are requested, the terms of the request will clearly state:

- (i) there is no obligation to contribute
- (ii) pupils will not be treated differently according to whether or not their parents have made a contribution
- (iii) the proposed activity may not take place unless a substantial majority of parents contribute
- (iv) a suggested amount for a contribution to cover costs.

## **Remission**

It is the policy of the Governing Body:

- to remit charges for school activities to parents in receipt of income support and family credit who had been unable to give a donation
- to look at individual cases where parents have been unable to give a donation
- to agree how to fund shortfalls for activities.

## **Other Charges**

### **Private Photocopying/Telephone Calls**

The Governors have agreed a 10p charge to be levied for private photocopying (per b/wcopy) and 25p colour. Telephone calls (20p per call). These will be subject to VAT regulations. These charges are to be reviewed annually. Community printing costs will be set at a level to recover costs of copying only, when own paper provided and monitored by school secretary.

### **Income from Sales - Non-profit Making**

Some goods may be purchased through the school for the convenience of parents, pupils or teachers. The school will not seek to make a profit from these sales. Goods in this category include school clothing, books, book bags, musical instruments.

### **Income from Sales - Profit Making**

Some goods will be sold through the school with the intention of making a profit and thus raising money for the school, PTA or other charity. Goods in this category include school photographs, calendars, bring and buy items, etc which may be subject to VAT.

### **Income from Donations**

From time to time the school will seek voluntary donations for specific purposes. This may be via non-uniform days, sponsorship, etc. It will be made clear at the time of asking that such donations are voluntary and the purpose for which the donations will be used.

### **Income from Lettings**

The Business Committee set charges made for use of school premises. The charges include actual caretaking costs, insurance and a premises charge.

The Business Committee will not charge the PTA for its activities in the school.

See Lettings Policy for further details - Appendix 4.2 and 4.3.

### **Responsibilities**

Authority for day-to-day management of the policy is delegated to the Headteacher who will determine the costs of activities other than those set by the Governors.

The level of charges is a matter for the Governing Body. It is recommended that all charges should include a reasonable element for overheads like electricity, heating, caretaker's overtime, etc. Other things to consider are whether the school aims to make a profit, to meet actual costs or to offer say lettings at a subsidy.

All staff responsible for collecting income are made aware of the current charge rates and be aware of VAT implications.

The charging policy is reviewed annually by the Governing Body.

## **LETTINGS POLICY**

This sets out the arrangements for the use of the school premises by groups, individuals or organisations.

It should be read in conjunction with the LEA's advice and guidance on Lettings and Lettings Insurance.

All hirers of the school premises will be made aware of the hire costs, terms and conditions, including insurance requirements, before the hire and the agreement signed (see Appendix 4.3).

Hire charges will be reviewed annually by the Headteacher and Governors. The charges will cover any costs incurred, ie heat and lighting, caretaker and insurance. Current charges are as follows:-

Caretaker costs are based on the current rates issued by County's Education Personnel Section based on the number of rooms hired. An element for heating and lighting is added based on advice from Peter Boon, County's Energy Management Team. Insurance is added at the current rate of 12% issued by County's Insurance Section.

Charges to children and youth groups may be subsidised if funds are available for this purpose. This is to be agreed on individual circumstances by the Headteacher and Governors.

There is currently no charge for the use of the premises by the PTA.

Where possible fees are payable in advance. If this is not possible an invoice will be raised promptly.

**APPLICATION FOR HIRE**

I hereby apply for the use of the facilities detailed below:

Club/Organisation:

Accommodation required:

Equipment/Furniture required:

Equipment, etc to be brought onto premises by Hirer (if any):

Heating required: Yes/No .....

Insurance required: Yes/No .....

Qualification of Hirer (if relevant) see No 14 of Conditions of Hire:

Applicant's Name:

Address:

Telephone No:

Treasurer:

Address:

Telephone No:

Date required:

Alternative Date:

Times: From: To:

Approximate number of people:

I have read and agree to be bound by the Conditions of Hire.

Signed in a personal capacity and on behalf of  
whose authority I have to bind them by signing this application.

Signed:

Date:

## **LETTINGS OF COUNTY COUNCIL PREMISES - INSURANCE**

Subject to the Exclusion mentioned below, the County Council is able to offer the following cover by way of insurance for hirers of Somerset County Council schools and other premises on a casual basis:-

1. PUBLIC LIABILITY (THIRD PARTY) insurance - ie, claims by persons for whom the Hirers (not the Somerset County Council) may be responsible.  
  
Cover, which includes risks of food poisoning from food and drink supplied by the hirers, has been arranged subject to a limit of £1,000,000 for claims arising out of any one occurrence.
2. DAMAGE TO PREMISES HIRED (but excluding fire damage - see below). Cover which includes vandalism for which the Hirer may be responsible, is limited to £10,000 for each hiring and is subject to the hirer meeting the first £25 of each claim.
3. DAMAGE TO PREMISES HIRE by FIRE OR EXPLOSION for which the hirer is responsible or which is directly attributable to hiring. (Hirers of Voluntary Aided school premises).

### EXCLUSION

The above insurance arrangements DO NOT apply to Commercial Organisations such as a trading company promoting an exhibition or promoters of professional entertainment on the Council's premises. Such hirers are expected to have made their own insurance arrangements.

1. This statement is only a summary of the position. If required, fuller details of the insurance cover may be obtained from the County Treasurer (Insurance), County Hall, Taunton (Telephone - 01823 355290/355222).
2. The premium is added to the hiring charge.
3. This insurance cover is also available to hirers where no charge is made by the County Council, although it is expected that outside organisations eligible for free use of premises will have made their own insurance arrangements. If cover is required a premium will be charged equivalent to that payable on a chargeable letting for a similar period.
4. All activities of staff, governors and parents/teachers associations, which are directly related to the running of the school (including fund raising activities) are covered by the Council's insurances.
5. It is required of the insurance cover that all reasonable precautions be taken to prevent accident, loss, damage or injury.
6. The Somerset County Council is unable to insure hirers against their responsibility to their own employees. Hirers must make their own arrangements as required by the Employer's Liability (Compulsory Insurance) Act 1969.
7. The Somerset County Council does not provide insurance for other risks of hirers, eg, loss of money, tickets, etc or arising from the cancellation of a hiring. Hirers must take whatever steps they deem necessary to protect themselves against such risks.

8. All claims under these insurance arrangements are made to the County Treasurer's Department (Insurance), County Hall, Taunton, TA1 4DY.

Preliminary information should be telephoned to the County Treasurer's Department - telephone 01823 355290/355222 when advice on further action will be given.

Heads of hire premises or hirers should not attempt to contact the County Council's insurers without first contacting the County Treasurer's staff.

## **LETTING OF EDUCATIONAL ESTABLISHMENTS**

### **CONDITIONS OF HIRE**

1. In these conditions,
  - (a) “the establishment” means the school premises;
  - (b) “the Hirer” has the meaning defined at paragraphs 3 and 4 below;
  - (c) “the facilities” means the premises and/or equipment forming part of or belonging to the establishment which the Hirer has identified on his/her application form;
  - (d) “the responsible body” means the establishment’s governing body, its management committee or any other body charged with responsibility for the use of its premises by the community;
  - (e) “the Authority” means the Somerset County Council.
2. All applications for the hire of the facilities must be in writing on the printed form.
3. The person signing the application form shall be deemed to be the Hirer and must be over 18 years of age.
4. Where the Hirer indicates that he or she signs the application form on behalf of any club or organisation, that club or organisation shall also be deemed to be the Hirer and shall be jointly and severally liable with the applicant for any breach or non-observance of these conditions.

Should there be any default of payment by that club, the person signing the form shall be deemed personally liable.
5. The facilities will be used solely for the event described on the application form. If this booking relates to a regular and continuing booking this one undertaking shall be binding for all occasions when the facilities are used.

### **APPENDIX 4.3 (Cont)**

6. The Headteacher, or his/her representative, may refuse admission to any person without giving any reason for doing so and may similarly require any person to leave the premises.
7. The Hirer will be responsible for the provision of all such information, instruction and supervision as is necessary to ensure the safety of any activity for which the facilities are used.
8. The behaviour of all persons attending at the establishment for this booking is the responsibility of the Hirer.
9. Neither the Authority nor the responsible body shall be liable for any loss or damage to any property arising out of the hire, nor any loss, damage or injury which may be incurred by or be done or happen to any person or persons using the centre during the hiring, arising from any cause other than the negligence of the Authority, its servant or agent.

10. The Hirer shall be responsible for all damage or loss to any fixtures, fittings, sports or other equipment or property occurring during the period of the hiring however and by whomsoever caused, together with any additional expenses and/or consequential losses arising from the damage or loss.
11. Details of the insurance arrangements which Somerset County Council is able to offer are attached. Hirers should consider and effect such cover by way of insurance they may deem necessary for risks not mentioned (eg, cancellation costs - see condition 18).
12. The Hirer must familiarise himself/herself with the emergency procedures for fire, first aid and accident reporting and carry them out to the best of his/her ability. Attach details.
13. The facilities must be clean and tidy and all equipment must be put back after use. If the facilities are not cleaned to the reasonable satisfaction of the caretaker the Hirer will be responsible for any payment necessary to have them cleaned and this sum will be added to the bill.
14. A qualified supervisor is present during all activities of a hazardous nature, ie, karate, trampoline, gymnastics, swimming, judo or where the hiring organisation is a youth group.
15. The Hirer is solely responsible for the adequacy, suitability and safety of all equipment brought on to the facilities.
16. It is the sole responsibility of the Hirer to obtain any necessary licence for the sale of drinks for the performance of plays and similar productions and for the playing of pre-recorded music.
17. The Hirer must ensure that there are sufficient stewards to prevent unauthorised persons from entering the facilities and to ensure that guests are restricted to the facilities and to the necessary means of access thereto.
18. It may be necessary for the establishment to cancel or postpone this hiring. In that event neither the Authority nor the responsible body shall be liable for any consequential loss that he/she may sustain.
19. The responsible body reserves the right to vary these conditions at any time without notice or to make special arrangements in any particular case.
20. Authority to accept or decline or postpone a booking shall rest with the Headteacher of the establishment or his/her representative whose decision shall be final.
21. The caretaker will be present to unlock the premises at the beginning of the hire and will lock up at the end. He/she will not be available during the period of the hire.
22. Payment will be made if possible in advance of the hire. If the hire is for a regular let the establishment will invoice the hirer on a termly basis.

YEAR PLANNER

SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
<b>SCHOOL</b>											
Update Cashflow return to send to Schools Finance Team by 1 October (Local Chequebook only)	Data validity checks arrive at school.  Prepare income and expenditure return after Mth 6.	Prepare financial report for Governors monitoring and updating budget review/ SIP  Check Standards Fund expenditure is in line with the spending plan to avoid any loss of funds. Agree SIMS to QSPF.  Review SIP and cost out new projects.	School will be busy with the end of year activities.  Forward financial planning for three years - funding - budget	School profile.  Consider effects of actual January pupil numbers on funding for next year (ie, any retrospective adjustment?)  The New Year financial structure will be installed on SIMS (LRM) to enable budget planning.  Prepare income and expenditure return after Mth 9.  Initial budget preparation.	Prepare draft budget plans/ Proposals.  Assess a likely carry forward and how these funds are to be used.  Check Standards Fund Expenditure - to be spent By 31 August.  Special schools - Pupil Audit takes place.  Prepare financial report for Governors.	Section 52's sent to schools (final formula allocations)  Final budget preparations including Blue Book Buyback  School to put new budget on SIMS (LRM)  Complete Budget Assumption Form to submit to the LEA.  Year end accruals required	New Financial Year starts  Budget fixed  Preliminary closure on SIMS (LRM)  End of year petty cash/imprest reconciliation to be sent to Schools Finance Team.	Review School Improvement Plan and cost out new projects.	Final closure of old year on SIMS (LRM)  Complete Budget Assumptions Form	Prepare termly financial report for Governors.  Check centrally held staff budget is still reasonable allowing for September staff changes.(Local Chequebook only)	Summer holidays - have a break!
<b>GOVERNORS</b>											
Arrange for audit of unofficial school funds  School profile  Review of the Governing Body structure working practices and procedures	Deadline for audit of unofficial funds is 31st October. Send return to LEA	Termly governors meeting to consider financial reports - monitor, review and update budget  Review SIP.	Prepare/update finance policy.  Governors to check that annual inventory has been carried out.  All committees to meet to discuss needs for next year's budget	Finance Committee meet with Head to discuss budget implications	Termly Governors meeting to consider financial report/s and estimate the carry forward.  Finance Committee review draft budget proposals and links with SIP	Decisions to be made on buyback of Support Services (Blue Book) impacts of budget with Headteacher  Governors meeting to approve the budget to ensure sufficient funds are available and plan expenditure of carry forwards.	New financial year starts	Update list of business interests for all staff  Review SIP.	Submit a copy of the approved budget signed by Chair of Governors with the school's Best Value statement to Schools Finance Team by 30 <sup>th</sup> June.	Termly Governors meeting. Finance report on the old year and new year, finalise any decisions on the carry forward.  Review pay policy for teachers and other staff.	Summer Holidays - have a break
<b>One-off and additional considerations:</b> Audit visits OFSTED inspections		Training/refresher training Change of Staff									