

Alexandra Primary School



Financial Management Policy

Drafted by:
Date:
Next Review

J Norton
September 2022
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Alexandra Primary School

Financial Management Policy

Our Vision

We aim to provide high quality learning experiences, in a stimulating, safe and happy environment, through which our children can maximise their abilities and talents and thrive in society.

We offer a rich and balanced curriculum through which our children develop a pride in their achievement, feel happy, confident, and secure and develop their sense of self worth.

We provide opportunities to help children develop the skills they need to investigate, make sense of and communicate with the world around them; in order to become responsible, healthy members of the community.

The school promotes positive attitudes to work and the children establish sound work habits. We firmly believe that praise and recognition of good behaviour, effort and achievement promotes a school ethos in which we all feel valued and respected.

The school is committed to working with parents and carers to create a partnership that provides high quality education and equal opportunities for all our children.

To deliver our vision the finances and resources need to be managed in an efficient, controlled and cost-effective manner which will support the school's efforts in raising pupils achievement and drive school improvement.

Objectives

- to clearly define the areas of responsibility for Governors, Staff, Headteacher and bursarial services provided by Local Management Support Limited (LMS Ltd)
- to show how income and expenditure are controlled;
- to identify how the budget is set and how the priorities for the financial year are arrived at;
- to show a clear, direct link between the financial priorities and the School's Development Plan;
- to identify the security procedures for the computer, cash control and documentation;
- to identify the procedures for implementing the school's model financial regulations and standing orders, as specified by the LA.

Responsibilities

The school employs the services of Local Management Support Ltd. to provide a site visit once a term.

All matters with a financial consequence or implication are to be brought to the notice of the Governing Body at the earliest opportunity by the HT.

Budget Setting

- An annual budget will be compiled by the HT, in conjunction with LMS (or similarly qualified provider of services to be approved by the governing body) between January and March each year. The budget will consider historical costings, SDP priorities, initiatives and other known factors as detailed on the funding certificate provided by the Local Authority.
- The Resource Committee is responsible for setting and managing the budget with certain specific responsibilities, as detailed below, being delegated to the Headteacher;
- The Headteacher is responsible for supplying an approved school budget, and with monitoring information as required under Financial Regulations;
- The Headteacher, accountant and the SBM are responsible for providing the LA and the DFE with CFR and Census details;
- The budget will show short-term and long-term planning and identify the factors that will influence them;
- The budget plan will be constructed to plan for future financial years according to the LA budget cycle;
- The relevant parts of these plans will be reflected in the SIP
- The budget plan will be presented in a format for approval by the GB once the LA has confirmed the formula fund allocation for the financial year (by 31st March at the latest). All planning for future years will remain provisional throughout the planning process.
- The Resources Committee meets as soon as is practicable to discuss the draft budget plan once final funding is known. They may meet before this if necessary.
- The full GB has delegated the power to approve the budget plan in the summer term to the Resource Committee so that it can be submitted to the LA by 30th June.

Budget Management and Monitoring

- LMS Ltd will work with the HT to monitor as well as support the management of the budget;
- The GB is responsible for the financial management of the school with the day to day running being undertaken by the HT;
- The SBM reconciles the AGRESSO (LA Accounting system) payroll information against the budget plan in a timely manner following their receipt from the LA and reports relevant discrepancies to the HT and the LA finance department. The HT has a monitoring role and responds to the queries raised or ensures responses are provided by the relevant officers or departments. The budget plan will be updated if appropriate following the resolution of any queries on the payroll;
- LMS Ltd are System Managers for the RM Cash Accounts software and are responsible for the management of User access to the accounting system;
- The Headteacher along with the IT Lead is responsible with the SBM for Passwords and Codes for the system;

- The Headteacher may vire £5000 between funds without referring to the RC for clearance first; this will be reported at the next meeting of the RC;
- The Head teacher's delegated authority limit is £10000 per item. Any item/s purchased or services commended above this amount should be agreed by the RC. If a Resources meeting is not due, the Head teacher seeks authority from the Chair of Governors.
- Virements or expenditure above the agreed limits which have not been identified in the current approved budget plan may be made with the approval of the Chair of GB.
- The Capitation / Curriculum allocation will be managed by the Headteacher assisted by the Senior Leadership Team in consultation with subject leaders (budget holders). Monitoring information will be supplied by LMS to the HT / budget holders as requested / agreed;
- The Supply Budget will be managed by the HT and monitoring information supplied to the HT by LMS (or similarly qualified provider of services to be approved by the governing body);
- Each subject Leader will manage their own curriculum area allocation. This will be overseen by the Headteacher who will keep the RC / GB informed regarding expenditure;
- The SBM is responsible for undertaking benchmarking comparisons;
- The SBM will work with the Headteacher to monitor as well as support the management of the budget with regular salary checks and budget monitoring.

Policies

- The school reviews its Pay Policy regularly which will reflect its financial planning. This will be updated annually and will support the GB in determining the staff's annual salary assessment;

Bank Accounts and Related Procedures

- LMS (or similarly qualified provider of services to be approved by the governing body) and the HT will administer the Official / Formula Fund Account;
- The HT / SBM maintains a list of all bank and building society accounts with authorised signatories for each;
- Governors have authorised the use of making payments to suppliers by BACS. The service provider for the school's BACS system is NatWest Bankline.
- The use of NatWest Bankline for payments is restricted to staff authorised by the Governing Body and the HT.
- The HT is the service administrator and is responsible for managing NatWest Bankline.
- The procedures for making payments by BACS conform to existing controls for processing and authorising payments and reflect the principles of segregation of duties.
- All BACS payments require two users' authorisations.

- Invoices approved for payment are entered on to RMF by the Bursar who then prepares a BACS file ready for importing into Bankline together with a Remittance report detailing the invoices included for payment within the BACS file.
- Payment approvers on Bankline are the HT and SBM
- A payment approver user must log in to Bankline and upload and then approve the BACS file and sign off the remittance report. A second authorised signatory must then provide a second approval for the BACS payments.
- The payment approvers will check the payments presented to them within NatWest Bankline against the RMF report and the supplier invoices being paid.
- The Bursar and SBM can add, edit, and delete (or make inactive) supplier bank account details on RMF. All supplier details must be provided to the school on letter headed paper or stated on an invoice and copies retained on file for both initial set up and any changes. An authorised signatory will cross check sample invoice BACS/bank account details with RMF records and note on the sample invoice that they have been checked.
- Requests for changes to bank details received from suppliers will not be actioned without further verification with the supplier
- A sample check of bank account details will take place once a term by either the HT or SBM
- To safeguard against fraud the school is set up for dual authorisation for user administration in Bankline in order to ensure that any changes to the set up or authorisation rights are authorised by two people
- Cheques will only be issued in circumstances such as a technical issue with Bankline or account payment difficulties with a specific supplier. Cheques require two signatures at all times and these can be a combination of HT and/or SBM and one other authorised signatory;
- There are no cash Payments to any suppliers
- Cheque books and/or pre-printed cheque stationary are kept securely; Cheques are not pre-signed;
- Bank statements are reconciled by the bursar upon receipt of supporting documentation, to the RM UNIFY Cash Accounts and verified by the HT on the relevant documents;
- Control sum reconciliations are undertaken with each reimbursement claims made. Claims are made to the LA on a regular basis by the bursar from the accounting records and are verified by two of the schools authorised signatories (including the HT where possible) on the relevant documents.
- The HT will maintain a list of staff authorised by the GB to sign orders.
- The HT will maintain a list of staff authorised by the GB to certify invoices for payment.
- Stamps are purchased by the AO and kept securely. Every stamp used is recorded, accounted for in a stamp book and a running total and balance maintained.

- The school does not possess an Unofficial or Voluntary account, however audit certificates for previous years are archived;
- The Bursar manages the petty cash reimbursements and out of pocket expenses via BACS.
Recipients must:
 - receive verbal authorisation for the purchase from the HT;
 - provide a valid receipt / invoice with a completed petty cash claim form;
 - provide bank details in order to be reimbursed for the purchase.
- Petty cash expenditure is authorised by an authorised signature before the BACS payment is processed
- All authorised / paid out petty cash expenditure is entered onto the RM UNIFY Cash Accounts system by the bursar.
- The school will ensure that appropriate training takes place to ensure that there are experienced staff to stand in for the SBM should he/she be unable to work for any significant period of time.
- Bank statements are to be reconciled weekly by the school Bursar and verified by the Head teachers signature on the relevant documents;
- Control sum reconciliations are undertaken when reimbursement claims are made. Claims are made to the LA on a regular basis by the Bursar from the accounting records and are verified by the head teacher on the relevant documents;
- Staff professional development will occur to ensure that there are experienced staff to stand in for the staff should they be unable to work for a period of time;

Computer / Security Management

- The Bursar is responsible for taking and additional backup each weekly of the current financial year accounts data;
- LMS Ltd keep financial data back ups off site;
- Access to RM UNIFY Cash Accounts is controlled by the System Manager and is set at levels appropriate to level of training and responsibility each user has. Access is password controlled;
- The HT and LMS Ltd are System Managers and have responsibility for managing the security of the system;
- The HT must authorise the addition of new users and any changes to levels of access rights to the software before they are actioned;
- All system users passwords should be changed on a regular basis – at least once per term;
- The HT will ensure that the school have an up-to-date Data Protection License and school will abide by the General Data Protection Regulations;
- The Copyright License Holder is the HT. The monitoring of this is the responsibility of the HT;
- The school has a key/combination safe with a specified overall cash limit of limit of £1,000. Cash is paid into the bank on a regular basis and only minimal floats remain in the safe over holiday periods.

Reporting Procedures

- The HT receives weekly budget analysis reports from the bursar;
- The HT in conjunction with LMS Ltd will provide the RC / GB with an up-dated budget plan and analysis of budget against expenditure/income where appropriate in the autumn and spring term;
- The HT in conjunction with LMS Ltd will provide the LA with budget monitoring information, in the format specified by the LA as requested by the LA;
- The RC will provide a financial report to the Governing Body at the meeting held each term;
- The Agenda for the RC will be set and circulated, at least one week prior to the date of the next meeting. Confidential supporting information will be sent to committee members as necessary. It is their responsibility to bring copies to meetings;
- Minutes of the RC meetings will be taken and circulated to committee members before the next meeting;
- The HT's termly report to the GB will include an update of financial information.

Purchasing

The aim when purchasing is to ensure that the school receives value for money; quality and appropriateness when purchasing goods and services.

- Anyone (all staff including teachers, admin staff, support staff, caretakers) wishing to place an order must complete a School Order form available from the Office. This is then passed to the HT or SBM who will authorise the purchase/s once the balance of the specified budget has been checked. The authorised order will then be passed to the SBM who will raise an order number. The AO will email, order online or telephone as necessary to the supplier. The order will then be filed ready for checking against the items delivered;
- Telephone orders may only be placed by the HT, DHT, SBM or AO / Caretaker in exceptional circumstances, and must be followed up immediately by a standard printed / written order as confirmation;
- Delivery notes will be checked off against the items received by the AO, Welfare Assistant, Caretaker, Teacher, HT or DHT upon receipt of a delivery;
- Delivered items should not be removed from the School Office area until delivery notes are checked, even if they are addressed to a member of staff;
- Delivery notes will then be checked off against the printed authorised order and marked as such. The delivery note will then be attached to the order;
- Completed orders will be filed by the AO. Orders must then be matched with delivery notes and invoices by the AO and passed to the bursar for HT authorisation and payment;
- Payment of invoices will be authorised by the HT or SBM and bills will be promptly paid providing delivery notes and orders have been satisfactorily cross checked;

- When approving BACS payments to the supplier, the HT and one other authorised signatory are presented with the relevant computer generated payment authorisation slips and a schedule of all payments produced in that session including a list of invoices paid;
- All payments for services to individuals will be via the school once IR35 check has been completed upon receipt of an invoice that includes a Unique Tax Reference Number. The school should use the HMRC Self Employed status web based toolkit to determine this and if necessary seek further advice from HMRC to confirm the individual's status. Documentation of these checks and a record of all related communications should be retained by the school in a separate file marked "Self Employed Staff";
- The requesting of inspection copies must be authorised by the HT or SBM and a possible budget with sufficient funds identified on the order for the inspection copy;
- All inspection copies must be checked in as invoiced goods, passed to the relevant person and a decision taken within ten days as to whether they will be kept. The school diary should have the tenth day noted to enable the AO to collect and return any items which are not wanted or where a decision is not made within ten days. A log of any current inspection copies should be maintained;
- It is the responsibility of the AO to ensure the copies are returned within 10 days if they are not to be kept;
- If Inspection Copy items are to be kept the relevant paperwork must be signed as such and passed to the AO immediately;
- All requisitions for repairs or maintenance should be treated as orders except in the case of emergencies where they may be treated as telephone orders;
- Quotations / tenders must be obtained for all purchases in line with current LA Financial Regulations a copy of which is maintained in the school office. Currently all orders for more than £5,000 require some documentation to be obtained. Quotations must be obtained from at least 3 suppliers / contractors for orders over £10,000. The quotations should be presented to the RC for agreement to proceed based on value for money, availability of goods/services and meeting of the specification. Please refer to the LA Financial Regulations for further information;
- The HT is responsible for ensuring that all contracts are properly dealt with in terms of leasing regulations, Self-Employment Status, VAT, and all other relevant matters included in LA Financial Regulations or other relevant documentation;
- When quotations have been obtained or tenders submitted, value for money and the quality of work, are the key factors which will inform the HT and RC/GB as they make their decision;
- The school will have signed declaration of interest forms, which will record Governors knowledge of, or relationships with people concerned in providing any paid service to the school. This will be updated at least once per year and upon appointment of any new Governors to the school;
- The GB will ensure all members of the GB complete a Governor Disqualification form via Governor Hub. The GB will ensure this is updated annually and upon appointment of any new governors;

Government Procurement Cards

- The school has two Government Procurement Cards for the Head Teacher, and the SBM. The purchasing rules follow the same procedures as invoice purchases. VAT receipts are required. Cards are kept securely by the SBM and HT. The authorised signature on the receipts / invoices / proformas from procurement card purchases must not be the same as the authorised purchaser (for example Heads procurement card purchases to be signed by the SBM);
- School has placed an upper spending limit of £1250 per transaction.

Audit

- The school's funds and procedures will be audited by the LA / external auditors.
- The Chair of Governors will be informed of all audit outcomes immediately;
- Any audit report will be presented to the Resources Committee and GB at the next meeting and the Action Plan agreed and implemented.

Insurance

- The school will liaise with the LA to review insurance arrangements. All risks will be reviewed annually to ensure appropriate insurance.
- The school uses the Government recommended RPA insurance providers
- The school immediately informs the Local Authority of all accidents, losses and other incidents that may give rise to an insurance claim.

Personnel

- The Pay Policy will be reviewed annually by the Personnel Committee and staff will receive a Salary Assessment during the academic year in line with their contract of employment;
- Payroll information is reconciled in a timely manner by the SBM upon receipt of payroll information from the LA. The SBM is responsible for ensuring the accuracy of the information and for informing the LA of any discrepancies;
- The HT and SBM will check and authorise timesheets for any additional hours. A copy is kept on school files;
- APS completes the Inland Revenue IR35 documentation for self-employed contractors to ensure compliance with for tax and national insurance regulations.

Security of Stocks and Property

- The school will maintain a register of fixed assets. This is held by the school and made available to auditors as required. The asset register will identify all items to be insured worth over £200. This will detail the purchase date of goods, place located and cost of purchase or replacement;
- All IT and electrical items worth over £50 are security marked upon delivery;

- An annual inventory is undertaken by the Premises Manager of non-electrical items, such as furniture and standard electrical items (not ICT equipment) across the school. A similar inventory is undertaken by the IT lead which includes purchase dates, values, serial numbers where applicable, residual values and disposal certificates. Copies of the inventories are printed / copied and available for audit. The report is then dated and stored as evidence of the check;
- The school safe is combination / key controlled and is securely locked in an alarmed area. It is kept locked unless directly in use. Two members of staff have keys: HT and SBM;
- The Office area is locked every night and during school holidays periods.

Income

- The transfer of money between school and staff i.e. petty cash etc. is via BACS;
- The Bursar securely retains receipts and other records of income;
- The school should not routinely take any cash. All payments for school items, trips and dinners must be made via ParentPay. The Bursar must reconcile all payments and against the bank statement;
- Cash should only be accepted for Pre-loved uniform /charity events / book fairs. The money must be reconciled and taken to the bank within one week of the event. A receipt must be obtained from the bank for the amount paid in;
- No personal cheques are cashed in school / by the school;
- Music tuition monies are collected via ParentPay. The AO retains all records and matches the total paid against the music service invoices;
- Requests for a child's passport form to be signed must be done via the Headteacher and can only be completed if the child has been known to the school for the required amount of time. A £15 charge will be made via ParentPay.
- Cheque payments made to the school that are to be paid into the official school funds via the bank and must be made out to "London Borough of Hounslow";
- Milk monies are collected by Coolmilk directly from parents. The AO will record who has placed an order and distribute lists to classes;
- The checking of entitlement to free school meals is the responsibility of the AO;
- Donations to the school are handled using the following principles:
 - Non-specific bequests to be paid in to the official fund;
 - Non-specific bequests and other donations over £100 to be considered by the RC.

Petty Cash

- Petty Cash is the term used for small purchases (not actual cash) and is administered and managed by the bursar;
- Sums paid out relate to small items of expenditure of less than £10. Items to be purchased of a higher value should be done through the purchase order process.

- Payment to staff will only be made upon submission of a valid receipt and a completed petty cash slip. Petty cash expenditure is authorised by a valid signatory before the BACS payment is processed by the bursar. Recipients will need to give their bank details in order to be reimbursed. This information will only be used and stored for the purpose of the one transaction and audit.
- Expenditure is entered onto the school accounts by the bursar each week during term time;
- The school no longer holds a petty cash tin.

Abbreviations Used

LMS	Local Management Support Ltd
HT	Head Teacher
DHT	Deputy Head Teacher
SBM	School Business Manager
AO	Admin Officer
SLT	Senior Leadership Team
SDP	School Development Plan
LA	Local Authority
GB	Governing Body
RC	Resources Committee
CFR	Consistent Financial Reporting

PETTY CASH PURCHASE SLIP

DATE: ___/___/___

Name of PERSON MAKING PURCHASE _____

Reimbursement out of pocket expenses You must complete this form before claiming

NOTE: NO CASH GIVEN.

Reimbursements are now made via BACs directly to your bank account. Please ensure you complete your details in order for the payment to be made.

Name of account holder:	Name of Bank:
Sort Code:	Account Number:

This information will only be used for the purpose of this reimbursement.

INDICATE THE ACCOUNT FROM WHICH THE FUNDS ARE TO BE TAKEN - please INSERT

Curriculum budget _____ **OR** **Other budget** _____

Detail	£	Brief Description of Purchase
Amount paid net		
Amount VAT paid		
TOTAL PAID		

PLEASE ATTACH RECEIPT TO THIS FORM. Receipt should show the following: (1) total amount paid, (2) name of supplier/shop & if VAT has been charged (3) the VAT registration number, (4) amount of VAT paid and (5) rate of VAT

Please forward the completed voucher and receipt to the school administrator after obtaining **an authorising signature**

AUTHORISED BY:

(PRINT) _____ (Signature) _____ DATE ___/___/___

MONEY RECEIVED BY PURCHASER

(PRINT) _____ (Signature) _____ DATE ___/___/___

For office use: Placed on computer: Date: ___/___/___ Voucher No: _____



Alexandra Primary School

**PROCUREMENT CARD
PURCHASE**

DATE: ___/___/___ Name of CARD HOLDER _____

INDICATE THE ACCOUNT FROM WHICH THE FUNDS ARE TO BE TAKEN - please INSERT
Curriculum budget _____ **OR** **Other budget** _____

Detail	£	Brief Description of Purchase
Amount paid net		
Amount VAT paid		
TOTAL PAID		

PLEASE ATTACH RECEIPT TO THIS FORM. Receipt should show the following: (1) total amount paid, (2) name of supplier/shop & if VAT has been charged (3) the VAT registration number, (4) amount of VAT paid and (5) rate of VAT

AUTHORISED BY:

(PRINT) _____ (Signature) _____ DATE ___/___/___

For office use: Placed on computer: Date: ___/___/___ Voucher No: _____



School Name

**PROCUREMENT CARD
PURCHASE**

DATE: ___/___/___ Name of CARD HOLDER _____

INDICATE THE ACCOUNT FROM WHICH THE FUNDS ARE TO BE TAKEN - please INSERT
Curriculum budget _____ **OR** **Other budget** _____

Detail	£	Brief Description of Purchase
Amount paid net		
Amount VAT paid		
TOTAL PAID		

PLEASE ATTACH RECEIPT TO THIS FORM. Receipt should show the following: (1) total amount paid, (2) name of supplier/shop & if VAT has been charged (3) the VAT registration number, (4) amount of VAT paid and (5) rate of VAT

AUTHORISED BY:

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