

Financial Management Policy

St Jude's Catholic Primary School

AIM

To manage the finances in an efficient, controlled and cost-effective manner which will support the school's efforts in raising pupils' achievement.

OBJECTIVES

- To clearly define the areas of responsibility for Governors, Head Teacher, other staff and Local Management Support Limited.
- 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 enable Governors to identify a clear, direct link between the financial priorities and the School's Improvement Plan.
- To identify the security procedures for cash control, computerised procedures, data storage and documentation.
- To identify the procedures for implementing the LEA's Financial Regulations.

ABBREVIATIONS USED

LMS	Local Management Support Ltd
HT	Head Teacher
DHT	Deputy Head Teacher
AO	Admin Officer
AA	Admin Assistant
SMT	Senior Management Team
SDP	School Development Plan
LA	Local Authority
GB	Governing Body
FC	Finance Committee

RESPONSIBILITIES

The school employs the services of LMS to provide a site visit once a week during term time.

BUDGET SETTING

- An annual budget will be compiled by the HT, in conjunction with LMS between January and March each year. The budget will take into account historical costings, SDP priorities, initiatives and other known factors.
- 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 SDP
- 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 FC 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 will meet to approve the budget plan in the summer term each year in order 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 management of the school with the day to day running being undertaken by the HT.
- The FC (where one exists) is responsible for setting and management of the budget with specific responsibilities, as detailed below, being delegated to the HT:
 - The HT is responsible for submitting the signed (HT and Chair of Governors) approved school budget plan to the LA (annually by 30th June) and budget monitoring information to the LA as required under LA Financial Regulations.
 - The HT has the responsibility for the day to day running of the budget
- LMS 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. 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.

- The HT and LMS are System Managers for the RM Cash Accounts software and are responsible for the management of User access to the accounting system
- The HT may vire £2,000 between funds without referring to the FC for clearance first. This will be reported at the FC at the next meeting.
- Expenditure up to £2,000 which has not been identified in the current approved budget plan may be exercised by the HT without prior consultation of the GB / FC.
- Virements or expenditure above £2,000 which have not been identified in the current approved budget plan may be made with the approval of the Chair of GB in exceptional circumstances.
- The Capitation/Curriculum budget will be allocated by the HT in consultation with budget holders. Monitoring information will be supplied by LMS to the HT / budget holders as requested/agreed.
- Each subject co-ordinator will manage their curriculum area allocation. This will be overseen by the HT, who will keep the FC/GB informed regarding expenditure.
- The Supply Teacher budgets will be managed by the HT and monitoring information supplied to the HT by LMS.
- The HT is responsible for undertaking benchmarking comparisons, using the DCSF benchmarking website.

RELATED POLICIES

- The school has a Pay Policy, which will reflect its financial planning. This will be updated annually and will support the staff's annual salary assessment from the GB.
- The school has a signed Statement of Internal Control (SIC) which has been seen and approved by the governing body

BANK ACCOUNTS AND RELATED PROCEDURES

- LMS and the HT will administer the Official/Formula Fund Account.
- The HT maintains a list of all bank and building society accounts with authorised signatories for each.

- The Unofficial Account / Voluntary funds will be managed by the AO who will be directly responsible to the HT.
- All cheques from all accounts require two signatures at all times and these can be a combination of HT and/or DHT and one other authorised signatory.
- There are no cash limits other than the known available bank balance (which should always be checked first) for authorised cheques.
- Cheque books and/or pre-printed cheque stationary are kept securely in the strong room/safe.
- Bank statements are reconciled by LMS upon receipt by LMS with supporting documentation, to the RM Cash Accounts and verified by the an independent signature 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 LMS 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 under lock and key. Every stamp used is recorded, accounted for in a stamp book and a running total and balance maintained.
- All Unofficial / Voluntary funds are audited every year by an independent party in the autumn term and the certificate of audit presented to the GB at the next meeting where the audit is recorded in the minutes.
- Audit certificates for all unofficial / voluntary funds are submitted to the LA each year in line with LA Financial Regulations.

- The AO and LMS manage petty cash.
 - Recipients must:
 - receive verbal authorisation for the purchase
 - provide a valid receipt/invoice with a completed petty cash claim form
 - sign to say they have received the money.

- Petty cash expenditure is authorised by an authorised signature before the cash is dispensed.
- This signatory must be someone other than the recipient.
- All authorised/paid out petty cash expenditure is entered onto the RM Cash Accounts system by LMS.
- Out of pocket expenses over £25 will be reimbursed by cheque.
- LMS will visit school each week during term time to carry out financial procedures
- The school will ensure that appropriate training takes place to ensure that there are experienced staff to stand in for the AO should he/she be unable to work for any significant period of time.

COMPUTER/ SECURITY MANAGEMENT

- School financial data is automatically backed up on a hard drive and a virtual server.
- LMS are responsible for taking an additional backup each week of the current financial year accounts data.
- LMS keep financial data back ups off site.
- Access to RM 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 are System Managers and have responsibility for managing the security of the system.
- The HT must be authorised 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.
- 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 at least once a week.

MANAGEMENT REPORTING PROCEDURES

- The HT receives weekly budget analysis reports from LMS.
- The HT in conjunction with LMS will provide the FC / 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 will provide the LA with budget monitoring information, in the format specified by the LA as requested by the LA.
- The FC (where on exists) will provide a financial report to the Governing Body at the meeting held each term.
- The Agenda for the FC will be set and circulated, at least one week prior to the date of the next meeting, to members and “posted” on the staff notice board.
- Accurate minutes of the FC meetings will be taken and also “posted” on the notice board unless confidential aspects are included.
- 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.

- Anyone (all staff including teachers, admin staff, support staff, caretakers and cleaners) wishing to place an order must **complete** a School Order form / a requisition will be added by the AO, available from the Office. This should be passed to the HT or DHT 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 AO who will enter the order onto the order log and print it. The printed order will then be authorised and posted/faxed/e-mail as appropriate.
- The HT maintains list of staff authorised by the GB to place/ sign orders.
- A list of staff authorised by the GB to certify invoices for payment is maintained by the HT.
- Telephone orders may only be placed by the HT, DHT 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 will 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 in the School Office in date order with the most recent order at the top.
- Payment of invoices will be authorised by the HT, DHT or AO and bills will be promptly paid providing delivery notes and orders have been satisfactorily cross checked.
- When signing cheques the HT and one other authorised signatory are presented with the relevant computer generated payment authorisation slips and a schedule of all cheques produced in that session including a list of invoices paid.
- All payments for services to individuals will be made through the LA's payroll system unless the school has agreed otherwise and has assured itself that the individual is entitled to be considered self employed in

respect of HMRC guidance. 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 DHT 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 £3,000 require some documentation to be obtained. 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, EU procedures, 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 FC/GB as they make their decision.
- The school will have a Pecuniary Interest Book, which will record staff 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 employment of any new staff to the school.

- The GB will ensure all member of the GB complete a LBH register of interest form. The GB will ensure this is updated at least once per year and upon appointment of any new governors.

AUDIT

- The school's funds and procedures will be audited by the LA / external auditors a regular basis for both Internal Audit and SFVS purposes.
- The Chair of Governors and Chair of Finance will be informed of all audit outcomes immediately.
- Any audit report will be presented to the GB at the next meeting and the Action Plan agreed and implemented.

INSURANCE

- The school will liaise with the LA to effect and review insurance arrangements. All risks will be reviewed annually to ensure appropriate insurance. Arrangements will cover the school grounds, property and the materials within.
- The school holds fidelity guarantee insurance for its unofficial / voluntary funds.

PERSONNEL

- The Pay Policy will be reviewed annually by the FC / Pay Committee and staff will receive a Salary Assessment academic year in line with their contract of employment.
- Payroll information is reconciled in a timely manner by LMS upon receipt of payroll information from the LA. The HT is responsible for ensuring the accuracy of the information and for informing the LA of any discrepancies.
- The HT, DHT or AO will check and authorise timesheets for weekly paid staff. A copy is kept on school files.

SECURITY OF STOCKS AND PROPERTY

- An inventory is maintained identifying all items to be insured worth over £200. This will identify the purchase of goods, place of location and cost of purchase or replacement.

- All items worth over £50 are security marked upon delivery.
- An annual physical check of the inventory is undertaken annually by the AO and Clerical Assistant. A copy of the inventory is printed/copied and each item marked as checked. The report is then dated and stored as evidence of the check
- A copy of the latest inventory is maintained off site.
- The school safe is combination/key controlled and is securely locked in an alarmed area. It is kept locked unless directly in use. Three members of staff have keys: HT, DHT and AO.

INCOME

- The transfer of money between school and staff i.e. petty cash etc is signed for.
- The AO securely retains receipts and other records of income.
- All monies collected are banked within one week.
- School trips - the Administrative Assistant is responsible for the collection of monies. Payments are electronically recorded and receipts issued.
- No personal cheques are cashed in school / by the school.
- Monies deposited are reconciled to the sums collected.
- The AO will complete the Item Code and Accounting Code and a suitably detailed description for all income paid in via the LA's cash collection service.
- Music tuition monies are collected recorded and receipts issued by the AO. The AO then processes the income for banking via the LA's cash collection service.
- A copy of the LA bank paying in slip is made by the AO for all income (except School Meals and Milk) for LMS in order that it can be reconciled with the AGRESSO printout.
- Cheque payments made to the school that are to be paid into the official school funds via the LA cash collection service must be made out to "London Borough of Hounslow"

- The checking of entitlement to free school meals is the responsibility of the AA.

PETTY CASH

- Petty Cash is administered and managed by the AO,
- Sums paid out relate to small items of expenditure of less than £25. 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 cash is dispensed by the AO. Recipients will sign to acknowledge receipt of the reimbursement
- Paid out petty cash expenditure is entered onto the school accounts by LMS each week during term time.
- The school has a maximum limit of £300 cash in the petty cash tin.
- All petty cash expenditure is included in the periodic reimbursement claims submitted to the LA.
- A reconciliation of petty cash is made each week during term time. A statement identifying the opening balance, expenditure during the input session and balance remaining in the petty cash tin is provided each week by LMS for the AO to check and is signed as checked by the AO. This statement is filed in the Petty Cash file.

UNOFFICIAL/VOLUNTARY FUNDS

- The Unofficial Fund is audited, independently annually and the audit certificate presented to the full governing body where its ratification should be minuted in the autumn term each year.
- A report on the account is made annually to the GB where the audit certificate is presented and a minute made.
- Two signatures are required on all cheques - HT, DHT or AO.
- Bank account statements are reconciled by the AO to school records upon receipt. The statement is signed and dated by the AO and HT to verify it has been reconciled and checked independently.
- All income must be fully accounted for. Invoices / receipts for items of expenditure must be maintained and receipts provided for income received and.
- All income and expenditure must be recorded in a clear and transparent format which can easily be checked by the HT or audited.

October 2012

To be reviewed annually – October 2013

SIGNED: Chair of Governors.....

Head Teacher.....

DATE:.....