



ST NICHOLAS CE VA PRIMRY SCHOOL CHILD OKEFORD

**A CHURCH OF ENGLAND VOLUNTARY AIDED PRIMARY
SCHOOL**

MISSION STATEMENT

Exploring Possibilities Together

With God all things are possible (Matthew 19:26)

FINANCIAL PROCEDURES POLICY

DATE ADOPTED
April 2020

REVISION NUMBER

LAST REVIEW
March 2022

NEXT REVIEW
March 2023

The objectives of this policy are to set guidelines for the establishment of sound and effective financial procedures. By complying with current financial regulations and adopting good working practices such as:

- establishing proper financial management arrangement and accounting procedures, in line with the LA, OFSTED and DfE recommendations;
- maintaining a reliable system of internal controls;
- ensuring that resources are properly allocated and that the principle of best value is adopted;
- outlining the areas of responsibility within the school;
- ensuring that the requirements of accountability are fulfilled;
- ensuring appropriate training is undertaken by budget holders.

The school aims to operate in a transparent, ethical and accountable way which will promote effective management.

1. Responsibilities

- 1.1 **Governors** are responsible for ensuring that the school's finances are managed effectively and for approving and monitoring the budget. They should establish the financial limits of delegated authority. They complete an annual review of the schools financial control (Schools Financial Value Standard – SFVS) which is returned to the LA by 31 March each year.
- 1.2 **The Headteacher** has overall responsibility for the school's activities and is therefore considered to be the person with overall responsibility to the Governing Body for the financial management of the school. The Headteacher should ensure that:
 - the Governing Body is provided with financial advice
 - proper and adequate financial systems and controls are in place
 - accounts are prepared and maintained as required by the Governing Body and the LA.
- 1.3 The Headteacher delegates most of the day-to-day financial management to the **School Secretary** while retaining ultimate responsibility.

2. Financial Planning

The budget is the financial dimension of the school development plan. By identifying and allocating financial resources, the school prioritises its targets and objectives and facilitates the achievement of its educational aims.

Activity	Detailed task	Responsibility and other supports
Planning the budget	To estimate allowance, income, grants, etc	LA, Headteacher, School Secretary
	To identify and propose priorities in relation to the SDP	Headteacher, Full Governing Body
	To review and propose changes in staffing needs	Headteacher, Full Governing Body
	To draft budget options	School Secretary
	To evaluate budget options	Headteacher, Full Governing Body
	To prepare final draft budget	School Secretary, Headteacher
Approving the budget	To propose final budget draft	Headteacher
	To agree final draft	Full Governing Body
Monitoring and reviewing the budget	To regularly monitor and review the budget and investigate discrepancies	Headteacher, School Secretary
	To report about financial matters to the FGB	Headteacher
Virements	To recommend virements	Headteacher, School Secretary

	To approve virements	Full Governing Body
	To sign virement forms	Headteacher

3. Payroll

Payroll is contracted to Dorset Council.

The school is responsible for:

Activity	Detailed Task	Responsibility
Staff Contracts	Ensuring all forms are completed during recruitment together with any variations of contract are sent to DC for processing. Once DC have set up the contract, check that the details are correct.	<i>Headteacher,</i> School Secretary
Weekly/monthly returns	To complete overtime claims and supply teacher claims online to meet payroll deadlines. To complete monthly staffing return indicating starters, leavers and sickness or other absence. If applicable to complete absence insurance claims.	Headteacher, School Secretary
Monthly payroll printout	To check monthly printout for irregularities, including staff that have left or are not employed by the school. If actual payroll expenditure is different from budget, investigate any discrepancies.	School Secretary
Nominal Roll	To check staff contract details are correct	Headteacher, School Secretary

5. Purchasing

Purchasing procedures have been put in place to ensure that the school follows the fundamental principles of: probity, accountability and value for money.

Segregation of duties is used wherever possible: requisition orders are placed by the School Secretary and authorised by the Headteacher. Invoices are processed by the School Secretary and cheques are signed by the Headteacher. It is not possible, however, to have complete segregation of duties due to the limitation of staffing arrangements.

The school is careful to apply the principles of best value for money by using known suppliers with proven capacity to provide quality, quantity and timely delivery at a competitive price.

Non-order invoices are discouraged as much as possible.

E-purchasing and telephone orders should always be authorised beforehand and supported by the issue of an official order.

All purchases estimated to be above £20,000 should be put to tender. The governors should ensure that at least three contractors are invited to submit tenders.

Three quotations should be sought for estimates of £5,000 and up to £20,000.

Estimates under £5,000 should follow the principles of best value for money.

The Governing Body must update annually a register of business interests for each member of the governing body and the headteacher.

Activity	Detailed task	Responsibility
Placing orders	Requisition orders	School Secretary
	Responsible for agreeing on requisition orders within limit of account budget	Headteacher
	Responsible for agreeing orders above limit of account budget	Headteacher
	Responsible for agreeing purchase above delegated limit	Full Governing Body

	Responsible for obtaining quotes	School Secretary/ Headteacher
	Responsible for seeking tenders	School Secretary
	Responsible for placing official orders	School Secretary
	Responsible for signing orders	Headteacher
	Responsible for placing summary orders	School Secretary
Deliveries	Responsible for checking delivery against order	School Secretary
	Responsible for returning and/or exchanging goods	School Secretary
Activity	Detailed task	Responsibility
Invoices and Payments	Responsible for processing and paying invoices	School Secretary
	Authorised signatures on LMS account	Headteacher, Deputy Head
	Authorised signatures on School Fund accounts	Headteacher, Deputy Head

6. Cash Handling for LMS and School Fund Accounts

Cash handling should be kept to a minimum and whenever possible and practical, transactions should be done by cheques. Monies should be kept in a safe and secure place and promptly paid into the bank accounts.

Cash is usually collected for the following purposes:

- field trips
- revision guides
- uniform
- lettings
- personal telephone calls
- fund raising
- donations

Cash received should be promptly counted by the School Secretary and stored in the safe.

Audit recommendations on safe limits and transit of money should be adhered to. (see attached)

No petty cash is held in school.

The following guidelines should be followed when handling cash:

- avoid counting cash in public
- avoid leaving cash unsecured in an unattended area or room
- use the fire proof safe to store large amounts of cash
- receipts are given for cash received from lettings or on request

Activity	Detailed task	Responsibility
Collection of money	Collection of curriculum related money	School Secretary
	Collection of money from lettings	School Secretary
	Collection of money for uniform	School Secretary
	Collection of money for fundraising, donations, private calls and other sources	School Secretary
Cash received	Counting and recording of money	School Secretary
	Preparing banking	School Secretary
	Transporting cash to bank	School Secretary

5. Reconciliation of accounts, financial reporting and collation of information

The school needs to continually monitor its financial progress and report on it to various bodies, such as the governors, LA, OFSTED and DfE.

The school also needs to complete various claims in relation to income and expenditure.

Information gathering is an important factor in the effective management of the school's finances.

The list of reports, claims and returns, and their submission deadlines, is usually defined by the LA or the DfE.

Activity	Detailed task	Responsibility
Reconciliation of bank statements	Monthly reconciliation of bank statements for LMS and School Fund	School Secretary

	accounts. Investigation of discrepancies.	
Reconciliation of credit card statement	Monthly reconciliation of credit card statement to finance system Agreed by	School Secretary Headteacher
LMS return	Monthly preparation of LMS and VAT return Agreed by	School Secretary Headteacher
Automatic reconciliation of allowance account	Monthly reconciliation of school's data with information sent by LA	School Secretary
Absence insurance claims	Monthly preparation of absence claims for personnel on sick leave Agreed by	School Secretary Headteacher
Travel claims	Checking travel claims prepared by claimant Agreed by	School Secretary Headteacher
Threshold Grant claims	Termly preparation of Threshold Grant claims Agreed by	Headteacher Headteacher
School Census	Annual pupil census preparation Agreed by	School Secretary Headteacher
School Workforce Census	Annual workforce census preparation Agreed by	School Secretary Headteacher
CFR Return	Preparation of annual return	School Secretary

	Agreed by	Headteacher
Financial Risk & Control Checklist	Prepare annual review of financial control for the Governing Body	School Secretary/ Headteacher

6. Lettings

The school has a lettings policy which establishes the general conditions for letting the school premises.

The charging policy is the responsibility of governors and lettings fees are regularly reviewed by the full governing body.

Records are kept of bookings and invoices.

A letting contract establishes the condition of let for each individual hirer.

Activity	Detailed task	Responsibility
Lettings fees	Establishment of charging policy	Full Governing Body
Contracts	Authorisation of lettings Preparation of individual letting contracts	School Secretary
Booking and Invoicing	Monthly preparation of booking forms and invoicing	School Secretary
Collection of fees	Half termly collection of fees and follow up if necessary	School Secretary

7. Voluntary Fund (Management and Audit)

The school holds a small private fund which is used for the collection of money from the sale of school uniform, equipment, fundraising, trips and sundry items.

The fund is managed by the School Secretary and is audited once a year. Governors receive an audit report which is minuted.

8. Asset Register

The Governing Body is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of moveable, non-capital items.

The Headteacher is responsible for ensuring that assets under his/her control are correctly recorded in the Inventory Books.

Disposal of assets should follow the procedure set down by Dorset Council. (see attached)

Activity	Detailed task	Responsibility
Implementation of new inventory control programme from DC	Promoting purchases from PF over £50 from previous financial years and adding other items manually.	School Secretary
Updating inventory books	Recording new items. Physical check of equipment against relevant records	School Secretary Class Teaching Assistant
Monitoring	Annual monitoring of inventory books	Headteacher/ School Secretary
Disposal of assets	Disposal of assets with nil or nominal value	Headteacher
	Disposal of assets with market value	Full Governing Body

9. Annexes

9.1 List of people authorised to sign cheques

Headteacher
Deputy Head

9.2 Reference documents used for the management of school finances

Keeping Your Balance	2000	Ofsted	
Getting the Best from Your Budget	2000	Ofsted	
Scheme of Financial Management	2008	LA	
Financial & Administrative Regulations	2008		LA
Standing Orders on Contracts	2008	LA	
Financial Efficiency Policy	2011	LA	
VAT Reference Manual			