

St. Mary's Catholic Primary School Chiswick
"Living and learning, inspired by our faith"

FINANCE POLICY



February 2023

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Headteacher / Chair of Governors

Next Review Date: January 2025

1. Aim

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

2. Objectives

- 2.1. To clearly define the areas of responsibility for Governors, Head Teacher, other staff and Local Management Support Limited.
- 2.2. To show how income and expenditure are controlled.
- 2.3. To identify how the budget is set and how the priorities for the financial year are arrived at.
- 2.4. To enable Governors to identify a clear, direct link between the financial priorities and the School's Development Plan.
- 2.5. To identify the security procedures for cash control, computerised procedures, data storage and documentation.
- 2.6. To identify the procedures for implementing the LA's Financial Regulations.

3. Abbreviations Used

LMS	Local Management Support Ltd
HT	Head Teacher
SBM	School Business Manager
SLT	Senior Leadership Team
SIP	School Improvement Plan
LA	Local Authority
GB	Governing Board
RC	Resource Committee

4. Responsibilities

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

5. Budget Setting

- 5.1. An annual budget will be compiled by the HT, in conjunction with LMS between February and March each year. The budget will take into account historical costings, the SDP priorities, initiatives and other known factors, such as the LA's fund allocation. Such allocation should be confirmed no later than 31st March to allow for budget setting.
- 5.2. It will be presented to the GB for approval. All planning for future years will remain provisional throughout the planning process.
- 5.3. The budget will show short-term and long-term planning and identify the factors that will influence them.
- 5.4. The budget plan will be constructed to plan for future financial years according to the LA budget cycle
- 5.5. The relevant parts of these plans will be reflected in the SDP
- 5.6. Completion will be in the summer term each year so that it can be submitted to the LA by 30th June.

6. Budget Management & Monitoring

- 6.1. The GB is responsible for the management of the school with the day to day running being undertaken by the HT.
- 6.2. The RC is responsible for setting and management of the budget with specific responsibilities, as detailed below, being delegated to the HT:
- 6.3. 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.
- 6.4. LMS Ltd will work with the HT to monitor as well as support the management of the budget.
- 6.5. However, the HT has the responsibility for the day to day running of the budget.
- 6.6. The SBM reconciles the AGRESSO (LA Accounting system) payroll information against the budget plan. The HT has a monitoring role and responds to the queries raised and ensures responses are provided by the relevant officers or departments. The budget plan will be updated if appropriate following the resolution of any queries re the payroll.
- 6.7. 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.
- 6.8. The HT may vire £2,000 between funds without referring to the RC for clearance first. This will be reported at the RC at the next meeting.
- 6.9. 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 RC or GB.
- 6.10. 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.
- 6.11. 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.
- 6.12. Each subject co-ordinator will manage their curriculum area allocation. This will be overseen by the HT, who will keep the RC/GB informed regarding expenditure.
- 6.13. The Supply Teacher budgets will be managed by the HT and monitoring information supplied to the HT by LMS.
- 6.14. The SBM is responsible for undertaking benchmarking comparisons, using the DFE benchmarking website.

7. Related Policies

- 7.1. 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.
- 7.2. The school has a signed Statement of Internal Control (SIC) which has been seen and approved by the governing body.

8. Bank Accounts & Related Procedures

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

- 8.3. The Unofficial Account / Voluntary funds will be managed by the SBM who will be directly responsible to the HT.
- 8.4. All cheques from all accounts require two signatures at all times and these can be a combination of HT and one other authorised signatory.
- 8.5. There are no cash limits other than the known available bank balance (which should always be checked first) for authorised cheques.
- 8.6. Cheque books and/or pre-printed cheque stationery are kept securely in the strong room/safe.
- 8.7. Bank statements are reconciled by SBM upon receipt with supporting documentation, to the RM Cash Accounts and verified by an independent signature on the relevant documents
- 8.8. 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.
- 8.9. The HT will authorise purchase orders.
- 8.10. The HT will authorise invoices for payments.
- 8.11. Stamps are purchased by the SBM and kept under lock and key. Every stamp used is recorded, accounted for in a stamp book and a running total and balance maintained by SBM.
- 8.12. 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.
- 8.13. Audit certificates for all unofficial / voluntary funds are submitted to the LA each year in line with LA Financial Regulations.
- 8.14. Out of pocket expenses over £25 will be reimbursed by cheque.
- 8.15. The school will ensure that LMS will visit the school each week during term time to carry out financial procedures for the HT should he/she be unable to work for any significant period of time.

9. Computer/Security Management

- 9.1. The SBM is responsible for the daily back-up procedures in school.
- 9.2. LMS are responsible for taking an additional backup each week of the current financial year accounts data.
- 9.3. Computer back-up tapes are kept in the strong room/safe. One copy is retained off site. LMS keep financial data backups off site.
- 9.4. Access to RM Cash Accounts is controlled by the System Manager and is set at levels appropriate to the level of training and responsibility each user has. Access is password controlled.
- 9.5. The HT and LMS are System Managers and have responsibility for managing the security of the system.
- 9.6. The HT must be authorised to add new users and to implement any changes to levels of access rights to the software before they are actioned.
- 9.7. All system users' passwords should be changed on a regular basis – at least once per term.
- 9.8. The HT will ensure that the school have an up-to-date Data Protection License.

- 9.9. The Copyright License Holder is the HT. The monitoring of this is the responsibility of the HT.
- 9.10. The school has a key/combination safe with a specified overall cash limit of £500. Cash is paid into the bank at least once a week.

10. Management Reporting Procedures

- 10.1. The HT receives weekly budget analysis reports from LMS.
- 10.2. The HT in conjunction with LMS 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.
- 10.3. The HT in conjunction with LMS and SBM will provide the LA with budget monitoring information, in the format specified by the LA and as requested by the LA.
- 10.4. The RC will provide a financial report to the Governing Body at the meetings, held each term.
- 10.5. The agenda for the RC will be set and circulated, at least one week prior to the date of the next meeting, to members by the chair of the RC. Then, filed in the Headteacher's Finance Folder.
- 10.6. Accurate minutes of the RC meetings will be taken and a signed copy will be filed in the Headteacher's Finance Folder
- 10.7. The HT's termly report to the GB will include an update of financial information.

11. Purchasing

- 11.1. The aim when purchasing is to ensure that the school receives value for money at all times.
- 11.2. Anyone (all staff including teachers, admin staff, support staff, caretakers and cleaners) wishing to place an order must **complete** a School Order form / a pre numbered School Order Form, available from the T Drive. This should be passed to the HT 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 enter the order onto the Cash Accounts system and print it. The printed order will then be authorised and posted, faxed or emailed as appropriate.
- 11.3. The HT maintains list of staff authorised by the GB to place/ sign orders.
- 11.4. A list of staff authorised by the GB to certify invoices for payment is maintained by the HT.
- 11.5. Telephone orders may only be placed by the HT or SBM / Caretaker in exceptional circumstances, and must be followed up immediately by a standard printed / written order as confirmation.
- 11.6. Delivery notes will be checked off against the items received by the Admin Officer, Site Manager, Teacher, or HT upon receipt of a delivery.
- 11.7. Delivered items will be removed from the School Office area until delivery notes are checked, even if they are addressed to a member of staff.
- 11.8. 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.
- 11.9. Completed orders will be filed in the Admin Office in alphabetical order according to company name with the most recent order for that company at the top.

- 11.10. 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.
- 11.11. When signing cheques the designated signatories 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.
- 11.12. 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.
- 11.13. 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 that some documentation to be obtained. Please refer to the LA Financial Regulations for further information.
- 11.14. 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.
- 11.15. 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.
- 11.16. 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.
- 11.17. The GB will ensure all member of the GB also complete a register of interest form. The GB will ensure this is updated at least once per year and upon appointment of any new governors.

12. Audit

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

13. Insurance

- 13.1. The school will liaise with the Diocese of Westminster and 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.

14. Personnel

- 14.1. 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.

15. Security of Stocks & Property

- 15.1. An inventory is maintained identifying all items to be insured worth over £100. This will identify the purchase of goods, place of location and cost of purchase or replacement.
- 15.2. All items worth over £50 are security marked upon delivery.
- 15.3. An annual physical check of the inventory is undertaken annually by the SBM and Caretaker. 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
- 15.4. A copy of the latest inventory is maintained off site.
- 15.5. The strong room is locked every night and during school holiday periods.

16. Income

- 16.1. The SBM securely retains receipts and other records of income.
- 16.2. All monies collected are banked within one week.
- 16.3. School trips - the trip organiser is responsible for liaising effectively with the SBM once a date has been agreed with the SLT. The SBM will set up the cashless system to collect these funds, once total costs including travel arrangements have been organised and costed. The system automatically produces tracking of payments and receipts for debtors.
- 16.4. No personal cheques are cashed in school / by the school.
- 16.5. Music tuition, dinner monies, sporting activity and all other monies are collected, recorded via Parent Pay.
- 16.6. 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".
- 16.7. The checking of entitlement to free school meals is the responsibility of the SBM.

17. School Fund

- 17.1. The objective of the voluntary funds is to:
 - enable St. Mary's Catholic Primary School to control funds not allocated by the LA.
 - safeguard the donations made by parents, friends and voluntary bodies to the School
 - ensure that when funds are provided they are used to the benefit of the pupils of St. Mary's Catholic Primary School, Chiswick.
- 17.2. The Governing Body - specifically the Chair of the GB or the Chair of the RC - is to approve the operation of the Fund.
- 17.3. All funds used will be countersigned by agreed signatories, being:
The Chair of Governors
- 17.4. The HT to ensure that voluntary funds are accounted for separately from the school's delegated budget and are held in a separate bank account.
- 17.5. The GB is to ensure that the fund is registered with the Charities Commission if required. (The annual income level above which registration is mandatory was revised in the Charities Act 2006 and currently stands at £100,000.)
- 17.6. Any surplus funds to be invested for maximum benefit to the school if beneficial to the school, but allowing for access to funds when required.

- 17.7. The GB to satisfy themselves that the fund is adequately insured to cover all risks associated with the operation of the unofficial fund. (Fidelity Guarantee)
- 17.8. The Fund's Auditors/examiners will be appointed annually by the GB and it will be their responsibility to conduct the annual audit. The timescale for the preparation and delivery of the audited report to the GB will be within three months of the Fund year end. The auditor/examiner should not be a member of the GB.
- 17.9. The School Fund is audited, independently annually and the audit certificate presented to the full GB where its ratification should be minuted in the autumn term each year.
- 17.10. A report on the account is made annually to the GB where the audit certificate is presented and a minute made.
- 17.11. Bank account statements are reconciled by the SBM to school records upon receipt. The statement is signed and dated by the SBM and HT to verify it has been reconciled and checked independently.
- 17.12. All income must be fully accounted for. Invoices / receipts for items of expenditure must be maintained and receipts provided for income received.
- 17.13. All income and expenditure must be recorded in a clear and transparent format, which can easily be checked by the HT or audited.
- 17.14. The use of these funds is to benefit the entire student body. Contributions are raised through donations to the school and other fund raising activities and thus the benefit derived from this money must reach as many students as possible.