

ORLEANS PRIMARY SCHOOL



FINANCIAL MANAGEMENT POLICY

Governor's Committee Responsible	F&P
Status	Statutory
Review Cycle	Annually
Date written/last review	December 2020
Date of next review	December 2021

Signed: Headteacher..... Date:

Signed: Chair of F&P..... Date:

FINANCIAL MANAGEMENT POLICY

Aim

To manage the finances in an efficient, controlled and cost-effective manner which will support the school's teaching and learning priorities.

Objectives

- To clearly define the areas of responsibility for governors, staff and the Headteacher.
- 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 ensure a clear, direct link between the school's financial priorities and School Development Plan objectives.
- To clearly outline the school's internal financial procedures.
- To outline the procedures put in place by the school to meet financial reporting requirements of the Local Authority and DfE.

Orleans Primary School has adopted the London Borough of Richmond *Scheme for Financing Schools* and *Schools Financial Regulations and Standing orders*. This policy outlines the specific procedures implemented by the school to meet the guidelines set out in those documents. Hard copies are held in the school Finance Office and electronic versions are available from the Richmond Schools extranet:

<http://schools.richmond.gov.uk/home/management/schoolfinance.htm>

Responsibilities

The school buys into business managerial support services from Steve Llewellyn, Exceled Ltd. who assists with setting and managing the school budget, entering data into RM Cash Accounts, financial reporting and compliance with financial regulations.

Budget setting & management

- A draft three year budget will be compiled by the Headteacher, in conjunction with the School Business Manager each year and with input from the Chair of the Finance & Premises Committee. The budget will take into account historical

costings, school development plan initiatives and other known factors. The annual budget will be draft until final funding figures are known.

- The Finance & Premises Committee is responsible for setting and managing the budget. The Capitation/Curriculum allocation is determined by the Headteacher in consultation with budget holders and is monitored by the Business Manager.
- The Finance & Premises Committee will discuss and approve the budget in its draft form at the first meeting after its preparation.
- The full governing body will approve the final budget.
- The school carries out all budget setting activities in accordance with the deadlines prescribed by the Local Authority.
- The School Business Manager is responsible for the administration of the school's official account using RM Cash Accounts and will monitor the budget on a continuous basis and report any issues or concerns to the Headteacher.
- The Business Manager receives salary information from Dataplan, our payroll provider and school budget share statements from the Local Authority on a monthly basis. These are checked and entered into RM Cash Accounts.
- The Business Manager is responsible for undertaking benchmarking comparisons, via the DfE benchmarking website. Benchmarking data should be analysed by the Finance & Premises Committee annually and taken into consideration when the budget is being set.

Security & Asset Management

- An inventory of items with an estimated value in excess of £250.00 and an estimated useful life of one year or longer is maintained by the Business Manager. Inventory items are individually security labelled by the Business Manager prior to being used in school. All items must be removed from the inventory before disposal.
- Portable items of significant value such as laptop computers and cameras must be locked in lockers, cupboards or a secure room by teachers at the end of each day. Teachers are individually responsible for the security of the portable inventory items in their classrooms.
- Personnel records are held in a filing cabinet in the SBM office which is locked at the end of each day. Financial information including salary details is locked in the filing cabinet at all times.
- Electronic personnel records are held on the school Management Information System, Integris and are maintained by the Business Manager. Access is restricted to the Business Manager, Deputy Headteacher and Headteacher.

- Sensitive personnel and salary information is transferred via USO FX secure data transfer.
- The Business Manager is responsible for the annual renewal of the school's Data Protection License.
- A safe with a specified overall cash limit of £1,000 is kept in the SBM Office. All cash held in school is locked in the safe. Cash is paid into the bank at least once a month. Cheques, cheque books and paying in books for the school bank account are held in the safe.

Management reporting procedures

- The Headteacher and Business Manager provide the Finance & Premises Committee with a budget report termly.
- The Business Manager is responsible for all financial reporting statements required by the Local Authority and DfE, however, these tasks may be performed by Exceled. At the end of each month a series of reports, as required by the London Borough of Richmond School Accountancy team, is generated. A copy of these reports is sent to the School Accountancy team and a copy is retained electronically. The current period is then closed and an RM Finance data file is created and sent to the School Accountancy team via secure data transfer. The school follows the data submission timetable issued by the London Borough of Richmond School Accountancy team.
- The Finance & Premises Committee minutes including discussions on the school's financial position are circulated to all governors prior to each Governing Body meeting. In addition, the Chair of the Finance and Premises Committee provides a verbal financial report to governors at each full Governing Body meeting and makes available copies of the most recent financial monitoring report. A full financial report is provided to all governors before approval of the draft and final budgets.
- The Finance & Premises Committee carries out a controls self assessment on an annual basis.

Purchasing

The aim when purchasing is to ensure that the school receives value for money in line with the principles set out in the school best value statement. The procedures for placing orders using the school account are set out below. Purchasing decisions are subject to authorisation limits and quotation requirements which are detailed below. Where a specific expenditure item has been included in the annual budget and approved by the Governing Body, additional authorisation is not

required at the time of purchase. However, the appropriate number of quotations must still be obtained.

Ordering

Any member of staff requesting goods or services must complete a purchase request form. The purchase request form must be signed by the holder of the budget from which payment is to be drawn (see list of budget holders), then passed to the Business Manager. Upon receiving an authorised purchase request, the Business Manager will generate an official purchase order and place the order with the supplier. A copy of the purchase order will be passed to the Headteacher to be signed. A copy of all signed purchase orders is retained in the SBM Office.

Delivery

Once goods have been delivered a member of the office staff will sign and check the correct goods have been delivered and notify the person who requested the goods or the budget holder. The budget holder must check items are not damaged and organise storage. If any goods are damaged or missing, the budget holder must annotate the delivery note.

Once the delivery has been checked, the delivery note should be passed to the Business Manager. In the absence of a delivery note, a summary of the goods received including a list of any damaged items must be passed to the Business Manager. The Business Manager will then check the delivery note against the original purchase order, notify suppliers of damaged or missing items and arrange any necessary replacement items.

Once all goods have been received in satisfactory condition, the Business Manager will match the invoice against the original order and raise payment. Payment may be raised in advance of receiving goods or services in exceptional circumstances (e.g. deposits, purchase of materials for planned works) if approved by the Headteacher.

Cheques are usually printed on a weekly basis, depending on the urgency of payments and the number of invoices to be paid. With each batch of cheques, a remittance report is printed, against which all payments are checked to ensure the correct payment is sent to each supplier. Cheques are then attached to the invoice and purchase order and passed, with the remittance report, to two signatories of the school bank account (see list below) to be signed. All invoices must be signed by the Headteacher, or the Deputy Head in his/her absence.

Signatories of the school bank account:

Jane Evans – Headteacher

Beckie Bennett – Deputy Head

Cathy Brooks– PA to the Headteacher

Online Banking

Permissions for online banking are authorised by the governing body. The School Business Manager is authorised to manage and process payments and bank account signatories may view and approve these transactions.

Government Procurement Card

The Deputy Head is the only member of staff authorised to make purchases on the school account using the Government Procurement card, with another person present. The card may not be used by any other member of staff. Wherever possible, the Deputy Head should follow the procedure for ordering goods and services above, so that a purchase order can be generated *before* payment is made. At the very least, authorisation from the budget holder must be obtained prior to goods or services being purchased.

The maximum monthly purchasing limit using the card is £1,500. The single purchase transaction limit is £1,500 (inc. VAT). The Deputy Head must obtain VAT invoices and receipts for all purchases made using the card and pass these, along with a transaction log to the Business Manager each month. The Business Manager and Headteacher are nominated authorised administrators for the account. The Business Manager will record expenditure in RM Finance and reconcile transactions with the school bank account.

The card holder and account administrators must also follow the London Borough of Richmond Guidelines for Government Procurement Cards in Schools. A copy of these guidelines is kept electronically.

Staff purchases

Where it is not possible for the school to purchase goods or services on account, members of staff may make purchases and be reimbursed by the school. Each purchase must be authorised by the relevant budget holder in advance, or reimbursement will not be granted. A staff purchase claim form must be completed and signed by the holder of the budget from which payment is to be taken. This form should be attached to the receipts and VAT invoice for the purchase and passed to the Business Manager. The Business Manager will record transactions in RM Finance and issue reimbursement by cheque.

Quotations

- For purchases in excess of £1,000, a minimum of two written quotations must be obtained prior to a purchase order being issued.
- For purchases in excess of £3,000, a minimum of three written quotations must be obtained prior to a purchase order being issued.
- For purchases in excess of £10,000, a minimum of four written quotations must be obtained prior to a purchase order being issued.
- Purchases anticipated to exceed £50,000, must be subject to a formal tendering process.
- Where a quotation is accepted that was not the lowest cost, the authorising individual or body (Headteacher, Finance & Premises Committee or full Governing Body depending on level of expenditure) must demonstrate that the principles of best value were followed in taking the decision. The reasons for

any decisions of this nature must be included in the minutes of the next full governing body meeting.

Audit

The school's funds and procedures will be audited by a Local Authority appointed auditor on a three year cycle. The Chair of Governors will be informed of all audit outcomes immediately. The audit report will be presented to the full Governing Body at the first meeting after it is published and the Action Plan agreed and implemented.

The Finance & Premises Committee, assisted by the Business Manager and Headteacher, will ensure compliance with the School Financial Value Standard and meet any associated audit requirements.

Insurance

The school will liaise with the Local Authority 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 Business Manager is responsible for following the necessary procedures for the submission of any insurance claims.

Personnel

Overtime

Any overtime must be agreed in advance by the Headteacher or Deputy Head. For any staff member claiming overtime, a form must be completed. Overtime forms are kept in the Main Office. The completed overtime form must be signed by the Headteacher or Deputy Head and passed to the Business Manager. The Business Manager will then code the forms and submit them to Payroll 10 working days prior to the scheduled pay date. Any overtime form not received on time will not be processed in that month and will instead be paid in the following month.

Salaries

Salaries are paid to staff as per the schedule prepared by Dataplan (usually on 26th of each calendar month). Salary tabulation is emailed to the Business Manager with details of each staff member's salary and any adjustments for the month. The Business Manager checks that correct amounts have been paid and enters the information into RM Finance. The Business Manager must notify Dataplan team of any discrepancies and work with them until all issues are resolved.

Issues relating to adjustments for pensions, National Insurance, tax or student loans should be referred to the London Borough of Richmond Payroll team.

Income

Invoices are prepared by the Business Manager. Unless an alternative arrangement has been agreed, these will be issued within 30 days of the service or activity to which the invoice relates. If payment has not been received within 30 days of the date of the invoice issued, the Business Manager will contact the debtor to chase payment. Thereafter, if payment has not been received, the Business Manager will issue reminder letters and continue to contact the debtor until payment has been recovered. Debts will not normally be written off unless it is considered highly unlikely that the debt will be recovered and that continuing to pursue payment would no longer be in the best interests of the school. In exceptional circumstances, bad debts may be written off in accordance with the following authorisation limits:

Headteacher:	Debts of less than £100
Finance Committee	Debts between £100 and £500
Governing Body	Debts of more than £500

ParentPay

All income from parents is collected by the school using ParentPay. The school Business Manager is responsible for the overall management and maintenance of the school's ParentPay service and reconciling transactions with the school bank account. Revenue from different income streams (school dinner money, clubs, school trips, etc.) is coded and recorded in RM Cash Accounts by the Business Manager. Responsibility for the administration of different areas within ParentPay is delegated to other members of staff, as appropriate.

For parents without home internet access to ParentPay, provision will be made for parents to access ParentPay using a school computer. Cash payments will only be accepted in exceptional circumstances as agreed with the Business Manager, and will be held in the safe and banked monthly.

Lettings

A lettings policy is in place at the school for private hire of school premises. However, where the private hire of the premises is used to run clubs for the benefit of children and provide additional curricular activities, a reduced rate may be charged. The charge will depend on the resources required and the hours of use. An invoice will be issued to the client as soon as dates and finances have been agreed at the beginning of each term.

Authorisation limits

Purchases (outside agreed budget)

Budget holder	up to £250.00
Deputy Head	up to £1000.00
Headteacher	up to £3000.00
Finance & Premises Committee	up to £7000.00
Full Governing Body	£7000.00 plus

Virements

Headteacher	up to £3000.00
Finance & Premises Committee	up to £7000.00
Full Governing Body	£7000.00 plus

Budget Holders

Class budgets (determined by OPPTA)	Class Teachers
Creative Arts	Lucy Corner
Displays	Lucy Corner
Early Years	Rebecca Johnson
Nursery	Rebecca Johnson
MFL	Veronica Cucos
EAL	Beckie Bennett
English	Kate Sanderson Turner
Science	Reegan Prinsloo
Humanities	Patricia Brown
Maths	Marie Hedges
Music	Susan Banks / S. Ricketts
ICT	Rachel McFall
PE	Emma Reynolds/Rachel Verge
PSHE	Sarah Connolly
Cultures & Faiths	Hayley Jewitt
SEN	Leanne Ho
Gifted and Talented	Beckie Bennett
Admin Resources/Equipment	Jane Evans, Beckie Bennett, Lauren Drake
Cleaning/Premises Consumables	Jane Evans, Beckie Bennett, Lauren Drake
All other budgets	Jane Evans, Beckie Bennett