

POLICY / PROCEDURE / ACADEMY DOCUMENT:	FINANCE LOCAL PROCEDURES	
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SIGNED: (CHAIR OF MEETING)	
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COMMITTEE:	Leadership and Management	
RESPONSIBLE OFFICER:	Strategic Business Manager	

FINANCE LOCAL PROCEDURES

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FINANCE LOCAL PROCEDURES

1 BUDGETS

Budget construction

- 1.1 The Headteacher is responsible for the detailed preparation of the annual budget. In doing so, the Headteacher should consult with other members of staff to ascertain detailed requirements.
- 1.2 The Leadership and Management Committee will determine the overall sum within which the budget must be set, and the amount of any anticipated balance to be carried forward into the following financial year.
- 1.3 In constructing the budget, the Headteacher must take account of priorities identified in the School Development Plan (SDP) and incorporate the costs of these in the budget. Priorities identified in the SDP must always be fully costed.
- 1.4 The budget total must not exceed the amount of predicted income plus or minus any balance brought forward from the previous year (use of reserves). If it appears that this cannot be achieved, the Headteacher and Chairman of Governors must inform the Leadership and Management Committee immediately.
- 1.5 The Leadership & Management Committee will meet to consider and approve the detailed budget in the Summer term. The full Governing Body must subsequently approve the full budget, and minute their approval. The budget must be signed by the Chairman of Governors.
- 1.6 In constructing the detailed budget, factors the Headteacher must take account of include:-
 - Specialist status plans
 - Any anticipated changes in pupil numbers or characterisation (SEN banding)
 - Current and previous year's expenditure levels on individual budget headings

- SDP priorities
- Staff pay awards and increments
- Anticipated price inflation
- Changes in the staffing complement
- Changes in the supply of services (gas, electricity, oil, water etc.)
- Outside provider costs and the provision of Outreach

Budgetary control and monitoring

- 1.7 The Headteacher is responsible for regular, detailed control of the school budget. To achieve this, The Headteacher will receive monthly reports from the school's accounting system. Such reports shall show, for each budget heading:-
- Total budget for year
 - Total commitment and expenditure to date
 - Variance
 - Any explanations required in relation to any significant variances.
- 1.8 The Headteacher is empowered to take remedial action to address variances, by effecting virement between individual budget Headings. All virements are to be presented to the Leadership & Management Committee at the next meeting for their information.
- 1.9 Virements, once approved, must be promptly recorded in the school's accounting system to keep the approved budget up to date.
- 1.10 The Headteacher will present detailed budget monitoring statements to the Leadership & Management Committee on a termly basis, such statements shall show for each budget cost centre:-
- Total budget for year
 - Total commitment and expenditure to date
 - Variances
 - Any explanations required in relation to any significant variances.

- 1.11 The Leadership & Management Committee shall consider such statements; the Headteacher will provide explanations for any significant variances identified. The Chairman of the Leadership & Finance Committee shall report termly to the full Governing Body, identifying any significant budgetary issues and any remedial action or policy decisions required.
- 1.12 The Headteacher may assign budgetary control of individual budget headings to other members of staff. Such members of staff must receive regular budget statements as detailed above. The Headteacher remains ultimately accountable to the Governing Body for these budget cost centres.
- 1.13 Expenditure data notified by Schools' Choice Payroll must be entered promptly each month on to the school's accounting system.
- 1.14 Other, non-pay, expenditure notified by Schools' Choice Payroll must be reconciled promptly on a monthly basis to the school's accounting system.
- 1.15 When the accounts for each financial year are closed, a final statement from the school's accounting system must be presented to the next meeting of the Leadership & Management Committee.

2 PAYROLL

Starters / Variations / Leavers

2.1 All forms for:-

- Setting up new employees on the payroll (starters)
- Effecting variations to pay
- Removing leaving employees off the payroll

are to be completed online and a copy printed and retained on file. Each form will be authorised by the Strategic Business Manager and signed by the Headteacher. Such forms will then be kept on the staff file.

Additional Hours / Time sheets

- 2.2 All time sheets submitted by a member of staff must be checked, and then authorised (signed) by the Headteacher, or in their absence, the Deputy Headteacher. Authorised time sheets are signed and retained. All completed spreadsheets are sent by the deadlines via Anycomms to Schools' Choice Payroll.

Checking of payroll data

- 2.3 Payroll data received monthly from Schools' Choice Payroll must be scrutinised by The Professional Services Team, to ensure all employees are recognised, and pay appears reasonable (no detailed check) and accurate.

Pay-related expenses

- 2.4 All pay-related expenses must be processed through the payroll system and pay-related expenses must never be paid via petty cash, or by the creditor payment system, with the exception of Car Allowance payments which may be paid for from Petty Cash, where these are within the petty cash payment limit, otherwise by cheque / BACS.

Supply teachers

- 2.5 The Governing Body will decide, on the basis of advice from the Headteacher, whether supply teacher insurance cover shall be taken out, and the extent of the cover. All claims submitted by supply teachers must be authorised (signed) by the Headteacher, or in their absence, Deputy Headteacher. Reimbursement claims must be submitted on a monthly basis.

3 ASSETS

Inventory

- 3.1 The portable, desirable or attractive assets of the Academy, as well as any assets of intrinsic value (e.g. antiques) will be recorded in the Academy's inventory. Full details (make, model, serial number, approximate value) shall be recorded.
- 3.2 The Strategic Business Manager is responsible for ensuring an inventory is kept and up to date by adding new items when they are received into Academy.

- 3.3 Items up to a value of £500 may be sold or written out of the inventory on the authority of the Headteacher. Over this limit, the Governing Body must authorise and details be recorded in the minutes. Reasons must be recorded in the inventory, together with the Headteachers signature (up to £500) or the Governors' minute reference (£500 and over). An official receipt for sales income must be issued to the purchaser.
- 3.4 Inventories shall cover all areas of the school, and be arranged on a room-by-room basis. A separate inventory will be maintained to include items which are not allocated to a specific room.
- 3.5 The inventory shall be checked against the actual assets by the Headteacher on an annual basis. Any discrepancies shall be investigated immediately, and if necessary the Governors, Police and the authority's auditors shall be informed. The check shall be evidenced by the checker signing and dating the inventory.
- 3.6 All inventory items should be security marked.

Off-site register

- 3.7 Any inventory items taken off-site by members of staff for official purposes must be recorded in a register. The date borrowed, and the signature of the borrower, must be recorded. On the return of the item the date of return will be recorded.

4 INCOME

Credit income

(Where payment for goods / services provided by the school is made after the provision takes place).

- 4.1 An official invoice must be raised in all cases and sent to the debtor as soon as possible after the provision of the goods/service, and no later than one week after the provision.

Cash income

(i.e. where payment is received at the time goods / services are provided).

- 4.2 An official receipt must be issued to the payer at the time the payment takes place, and a duplicate copy retained at the school.

Banking

- 4.3 All income received (cash or cheque) must be banked promptly and intact. No payments may be made out of income collected. A record to evidence the banking must be kept (e.g. stamped paying-in slip).

Charging policy

- 4.4 The full Governing Body will set a charging policy to cover:-

- Lettings
- School trips
- Music tuition
- Private photocopying
- Private telephone calls

- 4.5 The charging policy will be reviewed regularly by the Governing Body. Charges levied by the Academy will be in line with their policy.

Donations

- 4.6 Donations may be paid into school funds.

Cash received from pupils

- 4.7 Cash received from pupils in class must be recorded by the class teacher. Cash collected must be handed into the school office promptly.

Security of receipt books and tickets

- 4.8 All unused receipts and tickets to be used to acknowledge receipt of income, must be held securely in the school office.

5 PURCHASING

Ordering

- 5.1 Academy procedures for purchasing should ensure that purchases are as required and are for bone-fide purposes.
- 5.2 Orders should be processed after initial request by budget holders has been made. The official order produced from the computer system must be signed by an authorised signatory before it is sent to the supplier. If an order has been placed over the telephone an official confirmatory order must be sent.
- 5.3 The same process applies to all orders made on-line. The Payment Cards (Credit or Debit) are kept at all times in the Petty Cash tin which is locked away in the safe. All orders are acknowledged via email, printed off and logged on the appropriate Payment Card files.
- 5.4 Official orders must not be used to procure goods for private purposes.
- 5.5 Copies of all official orders placed must be retained on file at the Academy.

Quotations / Tenders

- 5.6 Financial Regulations - for orders for goods / services under £50,000:
 - £1,000 - £5,000 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists.
 - £5,000 - £50,000 - independent written evidence of at least three prices should be obtained and retained.
- 5.7 Independent written evidence means quotations provided on suppliers' headed notepaper, or other electronic communication identifiable to the supplier.
- 5.8 Tenders should be invited from at least three tenderers.

Governor involvement

5.9 As well as ensuring that the above have been adhered to, it is the responsibility of the Headteacher to ensure that Governors are consulted in the following circumstances:

- Review of quotations obtained where estimated costs exceed £100,000.
- Review of quotations when the lowest quote is not the most suitable.

Receipt of goods

5.10 Once items ordered have been received, these must be checked to ensure that items delivered correspond to details contained in the delivery note.

Invoice check and authorisation

5.11 Invoices received must be checked to both copy orders and delivery notes to ensure that invoices relate to goods ordered and delivered. Invoices should also be checked for arithmetical correctness. All invoices must be certified for payment by the Headteacher before being passed for payment (or in the Headteachers absence, a Deputy Headteacher).

5.12 Invoices passed for payment must be recorded promptly in the school's SIMS-FMS.

Petty Cash

5.13 Day to day operation of the petty cash account is the responsibility of the Strategic Business Manager.

5.14 All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash records.

5.15 All members of staff who wish to purchase items from the petty cash account must obtain prior approval from the Headteacher. Vouchers (receipts, paid invoices etc.) to evidence the payment must be presented by members of staff when reclaiming cash from the account. These vouchers must be signed and retained together with the evidence of expenditure.

5.16 All cash and cheque books held must be retained securely.

Payment Cards

5.17 The Ashley School Academy Trust is committed to ensuring that its systems of financial governance conform to the requirements of both propriety and sound financial management. This includes making sure that there are adequate controls in place over the use of the school payment cards, both debit and credit, required to enable the school to purchase goods/services, where the company being used provides the best value but an invoice cannot be raised or a credit account set up.

A separate Payment Card policy is intended to provide guidance and assistance in the correct and responsible use of the school's payment cards.

5.18 The Payment Card Policy will be fully incorporated into the school's financial policies and procedures. It contains the following sections:

- Procurement
- Issue
- Usage
- Restrictions
- Record keeping, reconciliation and payment
- Security
- Payment Card User Agreement

6 REGISTER OF PECUNIARY AND OTHER INTERESTS

6.1 The school shall maintain such a Register.

6.2 Persons to be included:-

- All Governors
- Headteacher
- All other members of staff

Interests to be recorded

6.3 The basic principle to be followed is that any interest should be recorded which could be seen to improperly influence any decisions taken, pecuniary or otherwise, regarding the operation of the school.

6.4 Examples of such improper influence might be:

- To purchase goods or materials from a company in which a Governor / senior member of staff has a financial interest without going through the correct procedures e.g. obtaining competitive prices;
- Promoting a member of staff who has close personal relationship (spouse, partner, son, daughter etc.) with Governor / Senior member of staff, without going through correct procedures e.g. recruitment and selection.

6.5 There can never be a definitive, comprehensive list of the interests which should be recorded, but the following is intended to give some guidance:

- Having a financial, or other, interest in an organisation which could feasibly be in a position to supply goods/services to the school e.g.:
- Building contractors
- Plumbing contractors
- Electrical contractors
- Audio / visual goods suppliers (e.g. T.V.s, video recorders, hi-fi etc.)
- Repair / maintenance of equipment (electrical and other)
- Suppliers of computer hardware and software
- Suppliers of stationery
- Suppliers of educational equipment (e.g. P.E. equipment)
- Suppliers of furniture, fittings, carpets, curtains etc.
- Decorating contractors
- Catering contractors
- Suppliers of provisions
- Suppliers of clothing
- Suppliers of building materials
- Suppliers of catering equipment
- Suppliers of fuel
- Suppliers of vehicles
- Suppliers of books
- Grounds maintenance contractors

- Gardening contractors
- Suppliers of grounds/garden maintenance equipment
- Suppliers of plants, trees, seeds etc.
- Suppliers of heating equipment
- Suppliers of lighting equipment
- Suppliers of musical instruments
- Suppliers of insurance
- Consultants (e.g. legal, financial, training, property)
- Suppliers of security services and supplies
- Suppliers of art materials
- Suppliers of telecommunications equipment
- Suppliers of photographic equipment
- Transport contractors (e.g. coaches, taxis etc.)
- Holiday / travel operators
- Suppliers of supply teaching cover
- Suppliers of peripatetic teaching
- Suppliers of banking services
- Suppliers of workshops etc. (e.g. drama, music)

6.6 The interest in the above 'supplying organisations' may, for example, be:

- as a Director
- as an Employee
- as a Major shareholder
- as a Major investor
- as a Major debtor / creditor
- Having a close personal relationship (spouse, partner, son, daughter, parent etc.) with a person in the above categories
- Being in a position to potentially influence decisions made about the school, e.g. as:
 - Member of local council (County Council, District Council, Parish Council)
 - Member of Parliament
 - OFSTED Inspector
 - Officer of local council (District Council, Parish Council) in a senior capacity

- Having a close personal relationship (as described above) with any person falling into the above categories
- Having a close personal relationship with a Governor or member of staff (employed on a full-time, part-time, permanent, or temporary basis).

7 VERSION CONTROL

Academy Version 2015-2016/002 2014-2015/001	v.002 - February 2016 v.001 - March 2015
Date agreed by the Leadership & Management Committee:	7 th March 2016
This policy updates and replaces that approved by Governors:	2 nd March 2015
<p>In this policy as in all documents of The Ashley School Academy Trust (“TASAT”) any reference to The Ashley School, The Academy, School, Governors of The Ashley School or Trustees of The Ashley School is a reference to The Board of Directors of The Ashley School Academy Trust and any reference to the Headteacher of The Ashley School is a reference to the Chief Executive Officer of TASAT.</p>	
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