

Patterdale C of E Primary School Financial Procedures Manual

POLICY FOR FINANCIAL DELEGATION

Signed (Chair of Governors)

Date – Thursday 12th December 2013

Review Date – Spring 2015

The purpose of this document is to indicate the areas of responsibility held and delegated by the Governing Body.

The overall aim is to establish a clear, efficient and effective system of financial management and to clarify the roles and responsibilities involved.

The Governing Body accepts the advice and guidance with regard to finance as outlined in the current school guidelines; “Financial, Administrative and Security Tasks (F.A.S.T.)” issued in May 1999.

Accordingly the Governing Body have made the following decisions with regard to the delegation of powers and responsibilities.

ITEM A Preparation of school management plan and budget

Responsibility of the Finance Committee.

Undertaken by the head teacher and administrative staff, annually.

Accountable to the full Governing Body.

Notes

ITEM B Decisions on how to spend the resources (the detailed items purchased)

Responsibility of the head teacher.

Undertaken by all the staff.

Accountable to the full Governing Body, annually.

Notes

ITEM C Decisions to transfer resources between budget headings (after the spending plan for the year has been approved)

Responsibility of the head teacher.

Undertaken by the administrative staff when the need arises.

Accountable to the Finance Committee and ultimately the full Governing Body.

Notes

ITEM D Advising the Director of Corporate Finance of significant financial decisions to be considered by the Governing Body

Responsibility of the Chair of Governors/head teacher.

Undertaken by the Finance Committee, when the need arises.

Accountable to the full Governing Body/LEA.

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ITEM E Staffing issues (e.g. Appointment, Dismissal, Disciplinary and Grievance aspects)

Responsibility of the Governing Body.

Undertaken by the head teacher and or selected members of the Governing Body, when the need arises.

Accountable to the Governing Body.

Notes. N.B. Appeals Committee must be kept separate from the rest of the Governing Body in case of Dismissal. Disciplinary/Grievance aspects

ITEM F Incurring expenditure (e.g.) placing orders

Responsibility of the head teacher and Nicola Reay

Undertaken by all the staff, but processed by the administrative staff, weekly.

Accountable to the Governing Body.

Notes

ITEM G Checking goods and services received (quantity, quality, and price)

Responsibility of the School Administrator.

Undertaken by the School Administrator, weekly.

Accountable to the head teacher.

Notes

ITEM H Certifying payments (goods, services, employees)

Responsibility of the head teacher or in her absence, Nicola Reay.

Undertaken by the head teacher – prepared by the administrative staff, weekly.

Accountable to the Finance Committee.

Notes

ITEM I Preparing/certifying prime documents and claims relating to the appointment, dismissal and payment of employees

Responsibility of the head teacher and/or Chair of Governors.

Undertaken by the administrative staff, monthly.

Accountable to the Governing Body.

Notes

ITEM J Additional Funding Allocations – Maintenance of income and expenditure record

The Staff Development Officer is the head teacher.

Records are the responsibility of the head teacher.

Undertaken by the head teacher and administrative staff, monthly.

Accountable to the Government.

Notes

ITEM K Signatories for cheques (school fund or petty cash)

Responsibility of and undertaken by the head teacher, the other full time teacher and the administrative staff (2 out of 3 signatures required)

Undertaken weekly.

Accountable to the Governing Body.

Notes; School fund will be audited annually by an objective person (i.e. not connected with the school management)

ITEM L Monitoring of spending

Responsibility of the head teacher

Undertaken by the head teacher and administrative staff, monthly.

Accountable to the Finance Committee and Governing Body.

Notes

ITEM M Reconciliation of school financial records to LEA information

Responsibility of the head teacher.

Undertaken by the head teacher and the school administrative staff, monthly.

Accountable to the Finance Committee and Governing Body.

Notes

ITEM N Calculation of charges within the Governing Body's discretion (lettings etc).

Responsibility of the Finance Committee.

Undertaken by the Head teacher.

Accountable to the Governing Body.

Notes

ITEM O Collecting and banking of cash

Responsibility of the school administrative staff.

Undertaken by the school administrative staff, weekly.

Accountable to the head teacher.

Notes

ITEM P Custody of cash

Responsibility of the head teacher.

Undertaken by the school administrative staff, weekly.

Accountable to the Finance committee.

Notes

ITEM Q Custody/security of buildings/equipment (including inventories and physical verification)

Responsibility of the head teacher.
Undertaken by all the staff, annually or as the need arises.
Accountable to the Governing Body.

Notes

ITEM R Security and non disclosures of confidential data (computer and paper based)

Responsibility of the head teacher
Undertaken by all the staff, daily.
Accountable to the Governing Body.
Notes.

ITEM S Administering/controlling stocks and stores

Responsibility of the head teacher and the School Administrator.
Undertaken by all the staff, weekly.
Accountable to the Governing Body
Notes

ITEM T Arranging insurance's (those which fall upon the school budget)

Responsibility of the head teacher.
Undertaken by the head teacher, annually or as need arises.
Accountable to the Governing Body.
Notes

ITEM U Approval and distribution extent of this document

Responsibility of the head teacher
Undertaken by the Clerk to the Governors, annually.
Accountable to the Governing Body.
Notes. It should normally be the case that, in addition to all Governors, a copy be given to each person named in the document and that there be a copy available, in the care of the head teacher, so that other members of staff who wish to view it may do so.

Authorised _____ (Chairman of the Governors)

Date _____

The contents of this document should be subject to an annual review by the Governors. The review should be evidenced in the meeting minutes and the 'delegation policy' signed and dated.

SCHOOL FUND ACCOUNTS

Patterdale CE Primary School Account – Santander

Governors' Responsibilities

To Appoint an Auditor and Treasurer
Approve List of authorised signatories

The authorised signatories are

Name	Designation
Mrs Elizabeth Stewart	Head Teacher
Miss Nicola Reay	Teacher
Mrs Mandy Scrivens	School Administrator

School Fund Treasurer's Responsibilities

Keep proper accounts with regularity and probity. Present Annual report to the Governors. Make books available to the Governing Body at any time.

Distribute report as approved by the Governors.

Maintain the security of the account, Cheque and Paying in Books.

The Governors Appoint Mrs Mandy Scrivens as School Fund Treasurer.

School Fund Auditor's Responsibilities

On appointment by the Governors, audit the school fund accounts and present the findings to the school fund treasurer.

The Governors appoint Mrs Betty Jackson as School Fund Auditor.

GENERAL

Governors' Responsibilities

To Approve List of key holders
 Any Management Audit Reports

To Ensure that a properly constituted Committee and formal reporting structure is defined and carried out.

The Main Key holders are

Name	Designation
Mrs Elizabeth Stewart	Head Teacher
Miss Nicola Reay	Teacher
Mr Lawrence Sanderson	Janitor
Mandy Scrivens	School Administrator
Mr Rob Shephard	Vice Chair of Governors
Mrs Lorraine Richardson	Cook in Charge (Side door key only)

Authorised _____ (Chairman of the Governors)

Date _____

SCHOOL MANAGEMENT PLAN FOR FINANCIAL DELEGATION

- In accordance with the F.A.S.T. Guidelines and the Cumbria LMS Scheme, the Governors accept the Standing Orders in relation to Contracts for schools, namely:
- A record shall be maintained of any member of staff or Governor who has a pecuniary interest in any contract or proposed contract entered into by the school.
- Any contract exceeding £30,000 shall be put out to tender in compliance with the standing order regulations regarding publication notices.
- Where the contract value is between £10,000 and £30,000 the Governors will invite at least three persons or firms or companies to tender in writing.
- Where the value of a contract is between £2,000 and £10,000 the Head or Governors will obtain at least 2 written tenders.
- Where the value of a contract is between £500 and £2,000 the Head or Governors will obtain two quotations.

HOWEVER:

Where the school uses the services of Cumbria Supplies it is accepted that the above regulations have already been complied with the school need not obtain further quotes/tenders.

Should the amounts quoted be amended by the LA in the future, the new values will automatically apply to this document.

Approved by _____ Chairman of the Governors

Date _____

BUSINESS PRACTICES FOR PATTERDALE CE PRIMARY SCHOOL

References: Financial, Administrative and Security Tasks (FAST Manual) Cumbria County Council – found on computer, My Documents.

INTRODUCTION

1. Patterdale CE Primary School is a Voluntary Aided school within the LA of Cumbria County Council.

The School is a Primary with 34 pupils on roll; there are 2 full time and 2 part time teaching staff including the head teacher. The Head Teacher undertakes finance and Administration of the non-teaching organisation.

2. Financial requirements and procedures

The Practices set out in this document ensure that Patterdale CE School operates within the requirements of the References in an efficient and commercially sound manner.

3. The School income derives directly from the LEA.

4. The procedures contained in this document apply equally to public and School Fund funds and any other monies whatsoever administered by Patterdale CE Primary School.

ROLES AND RESPONSIBILITIES FOR SCHOOL MANAGEMENT

1. <u>School Officers</u>	Head teacher	Mrs E.V. Stewart
	Senior Teacher	Nicola Reay
	School Administrator	Mrs M.J. Scrivens

2. The ultimate responsibility for the Schools financial affairs rests with the Governing Body.

3. In particular, the Governing Body must ensure that funds from the LA are used in accordance with the terms of the Financial Memorandum signed on behalf of the Governing Body.

4. In order to meet these requirements the Governing Body has assigned aspects and responsibility for the Schools financial management and these are detailed in this manual, which has been adopted by the Governing Body. The full Governing Body has responsibility for approval of the annual budget, and will receive updates at governors meetings, comparing actual against budget and highlighting all variances.

5. The head teacher is responsible to the Chair of Governors and the Governing Body for the sound administration of the School finances and has authority to order such goods and services as required to run the School in an efficient manner. Specific limits on delegated financial authority are contained in the **SCHOOL MANAGEMENT PLAN FOR FINANCIAL DELEGATION**.

6, The School Administrator is responsible to the head teacher for the functional management of the schools financial systems.

Bank Details

The LA requires Schools to follow specific procedures for the operation of Bank Accounts. The following is designed to highlight these and draws these together with our own requirements, into a convenient single document. These procedures are to remain extant until superseded by a letter signed by the Chair of Governors.

2. Accounts. An account is operated for purposes that are not practical through the Cumbria County Council system. This account is held with Santander and the account name is Patterdale C of E School.

Interest. The School is a Statutory Charity under Schedule 12 of the Education Reform Act (ERA) 1988. Accrued interest is to be paid gross and credited to the appropriate account.

3 Overdrafts. Regulations prohibit overdrafts and this applies equally to public and School Fund accounts. Accounts therefore are not to be overdrawn in aggregate or prompt overdraft charges.

4. Cheque Signatories. Cheques will be dual signed in all cases; restrictions as to signatories apply above certain values as follows:

a. Cheques valued up to £1,000 may be signed by any two nominated signatories.

b. Cheques above £ £1,000 will include any three nominated signatories.

5. Bank Statements. Monthly statements of account for all accounts are required.

6. Charges. Bank charges will not be levied for these services.

List of Authorised Signatories to Patterdale CE Primary School Bank Accounts.

Name	Position
1. Mrs E.V Stewart	Head Teacher/Governor
2. Miss Nicola Reay	Full Time Teacher/Governor
3. Mrs M.J. Scrivens	School Administrator/Governor

Detail of Financial Directions to the head teacher.

The GOVERNING BODY directs you to:

a.Ensure compliance with the terms of the Financial Memoranda. To this end you are to provide myself with full and free access to such financial or other information that I may require in order to re-assure myself that this is being achieved. You are also to ensure that the head teacher is aware of this direction.

b.Ensure that all LA reporting requirements are submitted in the prescribed format and at the time required as detailed in the FAST manual.

c.Ensure the members of the Governing body receive an update of the whole School financial position at governors meetings. You are also to ensure that the reports contain up-to-date information on the committed expenditure against the updated budget and details of any requirements made since the last report.

d.Ensure that the annual budget is formulated in accordance with the detailed processes and laid down in this manual and is presented to the full governing body for formal adoption.

e.Ensure that the basic control principles outlined in the FAST manual on Financial Systems and Control are understood by the School Administrator concerned with the financial affairs of the School.

f. Ensure that all financial activities at Patterdale CE School are fair and honest. To this end you are to instruct the staff that the School Business Practices are to be meticulously followed and you are to exercise your particular responsibilities detailed within that document in a rigorous and thorough manner.

Details of financial directions to the School Administrator.

The following directs you in your prime financial duties and responsibilities as the School Administrator. Elements of these directions are contained within the FAST manual. The directions are concerned with the establishment of a sound system of financial control within Patterdale CE Primary School and timely and regular reporting to the LEA and the governing body on the financial state of the School and the continuous development of the Schools financial arrangements. You are responsible to the head teacher for implementing controls, which will ensure the School's financial integrity

Your responsibilities to the head teacher for administration of the financial arrangements of the Schools specific financial responsibilities are contained within these Business Practices but in particular the GOVERNING BODY directs you to:

- a. Provide the Chair of Governors with such assistance as necessary for the satisfactory completion of their financial duties. This includes provision of full and free access to all financial documents and accounting systems.
- b. Ensure compliance by you with all aspects of the FAST manual, especially in the critical area of periodic reporting of the School's financial position to the LEA.
- c. Detail the annual budget in accordance with the head teacher's instructions and according to the processes and timescales laid down in this manual.
- d. When requested provide a report of the whole Schools financial position for the full governing body at their meetings. The format of these reports is to be decided between you and the head teacher and must provide up-to-date information on committed expenditure against the updated budget together with details of any requirements since the last report.
- e. Ensure full and complete observance of all sections of the School business Practices and arrange for these to be amended in the light of changing requirements.
- f. Arrange for all financial activities at Patterdale CE Primary School to be fair and honest.

GENERAL FINANCIAL MANAGEMENT.

1. Register of Interests

The Clerk to the GOVERNING BODY holds a Register of Interests; entries as appropriate should be made by members of the GOVERNING BODY. School staff are also invited to register. This document may be viewed by personal request to the Clerk.

2. Goods and Services

The School does not obtain goods or services specifically for private use by Governors or staff.

3. Mail

Mail is opened and sorted by the Head Teacher or Full Time Teacher or School Administrator. Mail of an obviously private nature is passed unopened directly to the addressee. All Monies received by mail (Cash, Cheques, Credit Notes or Gift Vouchers) are to be placed in the safe until banking when they will be entered into the computer system cashbook. The entry is to define the source, date, amount and purpose of the receipt.

4. Insurance and Contracts

a. Insurance. Policy documents are held in the school office together with an up-to-date list of policy numbers; these documents may be viewed by personal request to the School Secretary. The level of insurance cover is to be reviewed prior to renewal date of the policies.

b. Contracts. Original copies of Contracts between the School and suppliers of goods and services and relating to services provided for the School are held in the school office together with an up to date schedule of all such Contract Documents.

SCHOOLBUDGET

1. The School budget is planned in general terms by the head teacher in accordance with the timetable specified by the LA. The annual budget is a component part of a longer financial strategy aimed at maximising resources. Production of the annual budgetary plan remains the responsibility of the head teacher assisted by the School Administrator.

2. Budget Process. The head teacher will examine the long-term objectives of the School and determine targets, assumptions and constraints, which will affect the next financial year. Likely income for the year will be assessed and estimates of expenditure prepared. These initial estimates will then be discussed with the appropriate agencies throughout the School who will be directly affected. The budget falls into two parts, Educational Expenditure and Support Costs, the Budget Holder for both is the head teacher and the process at this stage is preliminary determination. When this process is complete the School administrator will combine the separate areas into a total Budget, which will be submitted to the full Governing Body for approval.

3. Budgetary Monitoring. The Budget will be monitored continuously throughout the year. This process allows early corrective action to be taken and enables the gathering of valuable action to aid future planning. Before planning the succeeding year's expenditure a thorough analysis of the current year's performance will be undertaken. To a large extent the LA reporting requirements satisfy the monitoring process.

4. Educational Expenditure The educational expenditure budget includes all of the capitation allocation and Standard Funds costs. The head teacher is appointed as the overall budget holder and assumes responsibility for allocation of all funds.

5. Educational Expenditure Budget Holder's Responsibilities. All responsibilities of the educational expenditure budget holder are:

a. Capitation. Discussion of the priorities for allocations of the available funds with the head teacher. Resolution of conflicting needs. Ensuring an equitable balance within the overall learning strategy of the School. Regular monitoring of expenditure throughout the budget lifetime

b. Inset. Functional management of the Standards Fund budget is the responsibility of the head teacher who will discuss the policy with interested parties to the in-service training of staff

BANKING AND BOOKKEEPING

1. Reconciliations. The School Administrator will complete a weekly scan check of all Accounts and will complete a full reconciliation of the Bank Accounts and Cash Books monthly coincidentally with preparation of the VAT return to LA. Resulting adjustments are to be addressed promptly.

2. Controlled Stationery. In use Financial Stationery is held under the control of the School Administrator. Replacement stationery is securely stored in the filing cabinet. Used documentation is retained for audit. Spoilt or cancelled cheques are to be stapled to the appropriate stub and retained for audit purposes.

3. Bank Deposits. Paying In book is to be fully completed for all Bank deposits. Particular attention is to be given to the amount and origin of the funds.

4. Charge Cards. The School has no charge or credit cards.

5. Archives. Accounting records, including computer records are to be securely held when not in use. All records are to be retained for 6 yrs plus the current year.

ORDERS AND INVOICES

1. Goods or services must, in the first instance, be entered in the order book. The School Administrator or Senior Staff will write two copies of the Order, which the School Administrator or Senior Staff will sign. The top copy is dispatched to the supplier, the second copy sequentially filed with the invoice and retained for delivery checks.

2. When the goods (or service) are delivered the School Administrator will check the goods against the order. When the Invoice arrives the School Administrator will check Invoice integrity against the Order; and staple all documents together. Problems arising from Invoice discrepancies are to be resolved, by the School Administrator, without delay.

3. The Head Teacher gives the School Administrator authority to raise a cheque. The School Administrator raises the cheque and passes it, together with all associated paperwork, to the first signatory, normally the Head Teacher.

4. The first signatory will verify the transaction, check all documentation and confirming this, the cheque will then be signed.

5. The second signatory will now check that the amounts on the cheque and the stub are the same, and sign the cheque when it is dispatched to the payee.

PETTY CASH, CASH DEPOSITS AND WITHDRAWALS AND INCOME.

1. Cash.

a. Cash is not to be counted in locations open to view.

b. Petty cash – no petty cash is held.

c. Single item refunds are limited to £50 and in all cases a commercial VAT receipt must accompany claims.

d. The School Administrator performs a monthly cash book reconciliation.

e. Postage stamps are purchased as required and the transaction recorded.

f. The School does not cash personal cheques.

g. Any financial losses are to be notified immediately to the **Head Teacher**.

2. Deposits and Withdrawals.

a. Staff is not permitted to operate Bank or Building Society accounts for School purposes. Such actions are insecure and could easily affect personal tax positions.

b. The School Cashier is the School administrator and all moneys should be deposited with her at the earliest opportunity.

PERSONNEL MATTERS - PAYMENT OF SALARIES AND ALLOWANCES

1. The School employs Capita Business Services to administer their payroll; a comprehensive service is operated. The head teacher retains responsibility for all matters associated with payment of staff including NI, PAYE and regular deductions. Routine functions associated with the payroll are detailed below.

a. Funds are transferred by BACS directly to the individual staff accounts, after the Salary staffing details have been approved by the Head Teacher. The net payment is transferred on the Salary payment due date.

b. Separate payments are made to The Collector of Taxes, the Teachers Pensions Agency, and any Additional Voluntary Contributions Agency in respect of staff payments and statutory deductions to coincide with the date upon which they become due.

c. Changes to the normal payroll including overtime, bonuses, promotions and reductions are advised in writing to the agency and signed by the head teacher; all are retained for audit. In the case of new appointments a copy of the appointing letter is passed to the school secretary for action.

- d. A complete monthly payroll printout is required before payment date.
- e. At the end of the financial year the payroll master file is to be analysed and compared with each individual monthly record.
- f. Access to personnel, payroll and payment records are strictly restricted to staff members directly involved in the administration of these functions. When not in use such information is kept under lock and key.

2. Staff Expenses. Refunds of non-taxable expenses may be made by the School Administrator on receipt of a properly authorised Claim Form and receipt. Self-authorisation is not permitted. Travel cost refund is paid at rates determined by the Governing Body; refunds are normally limited to a maximum total equivalent to the standard class return rail fare. Expenses are refunded from the appropriate source as decided by the head teacher.

SCHOOL PROPERTY

- 1. School Property Assets are single items or a group of matching items, generally worth more than £1,000 and are specifically recorded in the Asset Register. Assets are acquired through the normal purchase and payment procedure although they may be subject to the Tender Procedure described in these Practices. Valuable and attractive items below Asset value may still be recorded in the Asset Register and treated as Assets at the head teacher's discretion.
- 2. The Asset Register is held in the Office and checked annually by the Head Teacher or when new assets are acquired.
- 3. Assets may be disposed of with the authority of the Governing body.
- 4. Consumables are not recorded.

SECURITY.

- 1. Computer. Data stored on the Schools computers is highly confidential both in respect of any personnel data and the Schools finances. The School Administrator maintains all personnel records, which are stored in a locked drawer in the office.
- 2. Access to Financial Systems. The Head Teacher and School Administrator have user access to the finance package. The finances are currently maintained on the office computer.
- 3. Backup and Office Security. Back-up is completed by the School Administrator on a weekly basis. The discs are held off site with the CDC manager. The electronic data is tested at regular intervals to ensure completeness and general integrity. Paper financial records are kept in secure locked filing cabinets with access controlled by the Bursar/Finance Administrator.
- 4. All classrooms, corridors and offices are protected by a burglar alarm system.

