



YEADING INFANT & NURSERY SCHOOL **FINANCE POLICY**

AIM

The aim of this document is to outline the financial procedure and practices in place at Yeading Infant & Nursery School. It will clearly define the roles and responsibilities of the Governing Body, its committees, the Headteacher and other staff and the limits of delegated authority established. The school adopts the London Borough of Hillingdon's Scheme for Financing Schools which includes Standing Orders and Financial Regulations.

ROLES AND RESPONSIBILITIES

The Scheme for Financing Schools is the key document which defines the extent of a governing body's responsibilities. The Scheme identifies those areas where the responsibility which the Local Authority (LA) will retain and those areas where the responsibility has been delegated to governing bodies.

The overall responsibility of the financial management of the school rests with the Governing Body. The Governing Body of Yeading Infant & Nursery School has delegated all decisions relating to financial management and budgetary control to the Resources Committee.

Financial responsibilities of the Resources Committee

- Overall responsibility for the financial management and budgetary control of the school.
- Approval of the revenue budget.
- Regular review of the school's expenditure against the budget especially with respect to variations on the budget plan resulting in under/over-spends.
- Approval of proposals to exceed agreed limits of delegated authority.
- Approval of funds to be spent on prescribed capital projects subject to the Council's agreement and statutory regulations.
- Approval of additional insurance cover to be funded from the school's delegated budget.
- Approval of the disposal of obsolete or surplus items of equipment valued at more than £100, but not exceeding £5,000 (above which the approval of the Director of Finance is required).
- The opening and acceptance of tenders required to comply with the Council's standing orders for contracts provided to or by the Governing Body.
- Regular review of the school policies and procedures relating to finance.



FINANCIAL RESPONSIBILITIES TO BE DELEGATED TO THE HEADTEACHER

- Day-to-day responsibility for the financial management and budgetary control of the school in conjunction with the School Development Plan.
- To ensure compliance with the Council's standing orders and financial regulations.
- To ensure that sound internal systems of control are in place to allow the proper processing of the school's transactions.
- Authority to vire amounts not exceeding £5,000.00 between budgets.
- Authority to authorise individual orders of up to £20,000.00

LA deadlines must be met. The following timetable must be adhered to:

February	Initial budget allocation is received from LA, and figures must be checked against school census
March	Final school budget allocation received from LA and the Headteacher, in conjunction with Governors, SMT & Finance Officer will prepare a draft budget of committed and potential variable expenditure
May	Final version of school budget is presented to Finance Sub-Committee and full Governing Body for approval and submittal to the LA

Throughout the year budget monitoring and review will:

- Ensure spending is on track with any variances noted.
- Verify that agreed savings are being achieved
- Any budget adjustments via the monthly Cash Advance are reported
- Confirm actual figures for projects when unknown at the time of budget
- Review budget underspend and unallocated funds diverting to other projects from the School development Plan as and when appropriate.

The Finance Officer will provide regular updates to the Resources Committee as part of this budget monitoring process, including FMS reports, benchmarking and justification of variances.

The Finance Officer will ensure that monthly / quarterly returns are submitted to LA in accordance with published timetable.

The Governing Body is responsible for approving the first formal budget plan of each financial year, regardless of the arrangements for delegations.



ORGANISATIONAL STRUCTURE AND INTERNAL CONTROL

The school is committed to developing a structure that achieves value for money. Day to day responsibility for internal financial control is delegated by the Governing Body to the Headteacher. The Finance Officer has a major responsibility for the processing of transactions at the school. In the absence of the Finance Officer, the Peripatetic Bursar is available to deal with any urgent financial matters.

The school's Signatories Mandate sets out authorisation requirements for orders, payment of invoices, petty cash and lists those members of staff who can sign cheques. Every invoice must have two authorisations and each cheque must have two signatures.

Each order must be signed by the budget holder. The Headteacher or Deputy Headteacher will act as a secondary authorisation on each order. The school's Admin Officer is responsible for checking goods against delivery notes. Any discrepancies are followed up.

The Finance Officer checks any invoices against orders before raising a cheque on SIMS.

No person can sign an order, invoice or petty cash slip that authorises payment to themselves or immediate family (or in which they hold a pecuniary interest).

Only the Headteacher and the Finance Officer have access to the computer accounting system (SIMS — FMS6). Each has their own access codes and passwords known only to them. Copies are kept in a sealed envelope in the safe. Data is back up off site via Inspire & LGfL. All financial records are retained for 6 years in line with DfE policy.

FINANCIAL LIMITS OF RESPONSIBILITIES

The Finance sub-committee has authority to vire sums in excess of £5,000 between budget areas and any such action to be reported at the next meeting of the full Governing Body.

The Headteacher has authority to vire between budget areas any sum up to £5000 and any such action to be reported to Governors in the next financial analysis report.

PROCEDURES

Banking arrangements

The school banks with Lloyds bank. The LA transfers the school's budget into the school's account on a monthly basis.

Cheques must be signed by two authorised signatories, and the school cannot go overdrawn. The school receives a monthly bank statement which



is reconciled by the Finance Officer against FMS and verified by the Head teacher.

LA RETURNS

The Finance Officer ensures monthly, quarterly and annual returns are submitted to LA as per published schedule.

PURCHASING

Yeading Infant & Nursery School is committed to providing value for money. Staff will check prices in order to find the best value products and ensure best value is applied.

Ensure that a minimum of 3 quotations are obtained for purchases and contracts valued between £3,000 and £10,000.

Ensure that a minimum of 5 written quotations. are obtained for purchases and contracts valued between £10,000 and £50,000

Ensure that a minimum of 5 tenders are obtained for purchases and contracts valued between £50,000 and £100,000.

For purchases/contracts of over £100,000 5 tenders must be obtained and Governing Bodies must inform the LA on these contracts.

Tenders must be submitted in sealed envelopes by the set deadline then opened in the presence of the Headteacher and a member of the Governing Body.

ORDER GENERATION

Budget holders have delegated money to use in their departmental areas, and check that sufficient funds are available before requesting authorisation from the Headteacher. Once approved, orders can be generated by FMS or by using the Government Purchase Card.

Delivery of Goods - Goods are checked against delivery notes by admin staff. Any shortfalls or errors are reported to the Finance Officer to notify the supplier.

Payment of invoices - The Finance Officer will ensure that invoices are correct, have not been previously paid and that VAT is correctly accounted for.

Invoices are matched with orders, and payment is generated on SIMS. All documentation is passed to the Headteacher for final approval and signature. The Finance Officer is not a cheque signatory.



GOVERNMENT PURCHASE CARD

This is permitted subject to the London Borough of Hillingdon's regulations and user guidance which has been adopted. There is a maximum spend limit of £2000 per transaction and monthly expenditure must not exceed £5000.

PETTY CASH

A petty cash float is kept to enable the purchase of small items. Payment vouchers are produced by SIMS and the receipts are stapled to these. These vouchers are passed to the Headteacher for authorisation and staff must sign for receipt of the cash. The maximum amount on any one claim must not be in excess of £25.00

The Finance Officer is responsible for checking the balance of petty cash at least once each month.

PAYROLL

Yeading Infant & Nursery School use Dataplan as its payroll provider. They are responsible to ensure the correct national insurance, superannuation and income tax deductions are made.

All submissions to payroll including supply, absence and overtime returns must be authorised by the Headteacher. All overtime is claimed for by staff and paid monthly in arrears.

All remuneration such as mileage claims, eye tests and cycle loans are made through the monthly payroll.

On 1st Feb 2013 staff were automatically enrolled onto the workplace pension.

INCOME

Cash income for trips, sponsorship and fundraising will be counted by the Finance Officer and checked by another member of staff before being recorded on the FMS6 accounting system. All income is retained in the school safe prior to banking.

PRIVATE FUND

The school's private fund is managed as a separate cost centre within the Fund 01 on FMS. Cheque signatories for the private fund are same as school account.



PAYMENTS TO INDIVIDUALS

All people employed by the school will be paid through the payroll system and appropriate statutory deductions will be made. Exemptions can be made when ESI and Income Tax status forms are completed.

VAT

All invoices should be checked that they show the correct information to reclaim or charge VAT where appropriate. A VAT submittal report is produced on a quarterly basis with a full report showing individual transactions. The Headteacher signs the submittal report which is sent to the LA. A copy is kept by the school. The private fund is not registered for VAT.

SECURITY OF ASSETS

- The Headteacher has responsibility for the safe custody and control of cash and other property.
- An annual inventory check of items valued over £200 should be carried out and any discrepancies reported to the Headteacher. Missing equipment must be reported to the Governing Body.
- Governors have delegated authority to dispose of items valued at £5,000 or less. The approval of the Director of Children's Services is required for the disposal of items valued at more than £5,000.
- There are two keys to the school safe. One is in the permanent possession of the Headteacher and the other with the Finance Officer. Cash held in the safe is kept to a minimum and there is regular banking of monies.
- The school is fully alarmed throughout. The alarms are set each night by the Site Manager. The code is only known to the Site Manager, cleaning staff, the Headteacher and the Deputy.

INSURANCE

Yeading Infant & Nursery School buys into the LA's insurance policies. This insurance covers most eventualities including claims for the premises, school property and school trips. Any loss or incidents that may give rise to a claim are immediately notified to the

Disclaimers are displayed that the school cannot accept responsibility for the loss or damage to personal property. Lockers are available to staff for storage of personal property.

