



Finance Policy

This policy was updated in January 2021 and adopted by the Finance, Staffing and Premises Committee on 27th January 2021.

Signed (Head teacher)

Signed (Chair of Governors/Committee)

This policy is due for review in January 2024.

Contents:

Statement of intent

1. Legal framework
2. Governor responsibilities
3. Headteacher responsibilities
4. Finance committee responsibilities
5. SBM responsibilities
6. Other members of staff responsibilities
7. Internal financial controls
8. Financial planning
9. Virements
10. Monitoring
11. Income
12. Payroll
13. Staffing
14. Governor payments
15. Contracts
16. Purchasing
17. Leases
18. Assets
19. Insurance
20. Petty cash
21. The school business charge card
22. Banking
23. Charging for school activities
24. Pupil premium
25. School forums
26. School premises
27. Financial irregularities
28. Retention of records and data protection
29. Monitoring and review

Statement of intent

At St. Stephen's CE Primary School, the governing body is committed to ensuring sound financial controls are in place and all expenditure is in line with best value principles.

All staff and governors are required to comply with this Finance Policy, which sets out the framework within which the school conducts its finances.

All parties concerned are expected to be aware of their responsibilities with regard to sound internal financial controls. The implementation of the following practices and procedures will ensure that funds are efficiently used to enhance pupils' education.

Aims

- All procurement arrangements achieve value for money.
- There are sound procedures in place for administering payroll and personnel matters.
- All income is identified, and all collections receipted, recorded and banked promptly.
- The school is adequately insured against exposure to risk.
- The use of petty cash is tightly controlled.
- The school provides training in financial administration to relevant members of staff.

1. Legal framework

- 1.1. This policy has due regard to relevant legislation and statutory guidance including, but not limited to, the following:
- Data Protection Act 2018
 - General Data Protection Regulation
 - DfE (2018) 'Charging for school activities'
 - DfE (2019) 'Schemes for financing schools'
 - DfE (2018) 'What maintained schools must publish online'

2. Governor responsibilities

- 2.1. The governing body has overall responsibility for the management of the school's delegated finances, including the setting of the school budget, which will be spent according to the LA's scheme for financing schools. Specifically, it will be spent:
- For the purposes of the school (usually for the educational benefit of pupils).
- 2.2. The governing body will make sure its budget is reflective of the school's educational objectives, and that it is linked to the SDP.
- 2.3. The governing body is responsible for developing a financial plan which establishes best value principles. This may be done by:
- Using the information gained from school leaders to challenge performance and set new targets.
 - Using financial benchmarking to compare expenditure across schools of a similar size, structure and demographic.
 - Using performance data to compare attainment across similar schools and against schools nationally.
 - Consulting relevant stakeholders on policy developments.
 - Ensuring resources and contracts for goods and services are secured in the most economic and efficient way by using fair and transparent quotation and tender processes.
 - Working together with other schools to generate efficiencies by pooling funding, jointly purchasing services, sharing staff and facilities, etc.
 - Driving up financial efficiencies by committing to appropriately and adequately resourcing CPD for the governing body to ensure governors are skilled in holding school leaders to account for the financial performance of the school.
- 2.4. The governing body will demonstrate compliance with the value for money requirements of their Dedicated Schools Grant, through the annual submission of the schools financial value standard (SFVS).

- 2.5. The governing body will identify and request the financial information needed to ensure spending is in line with projections.
- 2.6. The governing body must ensure that pupil premium and the PE and sport premium are being spent on improving participation and attainment for eligible pupils.
- 2.7. The governing body should consider information presented by the headteacher, school finance committee and/or the SBM with regards to financial matters, including when considering the SFVS.
- 2.8. The governing body is responsible for maintaining an up-to-date register of pecuniary interests annually. Each governor and attendee will declare any interests at the beginning of any full governing body or committee meeting.
- 2.9. The governing body may delegate its financial responsibilities to a finance committee. All responsibilities delegated to the committee will be outlined in its terms of reference. The committee will record any decisions made in the meeting minutes and report to the full governing body at every full governors meeting.

3. Headteacher responsibilities

- 3.1. The headteacher will be responsible for implementing the decisions of the governing body.
- 3.2. The headteacher will work with the SBM to put together a three-year budget forecast.
- 3.3. The headteacher will work with the SBM and peripatetic bursar to draft and monitor the annual budget.
- 3.4. The headteacher will advise the governing body and provide the required information that assists them with developing the school's financial plan and the annual budget.
- 3.5. The headteacher will be responsible for ensuring that all monies controlled by the school are handled in accordance with LA regulations and sound financial practice.
- 3.6. The headteacher will be responsible for overseeing staff dealing with finances and ensuring that procedures are carried out accurately.
- 3.7. The headteacher will make termly checks of procedures.
- 3.8. The administration of financial procedures may be delegated to the finance committee, SBM or other members of staff, and the details of this delegation will be recorded in the Finance Policy.

4. Finance committee responsibilities

- 4.1. The governing body has delegated responsibilities to the finance committee in the following areas of financial management:
 - Agree and monitor a three-year budget plan which is clearly linked to the SDP
 - Maintain and review the Finance Policy
 - Keep in-school financial procedures under review
 - Assist with the annual budget for approval by the governing body.
 - Tender for contract services over £5,000
 - Monitor the financial position of the school
 - Authorise any virement over £10,000
 - Review a Pay Policy for approval by the governing body
 - Endorse decisions in respect of service agreements and insurance.
 - Monitor the impact of the planned spending of the pupil premium and PE and sports premium, and ensure spending is compliant with the funding guidelines
- 4.2. The above delegated responsibilities will be documented in the finance committee's terms of reference

5. SBM responsibilities

- 5.1. The SBM will provide reports, as requested, on current school accounts to the finance committee and governing board.
- 5.2. The SBM will make sure that orders, invoices and other financial documents are processed according to established procedures.
- 5.3. The SBM will be responsible for checking the accuracy of information and providing regular reports to the headteacher and governing body.
- 5.4. The SBM will be responsible for the financial management system and all financial and personnel papers. They will ensure that only authorised staff members have access to personnel files and that arrangements to access their own files are in place – in line with the GDPR and the Data Protection Act (DPA) 2018.
- 5.5. The SBM will be responsible for maintaining a list of all assets.
- 5.6. The SBM will maintain a secure list of all bank accounts and the signatories for each.
- 5.7. The SBM will check monthly bank statements and investigate possible errors.
- 5.8. The SBM will advise the headteacher on matters of financial administration or maladministration.

6. Other members of staff responsibilities

- 6.1. Teaching staff will be responsible for ensuring that their subject budgets are managed within agreed procedures.
- 6.2. Both teaching and non-teaching staff are encouraged to alert the headteacher or governing body if areas of concern arise in respect of the school's financial affairs.

7. Internal financial controls

- 7.1. To ensure sound financial control, school monies are to be properly monitored in accordance with the requirements of the LA and the principles below:
 - The person requiring a product or service will raise an internal order.
 - The headteacher or SBM will check the budget and authorise the raised order.
 - The SBM or finance administrator will process and sign for the receipt of goods.
 - Goods received will be checked against each order by the person requiring them.
 - The SBM or finance administrator will process the invoice and update the accounts.
 - The four authorised signatories for the school are as follows: the headteacher, the deputy headteachers and the SBM.
 - All school cheques will have two signatures. Cheques will not be pre-signed under any circumstances, and only manuscript signatures will be used.
 - Provided that the overall budget allocation is not exceeded, the headteacher may authorise unavoidable expenditure (e.g. energy costs) that exceeds budget allocation; however, they will inform the finance committee at the next available meeting when the variance is in excess of £500.
 - The school will not enter into financial agreements with loan agreements or capital implications without the prior approval of the LA or appropriate body.
 - Accounting records will be securely stored in accordance with the GDPR and the DPA 2018, and only authorised staff will have access to them.
 - Monies kept in the school will be secured safely in the safe and not exceed £1000.

| Member of staff | Cheques | Orders | Payments | Inventory |
|------------------------|----------------|-----------------------|-----------------------------|----------------------------------|
| Headteacher | Signing | Signing | Authorising | Authorising write-offs |
| Deputy Headteacher | Signing | Signing | Authorising (absence cover) | Authorising write-offs |
| SBM | Signing | Preparing and signing | Processing | Administration and annual report |
| Finance Administrator | | Preparing and signing | Processing | Administration |

8. Financial planning

| Early Autumn term | | |
|---|---|--|
| Ensuring procedural compliance | Ensuring accountability | Ensuring financial compliance and efficiency |
| <ul style="list-style-type: none"> • Elect the chair and the vice chair for the finance committee • Review and agree the structure and terms of reference for the finance committee • Agree meeting dates for finance committee meetings | <ul style="list-style-type: none"> • Review and agree the SDP, including costings and resource allocations • Receive the headteacher's report and ensure challenge is recorded | <ul style="list-style-type: none"> • Receive a financial reports from the SBM and ensure challenge is recorded |
| Late Autumn term | | |
| Ensuring procedural compliance | Ensuring accountability | Ensuring financial compliance and efficiency |
| | <ul style="list-style-type: none"> • Receive and consider a pupil premium report and impact statement • Review the impact of allocated resources on school development priorities • Receive the headteacher's report to governors and ensure challenge is recorded | <ul style="list-style-type: none"> • Receive financial reports from the SBM and ensure challenge is recorded • Receive information from the Autumn term census data • Pay panel to review teaching and non-teaching staff salaries, proposed increments and appraisal process • Approve audit of School Fund account |
| Spring term | | |
| Ensuring procedural compliance | Ensuring accountability | Ensuring financial compliance and efficiency |
| | <ul style="list-style-type: none"> • Receive the headteacher's report to governors and ensure challenge is recorded • Review the impact of allocated resources on school development priorities | <ul style="list-style-type: none"> • Ensure the submission of the SFVS by the end of March • Receive and agree the draft budget • Receive financial reports from the SBM and ensure challenge is recorded • Receive information from the Spring term census data • Receive a report on and review service level agreements and traded services as appropriate |

| | | |
|---|--|---|
| | | • |
| Summer term | | |
| Ensuring procedural compliance | Ensuring accountability | Ensuring financial compliance and efficiency |
| <ul style="list-style-type: none"> • Review number on roll for September | <ul style="list-style-type: none"> • Receive the headteacher's report and ensure challenge is recorded • Receive the PE and sports premium impact report • Monitor the impact of allocated resources to school development priorities | <ul style="list-style-type: none"> • Approve budget and submit to the LA by 31 May • Receive information from the Summer term census data |

8.1. The annual budget includes a list of guaranteed items, including:

- Appropriate numbers of teaching staff.
- Non-teaching assistants, including office staff, controllers and other staff at an agreed level.
- Supply cover to an expected level.
- Building requirements as set out in the SDP.
- Insurances as agreed by the governors.
- Energy units based on the previous year's figures and the inflation element.
- Any other commitments.

9. Virements

9.1. When virements need to be carried out, they will be minuted appropriately and require the following authorisation:

- Virements up to £30,000 – the headteacher, reported to the finance committee.
- Virements from £30,000 - £100,000 – the finance committee.
- Virements in excess of £100,000 – the governing body.

10. Monitoring

10.1. Income and expenditure are regularly monitored against the agreed budget for the year. Specifically, the headteacher and the SBM will:

- Carry out a monthly internal monitoring procedure.
- Report on finances to the finance committee at termly meetings.

10.2. Annual consistent financial reporting returns are completed and sent to the LA.

10.3. Annual SFVS returns are ratified and signed by the governing body prior to submission to the LA

10.4. The headteacher and SBM will cooperate with the LA's audit regime.

11. Income

11.1. All income shall be recorded at the point of receipt in a form approved by the headteacher.

11.2. Official receipts will be created for all official income when it is received.

11.3. Personal cheques will not be cashed from income.

12. Payroll

- 12.1. The payroll provider at name of school is Bradford Council.
- 12.2. The headteacher signs off the monthly payroll reports once they are checked for accuracy by the SBM.

13. Staffing

- 13.1. The headteacher has responsibility for overseeing personnel matters.
- 13.2. As part of the annual budget, the staffing structure and its affordability will be reviewed and the outcome considered by the governing board and minuted.
- 13.3. The headteacher will be responsible for approving the weekly and monthly timesheets and overtime payments by cross-referencing the Pay Policy. An annual review of salaries, in accordance with the STPCD, will also be carried out in line with the Pay Policy. The findings will be submitted to the finance committee for approval.
- 13.4. The headteacher will, within every headteacher report to the full governing body, report on staff absence and sickness.
- 13.5. Any other staff requirements, such as any reasonable adjustments requested, with detailed costs are to be submitted to the governing body at the start of each academic year and when additional staff are employed.

14. Governor payments

- 14.1. Governors will not be paid for their services to the governing body (unless the Secretary of State believes this is in the best interests of the school following intervention).
- 14.2. The school will pay an allowance or expenses to its governors where a cost is incurred in the performance of their duties, such as travel and childcare, in accordance with the school's Governors' Allowances Policy.
- 14.3. The school will not refund governors for any loss of earnings incurred through the attendance of meetings.

15. Contracts

- 15.1. A contract refers to a signed agreement for the provision of goods and/or services over a period of time. The procedures with regard to contracts are:
 - Any contract in excess of £100,000 will be examined and referred to the full governing board at the next meeting.

- With any proposed contract exceeding £4,000, quotations will be obtained from at least three suppliers.
- All contracts will:
 - Specify the subject matter, price, contract period, contract specification and terms of payment.
 - Contain a clause permitting cancellation when there is a failure to meet contractual terms.
 - Require compliance with any British Standard specification code.
 - Indemnify the school against any claim which may be made in respect of personal injury to any person due to negligence by the school and against any claim for damage due to negligence of the contractor, and the contractor shall provide evidence of insurance against such claims.

16. Purchasing

- 16.1. All staff will comply with the procedures for purchasing items.
- 16.2. The headteacher or SBM authorise all orders and invoices prior to payment.
- 16.3. For orders in excess of £10,000 but less than £50,000, three written quotations will be obtained and submitted to the finance committee for approval to proceed. These will also be reported to the governing body.
- 16.4. Orders above £50,000 will be minuted at the governing board meeting to ensure that the school is seen to obtain value for money with regard to its purchases.

17. Leases

- 17.1. The school will not enter into lease/purchase agreements without the prior approval of the finance committee.

18. Assets

- 18.1. An asset register will be maintained containing all portable and desirable school assets with a value exceeding £200.
- 18.2. The register will be checked annually by the headteacher.
- 18.3. The write-off and disposal of assets with a value below £1,000 may be authorised by the headteacher. Any items above this value will be referred to the finance committee for approval.

19. Insurance

- 19.1. The school will be insured for content and personal liability under the following insurance policy: Bradford Council (Zurich Municipal).

20. Petty cash

- 20.1. For the purpose of this policy, “**monies**” refers to cash, cheque payments and small card transactions.
- 20.2. Petty cash will be held securely and the limit is £500.
- 20.3. Petty cash transactions will be kept to a minimum and the maximum value for one transaction is £200.
- 20.4. Petty cash transactions will be counted by two members of staff and stored in the safe in the school office.
- 20.5. Responsible staff will provide a receipt as an acknowledgement of receiving monies.
- 20.6. During school events, petty cash is collected hourly and stored in the school safe.
- 20.7. Online accounting systems are used to maintain financial security as much as possible.
- 20.8. Any cash received in the office must be recorded.
- 20.9. All staff members will be required to obtain VAT receipts wherever possible.
- 20.10. Where obtaining a VAT receipt is not possible, such as when making purchases through coin-operated machines, staff members will still log details of the transaction such as the date and time it was made, the name of the vendor, and a description of the goods or services bought.

21. The school business charge card

- 21.1. The school currently utilises a Mastercard and the limit is £4,000.
- 21.2. The charge card will be issued and used in accordance with the school’s Credit Card Policy.
- 21.3. Personal credit cards will not be used for purchasing products for the school.

22. Banking

- 22.1. The SBM and finance administrator are responsible for banking monies.
- 22.2. The SBM and finance administrator are responsible for preparing paying-in slips prior to banking.
- 22.3. Monies are transferred from the school to the bank in a secure bag or envelope.
- 22.4. Staff are not expected to put themselves in danger when they are banking money – if they are ever in a threatening situation, they keep themselves safe.

- 22.5. Monies are reconciled with receipts prior to banking.
- 22.6. Any banking discrepancies are immediately reported to the headteacher.
- 22.7. The SBM will request a receipt for all monies paid in or withdrawn from their bank account.
- 22.8. Significant quantities of money will be transported to the bank securely, i.e. not on public transport.

23. Charging for school activities

23.1. The school **will not** charge for the following (as outlined in detail in our Charging and Remissions Policy):

- Admission applications
- Education provided during school hours, or outside school hours if it is part of the national curriculum
- Instrumental or vocal tuition, except if it is provided at the request of a pupil's parent
- Entry for a prescribed public examination or for resits
- Transporting pupils to or from school premises, where the LA has a statutory obligation to provide the transport
- Transporting pupils to other premises where the governing body or LA has arranged for pupils to be educated
- Transporting pupils to meet an examination requirement

23.2. The school may charge for the following:

- Materials, books, instruments or equipment where the pupil's parents desire him/her to own them
- Optional extras
- Musical and vocational tuition, where it is provided at the request of a pupil's parent
- Early years provision that meets all the following criteria:
 - It is for pupils who are below compulsory school age
 - It is not provided in pursuance of the LA's duty to secure prescribed early years provision free of charge
 - It is not otherwise funded by the LA as part of the school's budget share
- Community facilities

23.3. Any charges made in relation to our school minibuses may be used to recover some or all of the costs of running the minibus, including loss of value; however, no profit can be made.

23.4. The school may invite voluntary contributions for activities from parents. When doing so, the school will make it clear that these contributions are voluntary, and that

pupils' participation in the activity is not dependent on whether the parent contributes.

24. Pupil premium

24.1. The governing body will ensure that pupil premium funding is spent on improving attainment for eligible pupils, and will publish online:

- The school's pupil premium grant allocation for the current academic year.
- A summary of the main barriers to educational achievement faced by eligible pupils at the school.
- How the pupil premium allocation will be spent to address those barriers and the reasons for that approach.
- How the effect of the pupil premium will be measured
- The date of the next review of the school's pupil premium strategy
- How the previous academic year's allocation was spent.
- The impact this expenditure has had on the educational attainment of pupils who were allocated the pupil premium.

24.2. The governing body will ensure that the PE and sport premium is spent on improving participation and attainment for eligible pupils, and will publish online:

- The school's PE and sport premium allocation for the current academic year.
- A full breakdown of how it has been, or will be, spent.
- The impact that the school has seen on pupils' PE and sport participation and attainment because of the premium.
- How improvements in PE and sports participation and attainment will be sustained.
- How many pupils within the Year 6 cohort can do each of the following:
 - Swim competently, confidently and proficiently over a distance of at least 25 metres
 - Use a range of strokes effectively
 - Perform safe self-rescue in different water-based situations

24.3. The governing body will ensure that service premium payments are spent on improving attainment for eligible pupils.

25. School forums

25.1. The governing body and the headteacher will, where it is within their limits, cooperate with any direction from the schools forum, in relation to the expenditure of the school budget.

26. School premises

- 26.1. The governing body will be clear about who owns the land and buildings from which the school operates, including any leaseholds.
- 26.2. The governing body will ensure that the school meets the minimum standards for toilet and washing facilities, medical accommodation, health, safety and welfare, acoustics, lighting, water supplies and outdoor space, as outlined in relevant regulations.

27. Financial irregularities

- 27.1. The responsibility for the prevention and detection of fraud rests primarily with governors and the SLT, but all staff will recognise that robust financial management forms a key part of the school's values and culture, and that they should actively support those values and culture by:
 - Encouraging senior leaders to recognise and consider their financial management responsibilities.
 - Being vigilant to the signs of financial irregularity.
- 27.2. All members of staff will be aware of the school's whistleblowing policies and will be encouraged to come forward if they have any concerns regarding the management of school finances.
- 27.3. Any member of staff suspecting the occurrence of financial irregularity or fraud will notify the headteacher, who will advise on the appropriate action to be taken or investigate the matter; however, if it's the headteacher that is suspected of malpractice or financial irregularity, then staff must contact the chair of governors instead.
- 27.4. The school will cooperate with LA monitoring of school finances, and will work with them to attempt to resolve any issues before formal action becomes necessary.

28. Retention of records and data protection

- 28.1. Financial records are archived for at least seven years, as per the school's Data Protection Policy and Records Management Policy.
- 28.2. The school's Data Protection Policy also requires that all personnel and payroll files are kept securely in a lockable filing cabinet, in a room that is locked when it is not occupied.

29. Monitoring and review

- 29.1. The governing body will review this policy on an annual basis in collaboration with the headteacher, who is responsible for communicating any changes to all members of staff.