



The school's Christian vision

Our five core Christian values

Trust, Honesty, Compassion, Respect and Kindness
are centred on

'Do to others as you would like them to do to you.'
(Luke 6:13)

Through these values we inspire children to be the best they can be. Encouraging high aspirations and expectations that will allow them to achieve, explore, succeed and prepare for their own path through life.



St Michael's CE VA Primary School Lyme Regis

Financial Procedures Policy

Signature of Headteacher:	N Kiddle
Signature of Governing body:	B Wood
Date ratified by the Governing Body:	24 th February 2023
Next review date:	24 th February 2024

The objectives of this policy are to set guidelines for the establishment of sound and effective financial procedures. By complying with current financial regulations and adopting good working practices such as:

- establishing proper financial management arrangement and accounting procedures, in line with the LA, OFSTED and DfE recommendations;
- maintaining a reliable system of internal controls;
- ensuring that resources are properly allocated and that the principle of value for money is adopted;
- outlining the areas of responsibility within the school;
- ensuring that the requirements of accountability are fulfilled;
- ensuring appropriate training is undertaken by budget holders.

The school aims to operate in a transparent, ethical and accountable way that will promote effective management.

1. Responsibilities

1.1 **Governors** are responsible for ensuring that the school's finances are managed effectively and for reviewing, approving and monitoring the budget. They should establish the financial limits of delegated authority. They complete an annual review of the school's financial controls (Schools Financial Value Standard-SFVS) which is returned to the LA by 31 March each year.

1.2 **The Headteacher** has overall responsibility for the school's activities and is therefore considered to be the person with overall responsibility to the Governing Body for the financial management of the school. The Headteacher should ensure that:

- the Governing Body is provided with financial advice
- proper and adequate financial systems and controls are in place
- accounts are prepared and maintained as required by the Governing Body and the LA.

1.3 The Headteacher delegates most of the day-to-day financial management to **the Support Services Manager** while retaining ultimate responsibility.

1.4 The Support Services Manager deals with the day-to-day operation of the financial systems.

2. Financial Planning & Monitoring

The budget is the financial dimension of the school development plan. By identifying and allocating financial resources, the school prioritises its targets and objectives and facilitates the achievement of its educational aims. By monitoring progress against budget, the school can react promptly to variations against the plan to avoid deficits or excessive surplus balances.

Activity	Detailed task	Responsibility and other supports
Planning the budget	<p>To estimate allowance, income, grants, etc.</p> <p>To identify and propose priorities in relation to the SDP</p> <p>To review and propose changes in staffing needs</p> <p>To draft budget options</p> <p>To evaluate budget options</p> <p>To prepare final draft budget</p>	<p>LA, Headteacher, Support Services Manager</p> <p>Headteacher, FGB, SMT, Support Services Manager</p> <p>Headteacher, Resources Committee</p> <p>Support Services Manager</p> <p>Headteacher, Resources Committee</p> <p>Support Services Manager, Headteacher</p>
Approving the budget	<p>To propose final budget draft</p> <p>To approve & submit to LA by 1st May</p>	<p>Headteacher</p> <p>FGB</p>
Monitoring and reviewing the budget	<p>To review monthly DES budget monitoring report and local financial system (e.g. – FMS Financial Management System) and investigate any discrepancies</p> <p>To report about financial matters to the Resources Committee and the FGB</p> <p>To produce a termly reforecast of budget outturn and recommend action to maintain a balanced budget</p> <p>To approve the outturn and submit to the LA by 30 June, 30 November and 28 February each year.</p>	<p>Headteacher, Support Services Manager</p> <p>Headteacher, Support Services Manager</p> <p>Headteacher, Support Services Manager</p> <p>Resources Committee, FGB</p>

Virements	To recommend virements	Headteacher, Support Services Manager
	To approve virements	Resources Committee
	To sign virement forms	Chair of Governors

3. Payroll

Payroll is contracted to Dorset Council.

The school is responsible for:

Activity	Detailed Task	Responsibility
Staff Contracts	Ensuring all forms are completed during recruitment together with any variations of contract are sent to Dorset Council for processing. Once Dorset Council have set up the contract, check that the details are correct.	Headteacher, Support Services Manager
Weekly/monthly returns	To approve overtime claims via Time, Travel and Expenses system and agency teacher claims and send to Dorset Council to meet payroll deadlines/ in a timely manner.	Headteacher, Support Services Manager
Sickness Absence Return (SAR)	To complete monthly SAR for sickness or other absence and upload to Dorset Council	Support Services Manager
Notify Dorset Council HR	Inform Dorset Council HR of all joiners via HR forms and leavers via DES E Leaver system.	Support Services Manager
Monthly payroll printout	To check monthly printout for irregularities, including staff that have left or are not employed by the school. If actual payroll expenditure is different from budget, investigate any discrepancies.	Support Services Manager
Nominal Roll	To check staff contract details are correct	Headteacher, Support Services Manager

4. Purchasing

Purchasing procedures have been put in place to ensure that the school follows the fundamental principles of probity, accountability and value for money.

Segregation of duties is used wherever possible: purchase orders are placed by the Support Services Manager and authorised by the Headteacher. Invoices are processed by the Support Services Manager. Cheques or central payments are signed by the Headteacher. It is not possible, however, to have complete segregation of duties due to the limitation of staffing arrangements.

The school is careful to apply the principles of value for money, the governors conduct an annual review of value for money which includes:

Annual benchmarking

Review of contracts

Review of top suppliers

Review of all orders over £9,999

All purchases estimated to be above £9,999 should comply with the Dorset Council Contract Procedure Rules.

Estimates under £10,000 should follow the principles of value for money.

Non-order invoices are discouraged.

E-purchasing and telephone orders should always be authorised beforehand and supported by the issue of an official order. The same controls over purchasing goods and services apply regardless of how the goods are paid for (e.g. credit card, cheque, invoices settled by Dorset Council).

Budget holders are responsible for the management of their budget account within the limit of their budget and in relation to the School Improvement Plan.

The Governing Body must update annually a register of business interests for each member of the governing body and the Headteacher.

The school abides by the terms and conditions of Procurement cards (Pcards) for schools. Procurement cards cannot be removed from the School site, under any circumstances and stored in a fireproof safe, with restricted access.

Cheque books stored, unsigned in fireproof safe with limited access.

Activity	Detailed task	Responsibility
Placing orders	Purchase orders	Budget holders
	Responsible for agreeing on requisition orders within limit of account budget (£500)	Headteacher
	Responsible for agreeing orders above limit of account budget	Headteacher
	Responsible for agreeing purchase above delegated limit	Resources Committee
	Responsible for obtaining quotes	Budget holder, Support Services, Manager, Secretary
	Responsible for seeking tenders	Support Services Manager
	Responsible for placing official orders	Support Service Manager
	Responsible for signing orders	Headteacher, Deputy Headteacher

Contd. Activity	Detailed task	Responsibility
Deliveries	Responsible for checking delivery against order	Budget holder, Secretary
	Responsible for returning and/or exchanging goods	Budget holder, Secretary

Invoices and Payments	Processing invoices for payment/Produces file for upload to Dorset Council for payment	Support Services Manager
	Authorises Dorset Council invoice file for payment	Headteacher, Deputy Headteacher
	Authorised signatory of credit card	Headteacher,
	Authorised signatures on delegated account (1 signature only)	Headteacher, Deputy Headteacher,
	Authorised signatures on Voluntary Fund accounts	Headteacher, Deputy Headteacher

5. Cash Handling for Delegated and Voluntary Fund Accounts

Payment is usually collected for the following purposes:

- trips including swimming transportation
- school meals
- uniform
- lettings
- fund raising
- donations

All parent payments must be through Bank Transfer, straight into the School's bank account.

There is no longer petty cash money held in School.

Activity	Detailed task	Responsibility
Collection of money	Collection of money for fundraising and donations	Secretary, Support Services Manager
Cash received	Counting and recording of money	Secretary
	Preparing banking	Secretary, Support Service Manager
	Transporting cash to bank	Support Services Manager

Cheque Refund	Refund of monies, must be made in writing	Request to Headteacher for authorisation
	Preparation of refund cheque	Support Services Manager
	Cheque signed (see appendix 2)	Headteacher/Deputy Head

6. Reconciliation of accounts, financial reporting and collation of information

The school needs to continually monitor its financial progress and report on it to various bodies, such as the governors, LA, OFSTED and DfE.

The school also needs to complete various claims in relation to income and expenditure.

Information gathering is an important factor in the effective management of the school's finances.

The list of reports, claims and returns, and their submission deadlines, is usually defined by the LA or the DfE.

Activity	Detailed task	Responsibility
Reconciliation of bank statements	Monthly reconciliation of bank statements for Delegated Fund accounts. Voluntary annually. Investigation of discrepancies.	Support Services Manager
Reconciliation of credit card statement	Monthly reconciliation of credit card statement to finance system	Support Services Manager
	Agreed by	Headteacher
Reconciliation of online payment systems	Monthly reconciliation of online payment systems used by parents against income received to the bank, and payment monitoring records.	Support Services Manager
VAT return	Monthly preparation of VAT return	Support Services Manager
	Agreed by	Headteacher
Automatic reconciliation of allowance account (Autorec)	Monthly reconciliation of school's data with DES	Support Services Manager
	Agreed by	Headteacher

Travel claims	Checking on-line claims prepared by claimant using TTE	Support Services Manager, Headteacher
Threshold Grant claims	Termly preparation of Threshold Grant claims Agreed by	Support Services Manager Headteacher

Activity	Detailed task	Responsibility
School Census	Annual pupil census preparation Checked by Agreed by	Secretary Support Services Manager Headteacher
School Workforce Census	Annual workforce census preparation Checked by Agreed by	Secretary Support Services Manager Headteacher
CFR Return	Preparation of annual return Agreed by	Support Services Manager Headteacher
Financial Risk & Control Checklist	Prepare annual review of financial control for the Governing body	Support Services Manager, Headteacher
SFVS (submitted to LA by 31 March each year)	Completed and submitted	Governing body

7. Lettings

The school has a lettings policy, which establishes the general conditions for letting the school premises.

The charging policy is the responsibility of governors and lettings fees are regularly reviewed by the full governing body.

Records are kept of bookings and invoices.

A letting contract establishes the condition of let for each individual hirer.

Activity	Detailed task	Responsibility
Lettings fees	Establishment of charging policy	Full Governing Body

Contracts	Authorisation of lettings	Headteacher
	Preparation of individual letting contracts	Support Services Manager
Booking and Invoicing	Monthly preparation of booking forms and invoicing	Secretary
Collection of fees	Half termly collection of fees and follow up if necessary	Support Services Manager

8. Voluntary Fund

The school holds a voluntary fund, which is used for the collection of money from sources such as:

- fundraising
- donations
- sundry

The fund is managed by the Support Services Manager and is audited once a year. Governors receive an audit report which is minuted. Note guidance on voluntary funds available at <https://www.dorsetnexus.org.uk/Page/3920>:

9. Asset Register

The Governing Body is responsible for the safe custody and physical control of stores and equipment and is required to monitor the inventory of moveable, non-capital items.

The Headteacher is responsible for ensuring that assets under his control are correctly recorded in the Inventory record.

Disposal of assets should follow the procedure set down by Dorset Council. (see Appendix 1)

A report detailing all assets written off should be presented to the Governing Body annually.

Activity	Detailed task	Responsibility
Updating inventory records	Recording of new assets	Secretary, Support Services Manager
	Physical check of equipment against relevant records	Secretary
Monitoring	Annual monitoring of inventory	Headteacher
Disposal of assets	Disposal of assets with nil or nominal value	Headteacher
	Disposal of assets with market value	Full Governing Body

10. Annexes

10.1 List of people with access to safe

The following people are authorised to access the fireproof safe:

Headteacher
Support Services Manager

10.2 List of people authorised to sign cheques

Headteacher
Deputy Headteacher

10.3 Reference documents used for the management of school finances

Latest copies can be found at
<https://www.dorsetnexus.org.uk/Page/3920> including:

Dorset Schools' Annual Cycle of Financial Review
Scheme for Financing Schools
Dorset Council Contract Procedure Rules
School Financial Efficiency Policy

Appendix 1

Disposal of assets is part of the Scheme for Financing Schools – see extract below.

PROPERTY, EQUIPMENT AND STORES

1. The Governors shall be responsible for the custody and control of equipment and stores held at the establishments under their control
2. Governors shall maintain an inventory of moveable assets under arrangements agreed by the County Treasurer.
3. All moveable property of the school shall as far as practical be marked as school property.
4. Moveable property surplus to the School's requirements shall not be disposed of except by sale on the authority of the Governors. The sale shall normally be by public auction or competitive tender but, where neither is appropriate, the Governors shall adopt the best method to serve the interests of the School. Where the sale is to a governor or an employee of the School or the Authority, the written authority of the Chief Executive shall first be obtained. Provided that this regulation shall not apply to goods sold generally as a normal day to day School activity.
5. If it appears to the Headteacher that there are deficiencies of equipment or stores a report shall be made immediately to the Governors and the County Treasurer, who may authorise the items to be written off. The Governors must maintain a record of all items written off.

Bad Debt

The Finance Governors may remit in advance, all or part of any charges made for chargeable activities from its delegated budget. Once a charge has been raised, no debtor shall be excused a payment due, other than with approval of the Headteacher, max £10.00 all other debt by Resources Committee after 2 months. The following must be followed:

Invoice raised by SSM

First reminder after 14 School working days from the invoice date

Second reminder after 28 School working days from the invoice date

After 37 School working days SSM to report to Headteacher,

After 60 School working days and debts over £10.00 SSM to prepare a report Resources Committee.

This may include escalation to the small claims court through an on-line money claim. An additional fee of £35.00 minimum, will be added to the existing debt.

The school shall maintain a record of such write-offs, which will be available for inspection by the Local Authority.

Appendix 2

Cheque Refunds

Residential & School Trip Refunds:

All initial deposits are non-refundable, as stated in initial letters to parents informing details of the forthcoming visit.

If a child is unable to attend at the last moment through illness, then a refund of cost can be given upon receipt of a doctor's certificate. The initial deposit still remains non-refundable.

If a child/parent changes their mind, transfers to another school and withdraws from the trip then no refund can be given.

Charges are made by providers upon receipt of the first deposit so the school will be charged in full for the place reserved.

School Meals:

School meals must be paid for in advance as all food orders need to be placed with the food suppliers 7 days in advance.

If the child/parent changes their mind and wishes to cancel school meals, then 7 days' notice is required.

Lettings:

The Hirer or the School may cancel the letting, provided that in each party gives at least 28 days' notice and a full refund will be issued.

External Clubs:

These will have their own refund and cancellation procedures, independent to the School.

NB. All requests for refunds must be made in writing to the Headteacher