

Finance Policy

The Lancaster School, Woodlands Infant and Nursery School & Birchwood Junior School



Introduction

1. The Governing Body recognises that it is ultimately responsible for the financial management of the school and has produced this policy document to help it fulfil those responsibilities.

Organisation

2. In view of the importance and complexity of financial management in the school, the Governing Body has established a Finance Committee to enable due consideration to be given to all financial matters.

The Chair and Vice Chair of the Finance Committee are elected by the full Governing Body in September each year.

The Finance Committee plans to meet three times each year:

May

(to agree the budget for the financial year and to agree the finance plan)

December

(to consider the budget monitoring report for the year)

February

(to consider the final budget monitoring report for the year and a revised finance plan)

The Finance Committee will report, and make recommendations, to the full Governing Body. Minutes of each Finance Committee meeting will be presented to the next meeting of the full Governing Body.

Finance Committee members will be required to maintain strict confidentiality with respect to payroll and other sensitive information presented to them.

Roles and Responsibilities

The Governing Body recognises the importance of Governors, Finance Committee members, the Headteacher and staff being clear about their respective roles and responsibilities with regard to the financial management of the schools.

The **Governing Body** will:

Agree, and record in writing, the roles and responsibilities of the Finance Committee and Headteacher.

Review those roles and responsibilities on an annual basis.

Elect the Finance Committee members each year.

Approve the school's budget each year, ensuring that a copy is attached to the minutes of the meeting.

Submit the approved budget to the Local Authority within the specified timescale.

Approve the school's original and revised finance plans each year.

Take appropriate steps to ensure the school's budget does not overspend.

Contact the LA and seek approval to overspend where this seems unavoidable.

Authorise the school's applications for loans from the County Council.

Satisfy itself that the Finance Committee and Headteacher are fulfilling their responsibilities as set out in this policy document.

Review detailed budget monitoring reports each term, ensuring that copies are attached to the minutes.

Record in writing the transaction/ process authorisation limits, etc. relating to the school's financial system for relevant members of staff:

Goods up the value of £1,000 can be ordered by the School Bursar by raising an official Purchase Order. Purchase Orders over £1,000 require authorisation by the Headteacher. Staff request goods/services in writing by means of an internal order form or by email.

Lincolnshire County Council have adopted the policy of 'No Purchase Order No Pay' so all suppliers must be supplied with a Purchase Order in order for goods/services to be delivered.

TRANSACTIONS – PROCESSES AND LIMITS

No goods can be ordered without first raising a Purchase Order on Business World On. Orders over the value of £1,000 require authorisation from the Headteacher. Value orders to be raised for regular invoices such as utility bills, rentals etc.

Limits of authorisation:

- Governors delegate day to day expenditure to the Headteacher up to £10000.

- Goods/Services over £10000 requires authorisation from the Finance Committee.
- Building Improvements over £10000 are to be given a 3 quote tendering process and the School Bursar will engage the services of an approved company and will act as the Project Manager. For major purchases advice to be taken from Lincolnshire County Council Procurement Team, unless using a LCC approved supplier.
- School Bursar to keep the Headteacher informed on the budget.

Agree the school's virement policy.

Virements

- Up to £5000 recommended by School Bursar to Headteacher for approval.
- Above £5000 Governors approval required.

PROCEDURE FOR OBTAINING QUOTATIONS

In line with the Headteacher's delegated limit of £10,000, it is agreed that the policy for obtaining quotes for any projects exceeding the £10,000 limit will be required to have three separate quotations. However, if after all reasonable efforts have been made to receive three quotations and they have not been received by the deadline given, it would be at Governor's discretion to override this requirement. The successful candidate will be checked against the best value principle.

FINANCIAL OPERATING PROCEDURE.

Signatories for – orders/staff returns/claim forms

**Headteacher
School Bursar**

Requests for goods are authorised by the Headteacher and orders are placed by School Bursar by Business World Purchase Order. When it is not possible to be invoiced for goods or if better value can be obtained goods may be purchased from the internet by means of the school Procurement Card. All requests for goods bought on the procurement card to be authorised by the Headteacher. Procurement card statements to be audited by a Finance Governor.

Deliveries are checked from the delivery note / invoice and initialled. Deliveries can be checked by Headteacher, School Bursar, Admin Assistant, Finance Assistant or Caretaker. Deliveries are not to be checked/received by the person who placed the order.

Delivery note / Invoice passes to the School Bursar / Finance Assistant to process for payment. Invoices need to be signed by the Headteacher/ School Bursar to authorise payment.

Imprest Claims, if schools have an imprest account, are authorised and released by the Headteacher.

Establish the school's charging policy and review it on an annual basis.

Ensure that the school fund is audited each year, with a Governor counter-signing the school fund reconciliations.

Ensure that a signed statement confirming that the school fund has been audited is issued to the County Council within its specified timescale.

Review the financial training needs of the Governors, the Headteacher and staff on an annual basis and fund training needs as appropriate. A programme of free training is available from the Local authority.

Ensure that the school's register of business interests and Conflict of Interests is kept up to date.

Ensure that the school complies with the LA's guidance relating to Extended Schools and in particular, that it does not subsidise extended school activities from the main budget share.

Ensure that the Statement of Internal Control is completed and signed each year.

Review this policy document on an annual basis.

3. The **Finance Committee** will:

Familiarise themselves with this policy document and their roles and responsibilities.

Ensure that the school complies with the LA's Scheme for Financing Schools, as approved by the Secretary of State.

Familiarise themselves with the way in which schools in Lincolnshire are funded.

Contact the LA for advice in relation to leasing arrangements, as appropriate.

Produce a timetable of meetings at the start of the year outlining their key purpose.

Consider the draft annual budget papers prepared by the Headteacher.

Consider the draft medium term finance plan prepared by the School Bursar / Headteacher.

Consider budget monitoring reports produced by the School Bursar / Headteacher throughout the year.

Monitor the financial performance of catering and other functions (where applicable) throughout the year.

Ensure that the schools Pupil Premium Fund allocations are fully utilised.

Use management information, particularly that supplied by the County Council, to challenge the way in which the school uses its financial resources.

Ensure that the school complies with the County Council's financial regulations.

Ensure that the school produces a best value statement and adheres to it.

Report to the full Governing Body.

Ensure that the school has a list of certifying officers for the purpose of signing cheques, certifying employee claims etc. and review this on an annual basis.

Ensure that assets with a value up to £20000 are disposed of in accordance with the guidance set out in Section E of the Finance Handbook.

4. The **Headteacher** will:

Familiarise herself with this policy document and her role and responsibilities.

Ensure that the School Development Plan priorities are properly costed and linked to the school's budget and finance plan.

Monitor the budget on a monthly basis.

Oversee the day-to-day running of the school's financial administration and ensure that the County Council's timetable is adhered to.

Ensure that proper checks and controls are in place to cover day-to-day activities.

Authorise transactions / processes within the school's financial system up to limits agreed by the Governing Body.

Act as an authorised signatory for the purpose of signing cheques, certifying employee claims etc.

Review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out.

Ensure that the school fund records are kept up to date.

Ensure that the schools fund's annual accounts are prepared, audited and approved by the full Governing Body and submitted to the LA in the timescale specified.

Agree virements up to authorised limit.

Ensure an inventory is maintained.

Ensure that any budgets that are delegated to senior staff or departments operate within a similar control regime.

Ensure that assets with a value up to £20000 are disposed of in accordance with the guidance set out in Section E of the Finance Handbook.

5. The **School Bursar** will:

Draft budget papers in consultation with the Headteacher

Draft original and revised finance plans in consultation with the Headteacher

Maintain the accounting records using the school's financial package.

Carry out agreed transactions / processes within the school's financial system up to limits agreed by the Governing Body.

Ensure that the LA's timetable for completion of Bank, Imprest and other reconciliations is adhered to.

Contact the school's nominated Finance Assistant in the schools' Finance Team with concerns or queries regarding financial administration.

Ensure that purchase orders are raised prior to ordering goods and services wherever possible, to aid effective budget monitoring and management.

Ensure that payments are made to suppliers within the LCC's payment policy.

Ensure that, where appropriate, claims for sickness absence scheme are made promptly.

6. **Authorisation Limits for Purchase Orders**

School Business Manager £1000

Headteacher £50000

7. **Business World**

In line with Business World conditions, the Governing Body has agreed that no goods may be purchased without an official purchase order.

8. **Virement limits**

Virements of £5000 or more should be approved by resolution of the full Governing Body.

The following virement limits have been agreed:

Finance Committee £5000 plus

Headteacher up to £5000

School Business Manager up to £1000

9. **Purchase Card Limits**

Name	Single Transaction Limit	Monthly Credit Limit
Mr M Davies	£2,000	£10,000
Miss N Haughton	£1,000	£500
Miss J Bingwa	£1,000	£1,000

These limits will be reviewed to reflect the schools spending.

10. **Training**

The Governing Body recognises the importance of financial training for governors and staff in helping them to fulfil their responsibilities in relation to the financial management of the school.

The training needs of all governors and staff will be reviewed each year. Appropriate budgetary provision will be made, where necessary, and governors and staff will be actively encouraged to undertake that training.

A programme of free training is available through the Local Authority.

11 **Budget Setting**

The Governing Body recognises the importance of setting a detailed budget at the start of the year.

The School Bursar in consultation with the Headteacher will draft a detailed budget for each line of income and expenditure. The budget is re-evaluated each year for the Finance Committee's consideration.

The Headteacher will include options for increase spending, as set out in the School's Development Plan, and the options for cost cutting measures, where appropriate.

12 **Budget Monitoring**

The Governing Body recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under and overspendings.

The Headteacher/ School Bursar will monitor on a monthly basis by reviewing reports from the school's financial system for:

- Errors

- Miscoding's

- Large or unusual items

- Potential underspendings or overspendings against budget and act promptly where appropriate.

13 **Financial Administration**

The Governing Body recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous decisions in the school.

The Headteacher will monitor the financial administration functions carried out by the School Bursar, ensuring that:

- Accounting systems are kept up to date

- Bank reconciliations, imprest claims, etc. are completed in accordance with the LA's published timetable

- Appropriate action is taken where the LA advises the school that it's day to day administration is not up to date

14. **Reporting**

The Governing Body recognises the importance of receiving detailed, accurate and up to date financial information to enable it to oversee and control the financial position of the school.

The School Bursar in consultation with the Headteacher will prepare budget monitoring reports for consideration by the Finance Committee.

The reports will include for each line of income and expenditure:

- The original budget
- Changes to the budget
- Current budget
- Expenditure and commitments to date
- Expenditure and commitments to date expressed as a percentage of the current budget
- An outturn projection
- A variance between outturn and current budget
- An explanation for all material variances
- Details of proposed virements
- Details of proposals for additional spending or cost cutting measures

15. **Financial Planning**

The Governing Body recognises the importance of financial planning beyond the current year.

The Headteacher will prepare a financial plan covering the next three to four years.

The plan will show the projected numbers on roll and the impact this has on the school's budget share, expenditure and carry forward.

The level of detail shown in the plan will include, as a minimum, the information set out in the County Council's financial planning spreadsheet.

The plan will include contingency plans, setting out the school's proposals for dealing with variations including, in particular, changes in the projected numbers on roll.

The Governing Body will consider the impact that the medium-term finance plan may have upon staffing levels and develop outline plans and strategies for avoiding redundancy costs for future years.

16. **Audit**

The Governing Body recognises the importance of the County Council's audit regime in assessing the adequacy of the school's financial controls.

The Governing Body and Headteacher will ensure that auditors are given access to staff, all relevant records and property, as the auditors consider necessary.

The Headteacher will ensure that the audit recommendations are implemented as soon as possible.

The Headteacher will familiarise herself with the Financial Procedures and Finance Handbook which give guidance on best practice, internal controls and statutory requirements.

17. **Annual Timetable**

The Governing Body recognises the importance of planning its financial management work throughout the year.

The Headteacher will draw up an annual timetable of key events and will submit this annually to the full Governing Body’s last meeting in each financial year.

18. **Review**

The Governing Body recognises the importance of keeping its Finance Policy up to date and will review the policy on an annual basis.

Policy considered and accepted at the Finance Committee Meeting 13th May 2024

Signature Chair of Finance Committee

Date

Signature Chair of Governors

Date