



Financial Procedures Policy

Review Period: 3 Yearly **Status:** Non Statutory **Next review Date:** Summer 2021

The Sunnydown School Financial Procedures Policy should be read in conjunction with the Finance Manual issued by Surrey County Council (SCC), which sets detailed procedures to be followed.

The procedures listed below cover aspects of Finance Development delegated to the Governing Body and provides details appropriate to the School.

1. Responsibility and Accountability

a) Governors: The Governing Body is responsible for:

- Overall management of all funds available to Sunnydown including the Delegated Budget and School Fund
- Approving signatories to Sunnydown's bank accounts
- Receiving auditors' reports
- Agreeing the levels of delegation and prescribing channels and frequency of reporting
- Regularly reviewing and monitoring expenditure against budgets and in relation to the Financial Development Plan (FDP)
- Ensuring "best value" for the School

b) Premises:

Those responsible for the up keep of the school Premises is accountable to the Governing Body and reports to it at least once a term. Its responsibilities, detailed in its Terms of Reference, are:

- Conducting regular Health and Safety checks and deliver a report
- Ensure that quarterly Fire Safety inspections are performed
- Identifying any financial implications and referring them to the FGB
- Identifying maintenance and improvement projects at Sunnydown
- Agree the appointment of a professional to inspect the buildings on an annual basis
- Periodically reviewing the WSSP for progress on current projects
- In conjunction with the Headteacher, instructing the SBM to obtain tenders and quotations for work

c) Headteacher:

She/he is accountable to Governing Body and is responsible for the day-to-day management of the funds available to the School. His/her main authorities are:

- Approving expenditure of all official funds within the delegated limit
- Acting as primary signatory on request to order forms and cheque and BACSs
- Establishing adequate financial reporting and periodic reviews of the SDP to ensure that authorised expenditure is in line with plan
- Authorising expenditure of unofficial funds
- Agreeing expenditure from the Training Budget in conjunction with the Assistant Headteacher

d) Deputy Headteacher:

She/he is accountable to the Headteacher and his/her authorities are:

- Signing School Fund cheque and BACSs, and for expenditure on the Delegated Budget

e) Assistant Headteacher:

She/he is accountable to the Headteacher and his/her authorities are:

- Signing School Fund cheque and BACSs, and for expenditure on the Delegated Budget
- Agreeing expenditure on the Training Budget

f) Teachers: They are accountable to the Headteacher and are responsible for:

- The receipt and expenditure of class money, outings etc., although record keeping may be delegated to the Finance Officer
- Identifying class/department/subject expenditure priorities
- Spending allocated Curriculum Budgets

g) SBM:

She/he is accountable to the Headteacher and his/her responsibilities are detailed in the Role Profile. These include:

- Keeping financial records for the Delegated Budget and School Fund
- Producing financial reports for the Headteacher, Governors and Staff
- Making payments in accordance with SCC regulations
- Managing the School Budget and the School Fund local bank accounts, banking income for the Delegated and School Fund accounts
- Banking miscellaneous income, e.g. outings, etc. in conjunction with Secretary

- Acting as systems manager for Schools Information Management System (SIMS)
- Responding to the auditor's report and ensuring that any recommendations are actioned
- Obtaining quotations, tenders, etc., on instruction from the Headteacher/Governing Body
- Reconciling School accounts to SCC tabulations monthly
- Ensuring all procedures comply with SCC financial regulations

h) Secretary:

She/he is accountable to the Headteacher and his/her responsibilities are detailed in the Job Profile. These include:

- Checking delivery notes and passing invoices for payment
- Collecting and accounting for dinner monies and preparing funds for banking
- Keeping free school meals records
- Collecting, distributing and recording class monies
- Issuing receipts for income where appropriate
- Collecting miscellaneous income (e.g. outings, etc.) and preparing funds for banking by the SBM
- School fund records and submitting this for review annually by professional auditors

i) Finance Officer:

She/he is accountable to the Headteacher and his/her responsibilities are detailed in the Job Profile. These include:

- Checking delivery notes and passing invoices for payment
- Entering orders and invoices on SIMS and obtaining signatures on the cheque and BACSs from the authorised signatories
- Entering new items onto the School's Inventory where appropriate
- Reviewing inventories with all classes/specialist areas annually

j) All staff:

They are accountable to the Headteacher and are responsible for:

- Seeking approval for purchases from the budget holder
- Requesting purchases on a standard form and obtaining authorisation from the Headteacher
- Obtaining VAT receipts and giving them to the Finance Officer

Control of Income and Expenditure

a) Delegated Budget:

- All requests for expenditure will be authorised by the Headteacher

- Financial records shall be kept by the SBM and Finance Officer
- Annual expenditure is to be profiled and financial monitoring statements produced for the Governing Body once a term
- A monthly reconciliation with SCC records will be made
- Annual and 3-Year Financial Plan prepared by the SBM, Headteacher shall be produced and shared with the Staff Governing Panel
- Internal auditor's report is to be presented to FGB as appropriate

b) School Fund: For the School Fund:

- Financial records shall be kept by the Secretary and audited annually by independent auditors
- Audited accounts will be presented to Governing Body annually
- All requests for expenditure shall be authorised by the Headteacher
- Financial records are to be kept by the Secretary
- Income will be collected by the Secretary and prepared for banking by the Bursar
- Two signatures are required on all cheque and BACSs, the signatories being the same as for Delegated Budget. See under Account Signatories

2. Expenditure Procedure

A 'Request To Order' form completed by the member of staff is presented to the Headteacher for approval and passed to the SBM. Expenditure in excess of £5,000 must be referred to the Governing Body.

The SBM completes the official order with details as indicated on the request form. The market shall be tested to ensure a competitive price and quotations obtained (where appropriate) and in compliance with SCC regulations (as per Finance Manual). Best Value Policy should be applied when ordering.

The SBM may open new supplier accounts as necessary and is responsible for signing contracts for equipment and supplies, once duly authorised.

The Secretary or Finance Officer check incoming goods against delivery notes and passes invoices to the SBM for payment.

The SBM checks and pays invoices, following Local Authority (LA) financial regulations, as described in Finance Manual. Goods are then entered on the School inventory if appropriate. Private orders are strictly forbidden.

Goods and services may be ordered via the internet and may be paid for by using the HSBC Purchasing Card following (LA) financial regulations, as described in Finance Manual. Please see Appendix 2 for the detailed procedure. All such orders shall be made following the standard practice for orders.

Payments can be made via Bankers Automated Clearing Service (BACS). Please see Appendix 1 for details of controls in place.

4. Account Signatories

All members of the Senior Management Team, excluding the Head of Care and the SBM, are to be signatories on the bank account for the Delegated Budget and School Fund. In normal circumstances, **cheque and BACSs** will be signed by the Headteacher and Deputy Head. Other signatories may be used if the Headteacher and Deputy Head are unavailable.

Limits:

Two signatures are required on cheques in respect of the School Fund.

For Delegated Budgets:

- Cheque and BACSs for less than £250: one signature
- Cheque and BACSs for more than £250: two signatures.

All signatories and any changes will be authorised by the Governing Body.

5. Delegation

The Governing Body delegates authority for expenditure to the Headteacher as per the School's Finance Policy

6. Banking

The School Budget is held in a SCC 'Umbrella' Account (with the HSBC Bank, Oxsted) and the School Fund in separate account at the same bank, with both being managed by the SBM. Paying in books shall be completed by the Secretary and monies banked by the SBM at regular intervals.

Authority to cash cheques up to £500 is delegated to the SBM and bank statements are to be received monthly. The Delegated Budget will be reconciled to Sunnydown's accounts by the SBM; the School Fund shall also be reconciled by the SBM.

7. Budget Preparation

Budgets and revised budgets are to be prepared in accordance with SCC requirements by the SBM and Headteacher. The final budget will be approved by full Governing Body each year at May meeting.

8. Virement

The Governing Body delegates to the Headteacher power to vire up to £5,000 between any budget heading without consultation provided overall expenditure is within budget.

9. Petty Cash

No petty cash transactions are permitted under the Delegated Budget and School Fund.

10. Income

- a) Delegated Budget and Fund:** These are receipted and accounted for by the Secretary.
- b) Dinner money:** This is accounted for by the Secretary.
- c) Class money:** The Secretary shall keep a record of monies received for/from classes; large sums of unspent money are to be kept in the School safe or banked until needed.

11. Security

- a) Cash:** All cash and cheques will be kept in the locked safe and banked at regular intervals. Keys to the safe shall be held by the Secretary, SBM and the Headteacher.
- b) Documents:** Personal files, pay tabulations, cashbooks and other confidential documents held by the SBM and the Finance Officer are to be kept in locked filing cabinets and the keys held by Headteacher, SBM and Finance Officer.
- c) Computer Security:** See Section 14 - Computer Systems.
- d) Stocks and Property:** The Inventory will be maintained by the Finance Officer; all computers and electrical portable items shall be security marked.
- e) Site:** The Premises Manager is responsible for the site security system; any activation of the alarms is to be reported to the SBM and Headteacher as soon as possible.

12. Lettings

Lettings are managed by an external company called SLS. Any on site lettings of the school training rooms are let out following the procedures advised by Surrey CC.

13. Insurance

Risks not covered by the LA should be considered for cover as and when appropriate and quotations obtained by the Bursar for Governing Body approval.

14. Computer Systems

The SBM and Network Manager (GLF) act as Systems Managers, and maintain passwords and make regular checks of remote back-ups. The computer disc for the Curriculum Network will be stored in a locked cupboard. There shall be on-line backup for the Administrative network. Sunnydown is registered under Data Protection Act and registration is to be reviewed annually by the SBM. A register of licences for software is held and maintained by the SBM.

15. Inventory

An inventory of equipment with a value in excess of £50 will be maintained by the Finance Officer who co-ordinates an annual check with classes/departments. Items with value of less than £50 shall be recorded in book held in the classroom by the Teacher/Assistant. Discrepancies are to be reported promptly by Headteacher to Governing Body.

16. Disposals and Sale of Assets

Disposals (per item and valued at original cost) and Sale of Assets will be carried out in accordance with the rules stated in the Surrey Scheme for Financing Schools and the Local Authority Finance Manual.

17. Photocopier/Telephone/Fax

Private use of the photocopier, telephones and fax machine shall be paid for at the appropriate rate, as advised by the SBM based on current costs.

18. Salary and Related Payments

The Authority to agree overtime payments is delegated to the Headteacher. Documentation relating to pay matters is prepared by the SBM. Personnel files are to be kept in a locked cupboard. Monthly service returns are completed by the SBM who checks monthly pay transaction tabs from SCC and monitors expenditure against salary profiles. All changes in rates of pay or increments are authorised by Headteacher.

19. Cover for Staff Absence

In the event of absence, financial responsibilities in key roles delegated as follows:

- Headteacher:** Deputy Head/Assistant Head/Senior Teachers
- Deputy Head:** Headteacher/Assistant Head/Senior Teachers
- Senior Teachers:** Headteacher/Deputy Head/Assistant Head
- SBM:** Headteacher/Deputy Head/Assistant Head/Finance Officer/Relief Bursar list at SCC (if prolonged absence)
- Finance Officer:** Headteacher/Deputy Head/SBM/Office Assistant

Approved by the Governing Body

Signature.....

Date.....

Appendix 1

Payments via Bankers Automated Clearing Service (BACS)

This appendix provides detailed procedures on the use of BACS payments and has the following controls in place. The School has chosen to use the Surrey County Council Shared Service Centre as its preferred BACS bureau.

Sunnydown School will maintain an email account specifically for the purpose of sending BACS files to the Shared Service Centre. The name of the account will be in the format `bacs@sunnydown.surrey.sch.uk`. Access to this email account will be restricted to the cheque and BACS signatories of the school's local bank account. The password for the account should be changed at least once every two months.

Making Payments

Payment Run Dates:

The school will decide which days and/or dates invoices/expenses are to be paid, since it is more efficient to process a number of items at the same time. Any supplier offering a discount for prompt payment or one who charges a penalty for late payment will be paid within the time specified. The majority of invoices will be paid on 'main' payment runs, of which usually there will be at least one per fortnight. Adequate time will be allowed for BACS payments to reach suppliers.

Preparation of BACS Payment Runs:

- (a) All invoices from suppliers to be paid by BACS on the run date will be taken out of the 'awaiting payment' file and sorted by supplier.
- (b) Authorised invoices will be selected for inclusion in the BACS run. Once the run has been completed, a print-out the BACS Run Report will be endorsed with the 'BACS Run Approval Stamp'.
- (c) Where appropriate the 'multiple invoice payment box' should be completed by entering e.g. 1 of 10 to denote the invoice is the first of ten invoices covered by the BACS run.
- (d) The BACS Run report will be attached to the invoices and passed to the bank account signatories for signing.

Authorisation of BACS Run Report:

- (a) The first signatory will check all payments to ensure that:

The correct supplier is shown on the BACS Run Report.

The 'check' boxes of the Invoice and Payment Approval Stamp have been initialled by someone other than the certifying officer.

The authorised signatory has signed the 'certified for payment' box, the BACS Run amount, number and date are correctly entered on the 'Invoice and Payment Approval Stamp', and

items on invoices and prices are reasonable, in relation to school activities. If the invoice is for a large amount, that the purchase is legitimate.

(b) As each invoice is checked the signatory will initial the box on the 'Invoice and Payment Approval Stamp'.

(c) When all of the invoices have been checked the signatory will sign the appropriate box on the 'BACS Run Approval Stamp' on the BACS Run Report.

(d) The invoices will now be passed to the second signatory who will repeat the above procedure (*two signatories are required for all BACS Runs irrespective of value*).

Despatch of Electronic BACS Files and Filing

(a) When the BACS Run Report has been authorised one of the signatories will access the dedicated BACS email account ensuring that the password is kept secret.

(b) The signatory will create an email addressed to bacsbureau@surreycc.gov.uk with a subject heading of the schools 'E' cost centre and the total value of the BACS Run (eg EERE1003 £5,550.21) and attach the BACS file, ensuring that the file number agrees with the BACS Run number as shown on the BACS Run Report.

(c) A contact name and telephone number should be included in the body of the email in case of query by the BACS bureau.

(d) Once the email and attached file have been sent a copy of the email should be printed out and attached to the BACS Run Report.

(e) The signatory will sign the appropriate box on the 'BACS Run Approval Stamp' and return the paperwork to the Bursar.

(f) The Bursar will then check that all the documents have been returned complete. The remittance advices may now be dispatched and the invoices and BACS Run Report should be filed.

BACS Payment Services & Processing Schedule

(a) The Bursar should regularly check the BACS Payments services website to monitor payments and obtain details of any unapplied credits (payments that have failed) or notification of supplier bank detail changes.

(b) Files submitted to the Shared Service Centre by 12 noon will be processed as follows:-

Working Day 1 (ie day of submission by school) - File sent by SCC to BACS (School will receive an email from BACS)

Working Day 2 – Processing Day

Working Day 3 – Payment received in suppliers' bank accounts and Direct Debit for full file value shown on school's bank account. NB Files submitted by schools after 12 noon will be sent for processing on the next working day.

Appendix 2 Purchasing Card

USE OF PURCHASING CARD

This appendix provides detailed procedures on the use of HSBC Purchasing Card . The following terms and conditions shall apply to the use of the Purchasing Card:

Authorised card holder: Headteacher

Expenditure limit for card: £2,000

Control of use of card: The card is to be kept at all times in the school safe unless it has been signed-out to the authorised user. The Bursar/Finance Assistant are to administer the signing-out procedure for the issue of the card to the authorised user.

An internal order is to be raised and authorised as per usual ordering practice and procedures, for any goods ordered using the card.

Proof of purchase: Documentary proof of purchase (including a VAT receipt) for any goods purchased with the card.

Monthly reconciliations: The Bursar

Management review: The Chairman of Resources Committee

Adjustments to be dealt with promptly by: The Bursar