

Finance Policy



Approved by the governing body on:-	
Signed (Chair of Governors)	
Review Date	Autumn 2024

Introduction

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

In view of the importance and complexity of financial management in the school, the governing body has established a Resource Committee to enable due consideration to be given to all financial matters.

The governing body has delegated a number of its powers to the Finance Committee (details of roles and responsibilities are set out later in this policy document).

The Resource Committee members are:

Chair	<i>Mrs Sian Hilton</i>
Vice Chair	<i>Mr Steve Marlor</i>
Member 1	<i>Emma Tiffin</i>
Member 2	<i>Vacancy</i>
Member 3	<i>Mrs Hayley Adams (Head)</i>
Member 4	<i>Mrs Dawn McCutcheon (SBM) ~ Associate Member</i>

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

The Resource Committee plans to meet at least four/five times each year:

April
(to agree the budget for the new financial year)

June/July
(to consider the first budget monitoring report for the year)

October
(to consider the second budget monitoring report of the year and to update the school's Resource plan in light of the September number on roll)

December
(to consider the third budget monitoring report for the year and any LEA proposals for changing the way schools in Lincolnshire are funded)

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

The Resource Committee will report, and make recommendations, to the full governing body. Minutes of each Resource Committee meeting will be presented to the next meeting of the full governing body.

Resource 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, Resource Committee members, the Head Teacher and staff being clear about their respective roles and responsibilities with regard to the

financial management of the school. This section sets out those roles and responsibilities.

The governing body will:

- agree and record in writing, the roles and responsibilities of the Resource Committee and Head Teacher and School Business Manager.
- review those roles and responsibilities on an annual basis
- elect the Resource 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 (LA) 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 Resource Committee and Head Teacher 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 (see Appendix A)
- agree the school's virement policy (see Appendix C)
- The policy should clearly state what financial levels have been delegated to individuals:
 - e.g. budget holders for procuring goods/services; placing orders/goods receipting etc and virements.
- establish the school's charging and remission policy and review on an annual basis (See Appendix D)
- ensure that the school fund is audited each year
- 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 governors, the Head Teacher and staff on 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 school's main budget share (Assimilate, type "extended schools" in the search box)
- ensure the School Financial Value Standard is completed and signed each year (see guidance on the GOV.UK website www.gov.uk/guidance/schools-financial-value-standard-and-

- review this policy document on an annual basis

The **Resource 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 (Director of Resources Treasury Office)
- produce a timetable of meetings at the start of the year outlining their key purpose
- consider the draft annual budget papers prepared by the Head Teacher
- consider the draft medium term finance plan prepared by the Head Teacher & School Business Manager
- consider budget monitoring reports produced by the School Business Manager and Head Teacher throughout the year
- monitor the financial performance of catering and other functions (where applicable) throughout the year (some trading activities within school should not be subsidised by budget share)
- ensure that the school obtains value for money (refer to Finance Handbook for more information)
- ensure that the school's Other Government Grants 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. The Consistent Financial Reporting website can also be used to assist with comparisons (refer to Finance Handbook for more information)
- ensure that the school complies with the County Council's financial regulations (available at www.lincolnshire.gov.uk,
- report to the full governing body
- ensure that audit recommendations are implemented within a reasonable timescale
- 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 all minutes of the Finance Meeting are forwarded to governor.support@lincolnshire.gov.uk
- ensure that assets with a value up to £20,000 are disposed of in accordance with the guidance set out in Section E of the Finance Handbook

The **Head Teacher** will:

- familiarise him/herself with this policy document and his/her role and responsibilities

- draft budget papers
- draft original and revised finance plans
- ensure that 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 (refer to Finance Handbook for more information)
- ensure that proper checks and controls are in place to cover day-to-day activities. (Advice on internal checks and controls should be sought from the Council's Audit and Risk management team)
- authorise transactions/processes within the school's financial system up to limits agreed by the governing body. This could include the release of purchase orders, etc. (see Appendix A)
- act as an authorised signatory for the purposes 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
- monitor that the Employee Costs Report report is run on a monthly basis, checks have been undertaken to ensure the data is correct, and initial documents as evidence that monitoring has taken place
- ensure that the school fund records are kept up-to-date
- ensure that the school fund's annual accounts are prepared, audited, approved by the full governing body and submitted to the LA in the timescale specified
- agree virements up to his/her authorised limit (see Appendix C)
- ensure that income collected by external companies is reconciled on a regular basis
- ensure VAT is correctly accounted for
- ensure an inventory is maintained
- ensure that any budgets that are delegated to senior staff or departments operate within a similar control regime, i.e., with regard to budget monitoring and reporting etc.
- ensure that assets with a value up to £20,000 are disposed of in accordance with the guidance set out in Section E of the Finance Handbook

The **School Business Manager** will:

- maintain the accounting records using the school's financial package.
- carry out transactions/processes within the school's financial system up to limits agreed by the governing body (see Appendix A)
- ensure that the LA's timetable for completion of bank, and other reconciliations is adhered to

- submit income and expenditure statements, VAT returns, etc to the LA within the specified timescales (Prime Account Schools only)
- contact the Schools Finance Helpdesk with concerns or queries regarding financial administration
- ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to ensure compliance with the Council's No PO No Pay policy and to aid effective budget monitoring and management – An exemptions list is available to access on the LCC Connect area at www.lincolnshire.gov.uk
- ensure that payments are made to suppliers within LCC's payment policy, i.e. 28 days of the date of the invoice
- ensure that, where appropriate, claims for sickness absence scheme are made promptly and no later than 1 month after the relevant period
- ensure that the Employee Costs Report and Gross to Net Report are run on a monthly basis on the published dates, and that checks are undertaken to ensure the data is correct
- ensure that income collected by an external company is recorded accurately on Business World and that regular reconciliations are undertaken.

Authorisation Limits for Purchase Orders (see Appendix A)

School Business Manager	£1,000
Head Teacher	£80,000

Virement Limits (see Appendix B)

Virements of £5000 or more should be approved by resolution of the full governing body.

The following virement limits have been agreed:

Resource Committee	£10,000
Head Teacher	£5,000
School Business Manager	£2,500

Purchase Card Limits

Transaction Limit	Designation
Up to £1000	Head Teacher
Up to £1000	School Business Manager
Monthly Credit Limit	Designation
Up to £1000	Head Teacher
Up to £1000	School Business Manager

Name

Single Transaction Limit

Monthly Credit Limit

Hayley Adams	£1000	£1000
Dawn McCutcheon	£1000	£1000

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.

Budget setting

The governing body recognises the importance of setting a detailed budget at the start of the year.

The Head Teacher will draft a detailed budget for each line of income and expenditure. It is recommended that the budget is re-evaluated each year (as opposed to, say, incremental budgeting) for the Resource Committee's consideration.

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

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 Head Teacher will monitor the budget on a monthly basis by reviewing reports from the school's financial system for:

- errors
- miscodings
- large or unusual items
- potential underspendings or overspendings against budget

and act promptly, where appropriate. Recommended reports can be found in the Finance Handbook and SAP Blue Book.

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 financial decisions in the school.

The Head Teacher will monitor the financial administration functions carried out by the School Business Manager, ensuring that:

- accounting systems are kept up-to-date
- Sickness claims are completed in accordance with the LA's published timetable
- appropriate action is taken where the LA advises the school that its day-to-day administration is not up-to-date
- where income is collected by an external company, that regular reconciliations are completed

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 Business Manager will prepare budget-monitoring reports for consideration by the Resource Committee.

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

- Actual expenditure and commitments to date,
- The original budget,
- changes to the budget,
- Revised Budget (the current budget)
- Variance (Actuals – Revised Budget) – this is the difference between the current budget minus the actuals expenditure
- % Spent – this is the percentage of the budget that has been spent to date
- Forecast – this is the final forecasted expenditure and income for the year
- Forecast variance – this is the variance between the current budget and the forecast to give the forecasted year end position

In addition to the reports in the school's financial system, the Local Authority issues medium Term Finance Plan document to schools on an annual basis which provides a framework for the preparation of finance plans and budget monitoring reports to governors.

Financial planning

The governing body recognises the importance of financial planning beyond the current year.

The Head Teacher & School Business Manager will prepare a financial plan covering the next five 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 Medium Term Finance Plan document issued by the Local Authority to schools every year.

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

Management of Cash on the Premises

Cash will be kept in a locked safe. Keys will be held by the School Business Manager and Head teacher (or Senior Teacher in the absence of the Head).

No more than £2000 will be held overnight on the premises.

Cash will be banked on a fortnightly basis except when the upper cash limit on the premises is exceeded before the next bank run.

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 Head Teacher will ensure that auditors are given access to staff, all relevant records and property, as the auditors consider necessary.

The Head Teacher will ensure that audit recommendations are implemented as soon as possible.

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

Annual timetable

The governing body recognises the importance of planning its financial management work throughout the year.

The Head Teacher 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.

Review

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

Authorisation Limits

Transaction Process and Authorisation Limits

The transaction process shall be carried out as follows:-

- I. The Governors delegate authority to the head to authorise spending up to £5000 on resource orders and £2000 for any single item.
- II. The Governors delegate authority to the School Business Manager to be able to process and release purchase orders and invoices up to £1000.
- III. The Governors delegate authority to the head teacher to be able to process and release purchase orders and invoices up to £80,000.
- IV. In the absence of the head teacher, the School Business Manager shall seek authority to purchase resources from the senior teacher.
- V. Staff are required to place orders for resources in June, October and January using the School Order Forms.
- VI. The head teacher will review and authorise purchases and ensure spending is in line within the specified levels for the purchasing period.
- VII. The head teacher will delegate responsibility for the processing of orders and completing the resource purchase, including the payment of invoices to the School Business Manager.

On Business World, the default purchase order release limit for administration is £1,000. For Headteachers the default limit is £80,000.

Virement Policy

- I. The Governors authorise the head teacher for vire funds between budget headings up to the sum of £5000 and the School Business Manager up to the sum of £2500.
- II. The Governors will be informed of all virements regardless of amount at the next Resource Committee meeting.
- III. All virements will be reported back to the full Governing Body by the Resource Committee.

Virement Limits

Virements of £5000 or more should be approved by resolution of the full governing body.

The following virement limits have been agreed:

Resource Committee	£10000
Head Teacher	£5000
School Business Manager	£2500

'The Schools virement policy forms part of their Finance Policy. The virement policy should clearly state what financial levels have been delegated to individuals to vire the budget from one budget heading/cost element to another. The virement policy has a similar principle to budget holders for procuring goods/services; placing orders/goods receipting etc. The recommended limit for delegating responsibility for virements to the Head Teacher is £5,000, although secondary schools may wish to increase this limit. Schools may also choose to allocate virement levels to the Resource Committee and the Administrator.'

Charging & Remissions Policy



Approved by the governing body on:-	
Signed (Chair of Governors)	
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Reference Points

- D/ES Circular 2/89
- Education Act 1996, Section 457
- The Education (Residential Trips) (Prescribed Tax Credits) (England) Regulations 2003
- Charges for Music Tuition (England) Regulations 2007

Contact Point

Music Support Service 01522 553203

Principles of a Charging Policy

Education provided by any maintained school should be free of charge if it takes place wholly or mainly during school hours. The lunch hour is not considered to fall within school hours.

The Governing Body formulated this policy with reference to the Education Act 1996 and it is reviewed annually at the September meeting of the Resources Committee.

This policy is published in the School Prospectus and on the School website.

Remissions Policy for Residential Visits

Section 457 of the Education Act 1996 states where a parent is in receipt of the prescribed benefits or allowances (FSM or Ever6), their child is entitled to a remission of 50% of the residential visit to cover the board and lodging costs.

The prescribed benefits are;

- Income Support;
- Income-based Jobseeker's Allowance;
- Support under Part VI of the Immigration and Asylum Act 1999;
- Child Tax Credit, provided the parent is not entitled to Working Tax Credit and their annual income does not exceed £16,190
- Guaranteed State Pension Credit.
- As a statutory minimum, they should provide for complete remission of board and lodging charges to pupils whose parents receive the prescribed benefits above if the activity is deemed to take place during school hours, or out of school hours, but is covered by the criteria set out in paragraph 19 of DfES Circular 2/89, i.e. no charge for any activity provided to:
 - Fulfil any requirements specified in the syllabus for a prescribed public examination.
 - Specifically fulfil statutory duties relating to the National Curriculum.
 - Specifically fulfil statutory duties relating to Religious Education.

Remissions policies for maintained schools should indicate also any circumstances in which the Governing Body propose to remit or subsidise any charges made by the LA under its charging policy.

Charging and Remission Policy

A charge may be made for;

- Lincolnshire Music Service individual instrumental or vocal tuition, where this is over and above the requirements of the National Curriculum and/or an approved examination syllabus, where this takes place during the school day and is subject to the parent/carer requesting the tuition. (LMS will fund remission for pupils entitled to free school meals at 50% of the lesson cost. For instrumental and vocal tuition for Looked After Children receiving a group lesson, LMS will fund 100% of the cost). A charge of £38.00 per hour, or divisible amounts depending on session times will be charges.
- Alternative music tuition delivered by private companies and offered during the school day will be as a private agreement between company and parent. Therefore, no charging or remissions will be available.
- School Meals – A charge of £2.52 per day will be made for the purchase of a school meal.
- After School Clubs – A charge will be made in advance for the attendance at these clubs. Private clubs are not part of the curriculum, therefore no remission will be granted. MSP clubs do not form part of the curriculum; however, they are offered to pupils eligible for premium funds first for free access.
- A charge of 5p per sheet for a black & white copy and 10p per sheet for a colour copy will be made for photocopies of requested documents such as Policies.
- A charge will be made to clubs for the use of room or playing field at the cost of £1 per session.
- ‘Optional extras’ i.e. activities outside school time not related to statutory duties:
 - Charges will be levied unless Governors decide otherwise. The school will fund costs arising from Governors’ decisions on remissions.
- Board and lodging on residential visits:
 - Charging is permitted for this element only, (other costs, such as transport etc., may be financed by voluntary contribution or from other sources).
 - If the visit is wholly or mainly in school hours, children whose parents are receipt of the benefits listed above, are entitled to the remission of these charges.
 - The cost involved will be met from the school’s resources. Governors will determine and finance school policy and any remissions in addition to those required by law.

Voluntary Contributions by Parents

Parents may be invited to make voluntary contributions towards the cost of an activity for which a charge may be made, but such requests will make it clear that there is no obligation to contribute. Pupils will not be treated differently according to whether or not their parents have agreed to make a voluntary contribution.

If a trip is planned mainly within school hours, i.e. 50% or more of the trip, including transport time, is within school hours, parents may be invited to contribute, but no pupil may be excluded from the trip because their parents have not contributed. However, such activities may be cancelled due to;

- Insufficient parental contributions, if the school budget cannot cover the cost.

Charges made to parents will not exceed the actual cost of the activity in order, for example, to raise additional funds to cover any short fall caused by parents opting not to contribute, although there is nothing to prevent other parents making a voluntary contribution over and above that cost.

Those parents in receipt of Pupil Premium for their child will be exempt from paying for voluntary contributions for swimming and non-residential school trips. Residential will be charged at a reduced rate of up to 50%.

Charging Parents for breakages and fines

The school may ask parents to pay a voluntary contribution towards the cost of replacing a broken window or defaced, damaged or lost equipment etc. where this is the result of a pupil's behaviour.

Governing Bodies are advised to include their policy on such matters in their discipline codes so that parents and pupils are aware of the position.

Educational Visits and Journeys

This is a complex area, particularly in respect of charging or otherwise and detailed guidance is included in the Section B8 'Educational Visits' of this handbook.

Little Eagles Pre-School

Families who do not qualify for the 15hr or 30hr free child care remission available through the Childcare Choices website will be invoiced termly for the hours booked outside of this offer or extra to:

- Two year olds - £5.29 per hour (higher rate paid until the funded hours are accessible)

3rd Birthday	Reduced Charge Begins
1 st September – 31 st December	From 1 st January
1 st January – 31 st March	From 1 st April
1 st April – 31 August	From 1 st September

- Three year olds - £4.42 per hour

The school adopts the Local Authority Early Years Educational funding team's calendar. This equates to 570 hours of maximum claim for 15 hours early years entitlement and 1140 hours for 30 hour codes funded to the school for your child(ren) (as stated on your Parent Declaration Form). Therefore to balance the funded and non-funded charges, we calculate this across our school term dates as 3hours per open session. For example, a 3 day week will calculate as 9 funded hours (ie 3 days x 3 hours = 9 funded hours).

Absences from a booked session will still be charged.

Cancellation of a place will be accepted with a full terms notice (4 months).

Families must ensure that they provide the school with their Childcare Choices code in a timely manner and ensure that this is reviewed regularly (every 3 months or as per web link).

Extras charges can be made to cover the provision of:

- Food and drink for snack times
- Specialist teachers (eg music, PE, art)
- Ingredients for special events
- Trips

Charges will be reviewed bi-annually in line with the Financial and Academic year.