

October 2015

**Halfway Junior School
Shortbrook Primary School**

FINANCE POLICY

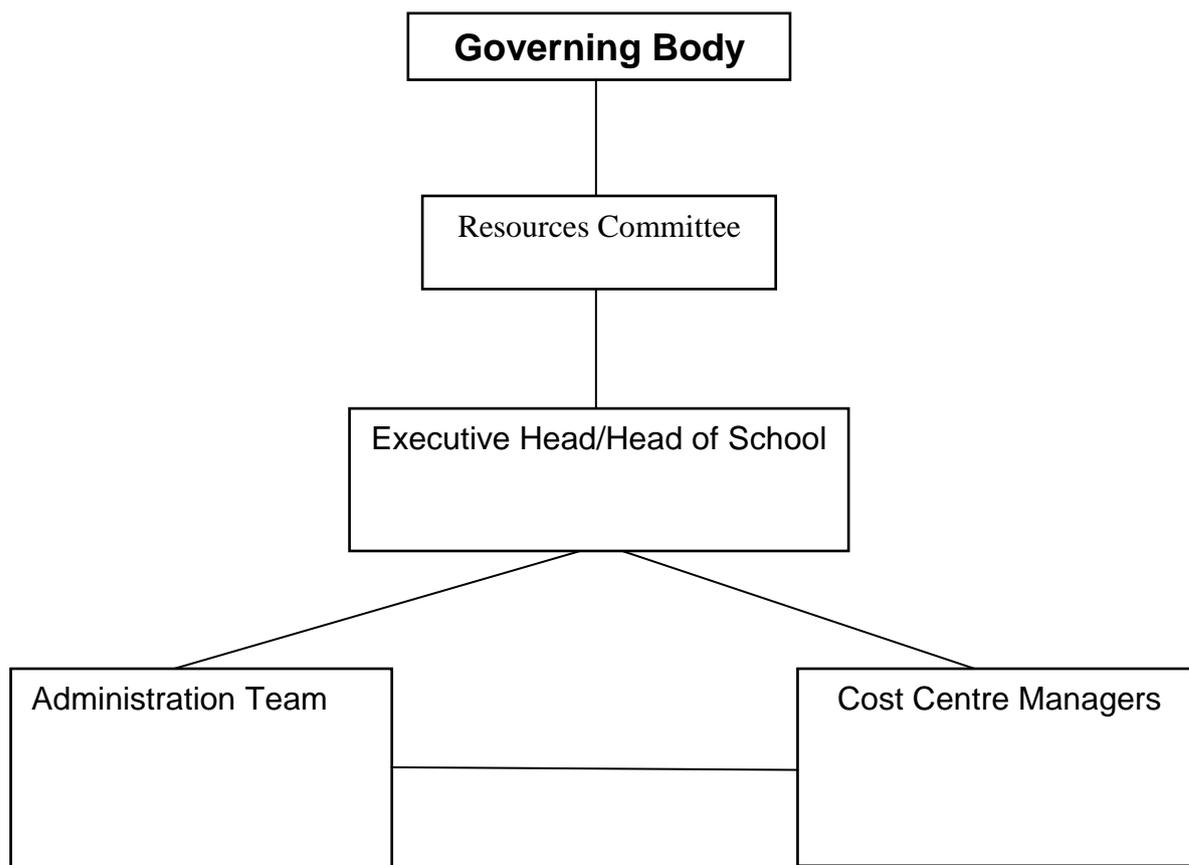
Contents

1	Introduction	4
2	Organisation of Financial Responsibility and Accountability	5
3	Financial Systems and Processes	9
4	Budget Monitoring And Control	10
5	Insurance	11
6	Computer systems	12
7	Accounting Records	12
8	Purchasing Procedures	12
9	Income	15
10	Banking Arrangements.....	16
11	Petty Cash	17
12	School Private Funds	18
	Appendix 1	19
1	Composition as at April 2014	19
13	Timetable of Governing Body/Committee Meetings.....	19
14	Reporting timetable	19
	Appendix 2	20
1	Cost Centre Managers / Budget Holders for Financial Year 2012-2013	20
	Appendix 3	21
1	Names & Signatures of staff authorised to sign orders.....	21
2	Names & Signatures of staff authorised to certify invoices:	21
3	Names & Signatures of staff authorised to sign cheques:	21
	Appendix 4	22
	Appendix 5	23
1	General Outline of the Scheme.....	23
2	Frequency of Instalments.....	23
3	Proportion of Cash Advance Payable at each Instalment.....	23
4	Interest Clawback And Interest Payments On Late Cash Advance Payments .	24
5	Interest On Late Cash Advance Payments.....	24
6	Cash Advances For Closing Schools.....	24
7	Suspension Of Financial Delegation	24
8	Bank And Building Society Accounts	24
9	Restrictions on Accounts.....	25
10	Borrowing By Schools	25
11	Other Provisions.....	26
	Appendix 6	27

1 Introduction

This document has been written with reference to the Standards for Financial Administration in Schools published jointly by OFSTED and the Audit Commission in the publication “Keeping your Balance”, and in accordance with the Sheffield Scheme for Financing Schools.

This document will provide the framework of accountability for governors and staff within the school and will form the basis for more detailed financial system and process notes for school staff.



1.1 Governance

The school is part of a federation that has a single governing body. The senior person for each school is referred to as the head teacher within this document. In practice the senior role may change.

1.2 Financial Organisation Chart

The Federation has the following Committee structure:

- Resources Committee
- Strategy Committee
- Standards Committee

The Governing Body will meet termly or more frequently as required.

The frequency of Governing Body/Committee meetings will be reviewed termly or annually by the Strategy Committee and a timetable produced.

The Resources Committee will consider any recommendations with financial implications from other Committees, prior to them being presented to the full Governing Body.

All reports to the Governing Body will include a section on the financial implications of any recommendations contained in the report.

The Chairs of the Committees will receive, for information purposes, copies of the agendas and adequately detailed minutes, including appending relevant submissions, in order to support policy decisions taken from all the Committees.

2 Organisation of Financial Responsibility and Accountability

2.1 Governing Body

2.1.1 Role:

To provide a strategic view of how the schools effectively use the financial resources under their control to raise standards of achievement and promote effective teaching and learning.

To oversee that procedures are in place which ensure accountability for and the proper stewardship of the public money delegated to the schools.

2.1.2 Responsibilities:

The full governing body has statutory responsibility for the oversight of financial management in the schools.

- monitor and evaluate the effectiveness of the schools' financial management procedures and ensure that the schools' financial arrangements comply with the City Council's Financial Framework and the Local Educational Authority's "Scheme for Financing Schools".
- require all governors and members of staff to declare any links they have with firms from which the school might wish buy goods or services. Ensure that a register of such interests is maintained by the Head Teacher on behalf of the Governing Body and is open to inspection and reviewed on an annual basis.
- ensure the schools have written statements of their aims and objectives (School Improvement Plan) in sufficient detail to provide the basis for constructing budget plans.
- ensure the schools have a medium term educational and budget plan (covering 3 - 5 years) indicating the intended use of resources in achieving educational goals.
- ensure that the schools have a statement setting out the steps they will take to ensure expenditure reflects the principles of best value.
- approve the schools' annual spending plans.

2.1.3 Delegated Authority:

The Governing Body has delegated responsibility for the financial administration of the school budgets including the overseeing of their preparation, monitoring their implementation and controlling expenditure against them to the Resources Committee.

2.1.4 Reporting Arrangements:

The Resources Committee will report to the Governing Body who will consider the minutes of the Committee and endorse their recommendations where appropriate. The decisions made by the Governing Body and the Resources Committee under its delegated powers are binding on all governors.

All reports from Committees should include a section on the financial implications of any decisions or recommendations.

2.2 RESOURCES COMMITTEE

2.2.1 Role:

To ensure proper financial administration arrangements are in place that enable the Governing Body fulfil its statutory responsibilities for financial management and also demonstrate the achievement of key financial administration standards required by Ofsted and the Audit Commission.

To oversee the management of the schools' finances within the framework established by the Sheffield Scheme for Financing Schools and the City Council's Financial Framework.

2.2.2 Responsibilities:

- ensure the budgets reflect the schools' prioritised educational objectives as detailed in the School Improvement Plans, reflect best value and are subject to regular effective monitoring.
- establish formal documented procedures and a timetable for planning the budget to ensure that all relevant factors are considered.
- ensure that planned expenditure for each year does not exceed the available resources.
- monitor the amount of each budget allocation in the light of known activity and take decisions on the virement of funds between budget heads, subject to the advice of the Head Teachers and in the interests of the schools achieving their overall aims and objectives.
- ensure that the schools have sound internal financial controls in place which safeguard the probity of their financial transactions and the reliability and accuracy of their financial records.
- ensure that there are written descriptions of financial systems and procedures which are kept up to date and that all appropriate staff are trained in their use and where necessary, ensure that the schools obtain satisfactory support services.

- formally approve in year revisions of the Spending Plans (where delegated authority has been granted).

2.2.3 Reporting Arrangements:

The Committee will receive:

- An annual report on the schools' long term financial plans.
- Reports on the annual school budget process and proposed spending plans.
- Quarterly monitoring reports showing spending and receipts, including sums committed but not yet paid for against the schools' approved budgets; explanations of major variances; details of corrective action taken; and a forecast of the expected year end position, discussion of which should be formally recorded in the minutes.
- Final year-end reports including a review of the schools' performance and an assessment of progress against objectives in the school improvement / action plans.
- Quarterly monitoring reports showing budget headings/cost centre spending against approved allocations.
- Quarterly Cash flow reports.

2.3 Delegated Authority:

The Resources Committee has authority to make decisions on behalf of the Governing Body to enable it to fulfil the responsibilities shown above. Decisions or recommendations will be reported to the Governing Body for ratification.

2.4 THE HEAD TEACHERS/LEADERSHIP TEAMS/BUSINESS MANAGER

2.4.1 Role:

The Head Teachers/Leadership Teams/ Business Manager are responsible to the Governing Body for:

- ensuring that sound systems of internal control and financial administration are in place that enable the proper processing of the schools' transactions and activities.
- ensuring that the schools properly discharge their responsibilities as set down in the Sheffield Scheme for Financing Schools.

2.4.2 Responsibilities:

- prepare estimates of expenditure and income sufficiently in advance of each financial year to allow for consideration and approval by the Governing Body.
- forward details of the approved budgets and any subsequent budget changes to the LEA as required.
- profile the budgets and forecast cash flow to take account of likely spending patterns.

- provide monthly written reports to the Governing Body (delegated to Resources Committee) on spending compared with the approved budgets and other monitoring information as requested by the Governing Body, including documented explanations of major variances and details of management action or recommendations.
- ensure that where parts of the budgets are delegated to a cost centre / departmental level the responsibility for controlling these budgets is matched by the level of accountability (i.e. budget managers are accountable only for items they can directly control.)
- consult periodically with the Governing Body and staff to ensure that the financial and management information they receive is timely, reliable and meaningful.
- report to the Governing Body any proposals for policy changes which significantly affect the schools' expenditure or income budgets.
- ensure that sound systems of financial control are in place and arrangements made to maintain control in the absence of key staff.
- maintain and update on an annual basis a register of pecuniary interests for both governors and members of staff on behalf of the Governing Body.

Reporting Arrangements:

- Head Teachers/Leadership Teams/ Business Manager will report to the Resources Committee and Governing Body in accordance with the reporting timetable shown in Appendix 1.
- Head Teachers/Leadership Teams will receive monthly expenditure reports upon request, prepared by the administration team so that the overall budget position and those funds delegated to members of staff can be monitored.

2.5 Delegated Authority:

The Head Teachers have full discretion in the use of funds allocated for supply staffing and for all non-staffing headings up to a value of £5,000 for an individual item or service. Sums in excess of this will require the sanction of the Resources Committee

The Head Teachers in consultation with the Leadership Teams may nominate members of staff as budget managers for curriculum areas of the budget and may allow them to spend funds in these areas as sanctioned by the Head Teachers and Leadership Teams.

2.6 The Administration Team

2.6.1 Role:

To maintain and develop the schools' systems of internal control and financial administration in order to enable the proper processing of the schools' transactions and activities.

To assist the Head Teachers in ensuring that the schools comply with the Sheffield Scheme for Financing Schools information requirements.

2.6.2 Responsibilities:

- assist the Head Teachers in preparing estimates of expenditure and income and maintain relevant budget working papers and records.
- monitor the cash flow position of the schools and report the Head Teachers on a regular basis.
- assist the Head Teachers in providing quarterly reports of actual income and expenditure as compared to the approved budget and other monitoring information as requested by the Governing Body.
- provide monthly monitoring information to the Head Teachers, Leadership Teams and cost centre budget holders.
- prepare and maintain the financial accounts, reports and records of the schools in accordance with the City Council's Financial Framework and the financial standards and procedures required by the Governing Body.
- review the effectiveness of internal control procedures and where necessary make recommendations the Head Teachers and Resources Committee for improvements.

2.7 Cost Centre Managers and Budget Holders

2.7.1 Role:

To manage efficiently and effectively, and to be accountable for the resources delegated to them by the Head Teachers/Leadership Teams.

2.7.2 Responsibilities:

The day-to-day monitoring and control of delegated budgets.

To ensure goods/services purchased from the delegated budgets are in accordance with the schools aims and objectives.

To ensure goods/services purchased are done so in line with Sheffield City Council's Financial Framework and giving due consideration to Best Value.

3 Financial Systems and Processes

3.1 Financial Planning and Budgeting

The Head Teachers will present draft financial plans for the following financial year during the autumn term to the Resources Committee.

The plans should demonstrate in financial terms how the schools intends to use their resources to achieve the aims and objectives stated in the School Improvement Plans.

The draft financial plans are an integral part of the budget process and form the link between the School Improvement Plans and the school budgets.

The draft financial plans will incorporate the financial details set down in the asset management plans and the work done by the Planning Section of the LA for developing repairs and maintenance programmes.

The budgets will be presented to the Resources Committee in March.

The budgets will be created using zero based budgeting principles where applicable.

The principles and calculations used in preparing the budgets will be documented and retained for future use.

The budgets will reflect the first year of the schools' financial plans, subject to the level of resources available to the schools. It may be necessary to review the financial plans and the improvement plan objectives to reflect final budget decisions that are made in light of the known resources.

The Governing Body will consider the draft budgets and either approve them or return them to the Resources Committee for amendment.

The Head Teacher will forward approved budgets to the Local Education Authority after the summer term meeting of the Governing Body or by the 1st May (whichever is the earlier).

Spending plans will be broken down sufficiently into appropriate cost centres to promote effective financial control.

Each month the schools' admin team will present financial statements to the head teacher that accurately describe the overall budget and school bank account

The schools' admin team will ensure that financial statements are provided to members of staff who have are budget managers so that delegated funds are monitored.

The governors will undertake in the summer term a documented review of progress in implementing the provisions of the current improvement plan and review the management of the previous year's budget. The Head Teachers will indicate where any proposal or policy change would significantly affect costs in the future.

Records will be kept showing how budgets have been built up enabling officers responsible for the allocation of expenditure or income to identify from which areas expenditure is to be funded.

Expenditure will only be made against available budget resources.

The school will not incur costs of a capital nature without the approval of the Local Education Authority.

4 Budget Monitoring and Control

The Head Teachers will ensure that the process of monitoring actual expenditure against the budget is continuous.

The Head Teachers will nominate members of staff and the Leadership Teams as budget holders for specific curriculum and non-curriculum cost centres. (Details of the approved budget holders and the budgets they are responsible for are shown in Appendix 2).

The Head Teachers will prepare a note detailing the responsibilities of budget holders and the method used to allocate curriculum budgets.

Day to day responsibility for monitoring and control lies with each budget holder who must obtain the prior written approval of their Head Teacher if they wish to exceed their budget allocation.

The Head Teachers may vire amounts up to £5,000 between budget heads without reference to the Resources Committee; virements in excess of £5,000 must have the prior approval of the Resources Committee.

The administrative officer is responsible for updating the budgets and finance systems to reflect all virements and changes to the budgets.

The school administrative officer is responsible for co-ordinating the day-to-day monitoring process; the Head Teachers will review the budget position monthly.

The administrative officer will issue monthly reports detailing budgeted, committed and actual expenditure to each budget holder.

The administrative officer will provide the Head Teachers with monthly reports detailing the overall position and a summary of spending by cost centre.

The Head Teacher will present to the Resources Committee quarterly:

- the schools' actual and committed spending compared with the budgets, with written explanations of any significant variances and a forecast of the schools' expected year end position.
- A report showing the schools' current and forecast cash flow position will also be reported to the Resources Committee on a quarterly basis.

The Head Teachers will ensure that proper commitment accounting records are maintained.

4.1 Internal Control Procedures

In order to ensure that transactions are properly processed and errors detected promptly, the duties of staff concerned with financial transactions will be distributed so that at least two people are involved in processing receipts and payments.

The work of one person should act as a check on the work of the other and any such checks will be documented as being carried out.

The business manager will maintain a financial procedures document.

Alterations to financial documents such as orders will be made in ink; correcting fluid or erasure will not be used.

Signatures on documents must be original and in ink and sufficiently clear to identify the signatory.

The school administrative officer will ensure that accounting records are properly maintained and held securely.

Financial documents will be retained in accordance with the arrangements laid down the LA's Finance Guidance Manual for Schools (See Appendix 3).

The Head Teacher will specify who is authorised to access the records and documentation.

5 Insurance

The Head Teachers will liaise with the LA to ensure the school has adequate insurance.

The Resources Committee will review insurance arrangements annually to ensure they are commensurate with risks and to determine whether to insure risks not covered by the LA. Arrangements will cover the use of school property e.g. musical instruments and computers, when off the premises.

The Head Teachers will ensure where lettings of school premises are undertaken that the lettee has sufficient public liability cover. Where this is not the case further advice will be sought from the LA.

6 Computer systems

The schools maintain accounting records and information on computerised systems: the Head Teachers will ensure that the schools are registered in accordance with the Data Protection Act 1998.

The Head Teachers will ensure that there are effective back-up procedures in place for the financial data held by the schools. Data backups are stored remotely, currently on a server at Westfield School and backed up daily as part of an automatic process.

The Head Teachers will ensure that only authorised staff have access to computer hardware and software used for school management.

Wherever possible, access levels will be restricted to re-enforce the principles of internal control.

7 Accounting Records

The schools will maintain proper accounting records, only allow access by authorised staff and hold all records in a secure place. Financial documents must be retained in accordance with the following arrangements:

To comply with the requirements of both the Inland Revenue and the Department of Social Security it is necessary to keep relevant payroll and other related financial records, for at least 6 complete financial years plus the current year.

VAT regulations require that business records must be preserved for 6 years - these include invoices, income records, orders, delivery notes, bank statements, paying in slips, annual accounts and relevant business correspondence.

Contract documents should be retained for 6 years after the contract has expired or 12 years if they have been signed under the Council's Common Seal

All financial transactions should be traceable from the original documentation to the accounting records and vice versa.

8 Purchasing Procedures

Before placing an order the person responsible for making it will ensure that the school is obtaining best value for money and that the remaining budget is sufficient to meet the proposed order value.

8.1 Authorised Persons

The lists of persons authorised to place orders, approve payments and sign cheques are in appendix 3

Where ever possible, for an order, there should be division of authorisation so that different people authorise each stage.

8.2 Quotations

If the estimated cost of an item is more than £250 but less than £1,000, two quotations will be obtained and recorded in writing.

In the case of contracts with a value between £1,000 and £24,999 there will be at least three written quotations.

The Head Teachers will document the choice of supplier based on 'Best Value' principles. A copy of this statement will be kept with the order, along with the quotations.

The Head Teachers will report decisions to Governors in case it is ever questioned.

In the case of contracts with a value over £5,000 the decision on which quotation to accept will be referred to the Resources Committee.

If the estimated cost of a contract exceeds £25,000, then the tendering procedures laid down in the City Council's Financial Framework will be followed and the Governing Body will decide which tender to accept. Details of the full tendering procedures are shown in the Purchasing Chapter of the LEA's Schools Financial Procedures Manual, (see Appendix 4); the Head Teacher will also seek the advice of the appropriate officers of the LEA in handling the matter of tender

8.2.1 Construction Contracts

Where the proposed works would fall within the Construction Industry Taxation Scheme (CITS) the Head Teachers will obtain the appropriate CIS documentation from contractors at the quotation stage; contractors not complying with CITS regulations will be not contacted to do work.

8.3 Orders

All orders for goods and services will be printed on official stationery.

Documents supporting purchases/contracts (i.e. specifications, quotes, tenders and correspondence) will be retained with the copy order

The ordering of goods and services by telephone or other verbal means will not be undertaken except in emergencies. A Head Teacher will approve all verbal orders.

Telephone orders will be followed by the issue of an official confirmation order as soon as possible

Orders will be issued for all goods and services except for petty cash purchases.

Utilities (energy costs, telephone bills, rates etc.), agency staff and purchases for which a written contract is signed should normally be supported by a purchase order.

As well as showing details of the goods or service required, the order will show the estimated or agreed price, net of VAT.

The order will be authorised by a Head Teacher or by persons to whom this function has been delegated by the Head Teachers with the approval of the Resources Committee. All such persons will be budget holders, and all names will be maintained on a list held by the business manager. (See appendix 2)

Orders will be used only for goods and services provided to the school. Individuals must not use official orders to obtain goods and services for their private use.

Blank order sheets will be held securely, with access to them restricted.

The names and signatures of staff authorised to approve orders are recorded in Appendix 3

8.3.1 Receipt of Goods

The person receiving the goods or services must

- make careful checks to ensure that they are in accordance with the order;
- record the check on the delivery note and/or invoice
- confirm the initial of the person checking the delivery
- pass the Delivery note to the Administrative Officer

8.4 Payment of Orders

Payments will not be authorised until all necessary checks have been made, including prices, discounts and the VAT accounting checks. Payment will only be made against an official invoice.

Officers authorising/certifying invoices for payment must be satisfied that those payments comply with the appropriate tax regulations. (Guidance on VAT & CITS can be found in the Taxation Section of the Finance Manual)

The names and signatures of staff authorised to approve payment of invoices are recorded in Appendix 3

8.4.1 Cheques

Cheque books/stock of blank cheques will be held securely, with access to them restricted.

Signatories must not sign cheques until all details have been fully completed.

The names and signatures of staff authorised to sign cheques are recorded in Appendix 3

8.5 Personnel (Financial Aspects)

All appointments, terminations and salary levels will be approved by the Governing Body and notified to the Personnel section of the LA.

Appointments and amendments to payroll will only be authorised by a Head Teacher (or a nominated deputy in their absence) unless the amendment affects a Head Teacher in which case the Chair of Governors will certify the documents.

Head Teachers will ensure that all the financial and administrative processes concerning employment in the school are checked, and that the school records agree with those of the LA, which administers the payroll.

Payroll and personnel records will be retained in a secure place.

All payments to individuals who have worked for the school on a “one off “or casual basis will be made through the payroll system.

Additional payments to staff such as honoraria, or travel and subsistence payments will be made through the payroll system. Such payments will never be made from petty cash or the school private fund.

Any contractor claiming to be self-employed will automatically be paid through the payroll as a temporary employee, unless proof of official tax status is provided. (Guidance on self-employed and CITS requirements can be found in the Taxation Section of the Finance Manual)

8.5.1 Security of Stock and Other Property

Head Teachers are responsible to the Governing Body for the safe custody and control of cash and property belonging to the school.

The administrative team will maintain an inventory of all attractive and portable items, including details of make, model, serial number and purchase value.

Items will be recorded in the inventory promptly (i.e. at the point of purchase). The inventory will have sufficient detail to identify individual assets (i.e. make, model, serial no., location etc.). The record will be on sequentially numbered sheets and held in a fireproof location.

The business manager will ensure a documented check of the inventory is undertaken annually against actual items.

Items with a purchase value of over £100 that are missing will be reported to the Resources Committee who will include these details in its reports to the full Governing Body.

The business manager will maintain a register of items taken off the school premises. All such loans of equipment should be authorised by the Head Teachers and entered in the register, the register being noted upon return of each item with details of dates and signatures. The return of loan items will be countersigned by a second person

Obsolete items to be written off or items to be sold will be reported to the Resources Committee for approval and then clearly recorded in the inventory record

Safes and secure cupboards will be kept locked, the keys removed and held securely by the person designated by the Head Teachers. The loss of any keys will be reported immediately to the Head Teachers.

9 Income

The Governing Body will establish a charging policy for the supply of goods and services by the schools, subject to the recommendations of the Head Teachers.

The Head Teachers are responsible to the Governing Body for accounting for all income due and cash collected as set out in the charging policy.

The Governing Body will review annually the charging policy to ensure at least the cost of the service provision is covered.

The administrative officer will issue invoices promptly. Where possible, the schools will obtain money in advance of supplying goods or services to improve the schools' cash flow and avoid the time and cost of administering debt.

The administrative officer will cross-reference receipts and bankings to debtors.

The administrative officer will issue pre-numbered receipts for all income collected over the value of £10, where practical - except where formal records (e.g. class sales book) are maintained. Where a receipt is not given there will be a signature of discharge whenever cash changes hands. All receipts, vouchers and other income records will be securely retained.

Cash collected will be receipted and banked as soon as possible. Cash held on school premises will be kept to a minimum and in a lockable cash box in a locked safe or cabinet.

Personal cheques will not be cashed

The accounting and debtor records will be properly and promptly updated and all income and VAT due to the school identified.

The responsibility for identifying money due to the school will, as far as is practicable, be kept separate from the responsibility for collecting and banking the money.

Cash income will be kept separate from petty cash and school private fund money.

Staff and governors will not use their personal bank accounts or the school private fund account for any payment or receipt relating to the schools' budgets.

9.1 Bad Debts

The Governing Body must approve the writing-off of bad debts up to £500 and the approval must be notified to the Director of Finance. In the case of larger debts procedures laid down in Sheffield City Council Financial Framework should be followed

10 Banking Arrangements

The Head Teachers are responsible on behalf of the Governing Body for ensuring that the schools comply with the requirements of the Sheffield scheme for school bank accounts. The main requirements are described in the Schools Financial Procedures Manual (See Appendix 6).

A bank reconciliation will be completed by the schools' business manager on a monthly basis to prove that balances are correct and to provide assurance that the underlying accounts of the schools have been properly compiled and are accurate.

The Head Teachers will certify the monthly bank reconciliations having checked these to the supporting documentation. Bank statements and FMS6 bank reconciliation reports will be initialled by the Head Teachers to demonstrate such checks have been undertaken

Where practicable, staff responsible for undertaking bank reconciliations will not be responsible for the processing of payments or receipts.

The Governing Body will review its banking arrangements annually and document as such to ensure they provide the best value for money. They will also review the authorised signatories annually.

The administrative officer overseen by the business manager will monitor regularly the schools' cash flow to ensure that the schools' accounts do not go overdrawn; the cash flow information will also be used to identify funds surplus to immediate requirements that can be invested to optimal effect.

11 Petty Cash

The Head Teachers are authorised to decide what amounts of petty cash are held in the schools and by whom. The person holding the cash must sign to accept responsibility for it, the Head Teachers will be responsible for the total amount in the schools. The Head Teachers will ensure that the cash sums held are covered by insurance and for security reasons do not exceed £200.

Petty cash floats are rarely held but when they are they will be reconciled on a monthly basis by the administrative staff

Staff authorised to hold petty cash are responsible for:-

- Obtaining proper vouchers and receipts for all cash payments made.
- Obtaining receipts that identify any VAT paid to support the reclaiming of VAT.
- Ensuring the safe custody of the cash.
- Producing on demand to the Head Teachers, auditor or other authorised person, cash and vouchers/receipts equal to the total amount held.

The petty cash amounts will only be reimbursed from the school bank accounts. Cash income from other sources will not be used to reimburse petty cash.

The use of petty cash will be limited to minor items for which there is proper authority and provision in the budget. Budget holders must approve any purchase by petty cash prior to the purchase being made.

Petty cash will not be used for

- paying regular suppliers
- mileage claims by staff
- the purchase of items in excess of £50
- reimbursing payments made on personal debit/credit cards/loyalty cards

12 Use of the Schools' credit cards

The PIN for the cards will be kept securely by the administrative officer/business manager and will not be disclosed to others

Wherever possible, the schools' credit cards will be used for purchases that can only be made by credit cards. All such credit card purchases must have a full audit trail (purchase order, etc) Prior approval of spending will be authorised wherever possible.

13 School Private Funds

The Governing Body requires that there is an annual audit of the private funds by those appointed by the Governing Body. Annual accounts will be submitted to the Governing Body together with the certificate of audit required by the LA.

Accounting procedures for the school funds will reflect the standards required for accounting for public money. There will be a proper separation of the voluntary funds and related accounting records from those for the schools' budgets.

Appendix 1

1 Composition as at April 2014

Parent Governors:	Mr S Wootton, Mrs M Ryan, Mrs J Porter
LA Appointed Governors	Mr D Barker
Teacher/Staff Governors	Ms Z Coulton, Mrs L Miles,
Co-opted community Governors	Ms J Porter, Mr T Mather
1 Executive Head Teacher	Mrs B Nicholson
2 Heads of School (Co-opted)	Mrs A Carter, Mrs S Hearnshaw

14 Timetable of Governing Body/Committee Meetings

Please refer to Governor Meeting Minutes for this information.

Name of Sub Committee	Timetable of Meetings
Resources Committee	1 x half termly

15 Reporting timetable

Please refer to Governor Meeting minutes for this information.

Report to	Subject	Date due	Report from	Completed
Resources	Quarterly Return	June, Sept, Dec, Mar	Business Manager	

Appendix 3

2 Names & Signatures of staff authorised to sign orders

NAME	SIGNATURE
Mrs B Nicholson (HJS/SBP)	
Mrs H. Clayton (HJS)	
Mrs A Carter (HJS)	
Mrs S Hearnshaw (SBP)	
Mrs C Boothroyd (SBP)	

3 Names & Signatures of staff authorised to certify invoices:

NAME	SIGNATURE
Mrs B Nicholson (HJS/SBP)	
Mrs H. Clayton (HJS)	
Mrs A Carter (HJS)	
Mrs S Hearnshaw (SBP)	
Mrs C Boothroyd (SBP)	

4 Names & Signatures of staff authorised to sign cheques:

NAME	SIGNATURE
Mrs B Nicholson (HJS/SBP)	
Mrs H. Clayton (HJS)	
Mrs A Carter (HJS)	
Mrs S Hearnshaw (SBP)	
Mrs C Boothroyd (SBP)	

Appendix 4

LA Tendering Procedures

Extract from (School's Financial Procedures Manual)

The governing body should establish a tendering procedure policy for putting all purchases (other than purchases from and through the Council) estimated to exceed a predetermined amount out to tender.

The tendering procedures should cover:

- contract advertisement in the local or national press giving at least seven days public notice
- the need to comply with any relevant EC regulations
- the procedures for the submission, receipt, opening and recording of tenders
- the circumstances when financial or technical evaluation is necessary
- acceptance of tenders
- the form of contract documentation
- cancellation clauses in cases involving corruption or bribery.

Every contract that exceeds £25,000 must follow the full tendering procedures specified in the Council's Standing Orders. It must be entered into by way of a contract deed under the Council's Common Seal, except in those circumstances where the Director of Legal Services advises that this is not necessary.

Any queries should be addressed to the Head of Corporate Contracts on 273 6890.

Appendix 5

Requirements of Sheffield Scheme for School Bank Accounts

General Outline of the Scheme

This scheme applies to all community, voluntary, foundation, and community special and foundation special schools in the area of the LA Schools may hold an external bank account for official funds: schools choosing to hold an external bank account must comply with the rules and conditions in this scheme. Appropriate staff must attend training

All schools within the Sheffield LEA hold external bank accounts and the budget share for each school is issued as a cash advance. In the following section's text the instalment of budget share will be referred to as cash advance payments.

5 Frequency of Instalments

The cash advance will be made available to governing bodies on a monthly basis at a time in the month prescribed by the authority's Director of Finance and which will permit prompt payment of salaries. Provision is also made to allow the payment in full of additional devolved funding, where appropriate.

6 Proportion of Cash Advance Payable at each Instalment

The monthly advance on dates to be prescribed by the authority's Director of Finance will be calculated on the basis of a percentage of the school's approved funding which provides a cash flow pattern not in advance of current arrangements and is approved by the authority's Director of Finance.

The percentages to be applied each month are set out below:-

APRIL	12%
MAY	8%
JUNE	8%
JULY	8%
AUGUST	8%
SEPTEMBER	8%
OCTOBER	8%
NOVEMBER	8%
DECEMBER	8%
JANUARY	8%
FEBRUARY	8%
MARCH	8%

7 Interest Clawback And Interest Payments On Late Cash Advance Payments

The frequency, timing and the percentage of cash advanced each month provides a cash flow pattern which is not in advance of existing arrangements and spending patterns. It will therefore NOT be necessary for the Authority to make a deduction from cash advances to cover any estimated interest lost by the Authority in making available these amounts.

16 Interest On Late Cash Advance Payments

If, due to an LEA error, cash advance payments are paid later than the arrangements described above, interest will be added to the late payment at the prevailing Bank of England base rate

17 Cash Advances For Closing Schools

Provision is made for schools in the cheque book scheme for whom approval for closure or amalgamation has been secured, to receive cash advances until closure on a monthly basis, net of estimated pay costs, even where some different basis was previously used

18 Suspension Of Financial Delegation

If the Governing Body of a cheque book school has had its right to manage a delegated budget suspended, the cheque book facility may also be suspended and the school required to use the authority's central accounting systems and banking arrangements.

19 Bank And Building Society Accounts

All schools may have an external bank account into which their cash advances (as determined by other provisions) are paid. Where schools have such bank accounts they shall be allowed to retain all interest payable on the account

When a school opens an external bank account, in the first year of operation its cash advances will include the balance carried forward from the previous year. The full amount of the balance will be advanced in July based on the actual year-end carry forward figure, adjusted for the reversal of accruals taken in the previous year. However if a school desires, the LA must transfer immediately to the account an amount agreed by both school and LA as the estimated surplus balance held by the LA in respect of the school's cash advance, on the basis that there is then a subsequent correction when accounts for the relevant year are closed.

A school can meet from its bank account all the expenditure items in its delegated budget. It must NOT meet from its chequebook account:

- any items relating to private school funds
- any non-Local Education Authority activities such as unsubsidised school trip

A School can pay money into the chequebook account from the following sources only:

- advances from Sheffield City Council, VAT and other tax reimbursements
- any income which may be generated such as private lettings or craft sales
- contribution or donations towards school expenditure by charities, school private funds, Education Action Zones and other external bodies.
- delegated school meals

20 Restrictions on Accounts

Accounts may only be held for the purpose of receiving cash advance payments, at the following banks

Barclays Bank PLC

Co-operative Bank PLC

Girobank PLC

Lloyds TSB PLC

HSBC PLC

National Westminster Bank PLC

The Royal Bank of Scotland PLC Bank of Scotland PLC

Yorkshire Bank PLC

Schools may seek approval from the LA for other banks or building societies not shown on the above list. (Former GM schools are allowed to nominate as the account for cash advance payments the account used in 1998-99 for payments of AMG by the FAS, even if it is not on the above list.)

Any school closing an account used to receive its cash advance and opening another must select the new bank or building society from the approved list, even if the closed account was not with an institution on that list.

Money paid by the LA and held in school bank accounts remains LA property until spent. It is recommended that bank accounts are opened in the name of the school and Sheffield City Council. Where a bank account is opened only in the name of the school, then the bank mandate must allow the Local Authority as owner of the funds to receive statements and take control of the account if the school's right to a delegated budget is suspended

Schools must notify the LA (Financial Services) of the bank used, account numbers and authorised signatories for all LA Bank Accounts. Changes to banks and/or signatories should also be notified.

21 Borrowing By Schools

Overdrafts are not permitted, and schools must not under any circumstances arrange overdrafts or allow the account to become overdrawn. (Any monies borrowed will impinge on the legal maximum that the Council as a whole may borrow, and could incur penalties)

22 Other Provisions

The LA has formulated rules and guidance in respect of banking arrangements, which are detailed below.

The scheme places certain requirements on the school. When accounts are opened, schools should ensure that the following requirements are fulfilled: -

Accounts must only be opened with the approval of the governors and preferably in the name of the school and Sheffield City Council.

Governors may authorise a minimum of four and up to a maximum of six signatories. These should be reviewed annually.

A proforma should be completed by the school, authorising the bank to accept a request from the Director of Finance or their representatives (Internal Audit and Financial Services staff) for access to information on the school account, in order to fulfil their statutory duties.

All correspondence from the bank to the school must be addressed to the Head Teacher.

Bank statements must be provided monthly, sent to the school on the last banking day of each month immediately after the last banking day's transactions.

A copy of the bank statement should be sent by the school to the LEA at the end of June, September, December and March

Paying-in books must be provided and used for paying in income.

Cheque counterfoils must be completed in every case and retained for audit purposes.

Cheques of up to £5,000 must be signed in manuscript by two of the signatories.

Cheques of over £5,000 must be signed in manuscript by three (one of whom must be the Head Teacher or a designated responsible officer in place of the Head Teacher) of the signatories.

Cheques should be crossed, non-negotiable and "a/c payee only".

The school retains any interest and bears any charges made by the bank. Interest should be paid gross.

A surplus may be invested, but only in accounts of an approved bank which bear no risk to the principal sum. Any investment must be made through the school itself and not through an intermediary. Details of this must be provided to the LEA.

Direct debits or standing orders may be used for salaries and recurring payments such as utility bills and rates. Debit and credit cards are not currently permitted.

Schools wishing to use telephone or electronic on-line banking systems must ensure that the following control procedures are in place and adhered to:-

- the authority is notified of any changes in banking procedures
- controls, particularly access controls, are of a level that is comparable to that provided by the current cheque book system
- the school recognises that methods of authorisation may change, but the levels of authorisation must comply with the approved bank mandate.

Appendix 6

Checklist of task completion:

Item	Responsibility	Date completed
Committee timetable	Admin Officer	
Reporting timetable	Business Manager	
List of Cost Centre Managers/Budget Holders	Head of School	
List of authorised signatories	Administrative Officer	
Review of financial procedure documentation & training (including Finance Policy)	Governor/Business Manager	
Annual report on long term financial plans	Head of School	
Year- end report on performance	Head of School	
Annual budget plan approved, to LA	Governors	
Register of pecuniary interests	Administrative Officer	
Data Protection registration	Administrative Officer	
Inventory check & report	Administrative Officer	
Charging policy review	Head of School/Business Manager	
Banking arrangements and cheque signatures review	Administrative Officer	
Private Fund accounts audit	Administrative Officer	
Performance against Schools Improvement Plan reviewed and reported	Head of School	