



# SOHO PARISH PRIMARY POLICY

## Finance Policy

<b>Most recent review</b>	Dec 2021	<b>Next review due</b>	Dec 2024
<b>Governor committee responsible</b>	Resources	<b>Written by</b>	Louise Ritchie

### 1. OVERVIEW OF ROLES AND RESPONSIBILITIES

The **Governing Body** has overall responsibility for the strategic financial management of the school. Every member of the Governing Body will be provided with a copy of the Finance Policy.

The **Governors' Resources Committee** (the Resources Committee) is responsible for

- overseeing the setting and monitoring of the annual budget
- recommending budget decisions to the full Governing Body
- reviewing the Finance Policy regularly, at least every 3 years, and recommending changes, as appropriate to the Governing Body
- ensuring that the systems used in the school comply with the requirements of Consistent Financial Reporting (CFR) and
- ensuring that the school's financial systems and procedures meet the requirements of the SFVS.

The **Headteacher** is responsible for implementing the Governors' financial strategies, and for all day to day financial management. The Headteacher line manages the Finance Officers.

The **Finance Officers** are responsible for operating all the school's financial systems according to their job description, under the direction of the Headteacher.

The **Treasurer** is responsible for managing the Governors' accounts and providing regular reports on these to the Resources Committee and full Governing Body.

### 2. BUDGET PREPARATION

The **Finance Officers** should:

- check LEA allocations to ensure that they are correct
- provide cost forecasts for the various budget areas, at the request of the Headteacher
- prepare the draft budget spreadsheet, as directed by the Headteacher, in line with the requirements of Consistent Financial Reporting to ensure that account codes are correctly profiled when the draft budget is loaded onto FMS

The **Headteacher** should:

- ensure that budgeted expenditure matches the school's priorities as detailed in the School Development Plan
- ensure that the draft budget is based on realistic forecasts of income and expenditure as far as possible
- make every effort to draw up a balanced budget
- alert the Resources Committee to any likely difficulties in setting the budget
- ensure that the budget is set and presented to Governors in time to meet LA deadlines

The **Resources Committee** should:

- examine the draft budget in detail and discuss any suggested amendments with the Headteacher/Finance Officers
- discuss the list of expenditure with the Headteacher, and decide which items to prioritise
- seek alternative sources of funding for items which cannot appropriately be covered by the delegated budget
- agree a draft budget to recommend to the full Governing Body

The **Governing Body** should:

- approve the budget
- agree the prioritisation of items of expenditure
- support the **Resources Committee** in seeking alternative sources of funding for additional items of expenditure

### 3. **BUDGET MONITORING**

The **Finance Officers** should:

- produce monthly reports for changes to the budget, report any changes to the Headteacher
- produce and reconcile monthly financial returns, present these to the Headteacher for signing off and ensure they are submitted to the LEA appropriately
- check monthly salary printouts, alert the Headteacher to any discrepancies, and ensure they are stored securely
- ensure that all income and expenditure are coded correctly on FMS, and take action to rectify any miscoding
- provide Periods 5 and 10 monitoring reports to the Headteacher, Governors and LEA, as required under Consistent Financial Reporting

The **Headteacher** should:

- check and sign off monthly budget and salary printouts
- ensure that the reasons for any discrepancies are understood, and take action to address these if necessary
- report any serious discrepancies to the Governors' Resources Committee as soon as possible
- ensure that Periods 5 and 10 monitoring reports are provided to the Resources Committee by the appropriate deadlines
- follow the guidance set out in section 11.1 before authorising single items of expenditure over £5000

The **Resources Committee** should

- review budget figures regularly according to the monitoring timetable (see Appendix A),
- plan any action necessary to deal with anticipated or actual deficits or surpluses
- report to the Governing Body.

#### 4. ORDERING

The **Finance Officers** should:

- manage the ordering and control of general stock
- check that order requests are in line with budgeted expenditure, and advise the Headteacher of any potential overspending
- apply the principle of best value when selecting goods/suppliers
- place orders on behalf of other staff, ensuring that correct procedures are observed
- ensure that completed order forms are authorised by the Headteacher or other authorised staff before placing

The **Headteacher** should:

- authorise requisitions, ensuring that they are correctly completed and totalled, in line with budgeted expenditure, and based on the principle of best value

The **Premises Manager**

- check received goods against orders and take prompt action to rectify any delivery errors
- ensure that received goods are distributed appropriately within the school

#### 5. PAYMENTS

**5.1. The Finance Officers should:**

- keep up to date with the payment of invoices
- ensure that invoices have been reconciled with deliveries/services received before payment
- prepare payments to the correct account codes
- present invoices and vouchers to the Headteacher for authorisation before entering on the FMS system
- process invoices for payment, using the FMS system
- ensure that invoices are authorised by the Headteacher to meet payment deadlines

**5.2 The Headteacher should:**

- be satisfied that invoices relate to goods/services received and have been correctly coded before authorising payments

#### 6. SCHOOL ACCOUNTS AND PETTY CASH

**6.1. Petty Cash**

The school holds a petty cash float of £200, which is kept securely in the safe. All petty cash expenditure over £30 must be authorised in advance by the Headteacher.

The **Finance Officers** should:

- operate the petty cash systems
- ensure that any petty cash floats are held securely
- ensure that petty cash vouchers are correctly completed and coded, and promptly processed
- check and reconcile the float at least every fortnight

The **Headteacher** should

- authorise petty cash vouchers for payment (other than claims by the Headteacher, which

should be authorised by the Deputy Headteacher or Finance Officer), ensuring that expenditure is correctly coded and within budget.

The **School Administrator** should:

- double count and verify the petty cash balance.

## **6.2 School accounts**

The **Finance Officers** should:

- collect and arrange banking of all income for the school accounts
- make any necessary payments from these accounts, ensuring that they are correctly authorised
- keep accurate records of income, expenditure and current balances
- provide reports to the Headteacher and Governors on these accounts as required

The **Headteacher** should:

- determine which monies are to be paid into/out of these accounts

## **7. SCHOOL MEAL PAYMENTS**

**7.1 The Finance Officers should:**

- collect dinner monies and arrange banking
- keep an accurate record of payments
- follow up overdue payments
- check that all free school meals recorded in the dinner registers are authorized
- complete the weekly meals reconciliation
- advise the Headteacher promptly of any outstanding debts/free meals authorisations

**7.2 The Headteacher should:**

- decide on action to be taken in relation to outstanding debts

## **8. GOVERNORS' ACCOUNTS**

**8.1. The Finance Officers should:**

- keep detailed and accurate records of all expenditure which is reimbursable by the Governors
- provide reports detailing such expenditure to the Treasurer in advance of Resources Committee meetings, according to the timetable (see Appendix A)

## **9. EXTENDED SCHOOL ACTIVITIES**

**9.1. The Finance Officers should:**

- keep detailed and accurate records
- issue invoices to parents and other users as appropriate
- collect monies and arrange banking
- keep an accurate record of payments
- follow up overdue payments
- advise the Headteacher promptly of any outstanding debts

**9.2. The Extended Schools Administrator should:**

- assist the Headteacher and Governors in setting and managing the Extended School budget, forecasting and monitoring income and expenditure
- report regularly to the Headteacher and Governors on the Extended School budget position

## 10. AUDITING ARRANGEMENTS

The school's financial procedures are audited every 3 years by an auditor appointed by the LEA, at the school's expense. The Governors' accounts are inspected annually.

### 10.1. The Finance Officers should:

- liaise with the auditor and provide access to all records as required

### 10.2. The Treasurer should:

- arrange for the Governors' accounts to be inspected annually by an appropriate person approved by the Governing Body.

## 11. EXPENDITURE AUTHORISATION LIMITS

### 11.1. General limits

Amount	Authorised By	Quotes/Tenders
£1000 and under	Head teacher, or Deputy in their absence	1 quote
£1000 – £5000	Head teacher	1 quote, but 2-3 quotes suggested
£5000 - £10,000	Headteacher + Chair of Resources / Chair of Governors	1 quote, but 2-3 quotes suggested
£10,000 - £30,000	Resources committee	Minimum 3 written quotes
£30,000 and over	Full governing body	Minimum 2 tenders

### 11.2 Cheque Signatories

For all school accounts, cheques must be signed by 2 of the following people:

- Headteacher
- Deputy Headteacher(s)
- Premises manager

### 11.3 Invoice certification

Any of the following may certify invoices, providing they are different to the person authorising the original purchase order.

- Headteacher
- Deputy Headteacher(s)

### 11.4 On-line payments system

All on-line payments are entered on to the payment system by the Finance Officer and checked and authorised by 2 of the following people:

- Headteacher
- Deputy Headteacher(s)

- Premises manager

### 11.5 Petty Cash / Claims

The petty cash float has an authorised holding limit of £200. All reimbursements to staff for petty cash should be as follows:

- Under £30 - in cash
- Over £30 and under £400 - by cheque or BACS (therefore authorised by 2 people)

No claims will be reimbursed over £400 from petty cash.  
All claims forms should be authorised by the head teacher.

### 11.6 Payroll

Approval of all staff appointments/terminations/changes is by the Headteacher only, except for the Headteacher/Deputy Headteacher, which is by the Chair of Governors.

### 11.7 Quotes

Quotes should give sufficient breakdown of costs to enable fair comparison, indicate who will be carrying out the work, to what timescale and under what guarantees.

### 11.8 Tenders

Tenders will be advertised in suitable media and numbers will be restricted to that indicated in the original advertisement, with the best qualified firms invited to submit a tender.

Firms will be invited to respond to the school Tender Specification (Appendix B) by a stated date, where upon the Resources Committee will evaluate the firm's suitability against the schools Evaluation Criteria (Appendix C). The relevant firms will then be notified.

## Definitions

For the purposes of this policy the following definitions apply

<b>Treasurer</b>	Chair of the Resources Committee
<b>Finance Officer</b>	Tracey Rivers
<b>School Administrator</b>	James Munns
<b>Extended School Administrator</b>	James Munns

**Appendix A: Resources Committee budget setting/monitoring timetable**

By 10 October	Period 5 budget monitoring report circulated to Resources Committee members
Early November	Resources Committee meeting to discuss Period 5 figures
Late November	Resources Committee to report to full Governing Body on Period 5 position
By 15 February	Period 10 budget monitoring report circulated to Resources Committee members
Late February / Early March	Resources Committee meeting to discuss Period 10 figures
By 1 March if possible (depending on date of budget issue by LEA)	Budget plan for following year to be circulated to Resources Committee members
Mid March	Resources Committee meeting to approve budget plan for following year)
Late March	Budget plan submitted to full Governing Body for approval
Late June	Resources Committee meeting to discuss year end position and Annual Financial Report and review other reports required under the Audit Guidelines
Late June	Resources Committee agree Final Budget for submission to the LEA
Early July	Annual Financial Report submitted to full Governing Body for noting
By mid July	3-year School Development Plan updated to include detailed planning for following year.
By mid July	Final budget reported to Governing Body

## Appendix B - Tender Specification Template

Section Heading	Information to Include	Soho Parish CE Primary School
<b>Background and context</b>	<i>A statement that explains what the school needs to buy and gives any relevant background information that the supplier should be aware of.</i>	
<b>Overview of our school</b>	<i>Key information about your school, including the school's contact details.</i>	
<b>Detailed specification requirements</b>	<p><i>This section will form the bulk of your specification. To write this section, think about the things that the supplier will need to get right to meet your needs.</i></p> <p><i>It might help to consider the 'five rights' of procurement:</i></p> <p><i>the right product or service, in the right quantity, at the right price, in the right place, at the right time.</i></p>	
	<p><i>For products (goods) this section may include technical details such as size, weight and colour. However, avoid using brand names or exact product descriptions as this will restrict your choice of supplier.</i></p>	
	<p><i>For services, and some products, you might prefer to state the desired outputs (or outcomes) and allow the supplier to suggest a solution.</i></p>	
<b>Quality requirements and performance standards</b>	<i>A statement of any relevant standards that must be conformed to. This may include ISO standards, health and safety requirements, CRB checks for cleaners/caterers. It will also include any standards set out in your Service Level Agreement, which should be contained in a separate document.</i>	
<b>Approval process</b>	<i>An explanation of any approval process which will need to take place before a supplier can be awarded the contract.</i>	
<b>Exclusions</b>	<i>A statement of any items which are outside the scope of what you expect the supplier to provide. This section is important to remove ambiguity and to help suppliers to accurately gauge the costs of meeting your specification.</i>	
<b>Inputs from our school</b>	<i>If the school is going to provide any equipment or resources to help the supplier fulfil the requirement, state it in this section.</i>	
<b>Evaluation criteria and weightings</b>	<i>This section is compulsory for the OJEU tendering process and is good practice to include it in non-OJEU tenders. The evaluation criteria and weightings indicate to potential suppliers how you will decide which supplier to award the contract to. You should use these pre-determined criteria in your tender assessment exercise.</i>	



## Appendix C – Example Tender evaluation criteria

<b>Example Tender Evaluation Criteria:</b>		
<b>Criteria</b>	<b>Weighting</b>	
<b>Suitability</b>		<b>35%:</b>
a)	Suitable size and design for use by the target age group	15%
b)	Hardwearing construction	10%
c)	Available in a range of colours	10%
<b>Total price for the purchase and delivery</b>		<b>35%</b>
<b>Ability to conform with ISO safety standard</b>		<b>15%</b>
<b>Ability to meet our delivery requirements. Marks will be awarded as shown:</b>		<b>15%:</b>
a)		10%
b)		5%