



Inkpen Primary School

Finance Policy

Date Created	September 2022
Date Modified & Agreed	December 2025
Revision Due	December 2026

Change History

Version	Date	Description

Linked Policies	<p>WBC Financial Rules of Procedure WBC Contract Rules of Procedure WBC Anti Fraud and Corruption Policy Confidential Reporting Code WBC Scheme for Financing Schools</p> <p>Other Policies</p> <ul style="list-style-type: none">• Lettings Policy• Charging Policy• Standing orders of the Governing Body• Finance Committee Terms of Reference• Staff Pay Policy• Performance Management Policy• Whistle Blowing Policy• Governors' Allowances Policy• WBC Scheme for Financing Schools
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Signatures:

Headteacher:

FRANCES BUCK

Chair of Governors:

SUSAN R. SIM

Purpose and background

The school receives on an annual basis a financial allocation from West Berkshire Council ("WBC"), together with additional monies available through Standards Funds and direct government grants. This policy and procedures determine the framework within which the school conducts its finances, the delegation of responsibility and the methods of operation, so that all parties concerned are aware of their duties and responsibilities and that sound internal and financial controls are maintained. The implementation of appropriate practice and procedures will ensure the best use of funds available to enhance the education of the school's pupils.

The operation of the school's private fund is included within this policy.

Policy objectives

The school adopts and will comply with, ensuring that staff are made aware of as required, regulations and guidelines as published by the Local Authority, including: the WBC Financial Rules of Procedure*; the WBC Contract Rules of Procedure*; the WBC Anti Fraud and Corruption Policy* and Confidential Reporting Code* (Whistleblowing); and the WBC Scheme for Financing Schools*, to the extent that such regulations and guidelines apply to schools. The school will also comply with DCSF and Audit Commission regulations and guidelines for budget management, including 'Keeping your Balance' and the spending and receipt of monies, including Standards Funds and direct government grants. It will operate in accordance within the requirements and standards laid down in the Schools Financial Values Standards (SFVS) and WBC Audit and Accountancy Departments.

*These documents are held in the Policies file.

The School maintains a clearly defined finance policy so that all parties concerned with the financial planning and administration of the school are aware of their duties and responsibilities.

Responsibilities

Governors

The Governors are responsible for setting the school's budget and ensuring that it reflects the declared aims of the school, as set out in the School Development Plan.

The Finance committee will receive reports from the School Business Manager at every finance committee meeting of 5 per year. These will be both 'agressor' reports and FMS cumulative expense reports. A summary of these reports will also be provided to the full governing body.

As approximately 80% of the school's budget share is based on pupil numbers, the FGB committee keeps a close check on current and future numbers and any projected variations.

It is the duty of all Governors to review all financial information provided to them, and satisfy themselves that spending is in line with projection. Any questions or concerns they have, or that are reported to them by others, must be investigated.

The Governing Body must take due account of the advice given by the Headteacher and School Business Manager at any time in respect of financial matters.

The Governors must collectively keep a register of business interests, which must be updated at least annually. It is the duty of each Governor and attendees to declare any interests at the beginning of any full governors' or governor committee meeting.

The governing body meet at least once per term. Decisions are approved by vote and recorded clearly in the minutes.

Finance committee meets every 2 months (5 times a year) and reports back to FGB.

Headteacher

It is the responsibility of the Headteacher to provide the Governors with advice and information that enables them to draw up and approve both the financial plan and the annual budget. They are obligated to advise the Governing Body if they believe all or part of these not to be in the best interest of the school.

The Headteacher is responsible for ensuring all monies controlled by the school are handled in accordance with LA regulations and sound financial practice. This also applies to private fund accounts. The Headteacher is also responsible for overseeing staff dealing with finances and being satisfied that procedures are carried out thoroughly and accurately.

School Business Manager

The School Business Manager is required to provide reports on the current school accounts to the Governing Body as indicated above (see Governors).

The School Business Manager is responsible for ensuring that orders, invoices and other financial papers are processed according to agreed procedures. They are also responsible for checking the accuracy of information in all respects and for providing regular reports as required to both the Headteacher and the Governing Body.

The School Business Manager has day to day responsibility for the office computer system and all financial and personnel papers. They are responsible for ensuring that only authorised staff have access to personnel files, and that arrangements for staff to have access to their own files are in place.

The School Business Manager will maintain a list of all bank and building society accounts held and the signatories for each.

The School Business Manager will maintain a list of all assets as defined later in this policy.

The School Business Manager will advise the Headteacher on all matters relating to financial administration.

Others

Anyone, such as staff (teaching and non-teaching), Governors, LA who has a responsibility to the school, should be encouraged to make either the Headteacher or Governors aware of matters of concern in respect of the school's financial affairs in line with the School's confidential reporting code.

Delegation of Authority

For supplies and services with a value below £1,000.00 the school may select one supplier without obtaining competitive quotations. Where a sequence of small orders is likely to be placed with one supplier, a check of their pricing against competitors should be made.

The Headteacher must seek Finance Committee approval for any single item of expenditure or contract between £5,000 and £10,000 in value. A Minimum of three quotes should be obtained, except where the nature of the purchase and/or the range of suppliers and/or the timescale precludes this, in which case the reasons should be noted and documentation kept with the order and brought to the attention of the Finance Committee. When the lowest quote is not acceptable, then reasons should be given. Procedures should be in line with best value.

For supplies and services between £10,000 and £20,000 the nature of the contract will require additional procedures, including the receiving of quotations from more than three suppliers and review by the Finance Committee for consideration and approval. If the Headteacher is absent the review and decision to buy must be drawn to the attention of the Chair of the Finance Committee or the Chair of Governors. Internet and catalogue quotations should be appropriately documented for future reference e.g. photocopies, screen print-offs

Between £20,000 and £100,000 a formal tender mechanism will be required. A procurement mechanism will be approved in advance in each case by the Governors' Finance Committee.

For supplies and services where the total contractual value is £100,000 or above a formal tender process is required in line with the LA's Contract Rules of Procedure. The school will seek appropriate advice from the LA regarding this and relevant EU and UK legislation. The Governing Body will be advised in each case and have oversight of the procurement process.

Providing the initial overall budget allocation is not exceeded, the Headteacher may make adjustments between budget lines during the year. Any adjustments to the budget will be reported to, and agreed by, the Finance Committee.

Because the initial budget is an estimate of expenditure, the Headteacher may authorise unavoidable expenditure (e.g. energy costs) that exceeds budget allocation. In cases where this occurs they will inform the Governors at the next Finance Committee meeting, where the variance is greater than £1000.00 and 20% of the Budget allocated.

The school must not enter into any financial agreement with capital implications or loan agreements without approval of the LA or appropriate body.

Member of staff	Cheques	Orders	Payments	BACS	Inventory
Headteacher	Signing	Signing	Authorising	Authorising & Submitting	Authorising write-offs
Designated Teacher	Absence cover - signing	Absence cover - signing	Absence cover - signing	Authorising & Submitting	Absence cover - signing
School Business Manager	Signing	Preparing & Signing up to £500	Processing	Inputting & Authorising	Administration and annual report

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Where an order or cheque is raised to one of the above mentioned members of staff, the other two signatories will sign and process the payment.

Procurement Card

Requests can be made to the Finance Office by completing the Procurement Card Requisition for purchases in excess of £25 and must be signed by the cost centre holder. This is only to enable purchases from companies over the internet/telephone to secure best value.

The order must be placed by the Business Manager or by designated card holders only. Copies of all purchases shall be kept and noted in the school's accounts via a requisitions spreadsheet.

Every request needs to be counter signed by the Business Manager or Head Teacher.

Procurement Cards are issued as per the following

Role	Limit
Head Teacher	£500
Business Manager	£2,000

- a) This method is for purchases in excess of £25. Requests below this limit only if deemed appropriate by Business Manager.
- b) The overall card limit for the school will be set at £2,500 for any single purchase and a monthly limit of £2,500.
- c) Individual cardholders overall and single purchase limits will be agreed by the Head Teacher and Business Manager on a business basis. The Business Manager should seek approval of requisitions raised by SBM in advance from the headteacher.
- d) No cash withdrawals will be permitted.
- e) Access to the cards will be restricted and PIN(s) will be kept secure.
- f) Only the main contact Head Teacher & Business Manager has access to information on the account via the use of passwords.
- g) Purchase must relate to official funds for school activities only and must be supplied and delivered to the school. Personal items must not be purchased using this card.
- h) A valid invoice/receipt from each supplier of goods & services with VAT details is required for each purchase and must be attached to the requisition order.
- i) Upon receipt of the monthly card statement it will be checked and reconciled against the requisitions/goods received spreadsheet by Business Manager. There is a period of 7 days before the payment date to raise any queries with the bank (and to notify any fraudulent activity).
- j) The full outstanding balance will be paid by direct debit on or before 20th of each month and the cashbook journal will be posted on FMS on or before the monthly payment date to ensure it is included in that months Imprest claim.

- k) Where the SBM/Finance Officer has a Procurement Card and is also responsible for reconciliation and payment the Headteacher should check and sign the statement to approve all purchases made by the SBM/Finance Officer.

BACS

The Governing Body has authorised the use of BACS payments to suppliers having considered this payment method and the appropriate controls over usage.

The BACS option should be used where possible as it provides a more secure route for payment and reduces the potential for fraud. It is recognised that some suppliers will continue to require payment by cheque but these will reduce over time.

BACS will be used in accordance with the finance controls detailed above.

Consolidated daily limit for BACS £7,000. Any requests to increase this amount must be authorised by governors and agreed with Banking Services.

BACS payments require two authorised signatures irrespective of values.

The BM will prepare, import into BACS & be the first authorising person.

Signatories should check that payments are being made to the correct supplier and that the amount is correct.

The Head teacher or the Designated Teacher will then log-in, having checked the payments, will authorise and submit BACS for payment.

At any time two signatories of the schools bank account will be required for each BACS payment run.

Reports should be signed and dated by both parties who authorised and submitted the BACS bureau.

Receipts

Receipts for income will be issued for amounts in excess of £100 via the Financial Management System (FMS). Parent Pay is the schools preferred method of receiving income from parents and the Parent Pay system immediately issues a receipt direct to the parent.

Financial Plans and Budgets

Each year the Headteacher will include in the School Development Plan an outline of the main objectives, which will determine future budgets and spending.

The budget preparation should start early enough to enable full discussion and consultation to take place.

Approximate timetable:

January: Thorough review of current year's spending and assessment of likely future trends.

February: Identify any possible developments or commitments that might affect next year's budget. This includes identifying any potential growth areas, from which the school might benefit and roughly cost these.

March: Once teachers' pay award is known, draw up a 'base budget' which costs out basic 'guaranteed' items.

March/April: Consider and approve new year's budget when final LA allocations are known.

April: Present to full Governing Body for approval.

The budget will be drawn up as accurately as possible each year and will have no inbuilt line by line contingency. This means that a single line contingency is needed.

The base budget is a list of guaranteed items, it includes:

- Appropriate numbers of teaching staff
- Non teaching assistants to be provided at an appropriate level. Office, controllers and other staff at an agreed level.
- The value of any contracts awarded by the school
- Insurances as agreed by the Governors
- Supply cover to an expected level of need
- Building requirements as laid out in the forecast School Development Plan
- Energy units based on previous year's figures and an inflation element
- Any other commitments.

Monthly thereafter, review of budget spend to date against each CFR cost line using WB Budget Monitoring tools and presentation to the Governors at every other Finance Committee Meeting. Head Teacher & Business Manager will review detailed budget monitoring monthly.

Staffing

As part of the annual budget setting process, there will be a review of the staffing structure and its affordability. The outcome will be considered by the governing body and minuted accordingly.

The headteacher will approve all weekly and monthly timesheets and any overtime payments.
Cross Reference the Pay Policy

The School Business Manager will check the payroll report each month to ensure all staff are chargeable to the school and are being paid at the correct rate.

Assets

All portable and desirable school assets with a value of £200.00 or more will be recorded in an asset register maintained by the School Business Manager, together with digital images of each area of the school.

The asset register will be checked annually and maintained by the School Business Manager, and reported to the FGB.

The Headteacher may authorise the write-off and disposal of assets with a residual value below £1,000.00. Items above this value will be referred to the finance Committee for approval.

Internal Financial Control

Sound financial control is essential if school monies are to be properly monitored. In order to ensure this the following principles apply.

No one person should be responsible for every stage in a financial process. Therefore,

- School Business Manager raises orders for all items & authorises orders for less than £500
- Email PDF FMS direct orders can only be used for orders under £500 and are to be printed and signed by School Business Manager, Terms & conditions for suppliers are on the schools website
- If an order in excess of £500 is to be sent direct via email as PDF FMS direct then prior to authorisation, order must be printed, signed & dated by Head teacher/Senior Teacher. Then it can be authorised and sent via FMS direct.
- Headteacher authorises orders raised above £500, whether via direct or paper/post system
- School Business Manager processes them
- School Business Manager signs for receipt of goods
- Goods received checked against order raised
- School Business Manager processes invoice for payment and updates FMS.
- The school has three authorised signatories, the Headteacher, Senior Teacher and School Business Manager
- BACS payment system is the schools preferred method of paying invoices.
- All school cheques must have 2 signatures. Only manuscript signatures must be used, and cheques must not be pre-signed.
- Cash will be counted by two members of staff

Only authorised staff should be permitted access to the accounting records, which should be securely retained when not in use.

Monies should be banked regularly into the School Bank Account (normally no less frequently than fortnightly). Monies kept in school overnight are kept securely in a locked filing cabinet, and do not exceed £250.00.

Monthly Bank Statements are checked and reconciled by the School Business Manager and possible errors queried. The Imprest bank account is reconciled monthly in conjunction with the reimbursement claim signed by the School Business Manager and headteacher.

Audit reports are reported to Governors and their advice implemented immediately.

Budget Monitoring will be undertaken monthly and reports prepared for Governors meetings. Variances which are both over £1000 and 20% of budget line must be reported to Governors.

The Headteacher makes periodic and random checks of procedures.

All transactions are traceable through every stage. Any alterations to original documents must be made in ink or other permanent form and initialled.

A formal computer generated order paper signed by an authorised signatory as defined in the attached Register of Authorising Officers will be sent to procure supplies and services where ordering by post is required, and in each case and a signed copy of this retained in the school office with the original request form and copies of relevant documentation, including quotations. The exceptions are when:

1. The payment for supplies or services represents one of a sequence of transactions as a result of an agreed contractual obligation.
2. Where items are ordered online, or by telephone an order will be generated on FMS first, and agreed, and an order number quoted.
3. Expenditure claims may be made by staff with prior authority from the Headteacher. An order should be generated on FMS prior to the item/s being purchased. They should be limited to those occasions when direct staff purchase is the only practical option. This is limited to a maximum reimbursement of £25.00. Related staff expenses claims must be signed by the Headteacher. Reimbursement will be made by cheque as part of the normal cheque run process. All expenses claims must have full appropriate invoices or receipts attached evidencing purchase and so that VAT can be reclaimed whenever possible. Staff or pupil personal purchases cannot be processed through the school's accounts nor can personal cheques be encashed.
4. As the school does have a procurement card, on occasion it may need to purchase items of a higher value. In these circumstances approval will be sought in advance from the finance committee
5. In cases of emergency a supplier may be called to the school to undertake work. The commitment must then be ascertained and recorded as soon as possible.

Payments are only to be authorised on original (not photocopied) invoices. Electronic invoices will be accepted as long as it is received from the known email address for that company.

At least seven years of financial records are archived.

Primary School Meal Income

The LA checks and advises the school regarding children eligible for free school meals. The School Business Manager ensures the meals are recorded as free on the schools catering system.

Capital Funding

De minimis Level

There is no *de minimis* set within WBC with regard to schools' capital expenditure funded by Devolved Formula Capital, however a level commonly established amongst other LA for schools is £2,000. Inkpen Primary is therefore adopting the commonly established *de-minimis* level of £2,000. Funding of expenditure by DFC does not automatically mean that the expenditure will be capitalised by the LA, but it should still meet the definition of capital expenditure.

If treated singly, an asset may fall below the threshold. If several assets of a similar nature are purchased at once, as part of the same project, it is the total value of all the assets that determines whether expenditure should be capitalised. This question of 'grouping' typically applies to the purchase of IT, other equipment or furniture.

Private Fund Account

Income to private school funds such as trip money is collected at reception by the Business Manager. Payments are checked against relevant lists.

The total for each trip/category of item is recorded by spreadsheet and is totalled and banked regularly. No personal cheques are cashed.

Cash books for the current and previous two years should be retained for inspection.

No income which properly relates to the school's delegated budget shall be credited to the Private Fund,

All transactions should be traceable and correspond to at least one other entry.

All cheques must have two signatures, only manuscript signatures must be used, and cheques must not be pre-signed.

In the case of photograph income, this is recorded by the School Business Manager in a special envelope stored securely in school, and posted to the photographer for reconciliation.

Monies should be banked regularly into the School Fund Bank Account (normally no less frequently than fortnightly). Monies kept in school overnight are kept securely in a locked filing cabinet, and do not exceed £250.00.

The year end accounts showing income, expenditure and balance should be produced and audited promptly by someone with knowledge of the fund and presented to the FGB for acceptance. The auditor must be independent of the school management, and have the appropriate expertise.

Receipts are not issued for monies received below £40.00. If a trip or event costs less than anticipated, refunds will be issued for amount above £5.00.

Relevant and linked finance policies and procedures:

- Lettings Policy
- Charging Policy
- Standing orders of the Governing Body
- Finance Committee Terms of Reference
- Staff Pay Policy
- Performance Management Policy
- Whistle Blowing Policy
- Governors' Allowances Policy
- WBC Scheme for Financing Schools

These documents are held in our policies file, and/or Governing Body file