



## Chertsey and Dorking Nursery Schools and Mole Valley Family Centre

### FINANCE POLICY

Governors have statutory responsibility for the financial management of maintained schools with delegated budgets.

The regulations setting out the financial management of schools are laid down in the Education Reform Act 1988, the School Standards and Framework Act 1998 and the Local Government Act 1972: s151. Detailed guidelines are contained within the Surrey Scheme for Financing Schools and the Surrey LMS Finance Manual.

#### **The Purpose of the Policy:**

- to define the responsibilities within the school and family centre and set limits of authorisation for the headteacher/head of school and other budget holders
- to provide guidance on the application of regulations
- to identify procedures to ensure that adequate arrangements are in place to guard against fraud and theft
- to set out guidelines to achieve efficiencies and value for money in the use of resources taking into account the Authority's purchasing, tendering and contracting requirements
- to monitor the School Fund as detailed in Appendix 1.

#### **Application:**

This policy covers all funds Delegated and Devolved allocated by the Local Authority and the School Fund.

#### The role of the Governing Body is to:

- set the financial priorities of the school and family centre through the:
  - ❖ Improvement plan
  - ❖ 3 year financial plan
  - ❖ The annual budget plan
- Ensure the budget includes an allocation for expected performance pay reviews
- Approve and monitor the annual budget
- Ensure the budget is managed effectively & achieves value for money
- Ensure the statutory obligations are met and complied with the Authority's Scheme for Financing Schools and Standing Orders
- Receive auditors' reports
- Set the terms of reference for the Finance Working Group or Resources Committee (thereafter referred to as 'Resources Committee')
- Agree limits of authorisation for the Resources Committee/Headteacher or Head of School

#### The role of the Resources Committee is to:

- prepare the annual budget for approval by the Governing Body
- adopt the Local Authority Scheme of Delegation
- review and maintain finance policies, including Lettings and Charging & Remissions.
- review systems of internal financial control
- monitor the annual budget and make recommendations to the Governing Body
- set levels of authority for spending and transfer
- advise the Governing Body on the affordability of the Development Plan
- consider the impact of student numbers on the budget over short, medium and long terms

- receive and respond to audit reports

**2. Budgets and authority levels:**

The governors shall plan the school and’s centre finances through:

- ~ the approval and implementation of an annual budget based on the aims, objectives and priorities of the school and family centre, the financial position of the school and the levels of projected reserves.
- ~ preparation of a medium term Financial Plan of at least three years, updated annually.

The timetable for preparation, presentation and approval of the Annual Budget and Centre Development Plan will be as follows:

Autumn Term:	Review 3 year financial plan
Spring Term:	Receive year end Forecast (March) Present Budget to Resources Committee (March)
Summer Term:	Approval of Budget by Governing Body (by 1 <sup>st</sup> May)

**3. Expenditure and Transfer Limits:**

- The Headteacher has the delegated authority from the Governing Body to authorise the transfer of funds between cost centres up to the value of £1,000 for a single transaction without governor approval within the framework of the budget.
- Expenditure or transfer of funds in excess of this REQUIRE THE APPROVAL OF THE RESOURCES COMMITTEE
- The Resources Committee has authority to approve all capital purchases and building projects costing more than £5,000 but less than £25,000 for which provision has been made in the budget.
- For capital purchases for which provision has been made in the budget that are less than £5,000, the purchase can be authorised by the Headteacher.
- The Full Governing Body must agree any expenditure above these limits or for which there is no budget currently allocated.

**4. Purchasing & Achieving Best Value:**

The Governing Body shall maintain a policy of Best Value for all purchases. All purchases over £50 will be made through the school’s ordering system as approved by the Senior Leadership Team. The Bursar shall keep records of all purchases made including quotations received but not accepted, together with the reasons. The performance of contractors and the outcomes of purchases are continually reviewed and the policy of Best Value will be applied using the four principles:

- ~ Challenging how a service or supply is provided and why it is required
- ~ Comparing performance with other schools
- ~ Consulting with relevant stakeholders
- ~ Competing as a means of securing efficient and effective services and supplies.

**5. Maintenance & Service Contract Limits:**

The school adopts the Standing Orders contained in the Surrey Scheme for Financing (September 2015) and in particular those in Annex D of that Scheme, when arranging maintenance and service contracts.

**6. Internal Controls:**

Internal authorisation, subject to the purchasing limits stated in this policy, will be as follows:

Certifying officers:	<i>Dorking</i>	<i>Chertsey</i>
Orders, invoice approval, VAT, Expenses forms, and absence returns	Bursar, Headteacher	Bursar, Head of School
Petty cash, cheques,	Bursar, Headteacher	Bursar, Head of School
Order requisitions, deliveries	Office staff	Office staff

Cheques signatories up to £250 one signature, over £250 two signatures	Headteacher, CC Manager, 2-3s Lead, SENCo	Head of School, Executive Headteacher, 3s Lead Teacher
BACS payments – for any amount	Headteacher	Head of School
Payroll, overtime and bank staff claims	Headteacher	Head of School
Changes to Executive Headteacher’s pay	Chair of Governors	N/A
Income received, banking slips	Bursar, Assistant Bursar	Bursar, Assistant Bursar
School Meals reconciliation	School admin team	School admin team
Lettings approvals	Headteacher, Centre Secretary	Senior Leadership Team

**Separation of Duties:**

- Orders and Invoices for goods and services shall be raised by the Bursar and checked and countersigned by the Headteacher (or a Senior Leadership Team (“SLT”) member up to the value of £5,000.)
- Receipts of goods/services will be checked by the Centre Assistants to ensure they are in accordance with the order.
- Collection and banking:
  - Collecting and counting of money – Front Office Staff.
  - Banking – delegated to admin team.

The administration of any Centre account must not be by a cheque signatory. At least two different people should be involved in every process in order to maintain a separation of duties.

**Financial reporting:**

<b>Frequency</b>	<b>Document</b>	<b>Approved by</b>
Monthly	Financial Monitoring Report + commentary	Head, Resources Committee
	Cost centre Summary Report, Cashflow	Head
	Cost Centre Report	Head
Annually	Out-turn Statement	FGB
	Consistent Financial Reporting	FGB
	Unofficial Funds Audited Accounts	FGB
	Draft Budget Plan	Resources Committee
	Budget Plan	FGB
	3 year Financial Plan	FGB
	SFVS	FGB

**Approved by the Governing Body:** September 2021

**To be reviewed by:** September 2022

Relevant for:-

<b>Family Centre:</b> Yes	<b>Nursery:</b> Yes	<b>Parents:</b> No
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**Based on Babcock 4S Model policy 18<sup>th</sup> August 2017**

## **APPENDIX 1- School Fund**

The aim of the School Fund is to advance and enhance the education of the children at Chertsey and Dorking Nursery Schools and Mole Valley Family Centre by providing and assisting in the provision of facilities not required to be provided by Surrey Local Authority by statute.

### **Officers**

The fund is managed by the Heads at each school and supported by the Bursar.

The members of the Governing Body act as Trustees of the Fund.

The Auditor is appointed on an annual basis.

### **Activities**

The main activities of the Fund are

1. To raise funds and receive donations or grants from parents and the local community to develop the school grounds, enhance the play facilities and to make available discretionary help to children in financial need
2. To act as a uniform shop for the supply of bags and jumpers.
3. To facilitate the provision of educational and recreational trips and visits by processing the transactions required
4. To facilitate the processing of grants from charities to families working with the Family Centre
5. To receive grants from the local community to help provide services from the Family Centre not otherwise covered by the Family Centre contract with the LA
6. To receive funds raised by FOND (Friend of Dorking Nursery)

### **Financial Procedures**

#### **Banking:**

The funds are held in nominated bank account in the names of Chertsey Nursery School Fund and Dorking Nursery School Fund respectively.

Cheques are signed by the Executive Headteacher/Head of School, plus another, if the value is over £250.00. The mandate is reviewed on an annual basis.

Transactions: all transactions are recorded on the school fund excel spreadsheet in Office 365 which is backed up.

The finance assistant reconciles the Cash Book summary to the Bank Account monthly; the reconciliation is checked and signed by the Bursar and Heads.

#### **Income:**

All income must be supported by receipts or records of collection.

Income is banked regularly and intact.

#### **Expenditure:**

Payments will only be made from the fund when supported by an authorised invoice or voucher. Advances for trips must be requested in advance.

Subsidiary reports for each trip visit or project will be maintained and kept on file.

Purchases of equipment, resources or activities will be made through the Delegated Fund in order that VAT is avoided when appropriate. Payments for non-educational trips and other activities such as school uniform, photographs and equipment cannot be made through the delegated fund, deducting VAT, unless the pupils are charged output tax, which is accounted for through the delegated fund. The school fund will remit the net amount to the school delegated fund on receipt of the invoice.

In accordance with the stated activities of the Fund, the Executive Headteacher/Head of School has delegated discretionary authority to assist pupils financially up to £30 individually, to a total of £300 per year in cash, goods or value in activity.

The Executive Headteacher/ Head of School has the delegated authority to authorise the purchase of gifts up to the value of £50 from income generated by the school for staff/governor/volunteer well-being.

The fund will be registered for VAT if the income rises above the registration threshold according to current HMRC legislation.

No loans will be made between the School Delegated Funds and the School Fund

### **Annual Statements of Accounts and Audit**

The normal accounting period will be for the year ending 31<sup>st</sup> August each year.

The annual statement of accounts will consist of

1. A receipts and payments account
2. A statement of Assets and liabilities
3. Independent Examiner's report to the Governing Body

It will be submitted in full to the Resources Committee of the Governing body during the autumn term.

The Local Authority requires the school to be able to provide audit certificates in respect of the School Fund. This does not imply the need for an audit by a registered auditor but rather an examination by a person who is independent of the management of the school.

### **Dissolution of the School Fund**

The school fund will be dissolved if a) the school closes, or b) the school amalgamates with another school.

Any assets remaining after satisfying the outstanding debts and liabilities will be given to the school for the benefit of the children at the school in a charitable manner. Once the school has closed, any assets remaining will be given to a local children's charity to be chosen by the Trustees.