



**Barwell C of E Academy
Finance Policy
2022-23**

We want happy, confident, successful children.

Agreed September 2022
To review September 2023

Signed on behalf of Governing Body
Chair of Governors

1. INTRODUCTION

- 1.1. Policy aims to ensure that Barwell C of E Academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.
- 1.2. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).
- 1.3. The school has converted to an Academy on 1st November 2012 – changing the financial year to start from 1st September – 31st August. We must comply with the principles of financial control outlined in the academy guidance published by the DfE.
- 1.4. Annual accounts for the period ending the 31st August to be submitted to the EFA no later than December 31st. Also to be submitted to Companies House no later than May 31st (9 months after the Academy financial year)
- 1.5. Additional Accounts Return (AAR) to be submitted usually at the same time as the accounts. (this required by the EFA for benchmarking purposes)

2. DELEGATED AUTHORITY

- 2.1 Under the Education Funding Agency's (EFA) Scheme for Financing Schools, the Governing Body is responsible for the control of expenditure and income in accordance with the delegation of budgets and assisting the EFA in the discharge of its statutory duties. The main responsibilities' of the Governing Body include:
 - Approval of the Annual Budget
 - Approval of the Annual Statement of Internal Control.
 - Approval of the Whistle Blowing Policy.
 - Determining the Staff Structure and Pay Policy for Academy
 - Establishing and reviewing annually the Terms of Reference for each committee
 - Approval of the audited Annual Accounts
 - Appointment of the Headteacher
- 2.2 The Governing Body has in turn delegated the governors' financial responsibilities to the Finance Committee comprising:

Title	Name
Chair Governors	Mrs Maggie Spence from Sept 2013
Chair of Finance Committee	Mrs Maggie Spence
Headteacher	Miss Vicky Newman
	Mr Jason Browning Williams
	Mr Dave Coopey
	Mrs Pauline Clements

- 2.3 The main responsibilities of the Finance Committee are detailed in the written Terms of Reference which have been authorised by the Governing Body

- 2.4 The Headteacher is responsible for implementing agreed policies and maintaining day to day control of the school finances and accounts.
- 2.5 The School Finance Adviser assists the Headteacher in the discharge of financial responsibilities.
- 2.6 The following staff are designated as authorisers of
- (i) **Salaries Documentation** (including supply teacher claim forms and contracted salary amendments)
Headteacher or Deputy Headteacher
- (ii) **Authorisation of Supply Claim Forms**

Deputy Headteacher
Finance Officer
- (iii) **Cheques**

Mrs Maggie Spence – Chair of Governors
Miss Victoria Newman – Headteacher
Mrs Lisa Stewart – Deputy
Miss R Peace - SHLTA
- NB: There must be two signatories on all cheques/BACs. Any amount exceeding £5,000 will be countersigned by the Chair of Governors. The school has a charge card with a limit £3,000**
- (iv) **Orders**

Miss Victoria Newman - Headteacher
Mrs Lisa Stewart –Deputy Headteacher
Mrs Jayshree Vaghela – School Finance Adviser
- 2.7 However, the Governing Body remains accountable when governors' financial responsibilities are delegated.
- 2.8 **The Responsible Officer (RO)** is appointed by the Governing Body and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the Governing Body with independent assurance that :
- The financial responsibilities' of the Governing Body are being discharged
 - Resources are being managed in an efficient, economical and effective manner
 - Sound systems of internal financial control are maintained and
 - Financial considerations are fully taken into account in reaching decisions.
- 2.9 The RO will undertake a quarterly programme of review to ensure that financial transactions have been properly processed and that controls are operating as lay down by the Governing Body. A report of the findings from each visit will be presented to the Finance Committee.
- 2.10 Other Staff, primarily the School Finance Adviser, Finance Officer, the Administrator Assistant and budget holders, will have some financial responsibilities. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in use of resources.

3 REVENUE BUDGET PREPARATION

3.1 The school's budget timetable for the next financial year is as follows:

Autumn Term

- Identify commitments and new plans; agree priorities
- Consider staffing requirements
- Cost first draft of the budget, with the plan covering at least the next three years, and submit to governing body

Spring/Summer Term

- Outline the budget plan
- Adjust the budget to take account of the budget share notified by EFA
- Submit to Governing Body for final approval
- Submit final approved budget plan to the EFA within set deadlines

3.2 The Senior Leadership Team decides on the order of priorities from the School Development Plan.

3.3 The Headteacher, supported by the School Finance Adviser, prepares the detailed cost implications and submits them for approval to the Finance Committee.

3.4 All plans and budgets are regularly reviewed by the Senior Leadership Team during the year; all significant changes require the approval of the Finance Committee.

3.5 The Headteacher informs the EFA of the school's budget. This information will be supplied by the beginning of the financial year and updated for changes as necessary. If the school's revenue spend falls outside its budget plan submitted to the EFA, corrective action must be taken where possible and the Headteacher will formally make the EFA aware of the school's financial position as soon as practicable.

4 REVENUE BUDGET CONTROL

4.1 The Governing Body decides how to use the budgets within the cash limit allocated. The Headteacher is responsible for the control of spending against budgets. A commitment accounting system is managed by the School Finance Adviser to monitor current commitments and liabilities.

4.2 A bank reconciliation and VAT126 analysis is prepared as soon as the bank statements have been received (at least on a monthly basis) and forwarded to HRMC as part of the monthly VAT126 expenditure return. These returns are prepared by the School Finance Adviser and certified by the Headteacher. Payroll tabulations received monthly documenting salaries payments are reconciled by the School Finance Adviser to the schools FMS system.

4.3 The School Finance Adviser prepares a monthly review of the budgets and submits them to the Finance Sub Committee of the Governing Body for consideration.

4.4 Budget holders receive a monthly SIMS financial transaction report, prepared and circulated by the School Finance Adviser, who is available to staff to answer queries.

5 VIREMENTS

5.1 Substantial virements are approved and minuted by the Governing Body and are within the agreed criteria and financial limits.

- 5.2 The Headteacher is given delegated power to vire from one budget to another and seeks approval from the Governing body retrospectively.
- 5.3 All virements exceeding £5,000 or 2% of the budget (whichever is the greatest) requires prior approval from the Governing Body.

6 AUTHORITY TO INCUR CAPITAL EXPENDITURE

- 6.1 The Headteacher is given delegated power to incur expenditure up to £12,000 on any single item or issue within the financial year.
- 6.2 All expenditure exceeding £12,000 requires the prior approval of the Governing body.
- 6.3 All expenditure must be authorised by the designated staff.
- 6.4 Payment of invoices is made by the Finance Officer through FMS.
- 6.5 The academy arrangement for leasing must be in accordance with the DfE and ESFA regulations

7 BORROWING

- 7.1 The academy must seek the Secretary of State's approval for both short term borrowing (including overdraft facilities) and medium/longer term loans from private sector (including finance leases), where such borrowing is to be repaid from the DfES grant or secured on assets funded from DfES grant. However the Secretary of State's normal policy is that academies should not be granted permission for medium and long term borrowing;
- 7.2 As an exception the academy's Funding Agreement may permit borrowing prior to opening, or as a direct consequence of the secretary of state's failure to make agreed payments of grant to the Academy on time.
- 7.3 The Secretary of State's Prior Approval is required for:
- Any guarantees indemnities and letters of comfort entered into;
 - Write off debts or liabilities owed over a specified value as set out in the annual funding letter issued by the Secretary of State (see Section 31);
 - Any ex-gratia payments;
 - Any freehold sales or purchases; and
 - The grant or take up of any leasehold or tenancy agreement for more than 3 years.
- 7.4 The Secretary of State must be notified of:
- Any loss arising from suspected theft or fraud exceeding the amount set out in the annual funding letter.

8 LOCAL PAYMENTS SYSTEMS

- 8.1 The Finance Officer/ Headteacher are responsible for making all payments on behalf of the school.

- 8.2 All invoices passed for payment must be properly certified and evidenced by the relevant designated staff – payments shall be made on original invoices only.
- 8.3 Before certifying an invoice for payment, designated staff must be satisfied that for the goods and services delivered:
- An official purchase order has been raised for the purchase of items
 - That the delivery note has been checked
 - That it is of correct quantity, quality and price
 - That it has not been previously paid
 - That funds are available in the relevant budget
 - That the VAT chargeability on qualifying expenditure is shown
- 8.4 The Headteacher and Deputy Headteacher carry out invoice checking each week to ensure that all sums which the designated staff have certified for payment were legally and properly payable.
- 8.5 The Governing Body is permitted to use their budget share to meet the cost of capital expenditure on the school premises. If the expected capital expenditure from the budget share exceeds £15,000 within one year, the Governing Body will notify the EFA and take advice.

9 ORDERS FOR GOODS AND SERVICES

- 9.1 Staff may order goods and services from whatever reputable source they see fit; but are expected to take into account quality and value for money.
- 9.2 An official order must be made where possible in writing on the school's official order form for all expenditure on goods and services initiated by the school. All orders must be approved by the Headteacher or Deputy Headteacher
- 9.3 Orders must be completed in accordance with the following procedures:
- Authorised by designated staff only
 - Show estimated prices on the order form
 - Sent to the supplier through the Finance Officer
 - If staff are placing orders direct with supplier via telephone call/email, a written copy of order with estimated prices must be given to the Finance Officer
 - Orders placed by the internet should be passed to the Finance Officer to be entered onto FMS.
- 9.4 Copies of all orders are retained by the Finance Officer in file until delivery and payment.
- 9.5 On receipt of authorised invoice, the Finance Officer will attach all supporting paperwork / authorisation for payment to the invoice and filed. Payment will then be made by either BACS (preferable), or cheque. Once payment has been made - for any cheques, the cheque stub will be attached and filed in cheque number order in the 'Cheque File'. BACS payments are filed in BACS run order in a BACS Payment folder.
- 9.6 Individual budget holders are not permitted to spend in excess of their agreed annual budget allocation without the prior approval of the Headteacher.
- 9.7 Three written quotes should normally be obtained by the School Finance Adviser/Finance Officer and/or the Headteacher/Budget Holder for all goods and services in excess of £6,000, unless no other equivalent goods or services are

available, or where Governors have previously committed themselves to a particular service/supplier, brand/type of goods.

- 9.8 For building works expected to cost in excess of £10,000, three tenders will normally be obtained and YMD Boons will be approached to undertake this tender process for Headteacher and Governor approval
- 9.9 Where tenders have been obtained a tender form is completed by the YMD Boons showing those invited to tender, those tendering, the successful tender and the reasons for accepting the tender (in those circumstances where the cheapest tender is not accepted).
- 9.10 All purchases estimated to exceed £50,000 should be placed with YMD Boons for their attention.

10. TRAVEL AND SUBSISTENCE

- 10.1 Payment is made in accordance with the National Scheme/school rate, as appropriate.
- 10.2 Car user allowances are paid locally through the FMS system. Forms are available from the Finance Officer. Completed forms should be returned to the Finance Officer and certified by the Headteacher/Deputy Headteacher (or a governor in the case of claims by the Headteacher). All claimants must have a valid Business Car Insurance
- 10.3 Starting or finishing work at a location other than your normal work base. Employees are who are required to start or finish their working day at a location other than their normal work base may claim mileage in excess of their normal home to work commute. (e.g. the employee's normal home to work journey is 5 miles. The distance between the employee's normal home and the alternative work location is 10 miles. The excess Of 5 miles can be claimed, unless it is on a day the employee would not normally work, then the total 10 miles can be claimed)
- 10.4 Employees may claim mileage or public transport costs when travelling for business purposes to/from their designated work base and another work location (including clients' home and training venues) or between alternative work locations. This does not include journeys which the HMRC deem to be the individual's normal commute journey (e.g. calling into an office to pick up or drop off paperwork on the way home). In these circumstances a claim for travel expenses cannot be made.

11. SALARIES, WAGES AND PENSIONS

- 11.1 The Governing Body is responsible for the salary and wages costs of all teaching and support staff employed to work at the school.
- 11.2 However, the contract of employment is between the employee and Barwell C of E Academy
- 11.2 The School School Finance Adviser must ensure that the school provides the necessary information and returns to its chosen payroll provider to effectively administer the payroll and related staffing procedures.

12. CONTRACTS

- 12.1 The school will enter into contracts for the provision of goods, services, materials and

work within the procedures laid down by Education and Skills Funding Agency (ESFA) Orders, as amended for schools.

13. INCOME

- 13.1 Income is collected in advance via Parent Pay wherever possible
- 13.2 The Administrative Officer maintains records of all income received/due; acknowledge receipt of income; and banks any monies promptly and intact into the School's bank account. (We hold a no cash approach wherever possible.)
- 13.3 The Governing Body has delegated powers to write off debts up to £250, (see Section 31).
- 13.4 The Governing Body approves a charging policy for all income generation.
- 13.5 The school may retain income received from the sale of assets purchased with non-GAG funds. The sale of assets purchased with GAG must be decided by the ESFA.
- 13.6 If the asset concerned is land or buildings forming part of the school premises and is owned by the Local Authority or the Diocese consent must be obtained from the owners.

14. BANK ACCOUNTS

- 14.1 The Governing Body shall authorise the opening and closing of all bank accounts.
- 14.2 The following procedures must be followed:
 - Dual signatories on any cheques (used infrequently)
 - Cheque signatories are the Headteacher and Deputy Headteacher
 - The School Finance Adviser shall ensure that bank statements are received monthly and reconciled to accounting records
 - The School Finance Adviser/Finance Officer shall investigate and resolve all discrepancies
- 14.3 Under no circumstances shall private cheques, money or postal orders be cashed through the school disbursement account or voluntary funds.
- 14.4 In no case shall money, cheques, etc. belonging to the school be paid into a private bank account.
- 14.5 The School Finance Adviser and the Finance Officer ensure, where possible, that the total amount of cash, including disbursements and voluntary funds, held on the premises shall not exceed £4,000.
- 14.6 Any cash is banked at least once per week, and the value of cash held on the premises should not exceed the insurance limit. Cash is collected from the premises by a secure cash collection agency, or in exceptional circumstances taken to the bank by the Finance Officer. (Cash on site is very rare.)

15. CARRY OVER OF SURPLUS/DEFICIT

- 15.1 Any surpluses at the end of the year are carried over to the following year.

- 15.2 The Governing Body must inform ESFA immediately if a deficit is anticipated in the current year.

16. TRUST FUNDS AND INVESTMENT

- 16.1 The Governing Body shall authorise all investment of money under its control (see appendix 1 (b) for Investment). Investment of Building Society and Bank Deposit Accounts shall be in the name of the Academy.

17. INSURANCE

- 17.1 Insurance is required for Governing Body; third party liabilities, premises and equipment; and school trips.
- 17.2 The Governing Body ensures that all insurance cover is adequate.
- 17.3 The Governing Body will meet the excess from insurance claims or any losses not covered by insurance.
- 17.4 The Governing Body shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim. The School Finance Adviser maintains a record of all accidents, losses and incidents.

18. HEALTH AND SAFETY

- 18.1 The Governing Body ensures that all staff complies with the Health and Safety regulations.
- 18.2 The Headteacher reports to H&S Executives / Governing Body significant injuries to all persons, including staff/parents/pupils/visitors. Any head injury sustained (however slight) is attended to by a First Aider and a 'bump note issued. The incident is logged in the school first aid record. More serious injuries requiring the child to be taken to hospital are reported to the H&S Executives on the 'official form' completed by the First Aider and signed by the Headteacher.

19. PROTECTION OF PRIVATE PROPERTY

- 19.1 The Headteacher informs all persons concerned that all private property taken onto the school premises will be at the owner's risk. Notices are placed within school to convey this message.

20. INVENTORIES AND STOCK

- 20.1 The Headteacher is responsible for the management of the school's assets. Responsibility for maintenance a record of stock receipts and issues is delegated to the Finance Officer.
- 20.2 An inventory of items valued at over £100 is regularly updated in respect of purchases and disposals.
- 20.3 The Headteacher ensures that items that become obsolete or surplus to the school's requirements are disposed of safely and economically.

- 20.4 The Headteacher ensures that an annual inventory check is in place. The responsibility for carrying out the inventory check has been delegated to the School Finance Adviser/ Premises Officer.

21. SECURITY

- 21.1 The Headteacher is responsible for the security of the school's premises and equipment. A CCTV system is installed. This is managed on a day to day basis by the Premises Officer.

22. UNOFFICIAL FUNDS

- 22.1 The Governing Body ensures that all unofficial funds are properly controlled and audited annually.

23. FINANCIAL IRREGULARITIES

- 23.1 The Headteacher informs ESFA and Head of Internal Audit of any circumstances where a financial irregularity is suspected.
- 23.2 The Governing Body accepts that a suspected financial irregularity exists when:
- The ESFA Scheme for Financing Schools are not complied with (whether or not the ESFA suffers a financial loss)
 - An employee gains unauthorised financial benefit from his/her association with the ESFA.
- 23.3 The Governing Body has a Whistle Blowing Policy in place which is documented in both the Staff Induction Book and the Governor Handbook.

24. INTERNAL AUDIT

- 24.1 The Governing Body ensures that the Council's internal auditors and external auditors are allowed access to staff, premises and documents, as necessary.
- 24.2 The Governing Body discusses all audit reports and agrees the implementation of audit recommendations with the Headteacher.
- External audit of our accounts. To be done in autumn term (by end December). This must be performed by a registered auditor (Magma).
 - Internal audit of our accounts. This should be done on a regular basis. We have appointed LCC internal auditors.

25. DOCUMENT RETENTION

- 25.1 The Headteacher ensures that documents are retained for periods in accordance with the requirements of the District Auditor, the Inland Revenue and Customs and Excise.

26. GIFTS AND HOSPITALITY OFFERED BY SUPPLIERS

- 26.1 Ordinarily, such gifts will be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 must be reported to the Headteacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses. Staffs are permitted to accept small gifts of negligible value which may be given by pupils and their parents at the end of school terms to show appreciation.

27. REGISTER OF BUSINESS INTERESTS

- 27.1 A register of business interests is maintained by the SHLTA. This is completed annually by all Governors and school staff. Entries in the register are kept up-to-date and, in all instances, are reviewed and amended (where relevant) on at least an annual basis. This annual review is evidenced by staff signing and dating declaration forms, making any amendments as necessary within each year. Governors have the opportunity to declare interests at Termly meetings.

28. COMPUTER SYSTEMS AND DISASTER RECOVERY PLANS

- 28.1 Computer systems used for school management are protected by password security to ensure that only authorised staff has access. Passwords should be changed regularly and updated for staff changes. Passwords should be changed termly.
- 28.2 It is ensured that data is remotely backed up daily to the LA server; this procedure is managed remotely by LEAMIS. The day to day responsibility for back-up of data has been purchased from LEAMIS.
- 28.3 The Headteacher / Deputy Headteacher have established a recovery plan to ensure continuity of financial administration in the case of emergency.
- 28.4 The Headteacher has ensured that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used. Virus protect systems are in place.
- 28.5 The governing body ensures that the school has written descriptions of all its financial systems and procedures. These are to be kept up to date by the School Finance Adviser/Finance Officer and all appropriate staff are trained in their use.
- 28.6 The Headteacher and Deputy Headteacher have ensured that financial control will be maintained in the absence of key personnel through staff training or by arranging job shadowing.
- 28.7 An Amplification of Financial Procedures is attached as an appendix (2) for further clarification.

29. NOVEL AND CONTENTIOUS PAYMENTS

- 29.1 Novel payments or other transactions are those in which the academy trust has no experience, or are outside the range of normal business activity for the trust. Contentious transactions are those which might give rise to criticism of the trust by the public or the media. It is difficult to be specific about what might constitute novel or contentious payments; it is for trusts to use their judgement about when they should seek the prior advice of the ESFA. Public money must always be spent prudently and in ways that command broad public support.

- 29.2 Novel and contentious transactions must always be referred to the ESFA for explicit prior authorisation. If there is any doubt about the propriety of a payment an academy trust should ask the ESFA in advance.

30. LIABILITIES AND WRITE-OFFS

30.1 The Governing Body may perform the following financial transactions up to the limits set out below: writing off debts and losses (including any uncollected fines); entering into guarantees, indemnities or letters of comfort (excluding those relating to borrowing by the Governing Body). The limits are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction.¹
- Cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any Governing Body s that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements.
- Cumulatively, 5% of total annual income in any one financial year per category of transaction for any Governing Body that have submitted timely, unqualified financial returns for the previous two financial years.

Beyond these limits the Governing Body must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

30.2 Staff severance payments and compensation payments

If the Governing Body is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

- Whether such a payment is justified, based on a legal assessment of the chances of the Governing Body successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement.
- If the settlement is justified, the Governing Body would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (eg an Employment Tribunal) is likely to award in the circumstances.

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

If Governing Body is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

Where the Governing Body is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will need to be sought from HM Treasury, via the ESFA, before any such payment can be made. GOVERNING BODYs in this situation should speak to their ESFA contact at the earliest opportunity to discuss. It must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

30.3 Asset sales, leases and tenancy agreements

The Governing Body must seek and obtain explicit and prior approval from the Secretary of State, via the ESFA, before:

- entering into any freehold sales or purchases;
- granting any leasehold or tenancy agreement, regardless of length; or
- taking up any leasehold or tenancy agreement for more than three years.

30.4 Responsibilities of the academy trust

In all of the transactions, covered in section 2.4, irrespective of whether the Secretary of State's approval is required, Governing Body should:

- Obtain relevant professional advice where appropriate. This includes speaking with their external auditors where necessary;
- ensure that the decision represents value for money, and could be justified as such;
- agree internal delegation levels within the Governing Body; and
- Disclose aggregate figures for transactions in the each of the above categories as a note to their annual accounts. In addition, separate disclosure is required in the annual accounts of each transaction covered in section 2.4 above £5,000. Please note, Governing Body is not required to disclose any confidential information in their accounts. Further detail on how confidential information is to be handled will be included in the Accounts Direction for that financial year.

INVESTMENT POLICY –

PRINCIPLES

The Barwell Church of England Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Barwell Church of England Academy's aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

PURPOSES

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

GUIDELINES

- Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payrolls related commitments and outstanding supply creditors that are due for payment.
- Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested in an interest bearing account in a UK regulated bank.
- Where the surplus is deemed to be significant and long-term; funds may be invested in Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 12 weeks upon agreement of the Governing Body.

Appendix 2

BARWELL C OF E ACADEMY

Financial Procedures

- The Headteacher oversees and is responsible for ALL financial operations in school.
- Budget holders are only permitted to spend within their allocated budgets.
- Day to day finance is carried out by the Finance Officer

Support is available from the:

- LEAMIS Helpline on 0116 2311280
- Finance Department Accounting Technician on 0116 3057707
- School Finance Adviser Service 0116 3055942.
- Magma Accountants

ORDERS/INVOICES/CHEQUES/INCOME RECEIVED

Placing Orders

- Orders should be written on an internal order form. Complete all sections including cost centre and budget holder's signature.
- All orders must be signed by the agreed signatory before processing
- Pass to Finance Officer to process order
- Finance Officer will print off processed order, staple to staff order form and file awaiting order to be received.
- Orders are posted, telephoned or faxed etc as appropriate by the Finance Officer or member of staff authorised to do so by the Headteacher or Deputy Headteacher
- All orders should be placed within three days of receipt if possible.
- The School Finance Adviser/ Finance Officer prepare FMS cost centre reports for all budget holders as requested and at least half termly.

Deliveries

- Deliveries are checked against delivery note by the member of staff that has requested the order. Any incorrect, missing or 'to follow' items should be highlighted and followed up if necessary. Delivery note for correct items received is signed off, dated and passed to finance officer.
- The delivery note is attached to order in file.

Invoices

- Finance Officer will attach signed off delivery note to invoice upon receipt.
- If no delivery note, Finance Officer will attach an Invoice Payment Authorisation form to invoice and pass to relevant member of staff to check correct.
- Enter invoice onto FMS.
- All invoices should be paid as soon as reasonably possible and before payment date shown on invoice.

Non Order Invoices

- Non order invoices are not encouraged. However, where items have been purchased without placing an order or services/ utilities are charged for, the above process for invoices will still be followed. an official VAT receipt must be obtained. This should be submitted to the Finance Officer along with payment slip clearly stating payee's name and cost centre to be charged.

Cheque Payment (used infrequently)

- Cheques are processed using FMS as soon as reasonably possible by the Finance Officer. Once processed the cheque is attached to the invoice/delivery note and passed to two signatories for authorising and signing.
- Cheques are posted to payee with payment slip detached if applicable.
- Supporting paperwork is filed in cheque number order in Cheque file in Finance Officers office.
- A Charge card held by the Headteacher with a limit of £3k

Cheque Signatories

Miss Victoria Newman (Headteacher), Mrs Lisa Stewart, (Deputy) Mrs Maggie Spence (Chair of Governors) and Miss Rachael Peace (Staff Governor) are cheque signatories.

There must be two signatories on all cheques/BACs. Any amount exceeding £5,000 will be countersigned by the Chair of Governors.

BACS Payments

- BACS payments are processed using FMS as soon as reasonably possible by the Finance Officer. Once processed a BACS run report is printed and attached to all payments to be made and passed to two signatories for authorising and signing
- Once authorised and signed off by the signatories the Finance Officer completes the process of making payment through Lloyds Bank online
- A Payment Detail Report is printed off from the bank and attached to all supporting paperwork and filed in BACS run order in a BACS Payment folder.

Income Received (Use of cash is discouraged)

- All income should be receipted in official receipt book, receipt number and source of income logged in Excel spread sheet by Admin Officer. The income should be totalled at banking stage to identify which receipts relate to current banking.
- Funds are collected quarterly per annum, usually Fridays by LA contracted courier Kings Security.
- All income received should be entered onto FMS within three days if possible logging receipt numbers to simplify audit trail.
- All monies should be kept locked in the safe in the secure cupboard and should not exceed the agreed insurance limits, £4,000 (cash) overnight.
- Any monies held in the school safe after the last collection each term should be deposited at the Lloyds TSB Bank as soon as possible.

School Trips

All income is collected on ParentPay our online payment service, and monitored by the Admin Officer.

Dinner Money

Dinner money is collected on ParentPay our online payment service, and monitored by the Admin Officer

Lettings

Finance Officer manages all lettings transactions. Lettings indemnity to hire forms should be completed for all lettings; termly for regular lettings or as and when required for individual lettings. The LA Scale of Charges should be used as basic guidance but governors to agree annually. Money should be collected in advance of letting, receipted and the receipt number entered on the indemnity form as reference.

School Fund Account

The school fund account is used mostly for monies raised for school e.g. charity fundraising events. This is a cheque book account (NatWest) and is recorded manually in a ledger. Signatories are.

- Miss Victoria Newman (Headteacher),
- Mrs Lisa Stewart (Deputy)
- Mrs Maggie Spence (Chair of Governors)
- Miss Rachael Peace (Staff Governor).

Two signatures are required on all cheques (if possible one must be the Head teacher). Bank statements are checked/reconciled/filed in date order. The school fund account is maintained by Finance Officer and is incorporated into the academy's account and presented to governors annually, within six months of year end which is 31 August.

Bank Statements

- School Finance Adviser monitors the bank statements, enter onto system and reconcile against FMS as soon as possible.
- Any errors to be investigated.

VAT126

- A VAT126 form should be completed by the School Finance Adviser on the first working day of each month. (Refer to FMS Manual for further information).
- Headteacher to check and sign.
- Close period on system.
- Run Balances & reserves report and check VAT balance attach to back of school copy
- VAT126 sent by post to HMRC attach receipt to back of school copy.
- School copy filed in VAT126 file in date order.

Budget Monitoring

Payroll tabulations are entered monthly onto FMS and reconciled by the School Finance Adviser, any discrepancies are investigated promptly with the payroll provider. The School Finance Adviser provides the Headteacher/Governors with regular reports highlighting any issues of relevance/concern. These reports are prepared at least monthly and always prior to Finance/Full Governor meetings. The School Finance Adviser works with the Headteacher on matters relating to budget preparation/monitoring. The School Finance Adviser is responsible for completing and submitting budget related information to the Accountants, within stated deadlines.

Staffing and Salaries

The School Finance Adviser liaises with the Headteacher on matters relating to staffing and salaries as required. All staffing contracts are completed by the School Finance Adviser on SIMS.net, and sent via ORACLE FUSION to the payroll provider. Paper copies are signed by the Headteacher or Deputy and filed in a locked cabinet in School Finance Adviser's office.

FMS/SIMS Back Ups

A remote back up of data is carried out overnight by LEAMIS each working day.

General Data Protection Regulation (GDPR) is adhered to at all times.

Storage of Financial Documentation

The current year's finance files are kept in the school office. Previous 6 years' files are stored in loft space in the Millennium Building. Boxes are labelled clearly with the year-end date to make location easier. Records should be kept for 6 years plus the current year. Old records should be disposed of securely by shredding or using the Confidential Data Destruction Service.

Absence of Key members of Staff

In the event of short term absence internal cover can be provided within the administration team. Long term absence by the Finance Officer is covered by staff insurance which would provide funds to enable the school to buy in extra help e.g. the School Finance Adviser Service/additional hours for existing staff.