

HOLLYFAST PRIMARY SCHOOL



Finance Policy & Managing Strategic Finances 2023 – 2024

Version	Date	Author	Changes
2	28.11.2023	SLT	Page 3 Removed (budget holder notes) Page 4 – Year dates removed Page 6 - Deliveries Pages 9-11 Removed (budget pro-forma & overview) Page 5 Section 4, first paragraph

FINANCIAL PROCEDURES FOR SCHOOL STAFF AND GOVERNORS

SECTION 1: BUDGETARY PROCESS

Hollyfast Primary School uses a computerised accounting package called Bromcom for financial management.. Each subject area has a series of cost centres to which budgets are allocated and orders etc. can be raised.

At the start of each financial year when final figures for the school's budget are known, and after deductions for the year for Staffing and Rates; the remaining budget is divided into four and that amount is transferred to the school's bank account on a quarterly basis.

The amount of budget a school budget holder is granted will be allocated at the start of the financial year following the submission of bids for funding and it is the Head Teacher and School Business Manager's responsibility to ensure the budgets are linked to school priorities and are utilised effectively throughout the financial year.

Initially VAT will have to be paid by the school but this is then reclaimed on a monthly VAT return. The net amount only (excluding VAT) will be charged to the cost centre but the full amount will be paid from the bank account until the reimbursement is received.

Budget holders must check their budgets prior to ordering and ensure their order is part of their budget bid and a school priority. Budget holders to complete an officer order template to hand to the Admin Team member of staff responsibility for ordering. Budget holders can see their transaction report, which will show details of all entries on their cost centres including details of orders raised, invoices paid and income received enabling budget holders to monitor and review expenditure throughout the financial year.

The ordering process will end at February ½ term each year, to allow the school sufficient time to prepare for the closure of its financial year. Budget holders will be advised by the School Business Manager/Admin Member when this process will occur.

Last orders for the academic year will be 30th June, ordering will commence again in September.

No orders will be placed between 19th February – 31st March.

SECTION 2: BUDGET PLANNING & VIREMENTS

The school's financial year runs from 1st April to 31st March.

Any debits or credits committed on the Bromcom System at 31st March each year will be carried forward to the new financial year.

The Local Authority should provide each school with notification of the school's indicative budget share for the next financial year. This provisional notification will be based on current pupil numbers and known changes to the scheme of delegation. Multi-year budget planning is in place – these are entirely provisional and liable to change.

The school prepares an outline budget plan for Spring Term and reports to the Resource and Management Committee for approval. The budget should reflect the financial interpretation of the School Development Plan and represent the school's aims and objectives within the available financial resource. The outline budget plan must be set within the resources available to the school. A school Governing Body must not plan for a deficit budget.

Once the budget has been agreed by the Local Authority, notification will be issued to schools before the commencement of the financial year to which it relates. The School's Leadership Team and Resources & Management Committee will need to review its outline budget plan against the resources available. The full Governing Body must approve the final budget; this responsibility cannot be delegated. Following the setting of the annual budget, changes to circumstances, plans and priorities may require that funds be transferred from one budget heading to another. This process is known as a virement and reflects good financial management practice. Virements are recorded, signed by the Head Teacher and approved by the Resource Management Sub-Committee.

The power of virement granted by the Governing Body of Hollyfast Primary School to the Head Teacher and School Business Manager has been set at an upper limit of **£10,000**. Virement in excess of the approved limit must be authorised by the Governing Body and is reviewed regularly. Any virements authorised by the Head Teacher under their delegated powers must be reported to and minuted by the Resource and Management Committee of the Governing Body at the earliest opportunity. The Business Manager will ensure this is done.

SECTION 3: REGISTER OF BUSINESS INTERESTS

The Register of Business Interests must list any business interests relating to the following:

- I. each member of the Governing Body
- II. the Head Teacher
- III. any member of staff involved with purchasing goods and services
- IV. the immediate family of the people referred to in (i) to (iii) above

A business interest in this context is any financial or personal relationship that could be perceived as an influencing factor in the decision making process relating to official school purchases. An example of this would be a relative working for a local supplier.

Employees and Governors who have a business interest must exclude themselves from any decision-making process relating to purchase in the relevant area of business.

The Register of Business Interests must be reviewed and updated on an annual basis, and must be made available for inspection by the City Council officers, governors, staff and parents. At Hollyfast Primary School the Register of Business Interests is retained in the school office and updated annually.

SECTION 4: PURCHASING PROCEDURES

Orders will not be placed without a signed Purchase Order. The PO will be raised on the system before the order is placed, to commit the budget in advance of the request for ANY purchases and costs to the school. This is to ensure accurate monitoring of a budget and to ensure it cannot be overspent. Invoices should not be received before the order has been committed on Bromcom. This is an audit requirement.

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

If the estimated cost of the an item is more than £5,000, two quotations will be obtained and recorded in writing. In the case of contracts with a value between £5,000 and £24,999 there will be three written quotations. Where it is not practical to obtain the minimum of quotations or if the lowest price is not accepted, the Head Teacher will document the reasons and formally report this to Governors in case such action is ever questioned.

In the case of contracts with a value over £10000 the decision on which quotation to accept will be referred to the Resource Management committee.

Documents supporting purchase/contracts will be retained with the copy order and where the chosen quote is not the cheapest, approval will be obtained from Governors prior to ordering.

Purchase Orders must be signed by the Head Teacher, Deputy Head Teacher or the School Business Manager before be inputted on to our finance system, Bromcom. The office team will raise the PO on Bromcom, the SBM will authorise for the office team to order.

The ordering of goods and services by telephone will not be undertaken except in emergencies and will be followed by the issue of an official confirmation as soon as possible.

The school has one purchasing card which can only be used by the person named on the card (Fay Smith, Administrator) and only after checking appropriate funds. All orders placed with the purchasing card must follow the aforementioned purchasing procedures and never used without consent from the SBM or Head Teacher. Transactions are checked and reconciled on the bank statements by the office team and signed off by the SBM.

SECTION 5: DELIVERIES

The person receiving the goods or services must make careful checks, to ensure that they are in accordance with the order; the check will be recorded on the delivery note and/or invoice and include the initials of the checking officer, and passed to the staff member responsible for maintaining the school's financial records. Payments will not be authorised until all necessary checks have been made, including discounts and the VAT account checks. Payment will only be made against an official invoice.

SECTION 6: INVOICES

Invoices received must be given to the school office for matching with delivery notes and arranging payment. Please ensure invoices are passed promptly particularly if a settlement discount is available on prompt payment. The school is required to settle all invoices within 30 days unless there is a specific reason for non-payment. If invoice is in dispute, record reasons why payment should be withheld. The School Business Manager to sign all invoices to certify they match Bromcom.

Payment via Bacs to be paid every Friday, the SBM to authorise together with the Head Teacher to approve all Bacs payments.

SECTION 7: DEBTORS

The policy of the Governors is to ensure that all viable steps are taken to recover money due to the school. The Governors aim to minimise the number of instances that credit is given and to take prompt and appropriate recovery action in respect of unpaid debts.

Procedure: Practice varies from school to school but will probably include the following:

- Complete paperwork relevant to the goods or services being provided, e.g. lettings application form, music tuition contract.
- Wherever possible obtain payment in advance of the goods or services being provided. For economy reasons do not issue invoices for sums below £5.

- If an invoice is to be sent, issue it as soon as possible.
- Monitor outstanding debts regularly using Aged Debtor reports.
- After 21 days issue first reminder
- After a further 14 days issue final reminder
- After a further 7 days embargo further services to the bad debtor and refer to the Finance Team or Legal Services. Notify other schools to prevent the debtor defaulting on debts across the city.

Authority to write off unpaid debts is as follows:

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|-----------------|------------------------------------|
| ○ Up to £500 | Head Teacher |
| ○ £501 - £5,000 | Governing Body |
| ○ Over £5,001 | Governing Body & Senior Accountant |

SECTION 8: INVENTORY CONTROL – EQUIPMENT REGISTER

An inventory will be maintained of all attractive and portable items, with details of make, model, serial number and purchase value. A document check of the inventory will be undertaken annually against actual items. Items with a purchase value of over £100 that are missing will be reported the Resource Management Committee who will include it in its reports to the full Governing Body.

SECTION 9: DISPOSAL OF EQUIPMENT

For all equipment disposals, it is the policy of the School to:

- Ensure that only equipment that is surplus to the school's requirements, obsolete or uneconomical to repair, is disposed of:
- Comply with Financial Regulations contained within the LMS Scheme and Finance Manual (procedure for resale within Finance Manual)
- Realise the maximum re-saleable value giving priority to schools and departments within Coventry City Council.
- Disposal details should be entered in the inventory/equipment register.
- Sales to be reported to Governors retrospectively.
- All income in respect of such sales to be paid into official funds.
- Disposal details should be entered in the inventory/equipment register.

SECTION 10: INSURANCE

Employees must ensure that ALL valuables are kept under lock and key when not being used in a supervised manner and are not covered by the School/LA insurance policy if valuables (personal or work related) have been left unsupervised or on view.

All losses have to be reported to the Police before a claim can be made against insurance. It will be necessary to give details of purchase and serial numbers available from your Equipment Register inventory if work related or receipts/value of personal property. The Head Teacher and Business Manager will contact the LA Insurance Department for guidance on how to process any claims.

SECTION 11. MALPRACTICE & IMPROPRIETY (Whistleblowing)

If you are concerned about unlawful conduct, serious financial or other malpractice, mistreatment of pupils or colleagues; the Local Authority's Whistleblowing procedures are in place to support any reporting of malpractice or impropriety, this can be found on our website <https://www.hollyfast.com/policies/>

The school and Local Authority will not discriminate against or victimise any employee who comes forward with genuine concerns. All concerns will be investigated and action taken if required. Employees may initiate raising their concern by speaking to with your manager or their manager at your setting or contact the LA Internal Audit Manager for financial issues, and the Monitoring Officer and Director of Legal Services for all other concerns.

All contacts will be treated in the strictest confidence. Initial enquiries will take place to decide whether an investigation is appropriate. Some concerns can be resolved by agreed action without investigation. Within 10 working days, we will write to you to tell you how the matter is being dealt with. The matter may be investigated by management, internal audit or through the disciplinary procedure; referred to the police; referred to the external auditor; or be the subject of an internal inquiry.

It is always easier to deal with a problem if we can contact you for further information. All concerns will be treated in confidence and every effort made not to reveal your identity, if that is your wish. However if you have given your name and the matter ends up in court, or goes through the school or LA's Disciplinary procedures, you may be required to attend hearings as a witness. In such circumstances the Council will provide appropriate support and the school or LA will not tolerate victimisation or harassment of a person who has made an allegation if raised in good faith. Anyone making allegations falsely, maliciously, or for personal gain, could face disciplinary action.

SECTION 12: LIABILITY OF GOVERNORS

The Governing Body is a corporate body. Under Section 50(7) of the School Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith. *An example of behaviour, which is not in good faith, is the carrying out of fraudulent acts. Breaches of the Scheme of Delegation, or rejection of advice from the Local Authority, do not in themselves constitute failures to act in good faith.*

