

The Craylands School Finance Policy

1. Introduction

The Governors of The Craylands School are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Headteacher and the Governing Body have drawn up this Finance Policy to provide the guiding principles for which all Governors and staff will operate within the Circle Model of Governance.

This policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools and the Audit Commission documents, *Keeping your Balance* and *Getting the Best from your Budget*.

2. Principles

The Craylands School Finance Policy will adhere to the following principles:

- The responsibilities of the Governing Body, its Monitoring Pairs, the Headteacher and staff will be clearly defined and limits of delegated authority established, where applicable.

The **Governing Body** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using performance data to **compare** attainment and other outcomes from all schools nationally, and with similar schools
- Using the information gained to **challenge** performance and set new targets
- Where financial benchmarking is available, using it to **compare** expenditure with similar schools
- Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- **Consulting** parents on policy development and major changes in the use of resources

The school will establish sound internal financial controls, based on the LA's Budget Book and the Audit Commission documents mentioned above, to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the school's prioritised educational objectives through its links to the School Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors,

Headteacher and staff to maintain financial control in line with the Balance Control Mechanism by reviewing the current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- The Budget Share is spent for the purpose of the school only
- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- The use of petty cash is strictly controlled
- The use of a Purchase Card is strictly controlled
- The School Voluntary Fund and any other non-public funds are administered as rigorously as public funds
- Any suspected irregularity will be reported immediately to the LA's Head of Audit and Risk
- The school will adhere to current Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

3. Putting Policy into Practice

3.1 Delegated Authority

The Full Governing Body of The Craylands School has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds (e.g. the School Voluntary Fund).

The Full Governing Body of The Craylands School will ensure the annual detailed report of the School Financial Value Standard (SVFS) is provided to them and the

Chair Of Governors will sign the completed form prior to sending a copy to the Local Authority.

The Full Governing Body of The Craylands School will annually review and approve the Finance Policy (including the Charging and Remission Policy) and all Terms of Reference for the Monitoring Pairs.

The Finance Monitoring Pair is delegated responsibility by the Full Governing Body for the following aspects of financial management;

- Evaluate and recommend the three year budget plan, which shows clear links to the School Improvement Plan, for approval by the Full Governing Body
- To review the Finance Policy (including Charging and Remission Policy) and agree levels of delegation for approval by the Full Governing Body
- To review the Pay Policy for approval by the Full Governing Body
- To make recommendations to the Full Governing body in respect of service agreements and insurance
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools, to allow the school to respond to any consultation
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements and report to the Full Governing Body
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance and report to the Full Governing Body

The Headteacher is responsible for implementing the decisions of the Governing Body and for the operational management of the school. The general administration of financial procedures may be delegated to other members of staff at the discretion of the Headteacher and this delegation should be documented in the Finance Policy.

3.2 Internal Financial Controls

The internal financial controls operated by The Craylands School follow the controls set out in the LA's Scheme for Financing Schools and the Budget Book.

3.3 Financial Links to the School Improvement Plan

The School Improvement Plan has sufficient scope and depth of financial implications and it is reflected in the school's three-year budget plan.

3.4 Monitoring and Virements

The Craylands School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Headteacher carries out monthly and quarterly internal monitoring, which is copied to the Monitoring Governor/s. A monitoring report is taken to all Full Governing Body meetings. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.

On occasions, virements need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £8,000 - The Headteacher, reported to the Monitoring Governor/s

Virements over £8,000 – The Full Governing Body

3.5 Insurance

The Craylands School is insured through the Kent County Council (KCC) 'Safe Hands' Scheme with relevant cover, as identified by the schedule received from the LA's Insurance section.

The Craylands School is additionally covered by appropriate insurances through the PFI contract

Approved, leased equipment may be insured through the lessor

The Craylands School recognises that cash is not insured through the LA's Insurance Policy.

3.6 Purchasing

At The Craylands School, budgets are delegated to subject leaders and class teachers. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Improvement Plan.

All staff adhere to the school procedures for purchasing items, as laid down in the School's Staff Handbook, paying regard to value for money at all times. The Headteacher or designated deputy authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the procedure for Spending the Council's Money as laid down in the "Scheme for Financing Schools", in summary;

For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Full Governing Body for approval

For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Full Governing Body for approval

All of the above will be reported and minuted at the Full Governing Body meeting to ensure that the School is seen to be obtaining value for money at all times. With this in mind, the School also adopts the procedure where quotations are sought for all purchases over £1,000, as a matter of course.

The school does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases.

3.7 Personnel Matters

At The Craylands School, at the start of every financial year the Headteacher uses a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Monitoring Governors for incorporation into the school budget planning process.

The **Pay Pair** undertakes an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and reports to the Full Governing Body.

Details of all salaries are recorded as a confidential item in the minutes.

3.8 Payroll Matters

The payroll provider at The Craylands School is SPS Intepay, who provides payroll services to the specification laid down by the LA. The Headteacher, or Deputy Headteacher (as designated deputy), sign off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at The Craylands School are responsible for the security of school assets. Co-ordinators, subject managers and class teachers safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Headteacher or designated deputy. Other school assets are recorded on a general asset register, maintained and updated by the IT Technician.

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where assets are written off and disposed of, the Full Governing Body agrees this and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans book is completed and signed when borrowing the item and again when the item is returned.

3.10 Income

(Currently, the school receives no Income from letting)

3.11 The School Bank Account

The Craylands School operates its school bank account(s) in accordance with the regulations in the LA's Scheme for Financing Schools and the guidance in the Budget Book. The school operates only one current account for the administration of KCC official funds.

Bank account signatories are updated immediately there is a change in staffing and details are copied to the Statutory Unit, as a matter of course.

Bank statements at The Craylands School are received on a monthly basis and reconciled to the school's local system immediately. The Headteacher or designated deputy signs and dates the bank statement when the reconciliation has been checked.

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £100. At The Craylands School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £25. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

3.13 Purchase Cards

The Craylands School operates an approved Purchase Card in accordance with the guidance in the LA's Budget Book. The approved user is Mrs Karen Cottis (Finance Officer). The Purchase Card will be kept in the safe at all times when not in use. Personal credit cards will not be used for the purchase of items for the school.

The transaction limits for the purchase card are a maximum of £400 for a single transaction and a maximum of £1000 per calendar month.

3.14 The Voluntary Fund

In addition to the LA's official funds, The Craylands School also operates a school Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance. We recognise that our Voluntary Fund is an additional source of income and that the controls over its use need to be as rigorous as for the administration of the school's delegated budget. We have appointed someone who is independent of

the school to audit the Voluntary Fund accounts on an annual basis. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

3.15 Irregularities

Staff at The Craylands School is aware of the LA's Whistleblowing procedure. These details are available to staff in their staff handbook.

3.16 Data Protection

Under the terms of the Data Protection Act 1998, the Headteacher and Governing Body are required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we have a password protection procedure, laid down in the staff handbook. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

3.17 Financial Administration

At The Craylands School, we aim to have at least two members of staff trained in the use of the finance software and financial administration procedures, to provide adequate contingency in event of staff absence. We also purchase a support contract through the LA's Trading and Contract Management Unit, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.

The Craylands School Charging Policy

The Craylands Primary School understands the requirement placed on school Governors with regard to charging for school activities and this charging policy is written with reference to the following documents:

- DES circular 2/89
- Education act 1996, sections 402 and 449-462
- Education (School Sessions and Charges and Remissions Policies)(Information)(England) Regulations 1999
- The Charges for Music Tuition (England) Regulations 2007

The purpose of our charging policy is:

- To ensure that, during the school day, all children have full and free access to a broad and balanced curriculum and sets out the charges and remissions for activities

The objectives of our charging policy are:

- To ensure that activities offered in school time should be available to all pupils regardless of their parents' ability or willingness to meet the cost
- To identify those activities for which charges may be levied
- To determine which charges will be remitted for parents experiencing hardship
- To invite voluntary contributions for the benefit of the school in support of any activity organised by the school, either in or out of hours
- To ensure that the responsibilities for the charging policy are clearly and appropriately allocated
- To ensure the regular review of operations of both charging and remissions policies

Charging for activities during school hours

The Governors of Craylands Primary School agree that:

- A charge should be levied for ingredients or materials in practical subjects if the parents indicate, at the beginning of each school year, that they wish to keep the finished product
- A charge should be levied for the provision of music tuition to pupils either individually or in groups of four or less, except where it is provided to fulfil the requirements in the syllabus for a public examination; or where it is part of the national curriculum
- A charge should be levied for the board and lodging element of a residential activity, where the school trip takes place mainly during school hours
- We may request a contribution towards damage or loss of equipment caused by a pupil's behaviour

Parents may make a voluntary contribution to:

- Individual music tuition, except where this is provided as part of the national curriculum
- The board and lodging element of all residential trips and visit
- The cost of transport direct from home to an activity, sanctioned by the school but not provided by it e.g. work experience
- The cost of ingredients or materials, where parents have expressed a wish to own the finished product

Charging for activities outside school hours

The governors of Craylands Primary School agree that a charge should be levied for all activities provided outside of school hours, with the following exceptions:

- If the activity is an essential part of the basic curriculum
- If the activity fulfils the requirements specified in the syllabus for a prescribed public examination
- If the activity fulfils the statutory duties relating to religious education
- If the participation in the activity is on the basis of parental choice and parental willingness to meet such charges, since the activity is defined as an 'optional extra'

Charges may be defined as including;

- Pupils' travel costs
- Pupils' board and lodging costs
- Materials, books, instruments and other equipment
- Non-teaching staff costs
- Entrance fees to museums, castles, theatres etc
- Insurance costs
- Engaging teaching staff on a separate contract, specifically for providing the activity (the separate contract may take the form of a letter inviting the teacher to undertake the specific activity in return for payment of expenses and, where appropriate, a fee)

Charges for individual pupils may not;

- Exceed the cost of providing the 'optional extra' activity divided by the number of participating pupils (i.e. must not incur a profit)
- Include an element of subsidy for pupils whose parent wish them to participate but are unwilling or unable to pay
- Include the cost of an alternative provision for other pupils who do not wish to participate, where a small part of the activity takes place in school hours

Help with Charges

Families in receipt of support payments may, in addition to having a free lunch entitlement, be entitled to the remission of charges (either partly or completely reduced) for chargeable activities

Remissions will be made for pupils whose parents/carers are in receipt of the following benefits

- Income Support
- Income-based Jobseeker's Allowance
- Support under part VI of the Immigration and Asylum Act 1999
- Child Tax Credit, provided that Working Tax Credit is not also received and the family's income (as assessed by HM Revenue and Customs) does not exceed the sum given in the Revenue and Customs rules
- Guaranteed element of State Pension Credit
- Income-related employment and support allowance

The Governors also delegate authority to Headteacher to determine individual cases arising from the implementation of the policy and, using their discretion, to consider cases of hardship where parents are not in receipt of any of the above support for whole or partial remission.

At Craylands Primary School, we will seek voluntary contributions from parents for the benefit of the school or any school activities, but we recognise that:

- Such contributions are voluntary and no parent is under any obligation to make a contribution
- Pupils will not be treated differently if their parents have not made a contribution
- Parents will be informed of the level of contribution and if the activity could take place if parents were reluctant to support it