

ALDERMAN RICHARD HALLAM PRIMARY SCHOOL

Financial Control Policy



Financial Control Policy

Contents

1. Salaries & Wages.....	3
2. Purchasing & Ordering Procedures.....	4
3. GPC Cards:.....	6
4. Internet Purchasing.....	7
5. Lettings.....	9
6. Cash Security and Computer Security Procedures	10
7. Computer Controls.....	11
8. Inventory	12
9. School Voluntary Funds	13
10. Petty Cash and BACs Refunds	13
11. Financial Management Issues.....	13
12. Writing off debts	14
13. Policy for free school meals	14
APPENDIX A: Alderman Richard Hallam - Bank Account Details	16
APPENDIX B: Amendments	17

1. Salaries & Wages

- a) Close scrutiny will be kept upon the expenditure on salaries. Strict checking procedures will be put into place.
- b) Up to date records will be kept of all personnel charged to the school. Monthly reconciliations will be made to ensure that all staff charged to the school are legitimately employed.
- c) Changes to payroll must be validated by the Headteacher and reported to the Governing Body.

Procedures

- All contracted staff are paid in accordance with the agreed contract. Values to be checked on a monthly basis with Tabulation Reports.
- All overtime to be authorised by line manager, Headteacher or Deputy Headteacher. All overtime claims to be checked against payroll pre-runs and final charge on the financial tabs.
- Financial tabulations concerning payroll must be checked for accuracy monthly by the Finance Manager, and any discrepancies reported to the Headteacher and Education Finance.
- Central Payroll pre-run records must be compared to the school employee lists on a monthly basis. Queries must be noted, kept on record and reported to Education Payroll.
- Documents relating to staff appointments, termination of employment and expenses claims must be checked and appropriately authorised in terms of employment.
- All travelling expenses must be paid through the official payroll. All mileage claims require a VAT receipt attached.

2. Purchasing & Ordering Procedures

- a) The procedures for purchasing and ordering must show best value for money.
- b) Proper procedures will be in place for placing orders, paying for goods and services.
- c) Procedures will be in place for efficient control of invoices and prompt payment, within 30 days.
- d) Controls will be in place to ensure that there is adequate division of duties.
- e) Orders will be held securely and all payments must be in accordance with the order placed and goods received.

Procedures

- Blank orders will be printed off by the Finance Manager when needed and completed orders must be filed sequentially.
- Orders may only be processed once a requisition order has been authorised by the appropriate budget holder.
- All order requisitions to be signed by either the Headteacher or Deputy prior to an official order being raised.
- All orders must be authorised by the Headteacher before being sent to the supplier. In their absence, then the Deputy Headteacher can authorise. Orders over £5,000 are to be countersigned by the Chair of Governors, ensuring that the budget in question has sufficient funding.
- The original requisition is to be attached to the order copy.
- During unprecedented times, i.e. COVID pandemic, where staffing changes / rotas are in place to restrict the number of staff in school, purchase orders up to £5,000 can be signed by either the Headteacher or Deputy Headteacher.
- For all orders estimated to have a greater value than £35,000, the process will be subject to a full closed tender process.
- Invoices for payment may require a purchase order to be placed on the system prior to payment.
- Invoices will have a signed delivery note attached where possible. If there is no delivery note, the invoice must have been signed to confirm that the goods have been received and the cost is correct. A delivery note is not needed for building works.
- All invoices must be stamped with payment details. It is recommended that a rubber stamp is used for this purpose. These are then authorised for payment by the Headteacher.
- To ensure best value, for any one single item or bulk orders over the value of £5,000 three quotations are required unless processed through ESPO & LA.
- The only exception to the above is if goods are specialised and are only available from one supplier or, due to supply difficulties, split supply may cause additional costs. Indirect costs also need considering when taking this decision.
- For all purchases totalling £5,000 or more, authorisation from the Governing Body is needed.
- The bank account must respond to two account signatories. For individual payments over £5,000, the BACs report must be countersigned by the Chair of Governors.

- All invoices will be authorised for payment. A BACs payment run will be created by the Finance Manager; the BACs report will be authorised by 2 signatories. The BACs payment will then be uploaded to Barclays.net by the Finance Manager. This will then be authorised by the Headteacher or the Deputy Headteacher. Payment will be 3 days. Remittance advices will be either emailed or posted to suppliers.
- Virements are authorised by the Headteacher and presented to FC and GB at the earliest opportunity.

3. GPC Cards

The school has use of Government Purchasing Cards (GPC) issued by Barclays

- a) The cards are to be used for official school purchases only.
- b) The cards are kept by the designated card holders for their use. The Finance Manager is authorised to use the card when asked by the cardholders.
- c) Proper procedures will be in place for placing orders and paying for goods
- d) GPC card purchases must demonstrate value for money.
- e) The GPC cards can be used to purchase goods/service when payment by card is the only option available.
- f) GPC cards can be used to make purchase from reputable suppliers via the internet or high street suppliers; a valid VAT receipt or invoice must be obtained where possible.
- g) All orders must be delivered/brought into the school.
- h) The card must not be used for paying utility bills or for building works.
- i) Purchases on eBay are strictly prohibited.
- j) The monthly limit for each card is £1,000. Cash withdrawals are not allowed.
- k) The school has 2 GPC card holders, the Headteacher and Deputy Headteacher.
- l) The Finance Manager is the administrator for the account and is able, with the authority from the Headteacher, or in her absence, the Deputy, to increase the limit of the cards when needed.
- m) Purchases made by the card appear on a monthly statement; this is paid in full monthly by direct debit.
- n) The Finance Manager will keep a record of all transactions made using a GPC and reconcile these to the monthly statement.

Procedures

- All orders requiring payment by the card must have an invoice/receipt or a completed transaction form signed by the GPC card user and authorised by a second signatory.
- GPC card statements are reconciled monthly.
- All receipts and invoices must be handed to the Finance Manager immediately.

4. Internet Purchasing

- a) The procedures for purchasing and ordering must show best value for money.
- b) Proper procedures will be in place for placing orders and paying for goods and services.
- c) Procedures will be in place for efficient control of invoices and prompt payment (within 30 days).
- d) Controls will be in place to ensure that there is adequate division of duties.
- e) Orders will be held securely and all payments must be made in accordance with the order placed and goods received.
- f) Purchases on eBay are strictly prohibited.
- g) Payment by GPC must be authorised by the Headteacher prior to purchase of any goods.

Procedures

- Internet ordering is discouraged, unless ordered by the GPC holders within the school environment and with prior authority from the Headteacher or, in their absence, the Deputy Headteacher. Staff ordering goods on the internet do so at their own risk, and neither the school nor the City Council will accept liability for any loss incurred by an individual through the use of their personal credit or debit card.
- When ordering on the internet where an invoice will be provided, the invoice will be filed in the purchasing card file behind the appropriate statement showing the transaction.
- Where staff do make purchases with their own credit or debit cards, these should be reimbursed through the school's local bank account upon production of a supplier's invoice or receipt and in satisfaction that the goods or services have actually been received.
- Adequate invoice documentation should, where possible, be obtained for all Internet purchases for VAT recovery purposes. The purchase transaction must be addressed to the school and not be solely in the name of the member of staff making the purchase, otherwise VAT will not be recoverable. The City Council's VAT and Taxation Advice Office (0116 252 7470) can be contacted for further advice.
- Internet orders should only be placed with reputable companies and their privacy policy should be read prior to ordering.
- Check full terms and conditions of the purchase.
- Be aware of any charges such as import duty, VAT and other taxes, P&P and other charges, before proceeding with the transaction.
- Confirm the delivery arrangements for goods.
- Be aware of the returns policy and procedures.
- Web-traders often ask the purchaser to register with them and to set up a username and password; these details must be held securely.
- The most important matter when ordering on the internet is to make sure that a secure web browser is used. This will be indicated as follows:
 - Unbroken key or padlock symbol – secure site.
 - Broken key or padlock – unsecure site.

- Check the website address starts with https://. If it starts with just http:// it is not secure - the 's' stands for secure.
 - If you are given the option of using a secure checkout, choose 'yes'.
 - The purchaser must only place orders when in the secure part of a site.
- Other web browsers may be used to make online purchases provided they fulfil the following criteria:
 - The browser must be a Secure Electronic Transaction (SET)-enabled browser.
 - The transaction provider (the supplier from whom the purchase is being made) must also provide a SET-enabled server. (To find out whether the transaction provider has a SET-enabled server, the user can find a section of the website that will provide information on buying from that supplier online).
- Once orders have been placed over the Internet, the purchaser must log out of the transaction provider's website and ensure that their details are no longer available to anyone using the computer thereafter (e.g. details left on screen).

5. Lettings

- a) Proper procedures must be adhered to for all lettings.
- b) Controls will be in place for fair use of school premises.
- c) All lettings forms will be held by the Finance Manager.

Procedures

- All lettings must be requested in advance and a lettings form completed and returned to the school for authorisation.
- A copy of the hirer's public liability insurance certificate is required.
- Lettings must be paid for at least 14 days before the hiring is to take place.
- During the period of the hiring, the hirer shall be held responsible for all damages, losses, claims and costs arising out of use of premises.
- All hirers must adhere to school regulations as set out on the lettings form.
- The premises shall not be hired to particular organisations, which are detailed on the lettings form.
- All hirings may be cancelled at any time by the school, its governors or the Council if, in their opinion, the organisation for which the premises are hired has racist policies.
- If the hirer cancels the hiring of the premises for any of the dates requested, then the governors are entitled to retain the whole of the lettings fee paid.
- Lettings charges raised are in line with LA lettings rates which should be updated each new financial year if applicable.
- Where a discretionary rate is deemed appropriate, i.e. promoting community use of the facilities, the charge must have been authorised by the Finance Committee and Governing Body.
- All hirers are required to produce a valid DBS for all staff involved with the letting when provision is made.
- During unprecedented times, such as the COVID pandemic, there will be no hirings made at the school.

6. Cash Security and Computer Security Procedures

- a) All assets must be held securely.
- b) Employees must not be put at unnecessary risk.
- c) The security of the computer system must be adequately controlled.
- d) The stationery associated with finance must be held securely.
- e) Cash must be banked frequently.
- f) The insurers limit is £10,000 per safe, however regular banking should be made to keep the funds to a minimum. Dinner money cash assets are covered by central insurance.

Procedures

- The school is now cashless where possible.
- Any cash received is banked by the school.
- All banking is carried out by two members of staff, accompanied by a reconciliation of financial records.
- The restrictions on the level of cash to be held should be limited to, wherever possible, £1,000 in the school safe at any one time (not including dinner money).
- Payment for dinners, school trips, clubs and uniform are paid via the Arbor app.
- Control stationery including computer produced cheques, blank cheques order forms etc. must be held securely in locked cabinet or safe in a locked office.
- BACs payment runs must be accompanied by a listing of the suppliers and their invoices alphabetically in order that the signatory can monitor that all payments accounted for have been paid.
- Fundraising must be carried out by two members of staff; in most instances, this would be teaching staff. Cash collected should always be taken to the office daily.
- Fundraising money for the sole purpose of the school will be collected by Guardian Security and banked into the school's main bank account.
- Charity fundraising money, where possible, will be paid directly into the charity's bank accounts via their official paying in slip. Where this is not possible, the money is paid into the school bank account and a BACs payment is made to the charity.
- School postage stamps, controlled by the office, are kept within a locked cabinet or the safe. All stamp usage to be recorded within the stamp logbook and reconciled monthly.
- Lettings are controlled by the Finance Manager. All bookings are recorded on a booking form; receipts are issued to all customers and receipts are recorded onto FMS6. Most lettings are by invoice and, as such, payment is made by cheque or BACs.

7. Computer Controls

Procedures

- The school's MIS system is now cloud-based and is backed up automatically on a daily basis.
- Staff should never use personal disks or memory pens in the computer and the internal virus checker must be regularly activated.
- A register must be kept for all computer items taken off site. This must be part of the formal system of control. Serial numbers must be recorded.
- Finance staff only must have access to the financial module FMS6. Members of the Senior Management Team may have read-only access.
- Passwords for Sims and FMS must be regularly changed and changed when there is a change of staff.
- All software must have a current licence and software must be regularly audited.
- A full inventory for items over £1,000 is held on FMS with access by the Finance Manager only. An excel spreadsheet is also maintained by the School Business Manager for IT equipment.

8. Inventory

- a) An inventory must be kept to identify attractive and portable items of equipment. The inventory must include all items of equipment with a single item value over £1,000.
- b) The inventory must indicate the location of all equipment recorded.
- c) It is the responsibility of the Finance Manager to monitor that inventories are correctly kept.
- d) Disposal/transfer of equipment must be sanctioned by the Headteacher and details passed to the Finance Manager and reported to the Finance Committee. Forms are available from the office.

Procedures

- Asset register is maintained on FMS6 accounting package.
- Inventory records must be regularly updated with details of acquisitions and disposals through the appropriate forms, available from the office.
- An inventory is also maintained by the School Business Manager for all computers, laptops and IT-associated equipment held in the school.
- A record must be generated when an order is placed and updated on receipt of the goods.
- The inventory listing should include the item details (a description of the goods, the serial number, location and date).
- If goods are to be transferred between locations, then a transfer/disposal form needs to be completed and returned to office at the time of transferral.
- If goods need disposing of, then a transfer/disposal form needs completing and authorising by the Headteacher/Deputy Headteacher and approved by the Governing Body before any assets are disposed of.
- A register must be maintained for all items taken off site.
- Periodic checks must be carried out to physically verify items are still held by the school. This monitoring will be arranged by the School Business Manager.
- The results of inventory checks must be reported to the governors.

9. School Voluntary Funds

The school has no voluntary funds.

10. Petty Cash and BACs Refunds

The school no longer uses 'Petty Cash'. All required refunds for purchases by staff are made by BACs.

Procedures

- Budget holder to authorise all expenditure prior to purchase and check that there is enough money in the budget to cover the purchase.
- All persons wishing to make a claim for reimbursement must do so within a period of twenty (20) working days of the funds being expended. Any claims outside of this period will be referred to the Headteacher, who may approve them providing that a reasonable explanation is giving for the delay.

In order to obtain reimbursement, the following procedure must be followed:

Using your own money:

- Obtain prior approval from the budget holder.
- Purchase the goods.
- Obtain a valid, itemised VAT receipt (see below) or invoice addressed to the school.
- Return receipt / invoice authorised by the budget holder.
- A BACs refund form will be completed by the Finance Manager and signed by the purchaser.

A VAT RECEIPT MUST SHOW THE FOLLOWING

- Name and address of supplier
- VAT registration number
- Date on which the purchase was made
- The rate of VAT charged
- A description of the goods
- Unit cost
- VAT Value
- Total Cost

IF A VAT RECEIPT IS NOT OBTAINED, THE SCHOOL CANNOT RECLAIM THE TAX WHICH WILL THEN BE CHARGED TO YOUR DEPARTMENTAL BUDGET.

11. Financial Management Issues

- Internal Audit reports will be discussed and minuted by the full Governing Body.
- School finances will be reported to the governors termly in the form of a report showing income, expenditure and forecast.
- Financial procedures will be documented using this policy.
- The governors' strategic plan, whole school development plan and subject specific action plans will be linked together through the budget.
- Items over £5,000 of single expenditure will be subject to quotation procedures. Three quotations are required, unless purchased via ESPO or Local Authority.
- Items over £35,000 of single expenditure will be subject to formal Tender. Tenders will be sent out with full specification. The process and procedures are to be followed as laid down by the local authority.
- The only exception to the above is when a contract for goods or any acceptable substitute are only obtainable from one contractor.
- All paperwork relating to financial issues will be retained in the school for a period of six years plus current year.
- The governors are recognised as the Executive Committee of the School in charge of all financial matters. The Headteacher is the Chief Executive having limited authority to sanction additional spending up and above the authorised budget, to the value of £15,000 in any one transaction.

12. Writing off debts

- Where possible, the school is to ensure all debts are collectable.
- The schemes for Financing Schools procedures are followed.
- Under such circumstances where they are not, the following should take place:

Procedures

- Following the issue of invoices, it is the responsibility of the Finance Manager to ensure all debts are chased and payment is received.
- In such circumstances that this is not possible, then details should be passed to the Headteacher so that the case can be investigated further.
- On completion of the investigation, if it is found that:
 - A) The charge is unwarranted, then a credit note will be raised by the school.
 - B) The charge is correct, then permission must be sought from the governors up to £250 to write off the debt. If it is over six months old and it is felt that the income is not reasonably retrievable without further cost to the school, that those costs will outweigh the benefit received.
 - C) For values between £250-£2,000, then approval from the Corporate Director (CYPS) will be sought.
 - D) Over £2,000, then approval from the Town Clerk is required.

13. Policy for free school meals

The office will maintain checks on the free school meal listings. Free school meals lists are updated on receipt of notifications from LCC or via DataNet.

Procedures

- A) Free school meal vouchers are now valid for the duration of the pupil's education.
- B) LCC will advise the school if any parents or carers are no longer eligible.

To accompany the above policy, governors will sign a Controls Assurance Statement (Statement of Internal Control), confirming their satisfaction that the school complies with the DfE Financial Management Standards.

A further statement will also need to be individually signed by all governors and Senior Members of Staff in relation to the Education Department School Standards and Framework Act 1998 compiling a Register of Business Interests.

All the above will be reviewed by the Finance Committee on an Annual Basis.

APPENDIX A: Alderman Richard Hallam - Bank Account Details

ARH Bank Account:

Sort Code	20:49:25
Account	23363120

Cheque Signatories:

Veronica Bolsover
Ann-Marie Kedzior
Stephen Beardsmore
Carla Lawes

Government Purchasing Card Holders:

Ann-Marie Kedzior
Stephen Beardsmore

APPENDIX B: Amendments

Amendments:

1. School Fund – Petty Cash May 09
2. Bank Signatories – Feb 10
3. School Fund closure
4. Bank Signatories – Apr 12
5. Virements, Lettings, Inventory, Petty Cash Writing off Debts – Audit recommendations
6. Purchasing card – Sep 12
7. Update lettings – Mar 13
8. Items: 3, 4, 6, 8, 9 and Appendix A – Sep 15
9. BACs payment – Jan 17
10. Bank Signatories – Jan 18
11. Bank account details – Jan 18
12. Update Petty cash / BACs refunds – May 18
13. GPC Cards – Sep 20
14. Purchase orders – COVID 19 – Sep 20, Lettings – COVID 19
15. Purchase orders – Increase DH limit to £3,000 – July 21
16. Fundraising – Sep 24
17. Petty cash – Jan 25, purchase orders – remove DH limit
18. Cashless payment system updated = Apr 25