



"Unlocking potential through learning"

Finance Policy

**The New Horizons
Learning Centre**

Date Ratified: December 2022
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Signed by: Mrs Donna Portingale

Position: Chair of Governors

New Horizons Learning Centre Finance Policy

1. AIMS

- 1.1 This document has been adopted by the Governing Body, as the basis for the administration and management of finances. The aim of the policy is to create a framework within which individual members of staff, Governors and other interested parties, can exercise financial management and stewardship in an efficient and effective way.

2. OVERALL MANAGEMENT RESPONSIBILITIES

- 2.1 The Governors will manage their affairs in accordance with high standards of Public Sector administration, based on a distinct set of values, the fundamental principles of which are: -
 - 2.1.1 Openness – open approach to all interested parties in the disclosure of information, that lends itself to necessary scrutiny.
 - 2.1.2 Integrity – this is best described as both straightforward dealing and completeness.
 - 2.1.3 Accountability – the process whereby individuals are responsible for their actions and decisions.
- 2.2 Governors will have regard to: -
 - 2.2.1 The Fair Funding Scheme for Financing Schools Document (section 48 of the School Standards and Framework Act 1998) issued by South Gloucestershire Council
 - 2.2.2 Minimum standards of financial management as set out in South Gloucestershire Council's Financial Regulations for Schools.
 - 2.2.3 Advice and guidance relating to the financial performance of schools arising from the work of OFSTED, Internal Audit and other interested parties.

3. FINANCIAL POLICIES AND PROCEDURES

3.1 Scheme of Delegated Authority

- 3.1.1 The Governing Body recognises the importance of clearly defining the roles and responsibilities of its committees, the Headteacher and other staff. The terms of reference for the Governors' Resources Committee are laid out in a separate document.
- 3.1.2 The Resources committee of the Governing Body will decide how to spend the budget allocated within the LA's scheme of delegation subject to:-
 - 3.1.2.1 Any conditions in the LA's scheme to protect its legal duties;
 - 3.1.1.2 The budget only being spent for the purposes of the School.
- 3.1.2 The Governing Body has delegated authority as stated in the Schedule of Delegated Authority.
- 3.1.3 The School Business Manager, in conjunction with the Deputy Headteacher have the financial control and management of the School in the extended absence of the Headteacher.

- 3.1.4 Staff are to sign documentation in accordance with the Schedule of Delegated Authority attached as appendix 1.

3.2 Headteacher's Financial Responsibilities

- 3.2.1 The Headteacher is responsible to the Governing Body for ensuring the effective operation of the finance function. The Headteacher will ensure that:
 - 3.2.1.2 The roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions will, as far as is practicable, be distributed to ensure that key tasks are assigned to separate members of staff and that appropriate systems of internal check exist;
 - 3.2.1.3 South Gloucestershire Council Financial Regulations for Schools are adhered to;
 - 3.2.1.4 Systems are in place to ensure that financial control is maintained at all times including procedures in the absence of key staff;
 - 3.2.1.5 Appropriate documentation and records of transactions are maintained to specified standards.

3.3 The School Planning Process

- 3.3.1 Despite the uncertainties over future years' budget allocations the Governors recognise the importance of long term planning and require a school development plan covering up to 3 years to be submitted annually for approval.
This will be prepared by the Headteacher.

3.4 Budget Management

- 3.4.1 The Headteacher is responsible for preparing the annual revenue budget in sufficient detail to conform with LA requirements and to enable the effective management of the available funds by the Governing Body, which is responsible for ensuring that total forecast expenditure does not exceed the available funds. To ensure this can be done, the Headteacher will provide regular reports (at least termly) to the Governing Body. As a minimum standard the Governors expect to see: -
 - 3.4.1.2 A separate budget monitoring statement for each of the funds provided by the LA. The statement should show a comparison of expenditure to the approved budget. Expenditure should be broken down into those sums actually spent, sums already committed and the amounts of expenditure which are planned but to which the school is not yet committed. The statements should show, as accurately as possible, the forecast year end position.
 - 3.4.1.3 A written report should accompany financial statements providing details of major variations and highlighting areas of uncertainty. The report will also show virements made between budget headings and show the latest forecast pupil numbers and the financial implications of any revised forecasts.
 - 3.4.1.4 It is essential that reports produced are accurate as far as reasonably possible. The Headteacher is responsible for ensuring that quality controls are in place so that reports are of a sound standard. Staff responsible for the production of financial reports must ensure that they take appropriate steps to guarantee the reliability of the information.

- 3.4.1.5 The Headteacher may delegate responsibility for elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the school as a whole. Delegated budget holders within the school will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are to be accountable to the Headteacher who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored.
- 3.4.1.6 Governors and the Headteacher will periodically review the provision of financial information to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative information.

3.5 Insurance

- 3.5.1 The Headteacher will review the insurance needs of the school annually and liaise with the CYP Head of Finance where appropriate to ensure that specific arrangements remain appropriate. Following the approval of the Governing Body, the Headteacher will ensure the agreed arrangements are in place.
- 3.5.2 The Governing Body will periodically consider whether to insure risks that are not covered by an existing policy arranged by the CYP Head of Finance or other voluntary body. The cost of premiums for any additional cover should be met from the School's budget share.
- 3.5.3 The Headteacher will be responsible for ensuring that Governors are made aware of all new risks, and all incidents which may give rise to an insurance claim (e.g. accident, theft etc) which should be reported immediately to the insurers, South Gloucestershire Council or their agent.

3.6 Purchasing

- 3.6.1 The Governing Body aims to achieve best value for money from all its purchases. The Headteacher is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services in accordance with Financial Regulations for Schools.
- 3.6.2 This is intended to cover all spending on equipment, materials, and services for the New Horizons Learning Centre. However, particular care should be taken where items of expenditure have not been budgeted for, and are not included in the School Development Plan.
- 3.6.3 Authorisation levels can be found in the Schedule of Delegated Authority (Appendix 1).
- 3.6.2 The Chair of Governors (or Chair of Resources) in consultation with the Executive Headteacher has the power to carry out functions of the Governing Body if a delay in exercising a function is likely to be seriously detrimental to the interests of the school, a pupil at the school or their parents, or a person who works at the school. Any interim decisions must be documented (email etc) and reported at the next meeting of the Resources Committee or Full Governing Body, where retrospective approval must be documented.

3.7 Tendering for Contracts and Equipment

- 3.7.1 Standing Orders require three written quotations for purchases over £6,000. However, for many schools, expenditure of less than this will still represent a major demand on the budget and it is in everyone's interest to ensure that the best value for money will be obtained.
- 3.7.2 If the anticipated value of a single line item purchase or contract is between £1,000 and £6,000, a minimum of three telephone, catalogue, internet or other method of price comparison should be obtained. A record of price comparisons should be kept on file.
- 3.7.3 If the anticipated value of a contract or purchase is above £6,000 at least three written quotations should be invited from suitable suppliers. The details should then be presented to Governors using the High Value Pro-forma attached as Appendix 2.
- 3.7.4 The Headteacher has delegated authority to accept the lowest quotations for all expenditure below £3,000. In instances where the lowest quotation is not accepted this should be reported to the Resources Committee and the reasons for the decision recorded in the minutes of the meeting. For quotations above £3,000 the approval of the Resources Committee must be sought.
- 3.7.5 In exceptional circumstances where items or services may be of a specialist nature a single quotation can be accepted but must be reported to Resources Committee giving the reason.
- 3.7.6 The list of approved Contractors should be referred to in all cases where applicable.
- 3.7.7 Leases and other long-term contracts having duration in excess of twelve months shall require the approval of the Chief Financial Officer.
- 3.7.8 Purchases over £25,000 will be made under a written contract in a form approved by South Gloucestershire Council's Head of Legal Practice and will conform to the requirements of the Standing Orders.
- 3.7.9 Full tendering procedures are required for expenditure over £50,000. (The Governors / Headteacher will obtain advice from the LA if considering undertaking tendering procedures).

3.8 Orders for Goods and Services

- 3.8.1 Orders will be raised by the school's administrative staff through Civica on receipt of a requisition signed by the appropriate budget holder and authorised by the appropriate person in accordance with the Schedule of Delegated Authority (Appendix 1). Any telephone or verbal orders, which must be supported by a requisition, must be confirmed by a written order not later than the next working day. The requisition form should be retained with the copy order.

3.9 Payment of Accounts

- 3.9.1 Invoices will only be paid when the budget holder has shown approval that goods and services have been received and are of the quality expected. Payment should be made within reasonable time limits and discounts taken for quick payment where appropriate, ensuring that the Authority has paid the invoice within 30 days of receipt.

3.10 Petty Cash / Imprest Account

- 3.10.1 The Headteacher is responsible for the operation of the petty cash account, which should only be used for the purchase of emergency and small items of expenditure up to £500. Every effort should be made to obtain proper receipts and VAT invoices.

3.11 Personnel and Payroll

- 3.11.1 The Headteacher will, where possible, allocate duties to the Personnel Lead to ensure that an appropriate division of duties exists in the area of completing, checking and authorising of all documents and claims relating to appointment and termination of employment and expenses.
- 3.11.2 Payroll transactions will be processed only through the payroll system.
- 3.11.3 Payments for employment will not be made to staff or visiting lecturers etc. through any other mechanism. Payroll transactions relating to South Gloucestershire Council employed staff will be processed against a fund provided by the Authority and not a voluntary unofficial fund.
- 3.11.4 The Governing Body has delegated to the Headteacher authority to approval honoraria and gratuities subject to an annual report to the Governing Body of such payments.

3.12 Security of Stocks and Other Property

- 3.12.1 The Headteacher is responsible for the care and custody of all assets within the School and will maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment, keys and cash.
- 3.12.2 The Headteacher will ensure that inventories are maintained in accordance with School's Financial Regulations. Inventories will be checked at least annually and any discrepancy shall be investigated. The Governing Body will be informed of surpluses and deficiencies revealed by an inventory check.
- 3.12.3 Safes and similar storage facilities will be kept locked and the keys removed to be held by the key holder who will be nominated by the Headteacher. Normally keyholders will carry keys on their person and keys must not be left on the premises overnight except in another safe. A list of keyholders will be maintained by the school and loss of any keys must be reported to the Headteacher and where necessary the LA.

3.13 Income and Banking Arrangements

3.13.1 *General Income Matters*

- 3.13.1.2 The Headteacher is responsible for the correct accounting of all income due to, and cash collected by, the school. Where possible, the Headteacher will ensure that the responsibility for determining sums due to the school is separated from the responsibility for collecting and banking such sums.
- 3.13.1.3 Where invoices are to be raised, the school will do so promptly using authorised arrangements. Where cash is collected, whether it is due to a fund provided by the LA or an unofficial fund, a receipt will be issued or, in agreed circumstances, collection listings will be used. The receipt books will be those approved by the LA and separate books will be used for LA and unofficial funds.

- 3.13.1.4 Cash and cheques collected will be locked away until the time of banking. Income collected will be banked in its entirety as promptly as possible (usually weekly) and will not be used to cash personal cheques or for other payments (other than the official imprest).
- 3.13.1.5 Sums received will be reconciled to the sums banked and to the South Gloucestershire Council Financial Information System to ensure that sums banked to the SGCC bank account are correctly attributed to the school.
- 3.13.2 *Charging and Remission of Fees*
 - 3.13.2.2 The Governing Body will determine charging and remission policies annually on the basis of recommendations put forward in a written report by the Headteacher. The policies adopted will be based on the guidance issued by the Authority.
- 3.13.3 *Banking Arrangements*
 - 3.13.3.2 The Headteacher is responsible for ensuring arrangements operated are in accordance with procedures specified by Financial Regulations for Schools
- 3.13.4 *Lettings*
 - 3.13.4.2 The letting of School Premises and Grounds should always be subject to a formal contract. A detailed lettings policy together with charges will be agreed by Governors if lettings are to take place.
- 3.13.5 *Amounts to be written off*
 - 3.13.5.2 The Governing Body may write off any debt where the income would have been credited to the School's Budget Share.

3.14 School Fund

- 3.14.1 The Governing Body is responsible for the school's voluntary unofficial fund. Although the voluntary unofficial fund is not public money, the principles of sound financial management outlined in this policy apply equally. This requires the proper minuting of all decisions taken by the Governing Body.
- 3.14.2 The objectives of the school fund are to enable the School to function financially with funds not normally allocated by the LA. This includes income received from a variety of proper sources and payments made for the purchase of educational goods, for staff and pupil welfare and the provision of services outside the scope of the budget share.
- 3.14.3 The Governing Body approves the operation of the school fund, which will be administered in accordance with the recommendations noted in the guidance for the Management of Voluntary Unofficial Funds, as issued by the LA.
- 3.14.4 The accounts are to be maintained within the constraints of the Fund objectives.
- 3.14.5 Auditor(s) will be appointed annually by the Governing Body to conduct an audit of the fund accounts in accordance with the Fund Objectives and as recommended by South Gloucestershire Council's Head of Finance. The preparation and delivery of the audited accounts and report to the Governing Body will be within three months of the fund's financial year.
- 3.14.6 Bank Accounts are to be maintained at Lloyds bank.

3.14.7 *Operational policy and procedures*

- A minimum of two signatures is required on Fund Cheques.
- A formalised monthly reconciliation statement to all cleared bank balances is required with a copy presented to the Resources Committee at least termly.

The Headteacher should sign the statement as correct.

- All income is to be properly receipted.
- Expenditure must be supported by proper invoices or vouchers, which must be retained for a minimum of 6 years.
- All items of expenditure will require the Headteacher's or Deputy Head's signature.
- Items of expenditure in excess of £2,000 will require approval by the Chair of the Resources Committee.
- Wages, honoraria, loans or ex-gratia payments are not to be made from the School Fund.
- However, gifts (not cash or cheques) may be given up to a maximum of £50 without the prior approval of the Governing Body.

3.15 Governors' Expenses

- 3.15.1 In accordance with the Education (Governors' Allowances) Regulations 2003, these regulations give Governing Bodies the discretion to pay allowances from the school's annual budget allocation to Governors for certain allowances which they incur in carrying out their duties. A detailed Governors' Allowances Policy for New Horizons Learning Centre is ratified by Governors annually.

3.16 Register of Business Interests

- 3.16.1 The Governing Body will maintain a register that lists for each member of the Governing Body and staff, any business interests held by them or by any member of their immediate family. The Clerk to the Governors is responsible for the maintenance of the register by effecting changes as notified, conducting an annual review of all entries and making the register available for inspection by Governors, staff, parents and the LA.