



Viaduct Federation of Schools  
Financial Management  
Policy & Procedure

|                            |                 |             |
|----------------------------|-----------------|-------------|
| <b>Approved by:</b>        | Governing Board | Autumn 2021 |
| <b>Last reviewed on:</b>   | Autumn 2020     |             |
| <b>Next review due by:</b> | Autumn 2022     |             |

## **INTRODUCTION**

Staff undertaking financial transactions on behalf of the schools must comply with the Milton Keynes Council's (MKC) Scheme for Financing Schools, including financial procedures and regulations for schools. These are supplemented by this financial policy and guidelines. Failure to comply may lead to disciplinary action that could result in dismissal.

- 1 The aim of this Finance Policy and guidelines is:
  - 1.1 To detail the specific roles and responsibilities of governors and staff to carry out the financial administration of the Schools and segregation of duties to guard against fraud and error.
  - 1.2 To ensure that the Schools meets the requirements of the Authority's financial policies, in particular:
    - The Milton Keynes Scheme for Financing of Schools
    - Financial Regulations and Procedures for Schools
    - Contract Procurement Procedures for Schools
    - Banking and other procedures as detailed on the Local Management of Schools area of the Council's website.
  - 1.3 To assist the School in providing efficient and effective financial controls
  - 1.4 To ensure that financial control is maintained in the absence of key staff.
- 2 School management will ensure that all relevant members of staff receive copies of the Policy and guidelines
- 3 School management will ensure that training needs of financial staff are periodically reviewed and addressed
- 4 The Policy and Procedure will be reviewed annually by the Resources Committee and any subsequent amendments will be inserted into the Policy and Procedures and dated. Amendments will be reported to the Full Governing Body.

## **GOVERNANCE**

### **Full Governing Body Constitution**

**5 Co-opted Governors, 4 Foundation Governors, 1 Local Authority Governor, 4 Parent Governors, 1 Staff Governor and the Executive Headteacher**

#### **Co-opted Governors**

Gillian Gupta  
Vacancy  
Vacancy  
Vacancy

#### **LA Governors**

Jake Yeo (Chair)

#### **Foundation Governors**

Steve Weston  
Amy Nixon  
Jay Rixon  
Andy Morris

#### **Staff Governors**

Claire Campbell

#### **Parent Governors**

Nadia Shaheen  
Voulla Wheeler

#### **Executive Headteacher**

Steve Springett-McHugh

Jon Adamson  
Michael Cook

| <b>Financial Delegation to Resources Committee &amp; Headteacher</b> |                     |                          |
|--|---------------------|--------------------------|
| Recruitment  | Resources Committee | At next Full Govs in Nov |
| Teaching Staff   | Resources Committee | At next Full Govs in Nov |
| Support Staff  | Resources Committee | At next Full Govs in Nov |

The above table illustrates the delegation of financial responsibility from the Governing Body to its Committees, the Headteacher and Finance Staff.

### **Role of the Governing Body**

In conjunction with the Headteacher, the Governing Body has the following responsibilities:

- Setting the strategic Framework for the Schools (School Development Plans)
- Setting the Schools' educational, infrastructure and financial priorities
- Setting policies and targets for achieving objectives and monitoring progress made by the schools in line with the SDPs and any statutory updates
- Ensuring the budget is managed effectively (budget monitoring and implementing audit recommendations)
- Ensuring the Schools meet all of their statutory obligations

### **Governors' Committees**

In order to meet its obligations the Governing body has set up the following committees:

|                      |                        |
|----------------------|------------------------|
| Resources & Premises | Meeting 4 times a year |
| Curriculum           | Meeting termly         |

The Governing body has delegated the following financial responsibilities to the Resources Committee:

- The approval of the annual budget and November budget revisions
- The approval of the Teaching Staff and Support Staff pay policies
- The regular monitoring of actual income and expenditure against each budget and revised forecasts for the year
- Ensuring the annual financial statements are produced in accordance with the MKC and audit requirements
- The awarding of contracts up to 20% of the school budget share

Terms of reference will be reviewed and updated annually during the Autumn Term by the Full Governing Body to ensure their continued appropriateness.

The Governing body has appointed Julie Gates (Bushfield School Business Manager) who will take minutes of the Resources & Premises Committee and the Curriculum Committee. Meetings of the Full Governing body will be minuted by a Local Authority Clerk.

Minutes of committee meetings will be reviewed at the next meeting of the Full Governing Body.

### **Declarations of Pecuniary Interests**

It is the responsibility of all staff / governors to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their position as a member of staff / governor. It is for the member of staff / governor always to be impartial and honest in the conduct of their official business and with their own dealings with the Schools, and to notify the Schools of any changes in their circumstances / interests that may impact in any way upon their employment or upon the Schools in general.

The Governing body will establish a register of pecuniary business interest for all staff and Governors. The register is reviewed and updated annually and is open to examination by the public.

|   |                                      |
|---|--------------------------------------|
| Person responsible for updating register at Bushfield | Julie Gates, School Business Manager |
| Person responsible for updating register at Wyvern    | Ann Lewis School Business Manager    |
| Last review / update of register                      | Annually, in Autumn Term             |

### **Role of the Headteacher**

The Headteacher is responsible for the internal organisation, management and control of the Schools and for the implementation of the strategic framework established by the Governing Body.

The Headteacher advises the Governing body, which provides agreed levels of documentation for its review and decision making and undertakes tasks as delegated by the Governing Body in the Schools' schemes of delegation. The Governing Body has delegated financial responsibilities to the Headteacher, these are defined in the Summary of financial Delegation at Appendix 1.

## **FINANCIAL PLANNING**

### **The School Development Plans**

The Headteacher / Governing body is responsible for producing the School Development Plans. The Plans will lay down the strategic priorities of the Schools and identify specific objectives, together with related funding, target dates and success criteria. Reference will be made to the latest guidance regarding standards, national targets or Ofsted criteria where it is relevant.

### **School Budget Plans**

The School budget plans are set up to support the strategic objectives of the Schools as laid down in the School Development Plans, as well as targets established by the DfE/LA e.g. Standard Fund objectives, Post OFSTED plan etc.

The draft budgets are prepared by the Business Managers and Headteacher following consultation with relevant parties and are presented to the Resources Committee for its input and review in the Spring term.

The final budgets will be approved by the Resources Committee at its meeting in the spring / early summer term and forwarded to the LA in accordance with specified deadlines.

Periodically, the elements of the budgets are subject to fundamental review to ensure that budget headings/allocations remain relevant and are not carried forward merely on an historic basis.

### **Higher Paid Staff 19/20**

|   |       |       |
|---|-------|-------|
| Number of employees that have a gross annual salary of £100,000 or more | 19/20 | 20/21 |
|   | 0     | 0     |

## **BUDGET MONITORING**

The Business Managers are responsible for ensuring that the approved budget plans are accurately maintained on the Schools' financial system.

Any variation between budget allocations on the Authority's monthly statement and the Schools' financial systems should be investigated and resolved to ensure that records are consistent and accurate.

Where budget adjustments occur and the Schools choose not to vire funds, written explanations for variances between budgeted and actual income and expenditure must be maintained to enable School management / governors to accurately monitor the budgets.

### **Responsibilities and Controls**

To ensure segregation of duties, no one person should be able to authorise an order and the subsequent invoice.

| <b>PAYROLL</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
|--|---|--------------------------------------|
| Amendments to personnel details  | Prepared by Business Manager                                  |                                      |
| Notification of midday supervision payments  | n/a all on payroll  |                                      |
| Notification of overtime / supply payments   | Prepared by Business Manager                                  |                                      |
| Authorised (signed & dated) by   | Exec or Assoc Headteacher                                     | Exec or Assoc Headteacher            |
| <b>ORDERS</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Raised on SIMS by  | Business Manager  | Business Manager or Business Support |
| Approved by  | Exec / Assoc Headteacher                                      | Exec or Assoc Headteacher            |
| Input to SIMS  | Business Manager  |                                      |
| Authorised on SIMS by  | Exec / Assoc Headteacher                                      | Exec or Assoc Headteacher            |
| <b>CHECKING GOODS RECEIVED AGAINST INVOICES &amp; DELIVERY NOTE &amp; ORIGINAL ORDER</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Normal deliveries  | Business Manager / Business Support / Site Manager            |                                      |
| Specialist deliveries  | Business Manager / Business Support                           |                                      |
| <b>INVOICES</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Input to FMS   | Business Support / Business Manager (in the absence of above) | Business manager                     |
| Authorisation on FMS   | Exec / Assoc Headteacher                                      | Exec or Assoc Headteacher            |
| <b>SUPPLIERS STATEMENTS</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Checked by   | Business Manager  |                                      |
| <b>ORDERS / INSPECTION COPIES</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Budget holders will place all orders through the Business Manager, including inspection copies. This will ensure that any budget holder can ascertain the exact position regarding their cost centre. Non-order invoices should only be processed for utilities and emergencies as per the schools' procedures |   |                                      |
| <b>PETTY CASH</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Authorised by  | Exec / Assoc Headteacher                                      | Exec or Assoc Headteacher            |
| Input to FMS   | Business Manager  |                                      |
| Petty cash cheque drawn by   | Business Manager  |                                      |
| <b>INVOICING (includes lettings)</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Invoices raised by   | Business Manager  |                                      |
| Income input into FMS  | Business Support  | Business Manager                     |
| Income banked by   | Business Manager / Business Support                           |                                      |
| <b>SCHOOL INCOME</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>                        |
| Cash / cheques received by   | Business Support  | Business Manager / Business Support  |

|   |   |   |
|---|---|---|
| Input to FMS  | Business Manager  |   |
| <b>BANKING</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Completion of paying in slip / cash / cheques   | Business Support  |   |
| Cash cheques for petty cash   | As petty cash above   | Business Manager  |
| <b>BUDGET VIREMENT / OVERSPENT</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| As per Summary of Financial Delegation  |   |   |
| <b>BANK RECONCILIATION</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Input to FMS  | Business Manager  |   |
| Authorised (signed and dated)   | Exec / Assoc Headteacher  | Exec or Assoc Headteacher   |
| <b>CHEQUE SIGNING &amp; PAYMENT AUTHORISATION</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
|   | All cheques are to be signed by two authorised signatories (3 for cheques of £10,000 or greater) as per bank mandate. Signatories shall be in the following order: <ul style="list-style-type: none"> <li>• Exec Head</li> <li>• Assoc Head</li> <li>• Business Manager</li> <li>• Deputy Head</li> </ul> | All cheques are to be signed by two authorised signatories (3 for cheques of £10,000 or greater) as per bank mandate. Signatories shall be in the following order: <ul style="list-style-type: none"> <li>• Exec Head</li> <li>• Assoc Head</li> <li>• Business Manager</li> <li>• Deputy Head</li> </ul> |
| <b>SECURITY OF ASSETS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Items recorded by   | Business Manager  |   |
| Annual Stock check recorded by  | Business Support  | Business Support/Business Manager   |
| Significant discrepancies   | Reported by Business Support to Business Manager and then Exec/Assoc Headteacher  | Reported by Business Support to Exec/Assoc Head   |
| <b>DISPOSAL OF ASSETS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| As per the summary of financial delegation  |   |   |
| <b>LETTINGS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Lettings authorised by  | Exec / Assoc Headteacher  | Exec/Assoc Head   |
| Invoices prepared by  | As per Invoicing  |   |
| Cash / Cheques receipted  | As per School Income  |   |
| Payment input to FMS  | As per School Income  |   |
| <b>FINANCIAL REPORTS TO RESOURCES COMMITTEE &amp; GOVERNING BODY</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Prepared by   | Business Manager  |   |
| Approved by   | Exec / Assoc Headteacher  | Exec / Assoc Head   |
| <b>WRITING OFF LOSSES (including bad debts)</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| As per the Summary of Financial Delegation  |   |   |
| <b>RESPONSIBILITIES OF BUDGET HOLDERS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>Prior to being entered against a cost centre on the Schools' financial management system, expenditure must be approved in writing by the Exec / Assoc Headteacher as per orders above. Budget holders are responsible for ensuring, as far as possible, that the expenditure they approve is recorded on the Schools' financial management system at the time funds are committed. Delegated budget holders are responsible for monitoring their budgets on a continuous basis and will highlight variances in income and expenditure against the budget to the Exec / Assoc Headteacher</p> |   |   |
| <b>PROVISION OF BUDGET MONITORING INFORMATION</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>To enable the budget to be effectively monitored, the following financial information will be made available to the Exec / Assoc Headteacher / Budget holders at least monthly and as required</p>   |   |   |

| <b>REPORTS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
|--|---|---|
| Headteacher  | FMS Report / Finance notes from Business Manager  |   |
| Delegated Budget Holders   | Account print-out   |   |
|  | Monitoring Report / Finance notes from Business Manager   |   |
| Full Governing Body  | Reports / Minutes from Chair of Resources Committee   |   |
| <b>MONITORING</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>On receipt of the Authority's monthly / quarterly statement, the Business Managers will promptly reconcile the LA income and expense statement to the schools' balances and follow up any difference with schools finance. Any significant or long term outstanding items should be reported to the Exec / Assoc Headteacher. If quarterly reports are received from the LA the Business Managers will continue to reconcile the income and expenditure monthly and produce a 3 way reconciliation report and cash flow statement.</p> <p>Print outs of month end reconciled balances on the schools' systems will be retained in case of future query and to demonstrate to school management and governors that the reconciliation procedure has been correctly completed. All reconciliation is signed by either the Executive or Associate Headteacher.</p> |   |   |
| <b>TRANSFERS AND VIREMENTS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>This is as per the limits already set by the governing body in the Summary of Financial Delegation. All virements must be reported to the Resources Committee. It should also be noted that certain budget headings are ring-fenced.</p>  |   |   |
| <b>CAPITAL SPENDING / EXTERNAL FUNDING</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>Grants will be linked directly to objectives laid down in the School Development Plan and will be spent in accordance with requirements of the funding body. Purchases funded from grant income will be subject to the same levels of internal control as purchases from the Schools' delegated budget. Where monies are ring-fenced, for example, Capital funding, the schools will maintain sufficient records to be able to demonstrate to governors that funds are spent in accordance with stipulated requirements. Responsibility for spending and monitoring grant income is the responsibility of the Exec / Assoc Headteacher and they will ensure that all grant income is spent in accordance with deadlines specified by the awarding body and that any required financial returns are completed and submitted on a timely basis.</p>               |   |   |
| <b>SCHOOL BANK ACCOUNTS</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| The school has the following bank accounts   | <ul style="list-style-type: none"> <li>• Main School Budget is Nat West</li> <li>• School Fund account is held at Lloyds Bank</li> </ul>        | <ul style="list-style-type: none"> <li>• Main School Budget is Nat West</li> <li>• School Fund account is held at Nat West</li> </ul>           |
| <p>The Business Manager has overall responsibility for the operation of the school bank accounts. The Business Manager will ensure that responsibilities for the day to day operation of the account are delegated to provide segregation of duties and controls. Delegated responsibilities for the day-to-day operation of the bank accounts are as follows:</p>   |   |   |
| Safe custody of cheque stationery  | Business Manager  | Business Manager  |
| Completion of automated cheque run   | Business Manager  | Business Manager  |
| Cheque authorisation   | Exec / Assoc Headteacher  | Exec or Assoc Headteacher   |
| BACS Payments  | Uploaded by Business Manager and authorised online by Exec & Assoc Headteachers. Hard copies of BACS runs are signed and dated by the EHT & AHT | Uploaded by Business Manager and authorised online by Exec & Assoc Headteachers. Hard copies of BACS runs are signed and dated by the EHT & AHT |

|  |  |  |
|--|--|--|
| Bank account reconciliation  | Business Manager   |  |
| Monitoring of account balances   | Business Manager, reporting to Exec / Assoc Headteacher for authorisation. | Business Manager, reporting to Exec / Assoc Headteacher for authorisation. |
| <p>In particular:</p> <ul style="list-style-type: none"> <li>Cheques must not be pre-signed</li> <li>Cancelled cheques must be crossed through on the front and kept for audit purposes</li> <li>The bank account must not be allowed to become overdrawn</li> <li>All cheque payments must be supported by appropriately authorised documentation</li> <li>Following payment, the cheque number should be kept with the invoice and documentation should be filed under the name of the payee</li> <li>Reconciliations and banking / VAT returns must be performed on a monthly basis and submitted to the schools finance team as per their timetable</li> <li>Cheque stationery must be held securely</li> <li>Any direct debits / standing orders must be approved in accordance with the schools' scheme of financial delegation</li> <li>Paying in books must be held securely</li> </ul> <p>The governors have given approval for Bushfield and Wyvern to operate on-line banking. Signatories and limits for individual payments are the same as for cheques, with a limit per total BACS of £10,000 (unless a single transaction is over this amount).</p>  |  |  |
| <b>SCHOOL FUND ACCOUNT<br/>(Voluntary Fund)</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>  |
| <p>The School Fund accounts must be operated in accordance with the procedures and controls laid down in the LA's Local Bank Account Scheme and the Authority's Scheme for Financing Schools, copies of which are available on the MK website. In particular:</p> <ul style="list-style-type: none"> <li>All cheques must be signed by two of the account's authorised signatories</li> <li>Cheques must not be pre-signed</li> <li>Cancelled cheques must be crossed through on the front and kept for audit purposes</li> <li>The bank account must not be allowed to become overdrawn</li> <li>All cheque payments must be supported by appropriately authorised documentation</li> <li>Following payment, the cheque number should be kept with the invoice and documentation should be filed under either the name of the payee or the activity to which it relates</li> <li>Reconciliations and banking must be performed on a monthly basis</li> <li>Cheque stationery must be held securely</li> <li>Bank paying in books must be held securely</li> </ul> <p>Bushfield and Wyvern receive online payments through Parentmail +Pay, itemised accounts are kept for all monies received and are audited independently along with the School Fund accounts.</p> <p><b>Payments to Individuals</b> – The School Fund Account must not be used for transactions of a payroll nature or to reimburse travel expenses. Cheques should not be made out to individuals other than for authorised reimbursement of petty cash payments or in exceptional circumstances.</p> |  |  |
| <b>PETTY CASH</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>  |
| <p>The Exec / Assoc Headteacher shall authorise payments from petty cash and claims shall be duly signed. Under no circumstances shall personal cheques be cashed. Petty cash claims must be entered onto FMS and cash replenished as required. All items purchased through petty cash must be supported by appropriate documentation and, where possible, a VAT receipt. Petty cash claims shall be limited to £50 (Bushfield) and £50 (Wyvern) and the total petty cash balance shall not exceed £200 (Bushfield) and £200 (Wyvern), as agreed by governors.</p>   |  |  |
| <b>CASH SECURITY</b>   | <b>BUSHFIELD</b>   | <b>WYVERN</b>  |



|  |  |   |
|--|--|---|
|  | Cash and cheques are held securely in the safe together with cheque and paying-in books. Safe keys are taken off site by the Business Manager in accordance with the School's insurance requirements.  |   |
| <b>FINANCIAL RECORDS &amp; DATA SECURITY</b>   | <b>BUSHFIELD</b>   | <b>WYVERN</b>   |
| The schools shall be registered under the Data Protection Act and those registrations shall be kept up to date. The School Business Managers are the the Data Protection Officer for their respective Schools. There is a Data Protection Policy, Privacy Notice, Retention Schedule, Breach Policy, CCTV Policy and ICT Policy in place in line with GDPR requirements. |  |   |
| <b>DATA STORAGE</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>   |
|  | All personnel files are kept in a lockable filing cabinet in a room that is locked when not occupied   |   |
|  | Each member of staff with access to the SIMS system must keep their password secure and change it on a regular basis. Access levels are determined by the System Manager who is the Exec Head on a need only basis.  |   |
| <b>ACCESS CONTROLS &amp; DATA SECURITY</b>   | <b>BUSHFIELD</b>   | <b>WYVERN</b>   |
| The following staff have access to the school's financial management system  | <ul style="list-style-type: none"> <li>• Executive Headteacher (System Manager)</li> <li>• The Associate Headteacher (user)</li> <li>• The Business Manager (main user)</li> <li>• The Business Support Assistant (user)</li> <li>• Deputy Head (occasional user)</li> </ul> | <ul style="list-style-type: none"> <li>• Executive Headteacher (System Manager)</li> <li>• The Associate Headteacher (user)</li> <li>• The Business Manager (main user)</li> <li>• The Business Support Assistant (user)</li> </ul> |
| Where a member of staff leaves the school, the System Manager will immediately remove the access rights of that member of staff to all information systems. The schools' financial management system is protected by anti-virus software; this is updated regularly. The current anti-virus software used at Bushfield & Wyvern is Eset.                                 |  |   |
| Unauthorised or illegal software must not be used on the schools' computers; all staff refer to the schools' ICT Acceptable Use Policy   |  |   |
| <b>COMPUTER BACK UP</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>   |
|  | Bushfield data is backed up daily and stored in the cloud. It is managed by Milton Keynes ITSS service.  | Wyvern data is backed up daily and stored in the cloud. It is managed by Milton Keynes ITSS service.  |
| <b>FINANCIAL RECORDS</b>   | <b>BUSHFIELD</b>   | <b>WYVERN</b>   |
| Financial records will be retained in accordance with regulations in general, for six years plus the current financial year. All confidential material is to be destroyed in a secure manner.  |  |   |
| The Business Managers are responsible for ensuring that accounting records are held securely and for the necessary time period.  |  |   |
| <b>PURCHASING</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>   |
| As manager of the school budget the Executive Headteacher is responsible overall for purchasing procedures within the schools. In addition to the controls stated above, specific responsibilities are delegated as follows:   |  |   |
| Obtaining quotations / market testing  | All staff may obtain quotations for goods and services with prior approval from the Exec / Assoc Headteacher   | All staff may obtain quotations for goods and services with prior approval from the Exec / Assoc Headteacher  |

|  |  |  |
|--|--|--|
| Approval of manual purchase requisition  | The Exec or Assoc Headteacher approve manual purchase requisitions   | The Exec / Assoc Headteacher approve manual purchase requisitions  |
| Purchase of goods by members of staff  | Permission must be sought with the Exec or Assoc Headteacher before any purchases are made. As soon as is reasonably possible the order must be passed to the Business Manager so that it can be entered onto the financial management system. A VAT receipt, where possible must be obtained. | Permission must be sought with the Exec or Assoc Headteacher before any purchases are made. As soon as is reasonably possible the order must be passed to the Business Manager so that it can be entered onto the financial management system. A VAT receipt, where possible must be obtained. |
| <b>BEST VALUE</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>  |
| Prior to placing an order, the schools ensure that value for money is being obtained   |  |  |
| <b>ORDERING PROCEDURES</b>   |  |  |
| <b>BUSHFIELD and WYVERN</b>  |  |  |
| <ul style="list-style-type: none"> <li>• Purchase orders are raised using an internal order form, approved by the budget holder, and forwarded to the Business Manager for processing.</li> <li>• Requisitions are filed with a copy of the purchase order</li> <li>• There are certain exceptional cases when purchases are made where no purchase order is required; these are detailed in Financial Regulations for Schools</li> <li>• Urgent orders required by telephone will be verbally approved by the Exec / Assoc Headteacher in advance of the phone call being confirmed with an official purchase order</li> <li>• Quotations are attached to the manual requisition</li> <li>• Members of staff are not allowed to place personal orders for goods via the school system</li> <li>• Trial / approval orders for books and other resources must also be placed using the above procedures through the Business Manager</li> </ul> |  |  |
| <b>Orders which are not placed in accordance with the above procedures are NOT considered to be official orders and cannot be paid from the school budget.</b>   |  |  |
| <b>DELIVERIES<br/>RECEIPT OF GOODS &amp; SERVICES</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>  |
|  | Deliveries are normally received to the school office. Office staff will contact the supplier if goods are missing or damaged. Delivery notes shall be filed by the Business Manager along with the order.   |  |
| <b>PROCESSING OF INVOICES</b>  | <b>BUSHFIELD</b>   | <b>WYVERN</b>  |
| All invoices received at the schools will be passed promptly for processing to the Business Manager who will ensure that the following checks are carried out and evidenced on the invoice by the designated member of staff:  |  |  |
| <ul style="list-style-type: none"> <li>• Invoice is a valid VAT invoice</li> <li>• Invoice not previously authorised</li> <li>• Goods have been received / work completed</li> <li>• Quality, quantity and prices are correct</li> <li>• Discount taken if applicable</li> <li>• Budget Provision available</li> <li>• Payments are always made on invoices and not on statements</li> <li>• Invoices are paid through the schools' local bank account. A cheque run, or BACS payment is prepared and provided to the approved signatories for authorisation together with supporting documentation</li> <li>• The schools will try to ensure that all invoices are paid within the terms of the invoice to avoid payment of penalty interest. Where an invoice is held back because of dispute / query, the reasons for the delay in payment, together with action taken, is clearly annotated on the invoice.</li> </ul>                     |  |  |
| <b>BEST VALUE PROCEDURES</b>   | <b>BUSHFIELD</b>   | <b>WYVERN</b>  |

| FOR PURCHASING   |           |        |
|--|-----------|--------|
| <p>The Governors of The Viaduct Federation of Schools are committed to achieving Best Value in all decisions made. The Governors define best value as the most economical purchases in terms of money, time and quality and will:-</p> <ul style="list-style-type: none"> <li>Regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement</li> <li>Monitor outcomes and compare performance with similar schools and within the schools</li> <li>Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way</li> <li>Purchase of single items up to and including £499.00, use catalogues / internet and decide on best value, in line with best value statement; a verbal quote is sufficient</li> <li>Between £500 - £5,000 a minimum of 3 verbal quotes must be obtained which will be recorded in writing</li> <li>Between £5,001 - £100,000 a minimum of 3 written quotes must be obtained</li> <li>Over £100,000 a minimum of 4 tenders must be obtained</li> <li>Where it is not possible to obtain the required number of quotes or tenders this will be referred to the Resource Committee for a decision</li> <li>The time of all staff is important and the time taken on searching for a competitive price must be balanced with the cost effectiveness of the member of staff</li> <li>There may also be times (e.g. emergency repairs) where a known and reliable firm is used</li> <li>The cheapness of items is always balanced against the quality of purchases</li> <li>We will strive to ensure that the schools are using their resources effectively to meet the needs of pupils</li> </ul>   |           |        |
| VAT  | BUSHFIELD | WYVERN |
| <p>VAT is reclaimable from Milton Keynes Council and advice is available from the MKC VAT Officer<br/>Where applicable, all the schools' income and expenditure transactions shall be in accordance with current VAT rules. As from January 2007 schools were excluded from the CISTD scheme)</p>  |           |        |
| INCOME & BANKING   | BUSHFIELD | WYVERN |
| <ul style="list-style-type: none"> <li><b>Charging</b> - Governors will establish charging policies for the schools e.g. lettings, school trips, sales to students etc. Approval of these policies by the governing body will be minuted and policies will be reviewed on an annual basis.</li> <li><b>Segregation of Duties</b> – Duties for the administration of school income are segregated as detailed above</li> </ul>  |           |        |
| INCOME   | BUSHFIELD | WYVERN |
| <ul style="list-style-type: none"> <li>All income will be receipted</li> <li>On receipt, all income will be recorded and held securely in the safe until it is banked</li> <li>Income will be banked promptly, using the official paying-in books</li> <li>All income will be banked in tact i.e. monies will not be held back / deducted / used for petty cash</li> <li>For each bank paying in slip, a breakdown will be held of all cheques / cash received, including the debt to which the income relates</li> <li>Income will be supported by sufficient documentation to ensure that it can be correctly identified and accounted form including VAT where applicable</li> <li>Where income is transferred between members of staff this will be checked and signed by both parties</li> <li>The governing body is responsible for approving the write off of bad debts when the schools have followed all possible procedures to ensure their recovery</li> <li>Income is monitored against budget on an ongoing basis by the Business Manager and reported to the Exec / Assoc Headteacher</li> <li>All monies collected from students or parents are recorded by the Business Managers / Business Support Assistants</li> <li>All monies must be banked intact. Under no circumstances should staff retain cash collected and write a personal cheque to cover the income</li> <li>Monies must be clearly identifiable to enable the correct entries to be maintained on the schools' financial system</li> <li>Monies collected by school staff must be recorded and signed for. No monies should be kept in the classroom or classroom cupboards etc. All monies should be sent to the school office. All transfers of money to the school office must be agreed and signed for by the Business Manager or Business Support Assistant</li> </ul> |           |        |

| <ul style="list-style-type: none"> <li>At Bushfield, parents/carers now have the option to make online payments into the School Fund Account. These are monitored by the Business Manager and audited independently</li> </ul>   |   |   |
|--|---|---|
| <b>BANKING &amp; AUDIT ARRANGEMENTS</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| The governing body will appoint a suitable independent person to undertake an annual audit of the school fund. The suitable independent person should produce a report which should include the wording as prescribed in section 2 of the Scheme for Financing Schools. This should be presented annually to the Resources Committee together with the audited accounts.   | <ul style="list-style-type: none"> <li>Sue Baker is the appointed auditor for Bushfield</li> <li>Bushfield School Fund account runs from 1<sup>st</sup> September – 31<sup>st</sup> August</li> </ul>   | <ul style="list-style-type: none"> <li>Adrian Green is the appointed auditor for Wyvern</li> <li>Wyvern School Fund account runs from 1<sup>st</sup> September – 31<sup>st</sup> August</li> </ul>  |
| <b>ADMINISTRATION OF THE SCHOOL FUND</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| The schools will account for their voluntary funds with the same degree of care and control as they do their official budgets.   | Private fund records are managed by the Business Manager in an excel document.  |   |
| <p>In particular:</p> <ul style="list-style-type: none"> <li>Private fund records will be kept up to date</li> <li>Documentation will be retained to support both income and expenditure transactions</li> <li>All expenditure from the fund must be approved by those staff authorised to do so by the governing body</li> <li>Income will be held securely and banked promptly and intact</li> <li>The accounting records and banking balance will be reconciled on a monthly basis</li> <li>Controls over the administration of the voluntary fund will be appropriately segregated</li> <li>Official authority monies must not be banked into the voluntary fund</li> <li>Segregation of duties for the administration of the voluntary fund is as follows:</li> </ul> |   |   |
| <b>CONTROLS OVER PRIVATE FUND</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Maintenance of accounting records  | Business Manager / Business Support Assistant   | Business Manager  |
| Approval of expenditure  | Business Manager, reporting to Exec / Assoc Headteacher   | Exec/Assoc Headteacher  |
| Receipt of funds   | Business Manager / Business Support Assistants  | Business Manager  |
| Banking  | Business Manager / Business Support Assistants  |   |
| Reconciliation of account  | Business Manager reporting to Exec / Assoc Headteacher  | Business Manager reporting to Exec/Assoc Headteacher  |
| <b>INVENTORY &amp; ASSET REGISTER</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
|  | <p>The Asset Register holds equipment over a value of £150 or other 'desirable' equipment and is maintained by the Business Manager. All equipment on the asset register is security marked and recorded through the Parago Asset Management System.</p> <p>An annual stock check is carried out by the Business Support Assistant. Any missing items are identified and reported to the Exec/Assoc Headteacher</p> | <p>The Asset Register holds equipment over a value of £150 or other 'desirable' equipment and is maintained by the Business Manager/Business Support. Equipment is security marked and recorded through the Parago Asset Management System.</p> <p>Stock check is carried out by Business Support Assistant. Any missing items are identified and reported to Exec/Assoc Headteacher.</p> |
| <b>DISPOSAL OF ASSETS</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |

|   |   |   |
|---|---|---|
|   | In the normal way any equipment or asset that is damaged beyond repair, lost or stolen will be reported via the annual asset check.<br><br>No assets may be disposed of without prior approval of the Exec/Assoc Headteacher and all such disposals must be recorded in the Asset Register. | In the normal way any equipment or asset that is damaged beyond repair, lost or stolen will be reported via the annual asset check.<br><br>No assets may be disposed of without prior approval of the Exec/Assoc Headteacher and all such disposals must be recorded in the Asset Register. |
| In the event of theft or criminal damage to any school properties, details must be notified immediately to the Exec / Assoc Headteacher. The member of staff, usually the Business Manager, will report the incident to the local police and obtain a crime report number which is required for all insurance claims. The Business Manager will process the insurance claim form and liaise with the police, insurers and any other parties to ensure prompt settlement of the claim. The excess of any claim will vary dependent upon the nature of the claim.   |   |   |
| <b>USE OF SCHOOL EQUIPMENT OFF SITE</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Staff with an allocated laptop may take it off site for appropriate professional use. At all times the laptop must be kept secure, locked in a car or in a locked premises. Other school equipment may only be taken offsite with the written authorisation of the Exec / Assoc Headteacher, a record of which must be left with the Business Manager. Any equipment used off site must be adequately secured.  |   |   |
| <b>TRAVEL &amp; SUBSISTENCE</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| Current rates are available from the Business Manager. The cost of public transport expenses are met in full, but where a staff member uses a car for an approved journey, mileage will be paid.  | Current rate is £0.45 per mile  |   |
| Mileage and subsistence rates are declared to the Inland Revenue. Payments in excess of the IR levels will incur additional tax or NIC payments under the Inland Revenue 'Benefits in kind' rules. Claims must be made within 60 days of the expense being incurred. Authorisation in principle will be given by the Exec / Assoc Head in advance   |   |   |
| <b>PAYROLL PROCEDURES</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| A payroll service shall be undertaken on behalf of the school by an approved contractor. A contract / specification of the terms of the service shall be in force   | Strictly Education Payroll  |   |
| <ul style="list-style-type: none"> <li>• Persons with responsibility for amending and authorising payroll matters are as stated under controls and responsibilities above.</li> <li>• The Business Manager will update the personnel system within SIMS.</li> <li>• The Business Manager will keep records of overtime, midday supervision, invigilation and supply claims authorised by the Exec / Assoc Headteacher.</li> <li>• The Business Manager will check the monthly summary of salary printouts and will report any anomalies to the contractor before the final payroll is run. The monthly summary details and net salary payments, contributions to the TPS and Local Government Pension Scheme, NI contributions, Inland Revenue payments and other deductions.</li> <li>• The Exec / Assoc Headteacher authorises and signs the final monthly payroll.</li> <li>• The Business Manager will post the salaries to the relevant cost centres. A copy of the payroll master file shall be obtained from the payroll contractor and the contents checked against the schools' records for completeness and accuracy.</li> <li>• Spot checks of payroll details to personnel records shall be carried out periodically by the Exec / Assoc Headteacher and a delegated member of the Resources Committee</li> <li>• The schools will ensure that personnel and payroll information is held securely and in accordance with GDPR guidelines</li> </ul> |   |   |

| LETTING OF SCHOOL FACILITIES   | BUSHFIELD  | WYVERN  |
|--|--|---|
|  | <p>A range of school facilities are available for hire by individuals or groups after school, weekends and during school holidays. Charges for these facilities are reviewed annually and approved by the Resources Committee. Hirers must provide evidence of indemnity insurance, the school also has Hirer's Liability Insurance. It is for the hirer to organise any additional alcohol or entertainment licence, after approval by the school, and a copy of this licence must be provided to the school. The Business Manager issues the invoice. Lettings are monitored by the Caretaker &amp; Business Manager</p> |   |
| CREDIT CONTROL   | BUSHFIELD  | WYVERN  |
| <ul style="list-style-type: none"> <li>• The credit terms for debtors invoices are 30 days from the date of invoice.</li> <li>• A reminder letter will be sent to debtors who have not paid their invoices following the 30 days.</li> <li>• If the debt remains unpaid a further reminder letter will be sent 14 days from the date of the first reminder letter by the Business Manager. In addition where possible, the debtor will be contacted by telephone. At this stage the school may refuse the debtor any further access to the school facilities until the debt is paid. At the point at which a long standing debt is paid it will be decided if the debtor is to be permitted to make further use of the school facilities.</li> <li>• Music tuition students will no longer be entitled to receive tuition unless the debt is paid</li> <li>• If the debt remains unpaid for a further 7 days a third letter will be sent informing the debtor that the debt will be referred to the school's legal representative if not settled immediately</li> <li>• If the debt remains unpaid for a further period of 14 days and is for an amount greater than £100 it will be referred to the school's legal representatives.</li> <li>• If the debt remains unpaid and is for less than £100 it will be referred to the Resources Committee by the Business Manager for consideration.</li> <li>• Details of aged debts will be reported to the Resources Committee</li> </ul> |  |   |
| WRITE OFF  | BUSHFIELD  | WYVERN  |
| <p>Write off debt will only be considered when the credit controls procedures have been exhausted.</p> <p>Before closure of the financial year a list of debts proposed for write off will be prepared by the Business Manager and will be submitted to the Resources Committee for consideration. The submitted list will be supported by details of the debt.</p> <p>The decision of the Resources Committee will be clearly documented in the minutes of the relevant meeting.</p>  |  |   |
| CHARGE & DEBIT CARDS   | BUSHFIELD  | WYVERN  |
| <p>Charge cards are maintained with certain suppliers and details are held in the office. These are for occasions when it has not been possible to organise a purchase order form and to enable a school employee to obtain goods quickly. The governing body have authorised the use of the following charge cards.</p>   | <ul style="list-style-type: none"> <li>• Nat West One Card</li> <li>• Fuel Genie Card</li> <li>• Trade UK Card</li> </ul>  | <ul style="list-style-type: none"> <li>• Nat West One Card</li> </ul> |
| GOVERNOR EXPENSES  | BUSHFIELD  | WYVERN  |
| <p>The governors consider it appropriate that they should be reimbursed for legitimate out of pocket expenses such as:</p> <ul style="list-style-type: none"> <li>• Childcare expenses (where spouse/partner/other responsible adult who normally cares for the child is not available)</li> <li>• Care arrangements for an elderly or dependent relative</li> <li>• Telephone charges</li> <li>• Photocopying and stationery (where the school facilities could not be used)</li> </ul> <p>Reimbursement of travel and accommodation costs will be paid according to the Payment of Governor Expenses and Allowances Policy. Authorisation will be required from the Headteacher who will only authorise reimbursement if approval is sought in advance. If it is the Headteacher claiming expenses it will be authorised by an alternative signatory of the account. Expenses will be reimbursed to the amount, and on production of, valid receipts which should be sent to the Business Manager with the claim form. Expenses will be reimbursed within 30 working days of receipt of the claim by the Business Manager</p>  |  |   |

| <b>INSURANCE</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
|---|---|---|
| <p>The governing body shall ensure that there is an insurance policy in place covering the risks set out below:</p> <ul style="list-style-type: none"> <li>• Buildings</li> <li>• Consequential Loss</li> <li>• Loss of Income</li> <li>• Employers Liability</li> <li>• Legal Expenses</li> <li>• Libel &amp; Slander</li> <li>• Contents</li> <li>• Engineering</li> <li>• Public Liability</li> <li>• Governors Liability</li> <li>• Fidelity Guarantee</li> <li>• Cash Holdings</li> <li>• Personal Accident, employees &amp; governors</li> <li>• Staff &amp; Governor motor insurance (business)</li> <li>• School journeys and other risks determined by the governing body</li> </ul> | <p>Bushfield purchase insurance from Milton Keynes Council (Zurich Municipal)</p> <p>School journeys insurance is provided by Milton Keynes Council</p> <p>Staff &amp; Governor motor insurance (business) is purchased from Marsh Ltd</p> <p>Minibus Insurance is purchased from Marsh Ltd</p> | <p>Wyvern purchase insurance from Milton Keynes Council (Zurich Municipal)</p> <p>School journeys insurance is provided by Milton Keynes Council</p> <p>Staff &amp; Governor motor insurance (business) is purchased from Marsh Limited</p> |
| <p>Forms can be obtained from the Business Manager. Details of any claim, or potential claim, must be notified to the Exec / Assoc Headteacher immediately, and the Business Manager or Caretaker will contact the police to obtain a crime report and crime reference number (a requirement of the insurance claim procedure). The claim form will be processed by the Business Manager; details of excesses are available from the Business Manager, who will monitor to ensure that only valid claims are submitted.</p>   |   |   |
| <b>SOLICITORS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>The appointment of solicitors shall be reviewed in accordance with governing body instructions</p>   |   |   |
| <b>WRITING OFF LOSSES</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>The writing off of losses, including bad debts and any notification to the LA shall be in accordance with section 2.1.6 of the Scheme for Financing Schools</p>  |   |   |
| <b>REPORTING REQUIREMENTS</b>   | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <p>By 1<sup>st</sup> May</p> <ul style="list-style-type: none"> <li>• Annual income and expenditure budget for the current year</li> </ul> <p>By 1<sup>st</sup> November</p> <ul style="list-style-type: none"> <li>• Revised budget to be sent to the LA</li> </ul> <p>At the end of the financial year</p> <ul style="list-style-type: none"> <li>• An outturn statement will be required in accordance with guidance and a timetable issued by the LA</li> </ul> <p>During the financial year</p> <ul style="list-style-type: none"> <li>• Monthly VAT submittals</li> <li>• Quarterly Trial Balance / 3 Way Reconciliation reports</li> </ul>   |   |   |
| <b>MANAGEMENT REQUIREMENTS</b>  | <b>BUSHFIELD</b>  | <b>WYVERN</b>   |
| <ul style="list-style-type: none"> <li>• An FMS generated copy of cost centre to be sent to the budget holder on request</li> </ul>   |   |   |

- Monthly printout of budget holders accounts where applicable
- Monthly printout of debtors and creditors

#### Reports to the Resources Committee

- Budget monitoring summary including significant variances
- Updated school service contract (end of financial year only)
- Proposals for new services / contracts
- Budget forecasts and reports as requested
- Reviews in accordance with this financial policy and guidelines

#### Reports to Governing Body

- Reports from the Resources Committee at least termly
- Presentation of the annual accounts and voluntary fund report to the resources committee and governing body

#### Register of Business Interests

- A register is maintained by the Business Manager for all members of the governing body and staff which is reviewed annually

| FINANCIAL MONITORING BY<br>THE BUSINESS MANAGER | BUSHFIELD   | WYVERN |
|---|---|--------|
| Monthly   | <ul style="list-style-type: none"> <li>• Monitor petty cash account</li> <li>• Check cost centres</li> <li>• Check debtors and creditors aged reports</li> <li>• Check LA returns</li> <li>• Receive and process information about staff expenditure, salaries, overtime etc</li> <li>• Compare actual income &amp; expenditure with forecasts</li> </ul>   |        |
| Termly  | Reports to Resources Committee or as otherwise requested  |        |
| November  | <ul style="list-style-type: none"> <li>• Review actual budget forecast for the current year</li> <li>• Detailed discussion about proposed budget for the following year</li> <li>• Curriculum overview and all aspects of the school development plan completed</li> <li>• ICT strategy review of ICT sustainability and development completed</li> <li>• Draft expenditure forecasts for following year</li> </ul> |        |
| March   | <ul style="list-style-type: none"> <li>• Notification of the school budget and draft budget considered by Resources Committee</li> <li>• Budget submitted to governing body for approval</li> </ul>   |        |

## **APPENDICES**

### **Appendix 1**

Notes for guidance on the use of charge cards in schools

### **Appendix 2**

Summary of Financial Delegation as set by the governing body

### **Appendix 3**

The Viaduct Federation of Schools Financial Scheme of Delegation



# MILTON KEYNES COUNCIL

## **Guidance on Purchase / Charge Cards in Schools**

**REVIEWED: FEBRUARY 2015**

# **Guidance on Purchase / Charge Cards in Schools**

## **Contents**

### **1. Introduction**

### **2. Service Available**

- Purchase Card Account
- Deciding to operate a Purchase / Charge Card
- Card Holders

### **3. Opening a Charge Card Account**

- Application
- Upper limit

### **4. How the account will operate**

- 4.1. Payment of balance
- 4.2. Fees & Charges
- 4.3. Cash flow
- 4.4. What if cardholders leave the schools employment?

### **5. Monitoring, Security & Fraud**

- 5.1. Monitoring
- 5.2. Security & Fraud

### **6. Audit**

- 6.1. Audit
- 6.2. Retention of Financial Records
- 6.3. Charge card misuse

### **7. Recording Transactions on the School Financial System**

## 1. Introduction

- 1.1. The following information identifies the service available to you and the rules and regulations that schools must adhere to. This information forms part of the LMS Website and links directly with the Financial Procedures for Schools (Treatment of expenditure).

## 2. Service Available

- 2.1. The LA is recommending that schools use the free Electronic Purchasing Card Solution 'ePCS' card from NatWest Bank *which operates in exactly the same way as the previously used "OneCard" but which does not attract an annual administration fee*. If your bank account is with a different bank you can still have a NatWest ePCS card. Alternatively you may wish to make arrangements with another charge card provider, but the LA does need to approve the chosen account and the direct debit terms and conditions need to be equally competitive.
- 2.2. It is for the governing body of the school, guided by the Headteacher, to determine whether it is appropriate for the school to operate a purchase / charge card facility. Schools considering operating a card should read the whole of this guidance before making a final decision so that they are as well informed as possible prior to making that decision. The decision to proceed should be taken by the governing body and minuted as such.
- 2.3. Schools can have more than one card per school. It will be the Headteacher's responsibility to identify which members of staff need a purchase / charge card (maximum of 2 per small school and 3 for larger schools) and present a case to the governing body for agreement.

## 3. Opening a Charge Card Account

- 3.1. An application will need to be completed by two signatories, in line with the signatures on your current bank mandate.
- 3.2. The upper card limit is set at **£5,000** for Primary Schools and **£10,000** for Secondary Schools and these amounts cannot be exceeded.

## 4. How the account will operate

- 4.1. The purchase / charge card must operate by having a monthly direct debit set up to your local bank account to recover the full balance on the account. This will ensure that there are no outstanding amounts on the card at the end of the month.

- 4.2.** Due to the direct debit being in operation there will be no charges as there will not be any late payments. There is no annual fee for the ePCS card. This differs from most charge cards where an annual administration fee is normally payable. Schools are discouraged from using the card to withdraw cash as this incurs a 2.95% charge or a £2.95 fee whichever is the higher. It is recommended that you use your local bank account for routine cash withdrawals.
- 4.3.** If large amounts are being put on the charge card, schools need to take responsibility of its own cash flow management to ensure they have sufficient funds available to pay of the balance monthly in addition to the normal cost of the school.
- 4.4.** If a member of staff leaves the schools employment the card needs to be cut up and the bank advised (by way of an *amendment form 8* for the ePCS card) in order to cancel. A new application will need to be submitted, by way of an *application form 2* for the ePCS card, if it is deemed necessary to issue a card to another member of staff.

## **5. Monitoring, Security & Fraud**

- 5.1.** When the purchase / charge card is used a VAT receipt needs to be obtained and passed to the school bursar to enable them to monitor the account. The school bursar should not themselves be a cardholder. Similarly if an order is placed on the Internet, the order needs to be printed off and filed. If a telephone order is placed, a VAT receipt must be requested and a record made of the transaction until the receipt arrives.
- 5.2.** It is the schools responsibility to ensure there are adequate security measures in place for the holding of the purchase / charge cards and the prevention of fraud. It is important that adequate arrangements are in place to safeguard against unauthorised use of purchase / charge cards. If the card is only used occasionally it should be kept in a locked drawer, or preferably a safe.

## **6. Audit**

- 6.1.** These rules and regulations will be scrutinised by internal audit and Schools Finance will be asking them to ensure that proper controls are in place when they come to do your normal audits.
- 6.2.** As with all financial records, they must be retained securely by the school and filed in a manner which allows easy retrieval and which follows a proper audit trail from the accounting records. Financial records are required to be retained for 6 years.
- 6.3.** Any misuse of a purchase / charge card will result in the school losing the right to a card and it will be withdrawn. It could also lead to disciplinary action being taken against the officer in question. No

officer should receive any personal benefit from using the Schools charge card e.g. point schemes.

## **7. Recording Transactions on the School Financial System**

- Schools need to keep a record of all transactions for audit purposes
- Only the monthly direct debit needs to be recorded on the school system.
- Schools will need to account for accruals at the year-end, dependant on the date of the direct debit.

### SUMMARY OF FINANCIAL DELEGATION

**Bushfield School** operates to the Local Authority's financial regulations and procedures.

Transaction limits for the Year 2020-21 for Bushfield School

Approved by the governing board on: 25 November 2020

School budget share for year: £1,799,923 Pupil Premium Funding: £171,435

***All transactions in excess of the limits shown must be approved by the governing board***

|                                | Approval of first budget               | Approval of budget variations          | Monthly payroll | Single transactions up to the value of | Contracts up to the value of | Variations in contracts to the value of   | Virements between budget headings up to the value of   | Write off up to the value of (debts and equipment) |
|--------------------------------|--|--|-----------------|--|------------------------------|---|--|--|
| Headteacher                    | X                                      | X                                      | ✓               | £10,000                                | £10,000                      | 10% of contract up to the value of £5,000 | Can transfer up to 10% between budget headings as long as it does not exceed £10,000 and<br>Can only make such transactions as long as they don't exceed 2% of the school budget share | £200.00 per single item                            |
| Resources & Premises Committee | ✓<br>To report to Full Governing Board | ✓<br>To report to Full Governing Board |                 | £75,000                                | £105,000                     | Up to 20% if required                     | Has approval to vire up to £75,000 of school budget share across headings.   | £201.00 - £500.00 per single item                  |

\* Insert budget share if delegation limit is expressed as a percentage of it.

\*\* If this is so delegated by the governing board. Approval of the first budget of the financial year cannot be delegated to an individual.

Note: If a Headteacher delegates an aspect of his/her financial responsibility to other members of staff, a record should be kept and governors informed.

### SUMMARY OF FINANCIAL DELEGATION

Wyvern School operates to the Local Authority's financial regulations and procedures.

Transaction limits for the Year 2020-21 for Wyvern School; approved by the governing board on 25 November 2020

School Budget Share for Year 2020-21: £1,086,767 Pupil Premium: £69,595

All transactions in excess of the limits shown must be approved by the governing board

|                                | Approval of first budget               | Approval of budget variations          | Monthly payroll | Single transactions up to the value of | Contracts up to the value of | Variations in contracts to the value of   | Virements between budget headings up to the value of   | Write off up to the value of (debts and equipment) |
|--------------------------------|--|--|-----------------|--|------------------------------|---|--|--|
| Headteacher                    | X                                      | X                                      | ✓               | £10,000                                | £10,000                      | 10% of contract up to the value of £5,000 | Can transfer up to 10% between budget headings as long as it does not exceed £10,000 and<br>Can only make such transactions as long as they don't exceed 2% of the school budget share | £200.00 per single item                            |
| Resources & Premises Committee | ✓<br>To report to Full Governing Board | ✓<br>To report to Full Governing Board |                 | £75,000                                | £105,000                     | Up to 20% if required                     | Has approval to vire up to £75,000 of school budget share across headings.   | £201.00 - £500.00 per single item                  |

\* Insert budget share if delegation limit is expressed as a percentage of it.

\*\* If this is so delegated by the governing board. Approval of the first budget of the financial year cannot be delegated to an individual.

Note: If a Headteacher delegates an aspect of his/her financial responsibility to other members of staff, a record should be kept and governors informed





# The Viaduct Federation of Schools

## Financial Scheme of Delegation

Created: July 2018

Approved by Governors:  
For Review

25<sup>th</sup> November 2020  
Autumn 2021

Terms of Reference

## The Governing Body

The governing body has wide discretion over its use of the Schools' funds. It is ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretions reasonably and takes into account any and all relevant guidance on accountability and propriety.

It is specifically responsible for ensuring that the Schools' funds are used in accordance with: the law

The governing body, as part of its remit, meet at least once a term to discuss the Schools' finances. In doing so, they must ensure the following:

- The initial review and authorisation of the annual budget;
- The regular monitoring and scrutiny of accounts;
- Ensuring that the annual accounts are produced in accordance with requirements
- Reviewing and checking details of contracts and purchases;
- Authorising the award of contracts and purchases;
- Reviewing any reports on the effectiveness of the financial procedures and controls.
- Setting the strategic framework for the school (SDP)
- Setting the schools' educational, infrastructure and financial priorities
- Setting policies and targets for achieving objectives and monitoring progress made by the school in line with the SDP and any statutory updates
- Ensuring the budget is managed effectively (budget monitoring and implementing audit recommendations)
- Ensuring the school meets all of its statutory obligations

## Executive Headteacher / Associate Headteacher

Much of the financial responsibility has been delegated to the Business Manager but the Executive Headteacher / Associate Headteacher still retain responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governors have agreed should be approved by them;
- Authorising contracts;
- Advising on purchases and;
- Signing cheques and authorising BACs payments in conjunction with the bank mandate
- Ensuring that resources are being managed in an efficient, economical and effective manner
- Ensure that sound systems of internal financial control are being maintained and
- Financial considerations are fully taken into account in reaching decisions

## Other References

- Regularity – means the requirement for all items of income and expenditure to be dealt with in accordance with legislation authorising them, and any applicable delegated authority.
- Propriety – means the requirement that expenditure and receipts should be dealt with in accordance with Parliament’s intentions and the principles of Parliamentary control. This includes standards of conduct, behaviour and corporate governance.
- Value for Money – means the educational and wider societal outcomes achieved in return for the taxpayers’ resources received. (We are most interested in educational outcomes in return for the money spent but as this is lagged you are able to use more immediate outcomes to demonstrate value for money and cost effectiveness.

## Budget and Reporting

| Role | Value | Delegated Authority                             | Method  | Review Period |
|------|-------|---|---|---------------|
|      |       | Executive Headteacher and Associate Headteacher | Agree school academy improvement priorities   | annual        |
|      |       | Executive Headteacher and Associate Headteacher | Draft Budget plan   | Annual        |
|      |       | Executive Headteacher and Associate Headteacher | Agree budget plan   | Annual        |
|      |       | Resources Committee                             | Approve budget plan for submission to the Local Authority and report to the full governing body | Annual        |

|                                 |                                   |   |   |              |
|---------------------------------|-----------------------------------|---|---|--------------|
| Budget Holders responsibilities | As per the individual budgets set | Executive Head, Associate Head, SLT and other budget holders.<br><br>(each school should maintain their own list of budget holders)   | Budget monitoring is the responsibility of the budget holder. The budget must not be overspent at any time during the year unless agreement has been given from the appropriate authorisation level                                   | Monthly      |
| Monthly management accounts     |                                   | School Business Manager and Executive Headteacher and Associate Headteacher   | All transactions to be processed and reconciled by the staff for the timely checking and production of the monthly management accounts and governor reports. As per the financial timetable.  | Monthly      |
| Virements                       |                                   | Good financial planning should avoid the need for virements. If however they should arise the authorisation levels listed will apply. | Up to 1% of budget, Headteacher, with notification given to the Resources Committee<br>Up to 4% of budget Resources Committee, with notification given to Full Governing Body<br>Over 5% of individual school budget – Full Governors | As necessary |
|                                 |                                   |   |   |              |

## Income

| Role                                       | Value             | Delegated Authority   | Method  | Review Period |
|--|-------------------|---|---|---------------|
| Collection and receipt of cash and cheques | Any               | School business manager or delegated administration assistant | Cash must be receipted by the person with delegated authority and recorded in the appropriate ledger. All on site cash and cheques must be locked in the safe until banking   | daily         |
| Sales invoices                             | Up to £15000      | Business manager  | All sales invoices must be processed through the financial management system and issued in a timely manner  | As required   |
|  | £15001 - £100,000 | As above plus Executive Headteacher or Associate Headteacher  | Headteacher to authorise the issuing of sales invoices above £15,001, then as above.  | As required   |
|  | Over £100,001     | Resources Committee   | The Resources Committee to approve the issuing of sales invoices above £100,001, and then as above.   | As required   |
| Banking of cash and cheques                | Any               | School Business manager or delegated administration assistant | Cash and cheques should be banked on a regular basis and should not be allowed to accumulate above £1000. Banking should be checked and agreed by delegated member of admin staff independent to the admin assistant who is banking, before being banked and should relate back to receipts issued. | As required.  |
| Reconciliation of Bank Accounts            |                   | School business manager or delegated assistant                | Bank accounts should be reconciled at least on a monthly basis by a delegated member of admin staff independent to the person doing the banking. Bank reconciliations should then be signed dated and filed.  | Monthly.      |
| Reconciliation of School Finances          |                   | School Business Managers                                      | The School Business Managers will periodically review the financial position of   | Monthly       |

|                             |     |  |   |             |
|-----------------------------|-----|--|---|-------------|
|                             |     |  | the schools by completing a monthly 3 way reconciliation..  |             |
| Setting up of Bank Accounts | Any | Resources Committee                            | The Resources Committee must approve the setting up of any bank accounts  | As required |
| Petty Cash                  |     | School Business Manager or delegated assistant | Petty cash should be kept in a locked tin and stored in the school safe. Petty cash payments should be kept below £50. Receipts must be provided for any claim. Pre-approval from the appropriate budget holder must be obtained before any purchases take place. Period checks should take place by an independent person. | Weekly.     |
| Financial Management System |     | Resources Committee                            | The Resources Committee must approve any changes made to the FMS used by the schools within the federation  | As required |
|                             |     |  |   |             |

## Purchases and Payments

| Role            | Value           | Delegated Authority  | Method  | Review Period |
|-----------------|-----------------|--|---|---------------|
| Purchase Orders | Up to £1,000    | Budget holders and School Business Manager   | Orders should be placed with approved suppliers unless agreed otherwise with school business manager. Orders should be written on approved purchase order pro-forma and authorised before being processed in the financial management system and before the order is placed with the supplier.<br>Approved paper-based orders should be entered into the financial management system by the delegated admin assistant. This must not be the same person who approved the order. | Monthly       |
|                 | £1,001 - £5,000 | Executive Headteacher or Associate Headteacher, School Business Manager                      | As above and three quotes must be obtained. These can include both written and verbal   | Monthly       |
|                 | £5,001-£10,000  | Executive Headteacher or Associate Headteacher   | As above however minimum three quotes must be written   | Monthly       |
|                 | £10,001-£25,000 | Executive Headteacher and Associate Headteacher with notification to the Resources Committee | As above however minimum three quotes must be written   | Monthly       |

|                                   |  |   |  |              |
|-----------------------------------|--|---|--|--------------|
|                                   | Over £25,000                                 | Resources Committee   | Formal tendering process, including advertising in OJEU if appropriate   | Monthly      |
| Payment by Cheque or BACS         | Up to £10,000 or as per bank mandate if less | Two signatories required from either of the 4 authorised signatories on the account | Individual payment to any supplier up to this value need to be signed by two individual in the delegated authority column. Cheques or payment notifications must be accompanied by authorised supporting documentation.  | As required. |
|                                   | £10,001 and above                            | Three signatories required from any of the 4 authorised signatories on the account  | Cheques or payment notifications must be accompanied by authorised supporting documentation.   | As necessary |
| Charge Card                       | Limited to £6,000                            | Executive Headteacher and Associate Headteacher                                     | Must be kept in the safe when not in use. All transactions must be supported by a receipt. Orders should be placed by headteacher, school business manager or admin assistant. Reconciliation should be checked by someone other than the person who places the order. | Monthly      |
| Standing Orders and Direct Debits | As per limits for cheque and BACS payments   | As per limits for cheque and BACS payments  | As per limits for cheque and BACS payments   | As necessary |
| Liabilities and write-offs        | Asset write off less than £1,000             | School Business Manager   | Assets written off must be agreed at Local Governing body level. An asset register must be maintained, and once approved by the LGB these assets can be marked as written off.   | Annual       |
|                                   | Asset write off under £10,000                | Headteacher and Resources Committee   |  |              |
|                                   | Asset write off £10,001 +                    | Full Governors  | The board must approve the write-off of assets with a residual value of £10,001+   | Annual       |



|   |             |                     |   |        |
|---|-------------|---------------------|---|--------|
|   |             |                     | Asset registers to be updated once approval has been given.           |        |
|   | Liabilities | Full Governing Body | All other write-offs must be approved by both the Full Governing Body | Annual |
| Purchase or sale of any freehold property   | Any         | Full Governing Body |   | Annual |
| Granting any leasehold or tenancy agreement | Any         | Resources Committee |   | Annual |
| Finance leases                              | Any         |                     | These are not permitted.  |        |

## Wages and Salaries

| Role  | Value                        | Delegated Authority   | Method  | Review Period |
|---|------------------------------|---|---|---------------|
| Appointment of staff including agreement of starting salary | Up to Senior Leadership Team | Executive Headteacher and Associate Headteacher                         |   | Annual        |
|   | Up to Deputy Headteacher     | Executive Headteacher, Associate Headteacher and Resources Committee    |   | Annual        |
|   | Headteacher                  | Full Governing Body   |   | Annual        |
|   |                              |   |   |               |
| Payroll Processing  |                              | School Business Manager, Executive Headteacher or Associate Headteacher | SBM to check monthly payroll and make any necessary changes or adjustments. Monthly payroll and any changes must be authorised and signed off by the Headteacher. Payroll reports and payments made will be checked and agreed on a monthly basis.                          | Monthly       |
| Contracts of Employment                                     |                              | School business Manager or delegated administration assistant.          | All employee contracts need to be kept up-to-date. Any contract changes need to be authorised by the appropriate authority level as per appointment of staff authority and filed in the staff members file. These contracts will be periodically checked by external audit. | As required.  |

Assets

| Role                 | Value                                  | Delegated Authority   | Method  | Review Period        |
|----------------------|--|---|---|----------------------|
| Fixed asset register | £150 or anything desirable or portable | Business manager, delegated administration assistant or on-site ICT staff | All assets to the value of £150 or are desirable or portable will need to be recorded in the asset register | Monthly or Annually. |
| Mini Bus             |  |   | Schools using the minibuses will be expected to replace fuel used at their own school budget expense.       | Annually             |