



# **HAILEY HALL SCHOOL**

**Believe | Strive | Achieve**

## **SCHEDULE OF FINANCIAL DELEGATION & FINANCE POLICY**

**Date last review: Autumn Term 2023**

**Review date: Autumn term 2024**

**Responsible Committee: Finance & Premises**

**Responsible Person: Business Manager & Business Officer**

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# **1. SCHEDULE OF FINANCIAL DELEGATION**

The school is aware of the Local Authority's 'Scheme for Financing Schools' and 'Financial Regulations', as set out in Part II and Part III of the LA 'Financial Handbook for Schools' respectively. The LA Scheme and Financial Regulations are adopted by the Board of Trustees and covered in Trustee induction training.

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Financial Management</b>				
Ensure the school's continuing compliance with the Education Skills Funding Authority (ESFA) FMGS			✓	Finance Manager
To review the school's self-assessment against the ESFA FMGS on an annual basis and the action plan drawn up to address issues identified, as required.		✓		
Review the school's continuing compliance with the ESFA FMGS	✓			
To review the school's Financial Procedures Manual and all corresponding financial policies for approval by the Board of Trustees biennially.		✓		Finance Manager
Approval of the school's Financial Procedures Manual.	✓			
Approval of the school's financial policies (Schedule of Delegation, Scheme for Financing Schools, Financial Regulations, charging, refunds, debt recovery, asset disposal, etc.)	✓			
To review the Trustee induction pack to ensure that the information is still relevant and up to date.		✓		

FMGS = Financial Management and Governance Self- Assessment

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Financial Management</b>				
Ensure that there is an induction pack for new Trustees, tailored to reflect the individual structure of the school.	✓			
Ensure that all relevant financial updates are brought to the attention of the Finance and Premises Committee / Board of Trustees.			✓	Business Manager
To consider all relevant financial updates and advise the Board of Trustees		✓		
<b>School improvement Plan – financial implications</b>				
Prepare a fully costed improvement plan setting out the aims of the school.			✓	SLT
Secure the implementation of the improvement plan with the collective support of the school staff.			✓	
Consider the draft school improvement plan, review and monitor it.		✓		
Approve an ongoing improvement plan and take stock of the progress of the plan on an annual basis.	✓			
<b>Financial Planning</b>				
Prepare a three-year medium-term budget (MTFP) based on the cost of current policies, the proposals for change (drawn from the school's improvement plan) and estimates of the level of future resources.			✓	Finance Manager
Consider the school's MTFP in the light of the development plan and the level of future resources.		✓		
Approve the school's MTFP and review this document in the light of any significant factors that come to the attention of the Board of Trustees.	✓			

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Annual Budget Plan and Best Value Statement</b>				
Undertake benchmarking exercises on an annual basis for review by the Finances and Premises Committee.			✓	Finance Manager
Consider the benchmarking work undertaken by the school and propose changes, as required, to ensure that the school budget achieves value for money.		✓		
Prepare the school's draft annual budget and best value statement, based on the agreed objectives of the school as set out in the improvement plan, MTFP (mid-term financial plan) and key issues paper for consideration by Trustees.			✓	Finance Manager / Business Manager
Consider the draft school budget and key issues (links to the school improvement plan and MTFP) and the proposal of the balanced budget for the year for the approval of the Board of Trustees.		✓		
Approve the school's annual budget.	✓			
<b>Annual Timetable for Budget Management</b>				
Prepare a timetable with key dates for annual budget management.			✓	
Ensure that meetings are timetabled taking into consideration financial deadlines.		✓		

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Budget Monitoring and Control</b>				
Approve virements between budget headings. Movements above this value to be referred to the Finance & Premises Committee before being undertaken.			< £10,000	
Approve virements of money between budget headings. Virements in excess of this amount to be approved by the Trustees.		£10,000 - £19,999		
Approve virements between budget headings in excess of the delegation to the Finance & Premises Committee.	> £20,000			
Advise the Finance & Premises Committee and Trustees of all budget movements (e.g. virements, allocation of additional funding, etc.) undertaken where not otherwise approved in advance by the Finance and Premises Committee or Board of Trustees.			✓	Business Manager / Finance Manager
Review all budget movements undertaken (including virements), ensuring that the reasoning for the movements is sound.	✓	✓		
Monitor and control expenditure against the budget during the financial year, including preparation and approval of reports for the Finance and Premises Committee and Board of Trustees and the production of a register of staff responsible for managing budgets.			✓	Finance Manager
Monitor and control expenditure against the budget during the financial year.		✓		
Review the budget monitoring reports and projected out-turn position.	Termly	✓		
The control and monitoring of delegated budgets.				Departmental Budget Holders
Ensure that earmarked funds and large or trading activities are separately monitored and reported to Trustees.			✓	Finance Manager

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Budget Monitoring and Control</b>				
Monitor earmarked funds, trading activities and large school operations, (e.g. catering, sports facilities, extended school activities, lettings, etc.) to ensure that the allocations are spent in accordance with the recognised terms and within the allocation set out in the budget.		✓		
<b>Financial Reporting to the Authority</b>				
The preparation of the year-end accounts and other returns required by the ESFA for consideration by the Headteacher.				Finance Manager
In conjunction with the Chair of Trustees, approve all year-end accounts and any financial returns required by the ESFA.	Chair of Trustees		✓	
Ensure that an annual return or audit certificate is submitted to the Chief Internal Auditor for every private, voluntary or trading account controlled by the Board of Trustees (excluding any accounts specifically set up to hold the DCSF capital allocations for VA		✓	✓	Business Manager
<b>Audit and Inspection Reports</b>				
Produce a formal response to the Internal Audit report and an action plan showing how the recommendations will be implemented.			✓	Business Manager
Consider the recommendations set out in Internal Audit report and the action plan proposed by the Headteacher for implementing these.	✓			
Ensure that the recommendations agreed by the school have been implemented.	✓	✓	✓	
<b>Retention and Disposal of Accounting Records</b>				
Ensure maintenance of complete financial accounts and full supporting records for all accounts (both official and unofficial). (Refer also to the Financial Systems section below.)			✓	Finance Manager

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Retention and Disposal of Accounting Records</b>				
The retention, secure storage and disposal of accounting records in accordance with both legal and Local Authority requirements.				Finance Manager
The maintenance of full financial records for all accounts.				Finance Manager
<b>Computer Systems and the Data Protection Act 1998</b>				
Ensure that the school complies with the requirements of the Data Protection Act 1998.			✓	Business Manager
Ensure that the school's Data Protection registration is renewed annually	✓			
The setting up and maintenance of access profiles for system users and the production and security of back-up disks and files.			✓	Business Manager
<b>Financial Systems</b>				
Undertake an annual review of the controls within the school's financial systems.			✓	Finance Manager
<b>Banking Arrangements</b>				
Open bank accounts and approve or vary signatures thereto, taking into consideration the restrictions set out in the Scheme for Financing Schools and any effect that this may have on the way the annual budget is advanced to the school.		✓		Finance Manager
Authorise payments: Cheques to be signed as per the bank mandate. BACS payments can be signed by the Business Manager and one other person as per the bank mandate.			£0 - £2,000	Deputy / Assistant Headteacher



Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Banking Arrangements</b>				
The signing of cheques for more than £2,000			Headteacher	Deputy Headteacher
The signing of cheques for less than £2,000			Headteacher	Deputy Headteacher
The signing of cheques for reimbursement to the Headteacher	Chair of Trustees			Other Trustees
The control and reconciliation of the school's bank accounts for consideration by the school's Headteacher or Deputy Headteacher.				Finance Manager
<b>Approve the bank reconciliation on a monthly basis.</b>				<b>Finance Manager / Business Manager</b>
<b>Petty Cash</b>				
Agree, with the Trustees, an appropriate amount of petty cash to be held, currently £250, and the periodic check of completeness of financial records.			✓	
The maintenance of accounting records, the security and regular reconciliation of petty cash.				Finance Assistant
<b>Personnel and Payroll</b>				
Review the staff structure of the school biennially			✓	Business Manager
To review the financial implications of changes to staffing numbers and grades, and approve those with a compound annual effect over £30,000		✓		
The maintenance of an authorised signatory list for employment contracts and pay documents.				Business Officer

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Personnel and Payroll</b>				
The filing and storage of personnel and pay records (including person specifications and interview notes for a least 12 months).				Business Manager / Business Officer
Periodically reconcile gross pay with contracts and other authorised documents.			✓	Business Officer
Determine employee status for all individuals working on behalf of the school, using the local authority questionnaire where further clarification is required.			✓	Business Manager
Authorise all employee-related expenses to be paid through payroll, including payroll, employees' overtime, special allowances and payments, travel expenses, etc.).			✓	
Approve all payments made to the Headteacher personally, and/or personal expenses incurred, including payroll, special payment, travel expenses (refer also to the banking arrangements section above.)	Chair / Vice Chair			
Implement the school pay policy and appointment procedures for all staff employed through the school.			✓	
<b>Purchasing – provision of goods and services</b>				
Set house rules for a purchasing policy, monitor and review the rules in accordance with local authority guidelines.	✓			
Monitor purchasing regulations to ensure compliance by the school.			✓	Finance Manager
Act as 'Chief Officer' for the letting of contracts.	✓		(✓)	
Appoint Contracting Officer and Contracts Manager for the contracts taken out.	✓			Business Manager / Business Officer
Maintain a Contracts Register in accordance with LA guidance.	✓		(✓)	Finance Assistant

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Purchasing – provision of goods and services</b>				
Act as Contract Manager and monitor contracts on an on-going basis.			✓	Business Manager / Business Officer
Review contracts on an on-going basis (and as part of ensuring the school continues to achieve 'best value')	✓		✓	Business Manager / Business Officer
Ensure that one written quotation is obtained for purchases and contracts up to a value of £5,000.			✓	Business Manager / Business Officer
Ensure that two written quotations are obtained for purchases and contracts up to a value between £5,001 and £10,000.			✓	Business Manager / Business Officer
Ensure that three written quotations are obtained for purchases and contracts valued between £10,001 and £100,000.			✓	Business Manager / Business Officer
Ensure that a formal tender process in the UK and advertisement is evidenced for purchases and contracts over £100,001. Contracts over £100,000 to be countersigned by the Local Authority.			✓	Business Manager / Business Officer

Maintain a list of contacts for guidance and advice.			✓	Business Manager / Business Officer
Supervise contractors and service providers to ensure the receipt of best value for money and compliance with legislation.	✓ (Monitored at BOT)			Business Manager / Business Officer

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance & Premises Committee	Headteacher	Other Staff Member
<b>Leasing</b>				
The maintenance of a register of all leases held by the school (if not included in the school's Contract Register).				Finance Assistant
<b>Orders for Goods and Services and Payment of Accounts</b>				
The maintenance of an authorised signatory list for orders (subject to the limitations agreed).				Finance Manager
Approve and control orders for all goods and services:				
£1.00 - £199.99			✓	✓ SLT Member-only in the absence of Headteacher
£200.00 - £999.99			✓	✓ SLT Member only- in addition to Headteacher
£1,000.00 - £9,999.99		✓ (Chair of F&P)	✓ In addition to Chair of F&P	✓ In addition to Chair of F&P
£10,000 - £100,000	✓	✓	✓ In addition to Chair of F&P/BOT	✓ In addition to Chair of F&P/BOT

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance and Premises Committee	Headteacher	Other Staff Member
£100,001 and over (formal tender process)	✓	<input type="checkbox"/>	✓ In addition to Chair of F&P/BOT <input type="checkbox"/>	✓ In addition to Chair of F&P/BOT
Approve capital projects above £60,001	✓	✓	✓ In addition to Chair of F&P/BOT	✓ In addition to Chair of F&P/BOT
The confirmation of the receipt of goods and services				Finance Manager
The preparation of cheques for payment of services.				Finance Manager
<b>VAT</b>				
To monitor the regulations on VAT, ensuring compliance by the school.				Finance Manager
To complete and submit the reimbursement claim for VAT on a monthly basis.				Finance Manager
The signing of the VAT reimbursement claims.			✓	

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance and Premises Committee	Headteacher	Other Staff Member
<b>Income</b>				
Set a charging policy for consideration by the Trustees.		✓		
Approve the charging policy.	✓			
Draw up proposed charges for the various areas of school income, including lettings, music tuition and school meals, on an annual basis.			✓	
Consider the proposed charges for the various areas of school income for approval by the Trustees annually.		✓		
Approve the annual review of charges for the various areas of school income (the approval to be formally recorded in the Trustees minutes).	✓			
Set suitable controls for the recording and collection of monies due, and for the movement of banking of monies for all accounts under the control of the school.			✓	
The control and collection of all income.				Finance Manager / Finance Assistant
The preparation of receipts for banking.				Finance Manager / Finance
The physical banking of monies.				Finance Manager / Finance Assistant

Area of Responsibility	Level of Responsibility			
	Board of Trustees	Finance and Premises Committee	Headteacher	Other Staff Member
<b>Income</b>				
Approve procedures for chasing outstanding income due to the school (debt recovery policy).	✓			
Write off bad debts up to and including £50.00. Amounts in excess of this as below			✓ < £50	
Approve and write off bad debts accruing to the school over £50	✓ £500 and above	✓ Between £50 and £499.99		
Ensure the security of monies held on site.			✓	
<b>Security of Assets, Stocks and Other Property</b>				
Produce and implement a policy for security arrangements at the school (including procedures for			✓	
Approve and periodically review the policy for security arrangements at the school.	✓			
To determine a value above which assets should be recorded on the school's inventory.	✓			
Ensure the physical security of the school's assets and maintain and periodically inspect an up-to-date inventory.			✓	Finance Manager
The security of physical assets.				Finance Manager
The notification of any changes in physical assets to the inventory coordinator.				Finance Manager
To determine a value above which discrepancies in the inventory should be reported to the Board of Trustees.	✓			
The physical inspection of the inventory on an annual basis or through an on-going programme of (random)			✓	Finance Manager



Area of Responsibility	Board of Trustees	Finance and Premises Committee	Headteacher	Other Staff Member
<b>Security of Assets, Stocks and Other Property</b>				
Prepare a policy for the disposal of surplus stock and equipment and property, other than land and buildings, and authorise items for disposal up to a maximum value of £100.			✓	
Approve the policy for disposal of surplus stock and equipment and the sale of property, other than land buildings.	✓			
Authorise items for disposal above a residual value of £100.	✓			
Maintain a register of key holders.			✓	
<b>Insurance</b>				
Initiate adequate insurance cover for the school and maintain a register of policies taken out.			✓	
Undertake an assessment of risk management for insurance purposes at the school.		✓		

## **2. FINANCE POLICY**

### **PURPOSE**

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## **Section 1: Organisation**

### **1.1 The Board of Trustees**

The Trustees have overall responsibility for the administration of the Academy's finances, compliance with the Funding Agreement and the Academy Trust Handbook. The main responsibilities include:

- Ensuring the funding is used for the purposes intended
- Approval of the annual budget
- Appointment of the Headteacher / "Accounting Officer"
- Appointment of the "Principal Finance Manager" in conjunction with the Headteacher
- Appointment of auditors
- Review and approval of the annual report and accounts

*Note – Where a separation of duties is essential, the Finance Assistant or other members of staff determined by the Headteacher, will carry out routine duties so that the Finance Manager can oversee, review, and approve as required by the Business Manager remit.*

### **1.2 Finance and Premises Committee**

Much of the day-to-day financial management and monitoring is delegated to the Finance and Premises Committee within the detailed terms of reference. The main responsibilities of the Finance and Premises Committee include:

- Review, of the annual budget and proposal to Board of Trustees for approval
- Regular monitoring of income and expenditure against budget, including reporting of any significant budget amendments
- Approval of opening and operation of academy bank accounts; authorised signatories; transfers between accounts; operation of credit cards; payment system controls including BACS
- Ensure compliance with the Finance Policy and Academy Trust Handbook
- Ensuring the annual accounts are produced in accordance with the Academy Trust Handbook
- Ensure a strategic financial view of income, staffing, other expenditure, and capital projects
- Appointment of responsible officer
- Review of reports from the responsible officer on the effectiveness of the financial procedures and controls
- Review of the annual report and accounts and recommendation for approval to the Members and Board of Trustees.

### **1.3 Headteacher**

The Headteacher is appointed as the Accounting Officer; the Headteacher has overall responsibility for the Academy, including financial activities. Much of the financial responsibility is delegated to the Finance Manager but the Headteacher still retains responsibility for:

- Ensuring regularity and propriety
- Ensuring prudent and economical administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources
- The day-to-day organisation, staffing and management of the academy.

#### **1.4 Business Manager in conjunction with the external accounting service**

The Business Manager is appointed as the Principal Finance Manager. The Finance Manager is supported by an external accounting service and works in close collaboration with the Headteacher. The Business Manager and external accountant are responsible to the Board of Trustees, Finance and Premises Committee and Board of Trustee meetings.

The main responsibilities are:

- Day to day management of financial issues and oversee the operation of the finance system
- The management of the academy financial position at a strategic and operational level within the framework of the Finance Policy and Academy Trust Handbook
- Ensuring the annual accounts are properly presented and supported by the financial records and systems
- Preparation of interim financial reports
- Approval of orders in conjunction with responsible staff outlined in the Schedule of Financial Delegation section
- Ensuring the required returns are sent into the Department for Education and other regulatory bodies in line with timetables.

#### **1.5 Internal Audit**

The responsible officer or organisation responsible for internal controls evaluation is appointed by the board of trustees to provide the board of trustees and Finance and Premises Committee with on-going independent oversight of the academy's financial affairs and assurance that:

- The financial responsibilities of the Board of Trustees are being properly discharged
- Resources are being managed in an efficient, economical, and effective manner
- Sound systems of internal control are being maintained
- Financial considerations are fully taken into account in reaching decisions.

#### **1.6 Other Staff**

The Finance Manager has specific responsibilities for the accurate maintenance of the academy finance systems, records and compliance with the Finance Policy and Academy Trust Handbook. The specific responsibilities are detailed in individuals' job descriptions.

Budget holders have financial responsibility for managing within their delegated budgets and ensuring best value. All orders are signed off by the Headteacher.

## **Section 2: Budgets**

### **2.1 Budget construction**

The Headteacher is responsible, with the Finance Manager & Business Manager, for the detailed preparation of the annual budget. In doing this they will consult with other members of staff to ascertain detailed requirements.

The Finance and Premises Committee will determine the overall sum within which the budget must be set, and the amount of any anticipated balance to be carried forward into the following financial year.

In constructing the budget, the Headteacher, Finance Manager & Business Manager must take account of priorities identified in the School Development / Improvement Plan and incorporate the costs of these in the budget.

Priorities identified in the School Development / Improvement Plan must always be costed where possible.

The budget expenditure total must not exceed the amount of the income total plus or minus any balances brought forward from the previous year. If it appears that this cannot be achieved, the Headteacher and Chair of Trustees must inform the Department for Education immediately this becomes apparent.

The Finance and Premises Committee must meet in the spring term to consider a broad budget strategy, and again in the summer term to consider and approve the detailed budget. The Board of Trustees must subsequently approve the full budget and minute this approval. The approved Trustees Budget must then be submitted to the Department for Education in accordance with the timeline required.

In constructing the detailed budget, factors the Headteacher, Finance Manager and Business Manager must take account of include: -

- changes in pupil numbers
  - changes in overall and specific funding
  - flexibility of use or ring-fencing of funding
  - current and previous year's expenditure levels at individual budget heading levels
- 21
- School Development / Improvement Plan priorities

- staff pay awards and increments
- anticipated price inflation
- changes in the staffing complement
- changes in the supply of services (gas, electricity, water etc.)
- facilities development
- IT resources

## **2.2 Budgetary control and monitoring**

The Headteacher, Finance Manager and Business Manager are responsible for regular, detailed control of the school budget. To achieve this, they will analyse monthly reports from the school's accounting system. Such reports shall show, for each budget heading: -

- total budget for year
- total commitment and expenditure to date
- variances

The Headteacher, Finance Manager and Business Manager are empowered to take remedial action to address variances, by effecting virements between individual budget headings. Individual virements may be authorised as follows: -

- up to £10,000 – Headteacher
- Over £10,000 – Board of Trustees

All virements, once approved, must be promptly recorded in the school's accounting system to keep the approved budget up to date.

The Headteacher and Finance Manager will present detailed budget monitoring statements to the Finance and Premises Committee each financial quarter, such statements shall show for each budget heading: -

- total budget for year
- total commitment and expenditure to date
- variances

The Finance and Premises Committee shall consider such statements; the Finance Manager will provide explanations for any significant variances identified. The Chair of the Finance and Premises Committee, supported by the Headteacher and Finance Manager, shall report to each full Board of Trustees meeting, identifying any significant budgetary issues and any remedial action taken or needed. Additionally, any policy decisions needed and significant changes to the Academy's approved budget must be approved by the Board of Trustees by way of a minute of the meeting.

The Headteacher may assign budgetary control of individual budget headings to other members of staff (e.g. Deputy Headteacher and Assistant Headteachers, Finance Manager and Heads of Subject area).

Such members of staff must control their own budget area, control equipment and stock, receive regular budget statements and submit an annual report and funding request for the department based on perceived need and prioritisation of objectives based on the departmental improvement plan. The Headteacher remains ultimately accountable to the Board of Trustees for all budget headings.

All staff must contribute to best value and the efficient running of the school by maximising efficiency and minimising waste (e.g. heating, lighting, telephones).

All staff should ensure that all school facilities, equipment and resources are taken good care of.

Teachers should ensure that pupils are properly prepared for all exams and qualifications for which they have been entered.

Payroll expenditure data must be entered promptly each month on to the school's accounting system.

Other, non-pay, expenditure must be reconciled promptly on a monthly basis to the school's accounting system by the Officer.

When the accounts for each financial year are closed, a final statement from the school's accounting system must be presented to the next meeting of the Finance and Premises Committee.

The FMGS (Academies Financial Management and Governance Self-Evaluation) framework must be adhered to.

### **Section 3: Payroll**

The school operates its payroll system using an external payroll provider, EPM.

A list of authorised payroll signatories must be maintained by the Finance Manager. This includes the Headteacher, and Finance Manager.

#### **3.1 Starters / variations / leavers**

All changes to staff must be advised in writing to the member of staff by the Headteacher, with a copy to the Business Manager. Online processes are undertaken for: -

- setting up new employees and new contracts on the payroll
- effecting variations to pay
- taking existing employees off the payroll

These entries must be made by Business Manager and Business Officer. Print offs are made of these entries, which are countersigned by the alternative officer (Business Manager / Business Officer). This information must be entered by the Business Officer on the personnel module of sims.net.



### **3.2 Time sheets**

All time sheets submitted by a member of staff must be checked by the Business Officer and then authorised (signed) by the Headteacher. Authorised time sheets must be sent directly to the Business Manager.

### **3.3 Checking of payroll data**

Payroll data must be scrutinised by the Business Manager and Finance Manager, in conjunction with the Payroll provider, to ensure all employees are recognised, pay appears reasonable and for the accuracy of pay calculations. A reconciliation between the current month and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc will be undertaken on a monthly basis by the Finance Manager.

Payroll journals are manually posted on a monthly basis to the financial accounting system by the Finance Manager.

### **3.4 Pay-related expenses**

All pay-related expenses must be processed through the payroll system. Pay-related expenses must never be paid via petty cash, or by the creditor payment system.

### **3.5 Supply teacher insurance**

The Board of Trustees will decide on the basis of advice from the Headteacher and Business Manager, whether supply teacher insurance cover shall be taken out, and the extent of the cover. All claims submitted by supply teachers must be authorised (signed) by the Business Manager.

The Business Manager in conjunction with the Finance Manager must check that correct amounts have been charged as per the timesheets.

## **Section 4: Payments**

### **4.1 Signatories and banking online facility**

**4.1.1 The following are authorised to process and approve BACS transactions on the bank accounts: -**

- Headteacher
- Deputy Headteacher
- Business Manager
- Finance Assistant

There must be two signatures on each BACS transfer.

#### **4.2.2 When payment is made using the banking online facility the following procedures must be followed: -**

- Generation of a printed summary of payments which are due, by the Finance Manager.
- Authorisation of the payment summary by two signatories as detailed in point 4.1.1
- Run conversion file to transfer the payment data from the FMS Financial system to the Bank online system, by the Finance Manager or Finance Assistant
- Validation of the payment schedule on the Bank online business banking payment system against the original signed and authorised payment summary by the Finance Manager.
- Approval and release for payment by the Business Manager or Finance Assistant.

Note – payments cannot be validated and approved for release by the same person.

#### **4.3 Final accounts and audit**

Final accounts are prepared at the end of the school financial year by the school Finance Manager. The accounts will be audited by an auditor appointed by the Board of Trustees. The auditor will not be a member of the Board of Trustees. In appointing an auditor and operating the Fund, the Trustees will follow the instructions laid down in the Academy Trust Handbook.

The audited accounts should be presented to the full Board of Trustees as soon as possible for approval. Trustees' approval must be recorded in the minutes of the meeting.

School Fund monies are kept, and recorded, separately from the school's capitation monies and securely held.

### **Section 5: Assets**

#### **5.1 Fixed Asset Register and Inventory**

The portable, desirable, attractive assets of the school, as well as any assets of intrinsic value (e.g. antiques) will be recorded in the school's inventory. Full details (make, model, serial number, approximate value) shall be recorded, subject to a minimum value for an individual item of £500.

The Finance Manager has overall responsibility for keeping the inventory up to date; each Head of subject area is responsible for keeping their individual department's inventory up to date by adding new items when they are received into school.

All inventory items where possible should be security marked by a suitable permanent security marking system e.g. smart water, ultra violet pen, bar coding, warning stickers.

All asset disposals must ensure the best possible value is obtained. Items up to a value of £1000 may be sold or written out of the inventory on the authority of the Finance Manager or Headteacher. Over this limit, the Board of Trustees must authorise and details recorded in the minutes. Reasons must be recorded in the inventory, together with the Headteacher's or Finance Manager signature (items up to £100) or the Trustees' minute reference (£100 and over). An official receipt for sales income must be issued to the purchaser. VAT must be charged when required.

For disposal of fixed assets over £20k which have been funded by the ESFA, the Finance Manager will consult or advise the ESFA in advance.

Inventories shall cover all areas of the school and be arranged on a room-by-room basis. A separate inventory will be maintained to include items which are not allocated to a specific room.

The inventory shall be checked against the actual assets by the Finance Manager on an annual basis. Any discrepancies shall be investigated immediately, and if necessary the Trustees, Police and the authority's auditors shall be informed. The check shall be evidenced by the checker signing and dating the inventory.

## **5.2 Depreciation**

Depreciation is provided on cost or valuation in equal monthly instalments over the estimated useful life of the assets.

Assets are capitalised for all single items above £1,000.

A full year's depreciation is provided for in the year the asset is acquired and nil depreciation in the year of disposal.

The standard rates of depreciation are as follows:

Asset type Depreciation period

Depreciation rate:

- Computer equipment and software 3 years 20%
- Motor Vehicles 5 years 20%
- Furniture and fittings 10 years 10%
- Buildings 5%

Note - The above are general standard depreciation rates. Individual capitalised fixed assets may need to have specific depreciation periods set; this will need to be specifically approved by the Trustees' Finance & Premises Committee.

### **5.3 Off-site register**

Any inventory items taken off-site by members of staff for official purposes must be recorded in a register. The date borrowed, and the signature of the borrower, must be recorded. On the return of the item, the date of return will be recorded.

### **5.4 Investments**

Available funds in Bank account cash surpluses can be invested, by the Finance Manager, subject to certain preauthorisation. These investments must be made in accordance with certain rules. Please see the Investments and Reserves Policies with regard to this.

## **Section 6: Income**

### **6.1 Credit income**

(Where payment for goods / services provided by the school is made after the provision takes place).

An official invoice must be raised by the Finance Manager or other person under the direction of the Headteacher, in all cases and sent to the debtor as soon as possible after the provision of the goods / service, and no later than one month after the provision. A file of copy invoices will be maintained by the Finance Manager; this will be arranged into 'paid' and 'unpaid' invoices. The copies of unpaid invoices will act as a control record for the sending of reminders and the chasing of unpaid debts.

Please see '**Bad Debt Procedure**' for processes for dealing with debt recovery.

Receipts can be issued to debtors on request, the receipt number is to be written on the copy invoice and a duplicate copy of the receipt must be retained at school.

### **6.2 Cash income (i.e. where payment is received at the time goods / services are provided).**

Detailed records must be maintained for all cash income. An official receipt may be issued to the payer on request at the time the payment takes place, and a duplicate copy retained at the school.

### **6.3 Banking**

All income received (cash or cheque) must be banked promptly and intact. No payments may be made from income collected. A record to evidence the banking must be kept (e.g. stamped paying-in slip).

## **6.4 Charging policy**

The full Board of Trustees will set a charging policy to cover: -

- lettings
- school visits (which will be costed by the teacher organiser, who will also take into account any pupils in financial difficulty)
- music tuition
- exam fees
- private photocopying
- private telephone calls

The charging policy will be reviewed annually by the Board of Trustees. Charges levied by the school will be in line with this policy.

## **6.5 Donations**

Donations from any sources must be acknowledged by the issue of an official receipt to the payer. All donations must be banked promptly and intact.

## **6.6 Other income**

All income used to offset expenditure (e.g. lettings, photocopying, telephone calls, music tuition, sales of work) must be paid into the Academy bank account and coded to an appropriate income code. Monies received from any sales of school equipment must similarly be paid into the Academy bank account.

Donations should be properly recorded into the appropriate income budget.

## **6.7 Cash received from pupils**

Cash received from pupils must be fully and accurately recorded. Cash collected must frequently be handed over to the Finance Manager. A receipt for the income will be generated and retained with the income record.

## **6.8 Security of receipt books and tickets**

All unused receipts and tickets to be used to acknowledge receipt of income must be held securely in the school finance office.

## **Section 7: Purchasing**

### **7.1. Statutory Requirements**

The School is obliged to comply with the Academy Trust Handbook, Funding Agreements with the Department for Education (DfE), any DfE guidance including the Academies Procurement Resources and the Public Contracts Regulations 2006 (the Regulations). Under our Funding Agreements and as a registered charity, the School's Board of Trustees have specific obligations to ensure value for money.

### **7.2 Ordering**

School procedures for purchasing should ensure that purchases are as required and are only for valid school purposes.

It is essential that the correct level of authority is sought and obtained before entering into any contract or purchase. Please see the **'Hailey Hall Purchasing and Procurement Guidelines'** for detailed guidance regarding the purchasing and procurement processes. This also contains up-to-date information regarding how the Trustees delegate responsibility for adherence to the above requirements relating to procurement and purchasing for the School, together with guidance about when tender processes should be undertaken.

The above procedure also details processes relating to the receipt of goods, invoice check and authorisation.

**Purchase requisition forms** should be raised for every purchase prior to placing an order, except in the following situations:

- Where there is an urgent need to make a purchase (e.g. for urgent repair work)
- For contracted services, where a business case / rationale needs to be included with the purchase request. In this case the 'Contract Purchase / Authorisation Form' is used.

### **7.3 Petty Cash**

Day to day operation of the petty cash account is the responsibility of the Finance Manager. All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash record.

Each time a reimbursement claim is submitted, the Finance Manager must complete a reconciliation ensuring that cash expended, plus cash in hand or at bank, equals the amount of the advance.

All members of staff who wish to purchase goods or services from the petty cash account must present vouchers (receipts, paid invoices etc.) and authorisation from the relevant budget holder to the Finance Manager when reclaiming cash from the account. These vouchers must be retained by the Finance Manager and returned with the reimbursement claim. All petty cash claims must be countersigned by the Finance Manager. In normal circumstances individual purchases from petty cash must not exceed £30. Amounts above this sum, up to a maximum of £250, should only be in exceptional circumstances and with prior approval of the Headteacher. Such payments should be for emergencies only and should not simply result from a lack of planning. Any petty cash claims by the Headteacher must be authorised by the Chair of Trustees.

All cash and cheque books held must be retained securely.

## **7.4 Credit Card**

Trustees have authorised the use of school credit cards. The cards are for the use of the Finance Team and are in the names of the Site Manager, Business Manager and Business Officer.

The credit card has an overall credit limit of £10,000; any changes in the limit will be implemented by the Finance Manager, following consultation and approval by the Headteacher and Chair of Trustees.

The credit card must be kept securely, ideally in the safe, and only taken out when required.

A detailed record of expenditure must be kept for all purchases.

Care must be taken with all internet purchases, including purchasing only from known, trusted, reliable and reputable suppliers and only from sites adopting the internet security protocol <https://>.

The credit cards must be settled in full each month; it must not be used as a line of credit.

The Finance Manager is responsible for reconciling the monthly expenditure. Any items which do not have a detailed record of expenditure or do not appear to be for bona fide school purposes must be immediately reported to the Business Manager and Headteacher and fully investigated immediately.

The Finance Manager will authorise all purchases made on the credit cards. The Headteacher will authorise all purchases made on the credit card by the Deputy Headteacher, and the Chair of Trustees will authorise all purchases made by the Headteacher.

The Finance Manager will carry out a monthly check on a sample of the transactions.

The credit card transactions will be posted monthly onto the finance system.

## **Section 8: Register of Business Interests**

The school shall maintain such a Register.

### **8.1 Persons to be included: -**

- All Trustees
- Headteacher
- All senior staff i.e. Deputy Headteacher, Assistant Headteachers
- All staff

### **8.2 Interests to be recorded**

The basic principle to be followed is that any interest should be recorded which could be seen to improperly influence any decisions taken, pecuniary or otherwise, regarding the operation of the Academy.

Examples of such improper influence might be: -

- to purchase goods or materials from a company in which a Trustee / senior member of staff has a financial interest without going through the correct procedures re. obtaining competitive prices;
- promoting a member of staff who has close personal relationship (spouse, partner, son, daughter etc.) with a Trustee / senior member of staff, without going through correct procedures for recruitment and selection.

There cannot be a definitive, comprehensive list of the interests which should be recorded.

The following is intended to give some guidance:

- having a financial, or other, interest in an organisation which could feasibly be in a position to supply goods / services to the School
- having a close personal relationship with a person in the above categories
- being in a position to potentially influence decisions made about the School
- having a close personal relationship with a Trustee or member of staff.

The Anti-Bribery policy details the school's position with regard to the acceptance of cash, gifts, or other inducements. All gifts received, or given over £50 to any member of staff, Trustees, suppliers, or contractors must be disclosed to the Finance Manager who will report these at the next Finance and Premises Committee.

If staff or Trustees are in any doubt regarding whether an interest should be reported, guidance should be sought from the Headteacher or Chair of Trustees.