

# Oaks Park High School

**Title of Policy:** Finance Manual

**Person responsible:** A Giardelli

**Date for review:** 2017

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This manual has been prepared for the use of Oaks Park High School. No responsibility for loss occasioned to any other person acting or refraining from action as a result of any material in this publication can be accepted by the school.

The LEA Scheme for Financing Schools: Section 48 of the School Standards and Framework Act 1998 (LEA scheme) contains requirements relating to financial management and associated issues which are binding on both the LEA and on schools. This manual includes those requirements relating to financial management.

Subject to the provisions of the LEA scheme, the Governing Body may spend its budget share for the purposes of the school.

When reporting to the LEA, the school abides by the accounting policies and procedures issued from time to time by the LEA. The school spends any funds delegated by the LEA in accordance with the grant rules as defined by the DfE and LEA.

The Governing Body is required to provide all financial and other information which might reasonably be required to enable the LEA to satisfy itself as to the school's management of its delegated budget share or the use made by the school of any central expenditure devolved to it by the LEA.

The LEA has the power to suspend a school's right to a delegated budget if the provisions of the LEA scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the school's budget share has not been managed satisfactorily.

The Governing Body will notify the Director of Finance of any matter which involves or is thought to involve any financial irregularity in the use of public funds and the Director of Finance will carry out such audit investigations as he considers necessary.

## Organisation and Responsibility

### Governing Body

The school's Governing Body is responsible for ensuring that all obligations placed upon the school by the Secretary of State for Education are met. In order to fulfil the obligations, the Governing Body is divided into a number of governor committees. The full Governing Body and the Finance & Personnel Committee meet at least once each term.

The Terms of Reference of the Full Board of Governors and each Committee are set out in a separate document.

### Register of Business Interests

A register of the business interests of each governor, member of staff with significant financial responsibilities and their immediate families is maintained by the Clerk to the Governors; reviewed annually and available for inspection at each meeting of the Board. The register is also available for inspection by governors, staff and parents. It is the responsibility of each governor and member of staff with significant financial responsibilities to notify the clerk of any business interests they have which require inclusion in the register. Any governor or member of staff who has an interest in a business tendering for a contract will not form part of the committee awarding the contract. No governor or member of staff involved in awarding a contract will accept gifts or hospitality from current or potential suppliers. The school does not obtain goods and services for the private use of governors or staff.

### Governors' Interests

- No governor will take or hold any interest in any equipment or property held or used for the school.
- No governor will obtain an interest in the disposal of school equipment or property or school materials surplus to requirements at the end of any contract between the LEA (including persons acting on its behalf) and any third party.

A governor who has a financial interest in:

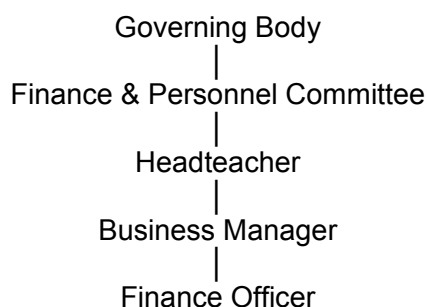
- the supply of work or goods to or for the purposes of the school;
- any contract or proposed contract concerning the school; or
- any other matter relating to the school

and is present at a meeting of governors at which the matter is considered, will disclose the fact at the meeting and will not take part in the consideration or vote on the matter.

### Finance and Administration Staff

The Business Manager is responsible to the Governing Body for ensuring that financial requirements are implemented.

Finance and administration staff are organised as follows:



## **Finance and Administration Staff (cont.)**

The responsibilities of the Finance and Personnel Committee include the following:

- Recommendation of the annual budget to the Governing Body, including delegation of budget responsibilities to budget managers.
- Regular monitoring of actual income and expenditure against each budget and revised forecast for the year.
- Awarding of contracts by tender to a specified limit.

The role of the Business Manager includes responsibility for the day to day management of financial issues, including:

- Management of the school's financial position at a strategic and operational level.
- Management of effective systems of internal control.
- Management of other financial issues.

The Governing Body has considered the extent to which it wishes to delegate its powers to the Business Manager, including the power of virement between budget headings, and has formally recorded its decision (and any revisions) in the minutes of the Governing Body meeting at which the decision was taken.

The Business Manager is permitted to authorise virements between budget headings up to a maximum of £5,000. Virements in excess of £5,000 are referred to the Finance & Personnel Committee for approval.

The Governing Body has set an upper limit for expenditure of £10,000 on any one item, beyond which the Business Manager would be required to obtain approval from the Headteacher.

The Headteacher is able to authorise expenditure up to £25,000 before seeking approval of the Finance & Personnel Committee.

Individual budget holders may authorise up to £5,000 after which approval is required by the Headteacher or Business Manager.

## **Financial Planning and Monitoring**

### **Budget Compilation**

The school has an overall development plan approved by the Governing Body and defining its strategy. The plan outlines which areas are priorities for spending and why. The budget is derived from this plan.

The LEA provides guidance to schools on assumptions affecting budget plans which are likely to be the same for all schools.

The school submits a plan to the LEA by 1<sup>st</sup> May each year, showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The Governing Body also submits a statement setting out the steps they will be taking in the course of the year to ensure that their expenditure will follow the principles of best value.

If the Governing Body revises its budget plan during the year, it notifies the LEA within a reasonable period of any such change.

Total planned expenditure for the financial year may not exceed the budget share adjusted by amounts carried forward from the previous year, any additional income receivable and any in-year adjustments which may be made in accordance with the LEA scheme.

The Governing Body does not approve financial commitments into subsequent financial years without satisfying itself that the costs can be met within the likely level of resources.

### **Budget Compilation (cont.)**

The Governing Body may not plan for a deficit budget. If an unplanned deficit arises at the school the Governing Body will notify the LEA immediately and submit a plan to the LEA showing how the school proposes to eliminate the deficit. Any deficit incurred will be the first charge on the school's budget share in the following financial year.

In addition to any capital allocation made available by the LEA outside the school's delegated budget share, the Governing Body is permitted to use their budget share to meet the cost of capital expenditure on the school premises.

If the expected capital expenditure from the budget share in any one year exceeds £25,000, the Governing Body notifies the LEA and takes into account any advice from them as to the merits of the proposed expenditure.

The Governing Body may borrow money only with the written permission of the Secretary of State for Education & Employment.

### **Budget Setting and Monitoring**

The Business Manager is responsible to the Finance & Personnel Committee for the preparation of the annual budget.

The budgeting process starts in the autumn term each year when the senior management team decides upon major expenditure for the following financial year and the Business Manager projects carry-over of assets or liabilities.

Following discussions with the senior management team a draft budget is drawn up by the Business Manager and the Headteacher, having due regard to priorities in the School Development Plan.

The draft budget is presented to the Finance & Personnel Committee by late February for review, discussion and amendment, as appropriate. When passed by the Finance & Personnel Committee, the budget is submitted to the full Governing Body for formal review and approval.

The Finance & Personnel Committee monitors all financial aspects of the implementation of the school's budget plan, although the Governing Body carries ultimate responsibility for monitoring the budget.

The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lies with the Business Manager and each budget holder who must obtain prior approval from the Business Manager if they wish to exceed their budget allocation. The process is coordinated by the Business Manager.

### **Reporting**

The Business Manager issues regular reports to each budget holder, detailing budgeted and actual expenditure.

The Business Manager prepares a monthly report of actual performance against budget with explanations of the main variances. This report is sent to the LEA, Headteacher and Finance & Personnel Committee.

### **Reporting to the LEA**

The school uses the accruals basis of accounting.

A Statement of Income and Expenditure is submitted to the LEA monthly. A final statement is submitted to the LEA at the end of May.

## **Financial Administration**

### **Accounting Systems**

Adequate accounting and other financial records are maintained by the school and are subject to the LEA's external and internal auditors.

The school keeps its records in such a manner that provides an analysis of income and expenditure in any form which may reasonably be required by the Director of Finance.

The school's accounting system is computerised. It is the school's policy that all staff involved with financial administration receive basic bookkeeping training and are familiar with the operation of the computer.

Proper functioning of the accounting system is the responsibility of the Business Manager and, in her absence, the Finance Officer.

The computer system is backed-up every night by a member of the IT staff and one copy kept in a fireproof safe. A further copy is taken off the school site.

### **Accounting Records**

Only authorised staff are permitted access to the accounting records, which are held securely when not in use.

Alterations to any original documents such as cheques, invoices, orders and other vouchers are made clearly in ink. The use of correcting fluid or the erasure of information is not acceptable.

All accounting records including invoices, delivery notes, bank statements etc., are retained in hard copy for six years, plus the current year, in a secure area.

### **Taxation**

- The school abides by the procedures issued by the LEA in connection with VAT.
- The school abides by the procedures issued by the LEA in connection with CITS.

### **Audit**

The school provides access, as necessary for audit purposes, to its records for both internal and external auditors.

The DfE requires the school to obtain and provide to the LEA annual audit certificates in respect of voluntary and private funds held by them and the accounts of any trading organisations controlled by them. However, the LEA will not itself audit such funds. The auditor of non-public funds must not be connected with the administration of those funds. Any other requirement in connection with the audit of such funds is a matter for those making the funds available and for the Charity Commission, where charitable trusts are concerned.

## **Purchasing**

### **LEA Financial Regulations**

The school abides by the LEA's financial regulations for schools and standing orders in purchasing, tendering and contracting matters. This includes a requirement, where necessary, to assess in advance the health and safety competence of contractors, taking into account the LEA's policies and procedures.

### **Approved Suppliers**

The Business Manager maintains a database of approved regular suppliers. The suppliers are selected on the basis of their capacity to provide quality, service, timely delivery and value for money. LEA Client Purchasing are used where they provide value for money.

## **Tendering**

All purchases with a value greater than £50,000 are put out to formal tender. The following procedures are followed in such circumstances:

- A specification is prepared by the budget holder, authorised by the Chair of the Finance & Personnel Committee and Headteacher and sent to at least three suppliers. It is anticipated that for any major building works of a value greater than £50,000 the services of a firm of architects would be engaged to deal with the handling of specifications and suitability to tender.
- Where appropriate, the suppliers invited to tender are drawn from the approved list maintained by the Business Manager; alternatively invitations to submit tenders are advertised in local newspapers and trade journals, if appropriate. The invitations to tender include:
  - (i) an introduction/background to the project;
  - (ii) the scope and objectives of the project;
  - (iii) any technical requirements;
  - (iv) implementation details for the project;
  - (v) the terms and conditions of the tender; and
  - (vi) the form and date of response to the school.
- All replies should be addressed to the Headteacher in a plain sealed envelope marked 'Tender' and submitted by a specified date. All replies are kept sealed until that date and passed to the chair of the relevant committee.
- All tenders are opened at the same time and details of the contractor, quotation and any other details recorded at the time of opening.
- No contractor is allowed to amend the tender after the time fixed for receipt.
- The Headteacher opens a separate correspondence file for each tender, which contains copies of all correspondence or other relevant information.
- Where contracts under seal provide for payments to be made in instalments, the Headteacher ensures a contract register is maintained which shows the state of the account on each contract together with related professional fees and other payments.
- For purchases up to £25,000, provided the expenditure is included in the budget, the decision as to which tender to accept is taken by the Finance & Personnel Committee.
- For purchases exceeding £25,000, provided the expenditure has been budgeted for, a decision is recommended by the Finance & Personnel Committee. The final decision is taken by the full Governing Body.
- Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision on which tender to accept is taken by the full Governing Body.
- The reasons for accepting a particular tender are documented by the Clerk to the Governors, especially if it is decided to accept other than the lowest tender. All decisions are reported to the Governing Body.

The following points are considered when deciding which tender to accept:

- The overall price and the individual items or services which make up that price.
- Whether there are any 'hidden' costs that is additional costs which the school will have to incur to obtain a satisfactory product.
- Whether there is scope for negotiation.
- The qualifications and experience of the supplier.
- How well the technical requirements laid down by the school will be met.
- Whether it is possible to obtain certificates of quantity.
- The supplier's own quality control procedure; pre sales demonstrations and after sales service.
- The financial status of the supplier.
- References from other schools.

Once a tender is accepted, an order is issued immediately to the supplier in the normal way.

## **Quotations**

For purchases exceeding certain values and below the tendering limit of £50,000, a specified number of quotations are required as follows:

- **Up to £2,000:** Budget holders are expected to purchase objectively, using catalogue prices and written quotations.
- **£2,001 - £10,000:** Two written quotations.
- **£10,001 - £25,000:** Three written quotations.

Quotations are attached to the office copy of the purchase order.

## **Purchase Orders**

Written, pre-numbered orders are used for all goods and services. Orders are only made by telephone in exceptional circumstances. Where goods are required urgently and an order is placed by telephone, the order is always confirmed in writing in the usual way.

Access to the computer system is restricted to the Headteacher, the Business Manager and Finance Officer. Commitment accounting is in operation on the computer system.

Orders are only used for goods and services provided to the school. Individuals may not use official orders to obtain goods and services for their private use.

Ordering procedures are as follows:

- A requisition is made by the budget holder and sent to the finance office. The computer checks the order against available budget and highlights overspending to the Finance Officer. Quotes or tenders are obtained as necessary.
- An order is generated by the computer and allocated a sequential number as it is produced. The finance office retains a copy on the computer system.
- The order is approved and authorised by the Business Manager prior to despatch.
- Following approval, the Finance Officer distributes each copy of the order as follows:
  - ❖ top copy to supplier;
  - ❖ second copy sent to the budget holder;
  - ❖ third copy filed in finance office.
- When an order is cancelled, reasons for cancellation are recorded on the computer log.

The computer system keeps a record of all orders placed that have not been invoiced. A listing of such orders is produced by the Business Manager at the request of any budget holder.

## **Receipt of Goods**

All goods received are delivered to the school reception. A member of the caretaking team carries out a brief inspection prior to signing for delivery as a prima facie check that the delivery is complete.

The following procedures then take place:

- The delivery note and goods are sent to the budget holder for formal checking against the order.
- The budget holder evidences the check of goods received on the delivery note.
- If goods received are part of a larger order, the budget holder maintains a record explaining how much of the larger order has been fulfilled.
- Any shortages or defective items in the goods supplied are clearly indicated on the delivery note by the budget holder. The budget holder is responsible for ensuring the delivery is rectified.

## **Purchase Invoices**

All purchase invoices are handed immediately to the Business Manager. The invoice is then grid stamped and passed to the relevant budget holder for approval.

The budget holder checks the invoice against the original order and the delivery note (where applicable) and evidences this check by completion of the grid stamp.

Where goods received were short or defective in some respect, and this still has not been rectified, this is clearly noted on the invoice so that payment is not made until either a credit note is received or the delivery is put right.

### **Purchase Invoices (cont.)**

The budget holder returns the purchase invoice and delivery note (where available) to the Finance Officer. The Finance Officer carries out a final check to ensure that all the school's procedures have been followed.

### **Payment of Invoices**

The Business Manager reviews the purchase ledger on a regular basis and selects invoices for payment. It is the policy of the school to pay all invoices by the due date and also to take advantage of any discounts available for early settlement where this is to the school's advantage. Invoices should not be paid early as a matter of course. Payments in advance of receipt of goods or services are only made where it is a condition of the supplier and the Business Manager is satisfied that there is no alternative.

Payment is made when the following checks have been made by the Finance Officer:

- Goods or services have been received and checked to the order.
- Expenditure has been properly incurred and payment has not already been made.
- Prices agree with quotations, tenders, contracts or catalogue prices and arithmetic is correct.
- VAT has been properly accounted for.
- The invoice has been correctly coded.
- Discounts have been taken where applicable.

The Business Manager authorises payment, having ensured that all of the school's procedures have been followed.

All cheque payments from public and non-public funds are signed by two of the authorised signatories.

The following procedures are followed when a cheque is signed:

- All supporting documentation (i.e. purchase order, delivery note and invoice) are presented to the signatories.
- The cheque signatory must not sign a cheque relating to goods or services for which he has also authorised the expenditure.
- The school copy of the remittance advice is attached to the purchase order and invoice by the Finance Officer. This copy is stamped with the invoice payment clearance stamp.
- All cheques drawn are crossed as account payee only to avoid the possibility of improper negotiation of cheques.
- The cheque signatories check the supporting documents are there and that the invoice has been authorised and evidence this by initialling the grid stamp.
- All documentation is filed by the Finance Officer in alphabetic order by supplier.
- In no circumstances will any cheque signatory sign a blank cheque subject to a second signature.
- No payment will be made on a photocopied invoice unless exhaustive checks have been made to confirm that payment has not previously been made. Confirmation that such checks have been made is recorded by the Finance Officer writing on the invoice 'copy not previously passed for payment' and signing.
- In no circumstances is payment made against statements.

### **Month-End Procedures**

At the end of each month the Business Manager extracts a list of balances from the purchase ledger and compares the total with the purchase ledger control account in the nominal ledger. Any reconciling items are noted and adjusted if required.

Individual supplier balances are reconciled to supplier statements on a monthly basis.



## **Petty Cash**

Petty cash is recorded on the computer by the Finance Officer from the petty cash vouchers. The Finance Officer is responsible for the payment of expense vouchers.

Procedures relating to petty cash are as follows:

- Cheques drawn to replenish the petty cash float are subject to normal cheque signing procedures. Supporting documentation for the value of the cheque is produced to cheque signatories.
- Payments from petty cash of up to £50 are only made on production of a till receipt or other certification that payment has been made. Vouchers are subject to the same authorisation procedures as purchase order requisitions. They are cleared for payment by a head of department, or if it is a head of department to be reimbursed, the Business Manager.
- The petty cash float, which does not exceed £500, is kept in the safe when not in use.
- The petty cash float is reconciled on a monthly basis by the Finance Officer. The reconciliation is checked by the Business Manager and the responsible officer and is initialled as evidence of this review.
- No personal cheques are cashed through petty cash.
- The petty cash float is only reimbursed by a cheque from the school's bank account.

## **Payroll**

All appointments, terminations and salary levels are formally approved by the Governing Body and delegated to the Headteacher, other than in respect of the leadership groups.

The LEA (Payroll Bureau) has been informed to accept instructions only from the Headteacher or the Business Manager. It has also been instructed not to accept changes authorised by a person changing his own salary. Any changes to the Headteacher's salary are notified to the LEA by the Chair of Governors.

Overtime claims are completed at the end of each month (weekly for caretaking staff) and paid with the following (week's pay) month's salary. Expenses claims are reimbursed through petty cash or by cheque. Overtime claims are authorised by the Headteacher or the Business Manager and expenses claims are authorised by the Headteacher or the Business Manager. Overtime claims and expenses claims are not returned to the claimant after authorisation, but passed direct for salary/financial processing.

All personnel files are kept in the Headteacher's office. Access is restricted to the Headteacher, her PA, the Business Manager and governors and payroll printouts are kept in a locked cabinet in the Business Manager's office.

## **Monthly Procedures**

The following procedures take place on a monthly basis and are performed by the Business Manager:

- Standing data amendment forms are completed in respect of any starters, leavers, etc., and authorised by the Headteacher, prior to despatch to the LEA.
- Overtime claims are summarised and sent to the LEA following authorisation by the Headteacher.
- Overtime claims for the school caretakers are authorised and dispatched by the Business Manager.
- Payroll details received from the LEA are checked to ensure all amendments such as overtime and supply staff have been made correctly.
- The gross pay for each employee is checked against internal computerised personnel records and/or spreadsheet and the reasons for any variations noted.
- These checks are reviewed by the Headteacher.
- The Business Manager reconciles gross pay as per the payroll to personnel records at least twice a year.

## **Assets**

### **Asset Register**

The Governing Body is responsible for maintaining the school's assets securely. Maintenance of the asset register is overseen by the Business Manager. It is the policy of the school to enter individual acquisitions with a cost greater than £50 onto the asset register.

The current list of assets has been compiled by Datatrak Ltd. and updated as and when purchases are made. Every item is security marked. Records are held on the main register as follows:

- Description, Serial Number, Make & Model (if applicable).
- Purchase date.
- Purchase price.
- Location.
- Depreciation.
- Disposal.

Any significant losses are reported to the Governing Body.

### **Disposal of Assets**

The school is authorised to dispose of surplus or damaged stock that is no longer required up to an estimated realisable value of £500. Alternatively the Business Manager submits a report to the Governing Body stating the reason for disposal and recommending the method of disposal. The Governing Body is responsible for authorising disposal in excess of £500. All assets removed from the school site are recorded in a register.

### **Write Offs**

The Business Manager is authorised to write off any debt owed to the school up to the value of £50 per item, provided that proper steps have been taken to mitigate the loss and prevent recurrence. The Governing Body is responsible for authorising write offs in excess of £50. A record of all write offs is maintained.

## **Insurance**

Where funds for insurance are delegated to the school, the LEA requires the school to demonstrate that cover relevant to the LEA's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the LEA.

- The adequacy of insurance is reviewed annually.
- Details of all insurance policies held by the school are kept in the school's finance office under the control of the Business Manager.
- The insurers are notified of all new risks, property and equipment which require insurance or any other alteration affecting existing insurance on a timely basis.
- The school will not give any indemnity to a third party without the written consent of their insurers.
- The school immediately informs its insurers and the LEA of all accidents, losses and other incidents which may give rise to an insurance claim. Claims under an insurance policy are authorised by the Business Manager prior to submission to the insurance company.
- Insurance arrangements cover the use of school property when off the premises.

## **Losses**

All losses are reported to the Business Manager. The Business Manager informs the police if the loss is a result of burglary or theft and at the same time informs the insurance company. Action is taken immediately to prevent further loss.

The Business Manager maintains a record of losses and insurance monies received. The Governing Body is informed of all losses and the LEA is notified as appropriate.

## **Leasing**

The Finance & Personnel Committee is responsible for approving all leasing and hiring arrangements. These are reported to the Governing Body. No finance leases or hire purchase contracts are taken out by the school.

## **Governors' Expenses**

Under Schedule 11 of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. The payment of any other allowances is prohibited.

## **Income**

The Governing Body has overall responsibility for ensuring that all income due to the school is properly accounted for. Every transfer of money from one member of staff to another is evidenced by the signature of the receiving employee.

## **Grant Income**

The Business Manager is responsible for determining the level of grant that the school should receive each year and ensuring that all necessary forms are completed on time.

## **Non-Grant Income**

Receipts are given for all amounts of non grant income over £10 in value.

## **Letting of School Facilities**

The school may retain all the income from lettings of the school premises.

All lettings of school equipment and facilities must be in accordance with the school's terms of letting and the rates currently in force, as prepared and approved by the Finance & Personnel Committee and formally approved by the Governing Body. Free use and charges below economic cost are not permitted.

The Business Manager considers all enquiries and the level of costs involved before granting a booking. Letting rates are subject to review by the Finance & Personnel Committee.

- All hiring of school equipment and facilities is recorded on the Libris (lettings software) and maintained by the Business Manager.
- Lettings are subject to review by the Business Manager to ensure that all have been appropriately invoiced.
- When a letting is provisionally booked, the hirer completes a hire form and signs in agreement to the conditions of hire.
- Sales invoices are generated from the computer by the Business Manager. The Finance Officer records receipts on the computer. Receipts generated by the computer are given for all lettings money paid to the school.
- All receipts are banked intact by the Finance Officer.

It should be noted that under the Private Finance Initiative agreement the school is managed by Mill Asset Management Group after 6:00pm each evening and at weekends.

Any staff wishing to use any part of the school after these hours will need to book the facility through an independent company, Schools Plus, who can be contacted via the school office.

It is important that as much notice as possible is given for all such bookings.

## **Fund Raising Events**

The school may retain all income from fund-raising activities.

It is the responsibility of the event organiser to control income prior to the monies being handed to the Finance Officer. Monies are collected by the main office and then passed to the Finance Officer to be banked.

## **School Trips**

When planning any excursion, the consent of the Headteacher and Governing Body must be obtained before any commitment is made to students, parents or third parties.

All monies received for excursions are to be paid to the Finance Officer. The Finance Officer is responsible for keeping adequate records of income and expenditure in a trip register. All receipts are banked intact by the Finance Officer.

All expenditure in connection with excursions is subject to the same procedures as other expenditure.

At the conclusion of each excursion the Finance Officer prepares a final income and expenditure account for each trip.

The Business Manager checks the income and expenditure account for trip registers and invoices on a regular basis.

## **Gifts & Hospitality**

### **Purpose**

This Policy outlines the school's guidelines on the receipt by staff of gifts and hospitality from any third parties arising from duties undertaken on behalf of the school.

Oaks Park High School is committed to ensuring that the governance of the school is conducted in accordance with the highest standards of integrity, probity and openness.

### **General Rules**

School staff must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgment or integrity. Staff are asked to immediately report any offer or receipt of such gifts to the Business Manager; to be recorded in the Register of Gifts and Hospitality.

Governors and staff may accept the following gifts/hospitality without seeking the approval of the school or formally register receipt:

- Courtesy hospitality at business lunches/dinners or attendance in an official capacity at a public function.
- Incidental promotional gifts such as calendars, diaries or pens.
- Receipt of small items from suppliers or contractors as expressions of gratitude such as boxes of chocolate or individual bottles of drink (at a value of less than £25).

**NB:** Care must always be taken to ensure that whenever a gift or hospitality is offered, no obligation to the person or organisation in question is accepted. If in doubt, staff should consult the Business Manager.

## **General Rules (cont.)**

The following examples of gifts/hospitality require approval and should be formally recorded by the Business Manager in the Register of Gifts and Hospitality:

- Attendance as a non-paying guest of a commercial organisation or individual at a non-work related cultural or sporting event (at a value of more than £25).
- Promotional gifts worth in excess of £25.
- Other offers of gifts/ hospitality not falling into any of the above categories.

## **Unacceptable Gifts/Hospitality**

The following are examples of offers of gifts/hospitality which should be refused by staff:

- Gifts of money (not including donations to the school).
- Free membership or subscriptions (e.g. sports clubs).
- Foreign travel, unless as a specific element of a business, academic or research activity approved by the school.
- Free goods, services or equipment which are normally provided by a supplier to the school at a charge.

Offers of gifts and hospitality falling into any of the above categories should be reported immediately to the Business Manager.

## **Role of the Business Manager in relation to the Gifts and Hospitality Policy**

- Responsibility for ensuring that any offer or receipt of gifts, hospitality or donations to staff is recorded in the School's Register of Gifts and Hospitality.
- Reporting any possible conflict of interests arising from the offer or receipt of gifts and/or hospitality.

## **Fees and Charges**

The school may retain income from fees and charges, except in respect of any service provided by the LEA from centrally-retained funds.

## **Bad Debts**

Bad debts are only written off when the school has followed all possible procedures to ensure their recovery.

## **Banking and Cash Holdings**

### **Bank Facilities**

The school operates bank accounts for public funds and non-public funds.

The school ensures that all transactions on its bank accounts comply with the LEA's scheme and with relevant, current accounting instructions and procedures issued by the Director of Finance.

The school does not overdraw its bank accounts or make arrangements with its bankers for overdrafts, loans or any other form of credit or deferred purchases. The bank has been informed that the school is not allowed to borrow funds and that no account should be allowed to become overdrawn.

The school does not offer any security to the bank. The school's banking facilities, authorised by the Governing Body for public and non-public funds, are held at NatWest Bank and are set out below. Both accounts are interest-bearing accounts.

<b>Account No.</b>	<b>Title</b>
48343617	Public Funds / Business Current Account
48370991	School Fund / Business Current Account

## **Bank Facilities (cont.)**

The public fund account does not pay for:

- any items relating to non-public funds;
- any non-LEA activities.

The public fund account only receives money from:

- the LEA;
- VAT and tax reimbursements;
- contributions towards school expenditure by private funds or charities;
- any other permissible sources (as defined by the LEA).

All cheque payments from the bank accounts require two authorised cheque signatories. There are five cheque signatories. Cheques in excess of £10,000 must be signed by the Headteacher and one other signatory. The Business Manager maintains an approved list of signatories (including specimen signatures), a copy of which is sent to the Director of Finance.

All cheque books and other stationery are kept in a locked safe. All bank statements are filed sequentially.

## **Bank Reconciliations**

**Procedures for bank reconciliations are as follows:**

<u>Account</u>	<u>Frequency</u>	<u>Performed by</u>	<u>Reviewed by</u>
Public fund	Monthly	Finance Officer	Business Manager
School Fund	Monthly	Finance Officer	Business Manager

All bank reconciliations are performed within five working days of the month end and are reviewed by the Business Manager. The review of each bank reconciliation is evidenced by initialling the reconciliation. Neither the Business Manager nor Finance Officer are cheque signatories.

## **Cash Banking**

Cash and cheques are locked in a secure place prior to banking to safeguard against loss or theft. All cash is banked intact and without delay and recorded on paying-in slips. Bank paying-in slips show the split of cash and cheques and reference cheques to the related debt. Cheques are identifiable by reference to the receipt numbers and names of the drawers and cash by reference to receipt numbers.

All cash and cheques are banked by the Finance Officer. Where unusually high levels of cash are received, these are banked on the day of receipt. In no circumstances should cash holdings on the school premises exceed £2,000 (the insured value).

## **Cashbooks**

Cashbooks are kept for all accounts in a computerised format for public and non-public funds.

## **Investments**

Investments are only made in accounts of an LEA approved bank which are clearly shown to provide no risk to the capital sum.