
Charters School

Finance Policy

Updated April 2011

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Statutory or recommended? Statutory

Clerk to Governors to indicate where information is to be displayed

Website ✓ First Class ✓ Folder ✓

Approved by Finance and Staffing committee

Preamble

This policy is intended to provide clear guidelines concerning the administration of the school budgets. The Finance Policy will also establish terms of reference for financial matters and outline areas of responsibility for school financial management.

The school operates within the terms of reference for the Finance and Staffing Committee, the Royal Borough of Windsor & Maidenhead (RBWM) financial guide for schools and the RBWM contract and financial rules. The school complies with the recommendations of the Audit Commission and Ofsted where practicable. The school also uses the Financial Management Standard and Toolkit, developed by the DfE and the Institute of Public Finance (IPF), which is intended to help schools in evaluating the quality of their financial management. The school was adjudged to have met fully the FMSiS standards in October 2007.

Best Value Statement

The Governors of the school are committed to achieving Best Value in all decisions made and delegate this responsibility through the Finance and Staffing Committee to the Co-Headteachers and Business Manager. The Co-Headteachers and Business Manager will use the principles of Best Value as they apply to securing continuous improvement in this school and will: -

- Regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement.
- Monitor outcomes and compare performance with similar schools and within the school.
- Consult appropriate stakeholders before major decisions are made.
- Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

The school will strive to ensure that it is using its resources effectively to meet the needs of pupils and will monitor the School Budget Plan with the School Development Plan in order to determine the extent of continuous improvement.

Budget Timetable

January	Annual Schools Census (PLASC)/School development planning
February	RBWM approves Borough Budget; indicative individual budgets to schools School development planning
March	Final budget to schools
April	Draft Charters School budget prepared by Co-Headteachers and SLT and presented to Finance Committee
May	Final budget ratified by FGB and copied to RBWM - Cost centre allocations made and Budget holders advised.

Financial Organisation

The Co-Headteachers and Senior Leadership Team (SLT) use the delegated budget as the foundation for the School Budget Plan. The School Budget Plan allows resources to be clearly targeted and is driven by the priorities of the School Development Plan.

Structure

The Co-Headteachers and Full Governing Body maintain absolute responsibility for the School Budget. The Finance and Staffing Committee will be responsible for reporting matters to the Full Governing Body. The Business Manager will co-ordinate the systems and liaise with relevant outside bodies and agencies, reporting to the Co-Headteachers, members of the SLT and the Finance and Staffing Committee. Designated individuals

will hold budgets, and the Finance Office takes responsibility for the day-to-day paperwork. The Co-Headteachers and SLT are responsible for the capitation and development bid allocation.

Business Manager Responsibilities

The BM is responsible for organising the financial systems of the school, in addition to the other responsibilities contained within the job accountabilities for this post. He/she will ensure a budget plan is prepared and approved by the relevant bodies. Budget holders will be advised of allocations and provided with regular monitoring statements. The BM will provide full CFR reports prior to the Finance and Staffing Committee and the Co-Headteachers prior to meetings or upon demand. The BM will maintain an overall view of budget expenditure and income highlighting any areas of over/under spends to relevant bodies.

Finance Officer/Deputy Finance Officer

The Finance Officer and Deputy Finance Officer are responsible to the BM and will manage the day-to-day running of the accounts system; this will include processing all orders and invoices using Agresso, recording income relating to the private school fund and all banking arrangements.

Budget Holders

Budget holders are responsible for their individual budget. This includes the ordering of goods, checking deliveries and authorising invoices. The budget holder may delegate authority to another person, with prior approval of the BM, who will maintain a record of the authority. The budget holder is responsible for ensuring that their budget is monitored on a regular basis and that no overspend occurs. Statements of budgets will be provided on request and at half termly intervals.

Internal Controls

Internal Controls are important because they provide financial information to staff and to the FGB about how the budget is being spent, operate to protect Charters resources from loss or fraud and ensure that no individual is placed in a situation where they are obliged to approve their own work or take on an overly broad range of responsibilities. As an overview, the finance policies at Charters are designed so as to ensure that there exists all of the following:

- internal checks – one person checking another person's work
- segregation of duties – distributing the work so that key tasks are assigned to separate members of staff
- a system of authorisations – each transaction is authorised independently before passing on to the next stage of the process
- systems manuals – clear, readable descriptions of how systems work, and who does what and when, and the systems of internal control
- an audit trail makes it clear who has been involved – this tracks all stages of a transaction, for example from copy order to invoice, to accounts, to cheque or other payment record. This can act as a control in its own right.

These controls are there to safeguard Staff and Governors alike. They ensure that:

- payments are made only to genuine employees and suppliers
- payments are made for goods and services actually received and represent value for such goods and services received
- income is recorded, collected and banked promptly
- cash transactions, where they exist, are secure in all respects
- proper records are kept for management information and for accountability purposes.

Other Arrangements

The requirements and needs of the students drive the delivery of the curriculum, which in turn formulates the staffing requirement. This figure constitutes the main expenditure of the school budget. The energy costs are estimated from previous years, as are other site costs such as grounds maintenance, cleaning, training

and general administration. Capitation (learning resource) allocations are based on department and faculty development plans, clearly linked to the school development plan.

Capitation

Capitation is distributed to departments following a needs analysis based on the School Development Plan. This allocation is based on three elements: - ICT, development priorities and consumable materials. This is negotiated with the Co-Headteachers and SLT annually.

Voluntary and Private Funds

The Charters School Fund is controlled by the Trustees of the Fund which include the Co-Headteachers and the Business Manager. It is examined by an independent, qualified accountant. Neither the Governing Body nor the Finance & Staffing committee oversee or audit the Fund in any way.

Banking and Petty Cash

All income due to the school is collected, reconciled, recorded and banked in accordance with the prescribed procedures of the RBWM. The school does not operate petty cash; all reimbursements to staff are made by cheque or BACS.

Personnel and Payroll Arrangements

Payroll transactions by RBWM are checked against timesheets and contracts to ensure that only staff employed at the school appears on the reports and payments are in line with individual employees' conditions of employment. Payroll and personnel procedures are maintained in accordance with prescribed RBWM procedures.

Information systems

The school Network Manager is responsible for ensuring that office computer data systems and procedures are secure.

Insurance

The school is covered for indemnity under the RBWM insurance policies, details of which are contained within the RBWM policy and service level agreement.

Bad debts

The school takes advice from RBWM legal services department and will pursue bad debtors through the courts where appropriate

Governors Expenses

Expenses necessarily incurred may be reimbursed at the discretion of the Governing Body.

Administration of the School Budgets – Activities Tasks and Responsibilities

In the following table FGB represents the Full Governing Body, F&SC represents the Finance and Staffing Committee, SLT represents the Senior Leadership Team, BM represents the School Business Manager.

Main Activity	Detailed Tasks	Responsibility
Planning the Budget	<p>Identifying priorities with reference to the whole school development plan</p> <p>Making recommendations and proposals.</p> <p>Decide upon annual allocation</p> <p>Examine recommendation and proposals</p>	<p>SLT following consideration of development plans</p> <p>SLT</p> <p>SLT</p> <p>F&SC</p>
Approve the Budget	Approve detail allocations to account codes	Initially F&SC; - then FGB
Monitor the Budget	<p>Regular cost centre monthly reviews.</p> <p>Monthly budget review.</p> <p>Review RBWM financial reports.</p> <p>Collate information and present reports Governing Body termly.</p>	<p>Budget holders</p> <p>Co-Headteachers and BM</p> <p>BM</p> <p>BM and F&SC</p>
Virements	Deciding upon virements in connection to annual allocations and in response to in year budget variations.	F&SC to approve virements.
Reconciliation of accounts	Check completeness and accuracy of the accounts as shown on Agresso. Seek clarification and correction where necessary	BM
Carry forwards	<p>Monitoring and identifying areas of over/under spending during and at end of financial year.</p> <p>Budget Planning for over/under spends.</p> <p>Balance control mechanism report to RBWM at year end.</p>	<p>BM</p> <p>Co-Headteachers and BM</p>
Purchasing	<p>Approve expenditure, including long term & lease contracts.</p> <p>Purchases below £5000, budget holder able to demonstrate best value has been achieved. This may mean purchasing from school's preferred supplier.</p> <p>Other purchases</p> <p>All purchases should be made using the Agresso purchase order facility. Where there are exceptions budget holders always sign all invoices prior to authorisation by the BM</p>	<p>Co-Headteachers and S&B Committee if expenditure included in whole school budget.</p> <p>Budget holders if expenditure within budget allocation. Agresso authorisation – BM purchases up to £25000 and Co-Headteachers purchases above £25000. The BM does not hold individual budgets but authorises approved expenditure within the school Budget and/or Development Plans.</p> <p>F&SC where purchases not in budget plan and expenditure exceeds £10000.</p>

	<p>NB Where practical previous suppliers should be given the opportunity to match a price if they can offer equivalent value to competitor</p>	
<p>Credit cards (see appendix I)</p>	<p>Credit card with a total limit of £20500 agreed by F&SC. The following members of staff/departments hold cards with the following limits BM £9200, FO £9000, DT £1050 Head's PA £1250</p>	<p>BM and budget holder where expenditure included in budget. Receipts for all purchases are approved and signed off by budget holders. (Procedures regarding the signing of credit card statements are set out in the Credit Card Policy).</p>
<p>Sale of goods</p>	<p>Occasionally pupils and staff will need to pay for goods (i.e. textbooks, equipment etc.) purchased by the school on their behalf; where applicable VAT will be charged.</p>	
<p>Financial limits</p>	<p>Purchases with a value of £5000 - £10000; - three quotations to be obtained.</p> <p>Purchases with a value of £10001 - £30000; - minimum of three written quotations to be obtained.</p> <p>Purchases with a value over £30000 shall be subject to the tender procedures as determined by RBWM. These financial values are the total commitment of an order regardless of how the order will be financed. In the case of rentals/leases this is the total value of the contract.</p> <p>Review estimates and quotes for building works</p> <p>Review of other goods and service quotations</p>	<p>Budget holders/BM</p> <p>BM and budget holder where expenditure included in budget.</p> <p>BM where expenditure included in budget. F&SC where not in budget. Exemptions will be authorised appropriately</p> <p>BM where expenditure included in budget. F&SC where not in budget.</p> <p>Co-Headteachers and BM – refer to Sites & Buildings >£30000</p> <p>Co-Headteachers/BM where expenditure included in budget, F&SC where not in budget</p>
<p>Staff reimbursements</p>	<p>Following approval of expenditure staff reimbursements made by BACS or cheque</p>	<p>Budget holders and BM</p>
<p>Income Generation</p>	<p>Planning & initiating activities. Incorporate projected income into budget planning Receipt and recording income</p>	<p>SLT and BM BM Finance Officer</p>
<p>Disposals</p>	<p>Disposal of assets</p>	<p>All disposals to be approved by the SLT</p>
<p>Loan of Equipment</p>	<p>Equipment shall not be loaned to employees of the school, other than laptops for teaching staff</p>	<p>Co-Headteachers</p>

Inventories	<p>A record of assets with a value of > £100 is held</p> <p>Priority is disposal of items for a market value and income generated paid into the school budget. Any items to be disposed of may be offered free of charge to other Borough Schools or non- profit making organisations.</p>	Budget holders
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The Finance committee shall review this policy on an annual basis.