Woodlane High School

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Financial Policy

To be read in conjunction with the Financial Procedures Manual and the Finance Committee terms of Reference.

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Du Cane Road London W12 0TN
Tel: 0208 743 5668 | **Fax:** 0208 743 9138
Headteacher: Claire Maynard | **E-mail:** admin@woodlane.lbhf.sch.uk
Web: www.woodlane.lbhf.sch.uk

The school's Financial Policy describes the processes in respect of:

- responsibilities
- budget monitoring
- ordering and purchasing
- payment of invoices
- payroll and personnel
- assets

It serves as a description of the procedures which are in place and acts as guidance to all staff on the procedures which apply to them.

1. Responsibilities

- The Governing Body is responsible for the school budget, but usually chooses to delegate some of that responsibility to the Finance Committee.

- The responsibilities of the Finance Committee are set out in the Terms of Reference and these include the scheme of delegation to the Headteacher.

- The Headteacher is responsible to the Governing Body for ensuring that sound systems of financial control are established and maintained to ensure that transactions are processed correctly.

- The Headteacher will ensure that a Declaration of Pecuniary Interests is updated at each Finance Committee and Governing Body meeting.

- The School Business Manager (SBM) is responsible for operating the accounts in accordance with the Local Authority's financial procedures and the school's procedures.

- Curriculum Subject Leaders are responsible for curriculum budgets assigned to them.

2. Budget Planning

- The school's budget is set at the beginning of the financial year in April.

- The Headteacher assesses the school's needs on the basis of core and development objectives as outlined in the School Development Plan.

- The Headteacher will provide costed Budget Plan options for the Finance Committee to consider. A final budget is prepared, for presentation to the Finance Committee.

- The committee consider the plan and if this is agreed, this is recommended to the Governing Body for approval.

- The process described above includes allocations for all staffing budgets as well as non-staffing budgets.

- The school can break down the budget into smaller budget categories known as cost centres. The school will set up a cost centre for every type of expenditure or income it wishes to monitor.

3. Budget Monitoring

- The school will monitor expenditure against the school's budget on a monthly basis by checking salaries payments and through termly budget monitoring reports. In addition, the SBM will ensure that all commitments (orders & personnel contracts) are entered onto SIMS finance packages to ensure that cost centres do not overspend and that monitoring reports show actual expenditure as well as future committed expenditure.

- A budget monitoring report will show expenditure to date, projected commitment and projected balance and will be sent to the Chair of the Finance Committee, which will then be discussed by the Committee at their termly meeting.

- Governors shall keep under review the amount of each budget estimate and shall make transfers between budgets (virements) as necessary to cover cost increases, to secure the most effective deployment of resources or otherwise to cover increases in expenditure.

- The Headteacher is authorised to make virements in accordance with agreements made by the Committee, and should ensure that the virement does not lead to an overspend in the original budget area.

4. Petty Cash

Petty cash reconciliations will take place each month to ensure that money is not misappropriated without detection. Petty cash reconciliations will be undertaken and signed by the SBM and a second officer as evidence of review.

5. Procurement

- When arranging the purchase of work, services or goods, the best value for money will be achieved and competitive tenders sought where practicable.

- Expenditure likely to exceed £10,000 should only be committed after an estimate in writing has been obtained, following consultation with the Chair of Finance.

- Before committing any order for works, goods or services in excess of £10,000 three written quotations should be obtained. The Headteacher is not required to accept the lowest tender if this does not appear to offer value for money.

- Expenditure over £15,000 should only be committed following consultation with the Finance Committee.

- Expenditure of over £25,000 must only be committed with the approval of the Full Governing Body.

- The school should not enter into any financial agreement with capital implications without the approval of the Local Authority. Leasing contracts are permitted within the authorised financial limits stated above, but purchasing contracts are not.

- A register of current contracts shall be kept and presented to the Governing Body annually.

6. Placing Orders

- The school's requisition form or that of the service provider will be used to place orders. The order form must state which budget (cost centre) the payment is to be made from.

- School staff will complete an order request form which must be authorised by the Headteacher before passing to the Office Administrator.

- The Office Administrator will raise a Purchase Order number in FMS using the correct cost centre and then contact the named supplier by email (finance@woodlane.lbhf.sch.uk) to complete the order.

- All deliveries will be received by the office and will only be signed for once they have been checked for damage and accuracy against the original order.

7. Payment of Invoices

- On receipt, invoices will be checked against goods received by the Office Administrator. Invoices for goods received will be stamped with the official London Borough of Hammersmith and Fulham authorisation stamp, which includes the cost centre code to which the expenditure should be charged.

  This certification means that:

- The goods supplied, work done, or services rendered have been satisfactorily carried out and order complied with;

- The charges are correct and in accordance with quotations or contracts;

- All appropriate discounts have been claimed (every effort should be made to ensure that discounts are not lost) i.e. discounts for early payment;

- The account has not been previously certified for payment (**photocopies, faxes or statements should not be certified**);

- The proper entries have been made in the inventories or stores record;

- Any VAT recoverable on the payment has been identified and expenditure coded accordingly;

- The invoice will then be entered in FMS by the Admin Officer (Certifying officer) and authorised on the system by the SBM (Authorising officer) ready for payment;

- Invoices will be paid in a weekly BACS run, performed in FMS by the SBM. The BACS file will be uploaded on Bankline ready for authorisation by approved authorisers.

- When a BACS payment is not possible, a company cheque may be issued to the value of the invoice for goods received.

- The Headteacher will initial authorisation* in the LBHF stamp on each Invoice before signing the cheques up to the value of £500 or signing the BACS run report. Approved Signatories Payments for £500 up to £50,000 will require two signatures.

Note: In accordance with the LA financial regulations:

- Whenever possible, the Certifying Officer must be different from the Authorising Officer;

- The school should hold a list of authorised signatories, some authorised signatories maybe only authorised to sign for certain budget cost centres and up to certain limits

- Payments can be made against original invoices only;

- Invoices must be over stamped with the appropriate ‘paid by cheque’ stamp;

- Paid invoices will be kept in folders in cheque run/BACS run order for easy access;

- Unused cheques should be held securely when not in use;

- Cancelled or spoilt cheques must have CANCELLED written on them in red ink and be retained securely. Under no circumstances should schools destroy cheques.

BACS payments:

The School Business Manager will be the school processor and current account signatories (already on the bank mandate) will be school authorisers. All staff with access to bankline must keep their log on details private, their card and pin separate and stored securely. All authorised users of bankline must ensure they do not leave the bankline app running if they move away from their PC / Laptop. Authorised users consist of the SBM, the Headteacher and the Deputies.

Before any BACS payment run is completed, a supplier details audit report will be run, to ensure no inappropriate changes have been made to supplier details. A record of all supplier account changes will be documented and held on file.

8. Standing Orders and Direct Debits on School Bank Accounts

In accordance with the LA financial regulations, it is now allowed to set up these payment methods on Schools' bank accounts. However, to ensure the safe use of public funds, the following procedures must be followed.

For items up to £10,000:

Standing Orders:

Documentation, for school use, of any standing orders set up must be signed by the finance officer in the school, and authorised by the Headteacher, and kept as a record. A list of any new standing orders must be circulated at the next Finance Committee meeting of the Governing Body, and a full list circulated to the Committee on an annual basis. It should be noted in any minutes that this has been received. Copies of these documents should be supplied to the Local Authority.

Direct Debits:

As above, documentation for school use, of any direct debits set up must be signed by the finance officer in the school, and authorised by the Headteacher, and kept as a record. A list of any new direct debits must be circulated at the next Finance Committee meeting of the Governing Body (and copied to the Local Authority), and a full list circulated to the Committee on an annual basis. It should be noted in any minutes that this has been received. At the end of the financial year a list of all direct debits set up against the school's bank account should be sent to Children's Services Finance Section.

For any direct debit transactions over £10,000 please contact the Finance Section in Children's Services.

9. Payroll and Personnel

- The Headteacher should ensure that only authorised staff have access to personnel files.
- Payroll transactions should be processed through the payroll provider.
- The School should maintain a list of staff employed which should be updated promptly to reflect new starters and leavers.
- The SBM should scrutinise payroll proposal reports each month to ensure they are correct and reflect any changes/additional hours requested before reviewing with the Headteacher who will initial the report to show review has taken place.

- Overtime (paid as additional hours) will be recorded by the appropriate line manager and authorised by the Headteacher/SBM each month before being sent to the payroll provider with the monthly absence return by the SBM.

- Any errors in payroll proposals should be passed onto the payroll provider to be corrected.

10. Expenses Claims

- Staff authorised by the Headteacher to purchase goods or pay for services on behalf of the school may do so by the use of Credit Cards or Personal Cheques/Cash. Reimbursements will only be made on correct completion of an Expenses claim form and attaching appropriate receipts. Copies of Credit Card vouchers are not sufficient.

- All expenditure for local purchases must be authorised in advance by the Headteacher.

- Repayment will be made by BACS whenever possible.

- Expenditure by the Site Manager for miscellaneous items is to be authorised in advance by the Headteacher.

- An Expenses Claim Form should be completed for each purchase, having relevant receipts attached and must be authorised by the Headteacher before reimbursement is requested.

- Mileage expenses will be paid for essential workplace related journeys only. The appropriate Mileage and Expenses claim form must be completed and authorised by the Headteacher for each claim. Current guidance provided by HMRC for casual car allowance mileage rates is as below

Casual Users	**1000cc+**
Per mile first 8,500	45.0p
Per mile after 8,500	14.4p
Petrol element	10.366p
Amount of VAT per mile in petrol element	2.67p

11. Income

- Parents are advised that they should pay for school meals if they are not eligible to receive free school meals, currently at the cost of £2.00 per day. Parents are advised that meals should be paid for in advance and will be contacted by the school if meals are taken without payment being received. Office staff will call or email debtors to remind them that payment is due. If payment is not received following the first reminder, a second reminder will be issued warning that provision of school meals may be withdrawn if arrears are not paid. Parents will be offered support if they are in financial difficulty, and the SBM is able to make an online application to the FSM eligibility department on behalf of a parent if necessary, with parental permission. No pupil will go without lunch as a result of non-payment.

- Debt recovery applies to agreed reimbursement of invoices from Local Authorities for agreed spending (e.g. Travel Trainer, specialist resources etc). The SBM will keep accurate records of agreed additional spending on a spreadsheet which will be sent to the appropriate officer in the appropriate Local Authority and department (with matching original invoices) each half term for reimbursement. In addition, an invoice for the half termly total will be sent by to borough by email bearing a purchase order number provided by SEN Finance department.

- A receipt will be issued by office staff for any monies received for school trip contributions/ uniform sales/ school meals etc and each payment will be logged on a spreadsheet to record details of payment.

- Periodic banking should take place following input of details in FMS. Banking of income should be prepared and signed by the SBM and witnessed by another appropriate officer. This includes banking of income from Training at Woodlane and income from donations.

12. Assets

- Up to date inventories should be maintained for all items of equipment over the value of £1000 which should be identified as school property with a security marking and should be checked at least one a year against physical items.

- Items of less than £1000 which are not considered readily portable or re-saleable need not be included.

- The Governing Body should authorise all write offs and disposals of surplus stock and equipment annually in accordance with the LA regulations.