1 Annual Budget

Budget construction

The Headteacher, together with the Resources Committee of the Board of Governors, is responsible for the detailed preparation of the annual budget. In doing this he/she should consult with other members of staff to ascertain detailed requirements.

The Resources 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 must take account of priorities identified in the School Development Plan (SDP) and incorporate the costs into the budget. Priorities identified in the SDP must always be costed.

The budget total must not exceed the amount of the LA allocation plus or minus any balance brought forward from the previous year, and plus or minus external donations, awards or grants. If it appears that a balanced budget cannot be achieved, the Head and Chairman of Governors must inform the LA immediately this becomes apparent.

The Resources Committee must meet in the autumn term to consider a broad budget strategy, and again in the spring term to consider and agree the draft detailed budget. The full Governing Body must subsequently approve the full budget, and minute this approval. The LA must be informed in writing of the approved budget, in a format determined by the LA. The Chairman of Governors must sign this statement.

In constructing the detailed budget, the Head must take account of the following factors: -

- any anticipated changes in pupil numbers
- current and previous year's expenditure levels on individual budget categories
- any priorities agreed by Governors in the SDP
- staff pay awards and increments
- anticipated price inflation
- changes in the staffing complement
- changes in the supply of services (gas, oil, electricity, water)

Budgetary control and monitoring

The Head, together with the Resources Committee, is responsible for regular, detailed control of the school budget.

The school's accounting system will be kept up to date by the School Business Manager including:

- reconciliation of the monthly printouts of the delegated budget received from Shire Hall as soon as possible after receipt
- transfer of relevant monies from the School Fund
- input and coding of all invoices

The School Business Manager will produce monthly reports, (and if requested for Resources

Committee and Full Governors meetings), from the school's FMS accounting system.

These reports will show, as far as the system allows, for each budget category: Budget for Year, Budget to Date, Expenditure to Date (split into committed and cleared), and Variance.

Either the School Accounts system reports or a summary will be considered by the Full Governing Body at Governors' meetings, accompanied by the Resources Committee report detailing current financial position and associated issues.

Virement

The Head is empowered to take remedial action to address variances, by effecting virements between individual budget headings. Individual virements may be authorised as follows:-

- up to £1,000 - Head (and subsequently reported to full Governing Body)
- £1,000 - £2,999 - Chair of Governors ""
- £3,000 - £4,999 - Resources Committee ""
- £5,000 and over - Full Governing Body

In principle, virement should not be necessary as a correctly constructed budget will match expenditure. However, occasionally, due to changing circumstances, it may be necessary to vire funds between budget headings. The Resources Committee must approve all virement.

Year End Figures

As soon as possible after the end of the Financial Year, a final outturn statement of Actual Expenditure against Budget will be produced by the Resources Committee and put before the whole Governing Body. It is accepted this may not happen until several months after the end of the year, when the LA produces final account information.

The Resources Committee will be responsible for forecasting likely outturn to assist the next years Budget preparation.

2 Payroll

Starters/variations/leavers

All forms for:

- setting up new employees on the payroll (starters)
- effecting variations to pay
- taking existing employees off the payroll (leavers)

must be made out by the School Business Manager and authorised (signed) by the Head. Such forms must then be posted promptly to Shire Hall.

Time sheets

All time sheets submitted by a member of staff must be checked initially by the School Business Manager, and then authorised (signed) by the Headteacher. Authorised time sheets must be posted directly to Shire Hall, and never handed back to the employee. However, they may keep photocopies.

Checking of payroll data

Payroll data received monthly from Shire Hall (printout) must be scrutinised by the School Business

Manager, to check accuracy of pay calculations.

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. If any doubt exists about whether an item should be processed via the payroll system, the Creditor Control section in Shire Hall must be contacted for advice. (Tel.01452 425335)

Supply teachers

Full supply insurance must be maintained as a matter of policy in a small school with few staff. All claims submitted by supply teachers must be authorised by the Head. The School Business Manager must submit reimbursement claims to Shire Hall on a monthly basis. The School Business Manager must check on a monthly basis that correct amounts have been charged on the Shire Hall expenditure printout.

3 School Fund (also known as the Unofficial Fund)

The School Fund and Links financial year runs from 1st September to 31st August.

Accounts

The accounts of the School Fund are to be maintained on a day-to-day basis by the School Business Manager. All income and expenditure will be entered promptly in spreadsheet format. All income and expenditure is recorded using Microsoft Excel and Microsoft Money. Bank reconciliation will be performed monthly when bank statements are received, between the balance as per the accounting record and the balance as per bank statements. A statement of account showing Income and Expenditure under each category in a similar format to the end of year accounts will be prepared termly, and if requested to coincide with Resources Committee or Full Governors meetings.

Signatories

The following are allowed to sign cheques on the bank account:

- Headteacher (Andy Milner)
- Authorised members of teaching Staff (Fabiha Chowdhury)
- The School Business Manager (Julie George)

There must be two signatures on each cheque.

Final accounts and audit

Final accounts must be prepared at the end of the financial year by the School Business Manager. An auditor appointed by the full Governing Body would audit the accounts. The auditor may not be a member of the Governing Body. In appointing an auditor and operating the Fund, the Governors will follow the instructions laid down in the LA's Manual on Unofficial Funds.

The audited accounts should be presented to the full Governing Body for approval. Governors' approval must be recorded in the minutes of the meeting. Once approved, the Clerk to the Governing Body will return the requested form to Shire Hall in the format required by the LA.

School Fund monies must be kept, and recorded, separately from the school's delegated monies and securely held.

Petty Cash

Petty Cash is held only for small expenses such as car park or items under £5 in value. All petty cash expenditure and reimbursement income must be promptly recorded in the petty cash book.

All cash and chequebooks held must be held securely by the School Business Manager.

4 Assets

Inventory

The portable, 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, and approximate value) shall be recorded. This should be kept on the office PC with a back-up disc off-site.

The School Business Manager is responsible for keeping the inventory up to date by adding new items over £100 in value when they are received into school.

Items up to a value of £100 may be sold or written out of the inventory on the authority of the Headteacher. Over this limit, the Governing Body must authorise and the details recorded in the minutes. Reasons must be recorded in the inventory, together with the Head's signature (up to £50) or the Governors' minute reference (£50 and over). An official receipt for sales income must be issued to the purchaser.

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 that are not allocated to a specific room.

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

All inventory items should be security marked

- invisibly with Smart Water, and
- visibly with warning stickers.

Off-site register

Any inventory items taken off site by members of staff or Governors for official purposes must be recorded by the School Business Manager. 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 Register of pecuniary and other interests

The school shall maintain such a Register.

Persons to be included:

- All Governors
- Headteacher
- All staff

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 school.

Examples of such improper influence might be:

- the purchase goods or materials from a company in which a Governor/senior member of staff has a financial interest without going through the correct procedures e.g. submitting competitive tender.
- the promotion of a member of staff who has close relationship (spouse, partner, son or daughter) with Governor/senior member of staff, without going through correct procedures re. recruitment and selection.

There can never be a definite, comprehensive list of the interests that should be recorded, but the following is intended to give some guidance:

a. having a financial, or other, interest in an organisation that could feasibly be in a position to supply goods/services to the school e.g.
    - building, plumbing or electrical contractors
    - audio/visual goods suppliers
    - repair/maintenance of equipment
    - suppliers of computer hardware and software
    - suppliers of stationery
    - suppliers of educational equipment
    - suppliers of furniture, fittings, carpet etc.
    - decorating contractors
    - suppliers of building material
    - suppliers of books
    - grounds maintenance contractors/suppliers
    - suppliers of heating/lighting equipment
    - suppliers of musical instruments
    - suppliers of insurance
    - consultants (legal, financial, property)
    - suppliers of security services
    - suppliers of art materials
    - transport contractors (e.g. coaches)
    - suppliers of supply teaching cover

b the interest in the above 'supplying organisations' may, for example, be:
    - as a director
    - as an employee
    - as a major shareholder
    - as a major investor
    - as a major debtor/creditor
    - having a close personal relationship with a person in the above categories

c being in a position to potentially influence decisions made about the school, e.g. as:
    - member of a local council (County Council, District Council, Parish Council)
    - officer of Local Education Authority in senior capacity
    - Member of Parliament
    - OFSTED Inspector
    - officer of local council in senior capacity
    - having a close personal relationship with any person falling into the above categories
    - having a close personal relationship with a Governor or member of staff (employed on

a full-time, part-time, permanent, or temporary basis).

6 Income

This is likely to include LINKS, swimming, school trips, uniform etc.

Requests for payment

These are usually generated by the School Business Manager in the form of letters with tear-off return slips. LINKS invoice will be generated from the LINKS attendance register.

Receipts

(a) When payment is received the charge should be marked paid and dated. The payment must be recorded in the School Fund Record analysed under the correct headings.

(b) All cash and cheques should be deposited either with the School Business Manager or sent by Pupil Post in reading folders, and should be in an envelope clearly marked with name of the child.

(c) The cash and cheques should be banked as appropriate, and all cash amounts over £250 not less than once a month. No payments may be made out of income collected, as this can cause confusion and is open to abuse. A record to evidence the banking must be kept (e.g. a stamped paying-in slip). Most income will be banked into the School Fund or Links accounts, however, occasionally, income may be banked direct into the LA Delegated Budget account where appropriate.

The Delegated Budget

All sums relating to items in the Delegated Budget must be transferred regularly from the School Fund and Links Accounts, and coded to the appropriate heading, e.g. LINKS, music tuition, etc. This should be done at least monthly and at the end of every term.

Donations

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

Debts

All outstanding monies should be followed up with a reminder note from the School Business Manager after 1 month. LINKS statements will be sent out every half term.

Any sums outstanding after one term should be brought to the attention of the Governors, who will decide if debt should be pursued further, written off, or credit withheld.

Charging Policy

All charges will be made in line with this Policy. Charges for certain activities may be waived or reduced in cases of hardship. The Governing Body following recommendation by the Headteacher will make this decision.

7 Purchasing

Ordering

The Headteacher must sign purchase orders, though the School Business Manager may prepare them. The Resources Committee has delegated authority to the School Business Manager to order items up to £100 but the purchase order must be signed by the Headteacher as soon as possible after the order has been placed. Orders placed must adhere to Gloucestershire County Councils' Financial regulations and Standing Orders in respect of competitive tendering etc.

Quotations/tenders

Financial Regulations - for orders for goods/services under £50,000:

- £1,000 - £5,000 - at least three prices to be examined and retained, these prices may be taken from suppliers' written or verbal quotations or catalogues/price lists. If a contractor is on the GCC approved list then it is taken as read that three quotations have been sought and that best value has been achieved.

- £5,001 - £50,000 - independent written evidence of at least three prices should be obtained and retained.

Independent written evidence means quotations provided on suppliers' headed notepaper.

Standing Orders - for orders for goods/services over £50,000.

Tenders should be invited in one of three ways, and in accordance with specific Standing Orders.

- from at least three contractors included on a standing list - SO49; or where no standing list exists

- from at least three appropriate contractors - SO.5O, or

- by open competition by advertisement in local newspaper or appropriate journal - SO.51.

Consortium

It is considered by Shire Hall and the experiences of our past dealings that the Consortium offers schools a deal on price and quality that will not be bettered by local purchasing, for all the day to day educational equipment and office requirements. Competitive tenders/quotes are not required in buying from the consortium. The school will therefore continue to use the Consortium for its mainstream purchases of consumable items, unless a better price is found on 'like for like' items.

Governor involvement

As well as ensuring that the above have been adhered to, it is the responsibility of the Headteacher to ensure that Governors or the Resources Committee are consulted in the following circumstances :-

(a) On purchasing decisions when the estimated cost of one item exceeds £500.
(b) Review of quotations obtained where estimated costs exceed £1,000.
(c) Review of quotations when the lowest quote is not the most suitable.

Receipt of goods

Once items ordered have been received, the School Business Manager must ensure that items delivered correspond to details contained in the delivery note. Upon examination of goods the School Business Manager must ensure that both quality and quantity are appropriate.

Invoice check and authorisation

Invoices received must be checked to both copy orders and delivery notes to ensure that invoices relate to goods ordered and delivered. Invoices should also be checked for arithmetical correctness. The Headteacher must certify all invoices for payment before being passed for payment by the LA or from school fund.

The School Business Manager must record invoices passed for payment promptly in the school's accounting system.

8 Finance Policy Review

The Finance Policy will be reviewed annually by the Resources Committee to keep up to date with any material changes in procedure.

Responsible persons referred to in this policy

Headteacher:	Andy Milner
School Business Manager:	Julie George
Chair of Governors:	Geoff Gait-Carr
Resources Committee:	Freddie Elwes
	Vanessa Powell
	Phil Overall

Approved

Headteacher ______________________ Date ____________

Chair of Finance ______________________ Date ____________