

NEWLANDS GIRLS' SCHOOL

POLICY DOCUMENT



Financial Regulations Manual Policy

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Contents

Introduction

Organisation

Accounting System

Financial Planning

Payroll Administration

Purchasing

Income

Cash Management

Investments

Fixed Assets and Disposals

Prepayments and Accruals

Appendices

- 1. Disposal Request Form**
- 2. Scheme of Delegated Financial Authority**
- 3. Policy regarding issue of charge cards**
- 4. Charging and Remissions Policy**
- 5. Finance and HR Procedures to be used during partial closure of the school**

1. Introduction

The purpose of this manual is to ensure that the school maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department of Education.

The School must comply with the principles of financial control outlined in the academies guidance published by the Education and Skills Funding Agency (ESFA). This manual expands on that and provides detailed information on the School's accounting procedures and system manual that should be read by all staff involved with financial systems.

This policy should be read in conjunction with Appendix 2 Financial Expenditure Delegations in Newlands Girls' School Scheme of Delegation.

2. Organisation

Newlands Girls' School has defined the responsibilities of each person involved in the administration of School finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

The Governing Body

The Governing Body has overall responsibility for the administration of the Newlands Girls' School's finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement between the School and the ESFA and in the School's scheme of government. The main responsibilities include:

- ensuring that grant from the ESFA is used only for the purposes intended;
- approval of the annual budget;
- appointment of the Headteacher;
- appointment of the School Business Manager, in conjunction with the Headteacher;
- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies;
- authorising the award of contracts as per the scheme of delegation;
- authorising changes to the School personnel establishment in line with the School's development plan:
and
- reviewing the reports of the Internal Auditor on the effectiveness of the financial procedures and controls.

The Governing Body has appointed a Resources Audit and Risk Committee under terms of reference to carry out some of the above duties.

The Headteacher

Within the framework of the School Development Plan as approved by the Governing Body, the Headteacher has overall executive responsibility for the School's activities including financial activities. Much of the financial responsibility has been delegated to the Business Manager, but the Headteacher still retains responsibility for:

- Acting as the Accounting Officer for the School
- approving new staff appointments in line with the School's Development Plan except for any leadership team posts which the Governing Body have agreed should be approved by them;
- authorising contracts as per the scheme of delegation in conjunction with the Business Manager; and
- signing cheques and authorising BACS payments in conjunction with the Business Manager or other authorised signatory.

The School Business Manager

The School Business Manager works in close collaboration with the Headteacher through whom he or she is responsible to the Governing Body and will report directly to the Governing Body in the absence of a Resources, Audit and Risk Committee. The main responsibilities of the School Business Manager are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the School financial position at a strategic and operational level within the framework for financial control determined by the Governing Body;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the School;
- the preparation of monthly management accounts;
- authorising orders as per the scheme of delegation in conjunction with budget holders;

- signing cheques and authorising BACS payments in conjunction with the Headteachers or other authorised signatory: and
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.

Other Staff

Other members of staff, primarily the Bursar, Finance Officer, and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of School property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the School's financial procedures.

The Internal Auditors

The Internal Auditors are appointed by the Governing Body and provide the Governing Body with an independent oversight of the School's financial affairs. The main duties of the auditors are to provide the Governing Body with independent assurance that:

- the financial responsibilities of the Governing Body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and,
- financial considerations are fully considered in reaching decisions.

The Internal Auditors will undertake a programme of reviews as directed by the Resources, Audit & Risk Committee to ensure that financial transactions have been properly processed, risks are reviewed and that controls are operating as laid down by the Governing Body. A report of the findings from each visit will be presented to the Audit & Risk Committee. Detailed guidance and recommendations on the transactions to be checked by the internal auditor is given by the ESFA.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all School governors and Senior Leadership Staff are required to declare any financial interests they have in companies or individuals from which the School may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the School. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

3. Accounting system

All the financial transactions of the School must be recorded on the Access Education Finance accounting system. This system is operated by the Finance Department.

Access to the previous accounting system, FMS6 is still available.

System Access

Entry to the finance system is password restricted and forced password changes occur every 3 months.

Access to the component parts of the finance system can also be restricted and the Business Manager is responsible for setting access levels for all members of staff using the system.

Back-up Procedures for FMS6 only

Access Education Finance System is based in the cloud so the school does not have to carry out in school back up procedures.

FMS6 is available on a remote backup system.

The School Business Manager should also prepare a business continuity plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the School is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. All journal entries made by the Finance Officer will be checked by the Bursar or School Business Manager when preparing monthly management accounts. Bank transactions should be input by the Bursar or Finance Officer and the input should be checked during the bank reconciliation at the end of the month, and signed to evidence this check by the School Business Manager as well as the Headteacher when reviewing the bank reconciliations monthly.

Transaction Reports

The School Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:

- the monthly audit trail reports;
- management accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

The Bursar is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- all suspense accounts; and
- bank balance per the nominal ledger to the bank statement.

Any unusual or long outstanding reconciling items must be brought to the attention of the School Business Manager. The School Business Manager will review and sign all reconciliations as evidence of his/her review.

4. Financial planning

The school prepares both medium term and short-term financial plans.

The medium term financial plan is prepared as part of the school development planning process. The school development plan indicates how the School's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The school development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year. The school development planning process and the budgetary process are described in more detail below.

School Development Plan

The development plan is concerned with the future aims and objectives of the school and how they are to be achieved; that includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the school development plan are matters for the school to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the ESFA. Each year the Headteacher will agree a planning cycle and timetable with the Governing Body which allows for:

- a review of past activities, aims and objectives - "did we get it right?"
- definition or redefinition of aims and objectives – "are the aims still relevant?"
- development of the plan and associated budgets – "how do we go forward?"
- implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- feedback into the next planning cycle – "what worked successfully and how can we improve?"

Completion of financial reporting in the form and timing required by the ESFA:

Date	Action	Relevant Form
November 7th	Submission of Land and Buildings Collection Tool	Online Form
December 31 st	Submission of annual report and financial statements to ESFA for year just ended from 1 Sept to 31 August Deadline for filing audited accounts with Companies House	As per accounts direction and Financial Handbook
January 31 st	Submission of Academies Accounts Return (AAR) Publish audited account on website	Online form
March	ESFA issues final funding allocations for forthcoming year from 1 Sept – 31 August	
March 15th	Submission of School Resources Management Self-Assessment Checklist	Online form
May 31	Deadline for filing of Budget Annual Return with Companies House	
July	Submit Budget Forecast Return (BFR) to the ESFA	Online form

The completed school development plan will include detailed objectives for the coming academic year and outline objectives towards the end of the next long term strategic planning cycle i.e. 3 years. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.

For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned to a member of the Leadership Team. The responsible leader should monitor performance against the defined success criteria throughout the year and report to the leadership team on a quarterly basis. The Headteacher will report to the Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

The Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Governing Body but the Governing Body may delegate authority to the Resources, Audit and Risk Committee in exceptional circumstances.

The approved Budget Forecast must be submitted to the ESFA in July each year on a date advised and the School Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

The annual budget will reflect the best estimate of the resources available to the School for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of students to estimate the amount of ESFA grant receivable;
- forecasts of the likely number of staff required (staff deployment);
- review of other income sources available to the school to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the school cost base;
- identification of potential efficiency savings; and
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. personnel establishment, pay increases, inflation and other anticipated changes.

Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding and budget expenditure under GAG and other income receivable. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Policy on Reserves

The policy of the school is to carry forward a prudent level of resources, where possible, of not less than 2% of funding from the ESFA designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

However, where the Governors, Headteacher and School Business Manager have identified a number of longer-term projects for large building works such as the enhancements of buildings or IT purchases for end of life equipment, a higher reserve value will be sought. This value will be subject to the constraint that the level of resources does not exceed the level permitted by the ESFA.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Business Manager for approval by the Headteacher, Resources, Audit and Risk Committee and the Governing Body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

Monthly Management Accounts will be prepared by the Business Manager. The reports will detail actual income and expenditure on an accrual's basis, against budget for the Resources, Audit and Risk Committee. A balance sheet, cash flow forecast and Key performance indicators are also prepared as part of the monthly management accounts.

Budget holders are able to review their budgetary spend by requesting a copy of the report from the Finance Officer, or it a report will be produced three times a year. Any potential overspend against the budget must in

the first instance be discussed by Budget Holders with the Business Manager. The accounting system will not allow payments to be made against an overspent budget without the approval of the Business Manager.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. Budget virements may be approved as authorised under the scheme of financial delegation.

Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration; and
- payments.

Staff Appointments

The Governing Body has approved a budget based on a personnel establishment for the School. Increases can only be made to this establishment where adequate budgetary provision exists for any establishment changes.

The Headteacher has authority to appoint staff within the authorised establishment/staffing budgets except for members of the Leadership Team whose appointments must follow consultation with the Governing Body. The Headteacher and Business Manager maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the School Business Manager for budgeting purposes immediately.

5. Payroll Administration

The school payroll is administered by the Royal Borough of Windsor and Maidenhead within a service level agreement which will be reviewed annually.

Payments

After the payroll has been processed but before payments are dispatched a report of salary payments by individual and showing the amount payable in total should be obtained from the payroll provider. The print must be reviewed and authorised together with authority to release payment by the School Business Manager or Bursar and the Headteacher.

All salary payments are made by BACS.

The Business Manager or Bursar should carry out a reconciliation between the current month's and the previous month's gross salary payments checking adjustments made for new appointments, resignations, pay increases, timesheet payments etc. and sign the payroll reports indicating that this check has been completed. This check should then be reviewed by the Headteacher or Deputy Headteacher in the Headteacher's absence before authorising release of the payroll.

The Business Manager should review the finance system each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and that salary payments to date are in line with budget projections.

Payroll Deductions

The payroll provider will calculate and advise the school of the amounts liable to be paid to HMRC each month. This payment is paid by direct debit each month to HMRC.

6. Purchasing

The School wants to achieve the best value for money from all purchases. A large proportion of purchases will be paid for with public funds and the school needs to maintain the integrity of these funds by following the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the School;
- **Accountability**, the School is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the School are dealt with on a fair and equitable basis.

Routine Purchasing

Budget holders will be informed of the budget available to them as soon as possible after the start of the academic year once pupil numbers taking individual subject choices are known. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A report detailing actual expenditure against budget will be supplied to each budget holder termly (or by request) and budget holders are encouraged to keep their own records of orders placed but not paid for.

Routine purchases up to £2,000 can be ordered by budget holders and will be countersigned by the Business Manager, orders between £2000 and £10,000 should be counter signed by the Headteacher or Deputy Headteacher in the Headteacher's absence. In the first instance a supplier should be chosen from the list of current suppliers maintained by the Finance Office. A quote or price should always be obtained before any order is placed unless there is a genuine emergency e.g. emergency repairs. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the current supplier list then the Business Manager must approve the addition of the new supplier.

Whilst three quotations do not need to be obtained for all orders below £10,000, competitive quotations should be sought where time permits by budget holders and comparisons made re quality to achieve Best Value.

All orders should be made, or confirmed, in writing using an official order, a purchase requisition via the Access Finance system, or via email from the budget holder's email address unless there is a genuine emergency. The order request must be forwarded to the Finance Office where the Bursar or Finance Officer will enter the order onto the finance system and will check to ensure adequate budgetary provision exists before authorising the order on the finance system.

The finance system will allocate a reference number to the order which should be printed and countersigned by the Business Manager or Headteacher and dispatched to the supplier by the Bursar or Finance Officer / or via automated online ordering via the finance system after authorisation.

Whilst we aim to ensure that every purchase has an approved order, it is not always possible or practicable, and here will always be some non-order invoices to enter. These will include items such as examination invoices, training courses, recruitment advertising invoices, day to day agency supply, bank charge for audit letter, utility bills, annual subscription / licence renewals, monthly direct debit payments for annual contracted services, annual contracts for services, emergency maintenance bills or goods / services ordered by exception when finance staff are unavailable to raise orders.

It is also not practical for every school trip purchase paid to have an approved purchase order. The majority of these payments are for pre-approved school trips, often with an agreed schedule of stage payments to be made.

Where possible goods delivered to the school will be checked by the Budget Holder, Finance Officer or Bursar who will undertake a detailed check of the goods received against the goods received note (GRN) if provided and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should

be discussed with the supplier of the goods without delay. The GRN will also be checked against the original purchase order.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Bursar or Finance Officer will keep a central record of all goods returned to suppliers.

All invoices should be sent to the Finance Office. Invoice receipt will be recorded by the Bursar or Finance Officer in the purchase ledger. The Bursar and Finance Officer will stamp invoices with a grid against which the following can be evidenced:

- a. Goods/ services received;
- b. Authorising Signature;
- c. Curriculum/Budget to be charged for payment;
- d. Date.

The invoice will then be sent to the budget holder to complete boxes (a), (b), (c) and (d). Before completing these boxes the budget holder must make a detailed check against the order and the GRN before it is sent back to the Finance Office. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.

If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.

When the budget holder has authorised the invoice, the invoice should be sent back to the Finance Office. It is the policy of the school to pay invoices within payment terms promptly after authorisation.

The Bursar or Finance Officer will then input details of payments to be made to the purchase ledger and generate the cheques or BACS payments required. The cheques or associated BACS paperwork must be authorised by two of the nominated bank signatories. The bank signatories are the Headteacher, the 2 Deputy Heads and the School Business Manager. In the absence of the School Business Manager, the Bursar will be the first approver of BACS payments.

Cheques or BACS payment remittances will be dispatched to suppliers by the Bursar or Finance Officer who will then attach the payment details to the invoice and file the invoice in the appropriate file for future audit purposes.

Orders over £10,000 but less than £100,000

With the exception of examination entries and trips at least three quotations should be obtained for all orders between £10,000 and £100,000, to identify the best source of the goods/services. Records of quotations obtained should be retained by budget holders for audit purposes. Telephone quotes are exceptionally acceptable if these are evidenced before a purchase decision is made. Orders should be countersigned by the Headteacher or Deputy Headteacher only in the Headteacher's absence. In the absence of three quotations, reference should be made to the Resources Committee before placement of an order with details of why three quotations have not been possible, and evaluation of how best value judgements have been satisfied.

Orders over £100,000

All goods/services ordered with a value over £100,000 or for a series of contracts which in total exceed £100,000 must be subject to formal tendering procedures. Purchases over £214,904 (threshold from 01.01.2024) excluding VAT will fall into the Public Contracts Regulations 2015 which require advertising on 'Find a Tender' Service or purchase via a DFE approved framework tool or another agreed framework agreement. Orders will be countersigned by the Headteacher and Business Manager where the expenditure

is included in the budget or by the Resources, Audit and Risk Committee if not in budget. Relevant professional advice will be obtained where necessary e.g. regarding eligibility to the tendering 'light touch' regime.

In the case of emergency repair works that require urgent action it may not be possible to obtain three quotes. Prior approval will be sought via email from the Resources, Audit and Risk Committee.

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below:

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the School Business Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practicable. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the School's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfillment of these requirements to help reach an overall decision.

Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry. An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and

- form of response.

Aspects to Consider

Financial

Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.

Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs. Is there scope for negotiation?

Technical/Suitability

- qualifications of the contractor
- relevant experience of the contractor
- descriptions of technical and service facilities
- certificates of quality/conformity with standards
- quality control procedures
- details of previous sales and references from past customers.

Other Considerations

- pre sales demonstrations
- after sales service

Financial status of supplier

Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the School. All correspondence in regard to the tender process should be carried out electronically including the submission of the tenders. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

Where possible all tenders submitted should be opened at the same time with a minimum of 2 of the Senior Leadership Team present to open and evaluate them.

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence. Full records should be kept of all criteria used for evaluation and for contracts over £100,000 a report should be prepared for the Governing Body highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the ESFA, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is considered to offer best value to the School. All parties should then be informed of the decision.

Use of Framework Agreements

Subject to the prior approval of the Resources Committee the use of Framework Agreements is encouraged for the procurement of significant contracts and purchases in the interests of efficiency, ensuring best value and technical expertise where appropriate. These may include (but are not limited to);

- Major building projects
- Project management, building and architectural services
- Energy procurement
- IT equipment
- Insurance

Charge Card Policy

The Resources, Audit and Risk Committee agree that the school will use Barclaycard as provider of the school charge card, to be reviewed at the time of membership renewals.

The Resources, Audit and Risk Committee authorise the Headteacher, a Deputy Headteacher and the School Business Manager to administer the account and nominate cardholders subject to the approval of the Resources, Audit and Risk Committee. Both signatures are required by Barclaycard for all amendments.

The committee approves the use of cards by authorised staff strictly on the following basis:

- For use where items may not be ordered through the school's normal procurement arrangements.
- Where sufficient budget is held for the purchase of the items.
- That purchases are limited to items for the school only.
- That the use of the card is restricted to the card holder only. (Depending on the value being spent online the card requires multi factor authentication)
- That the cardholder does not exceed the monthly expenditure limit authorised on the card.
- There is to be no use of ATMs.
- That cash advances are prohibited.
- That staff are responsible for safe custody of the card.
- That staff are responsible for reporting the loss or theft of the card to Barclaycard and the school immediately.
- That the card is signed immediately upon receipt.
- That the card remains the property of the school and must be returned immediately upon request.

Misuse of cards

Any misuse of the card must be reported to the Resources, Audit and Risk Committee who will consider if disciplinary action should be taken against the member of staff involved.

Monitoring of expenditure

The committee delegate the monitoring of expenditure to the School Business Manager and Headteacher subject to the following procedures:

- Barclaycard will provide statements for all expenditure monthly;
- Receipts/delivery notes will be provided for all purchases and reconciled to statements;
- Barclaycard will be reimbursed monthly by direct debit from the school budget;
- The Bursar or Finance Officer will journal expenditure monthly to the appropriate areas of the school budget;
- The School Business Manager or Headteacher will complete a check of and sign all statements monthly.

7. Income

The main sources of income for the School are the grants from the ESFA. The receipt of these sums is monitored directly by the School Business Manager who is responsible for ensuring that all grants due to the School are collected.

The School also obtains income from:

- students, mainly for contributions to trips and book deposits
- the public, mainly for pool and sports lettings as well as community swimming sessions.

Trips

The Trip Leader will complete a Trip Finance Form for the Finance Office to approve in the initial stages of planning a trip and will also submit the necessary Internal Order Forms. If the trip makes use of a supplier that has not been used before, the School Business Manager must approve the addition of the new supplier. Where the possible pupil numbers on a trip mean that the level of trip income would normally require alternative quotes or a procurement process the Trip Leader will be advised to make appropriate checks that best value has been sought. However there will not be a requirement to seek formal alternative quotes or go through a procurement exercise as in most cases final pupil numbers are not known until after the supplier has been appointed and parents have signed up to their children participating. The Trip Leader will take responsibility for checking that all payments due for each trip have been received.

The Trip Leader will liaise with the Bursar or Finance Officer who will review the overall budget for the trip to ensure that the trip is financially viable. In the event of a shortfall, the continuation of the trip will be at the discretion of the Headteacher.

In the event of a surplus following completion of a trip, balances in excess of £25.00 per pupil will be offered as a refund to parents/carers. Smaller surpluses will be transferred to a 'General Fund – Trips' for future educational visit contingencies and bursaries.

Lettings - also refer to the Newlands Girls' School Lettings Policy

The Site Manager and Pool Manager are responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. The School Business Manager, Bursar or Finance Officer will invoice the hirers based on those records of bookings. Payments must be made in advance for the use of facilities by new users or within 14 days of invoicing for regular hirers.

Details of organisations using the facilities will be maintained by the Bursar or Finance Officer who will establish a sales ledger account and produce a sales invoice from the finance accounting system. Details of payments made and outstanding accounts will be forwarded to the School Business Manager at the beginning of each month and the Bursar is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

Debts below £100 may be written off at the discretion of the Headteacher and debts over £100 should be written off only with the express approval of the Resources Audit & Risk Committee (the ESFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter). Organisations using the school facilities should be instructed to send all payments or remittances to the Finance Office. The preferred payment method for lettings is by BACS as detailed on the Access invoices.

Custody

Where practicable, receipts should be issued for cash and cheques received, other than for charity collections e.g. Non-Uniform days / cake sales, where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place regularly and as soon as possible where the sum collected exceeds £3,000.

Monies collected must be banked in their entirety in the appropriate bank account.

8. Cash Management

Bank Accounts

The opening of all accounts must be authorised by the Governing Body who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit, and
- a reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

All cheques, BACS schedules and other instruments authorising withdrawal from School bank accounts must bear the signatures of two of the following authorised signatories:

Headteacher
School Business Manager
A Deputy Headteacher

This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the School.

Administration

As the bank no longer provides numbered bank statements the Bursar prints bank transaction sheets from the online banking system at the end of every month which are then numbered to enable bank reconciliation to take place on the finance system. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the School's cash book;
- reconciliations are prepared by the Bursar / Finance Officer
- reconciliations are subject to an independent monthly review carried out by the School Business Manager or in his/her absence the Bursar and Headteacher
- adjustments arising are dealt with promptly.

Petty Cash Accounts

The School is authorised by the Governing Body to maintain a maximum cash balance of £1500. The cash is administered by the Bursar and Finance Officer and is kept in the Finance office safe.

Deposits

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Petty Cash

Payments from the petty cash fund are limited to minor items, with a maximum value of £100. A petty cash claim form must be completed and approved in advance by an authorised member of staff/ budget holder. Personal cheques are not cashed from the petty cash fund.

All expenditure from the fund must be supported by receipts. VAT receipts should be obtained wherever possible. The petty cash claim form must be signed by the recipient and countersigned by an authorised member of staff.

In the case of trips petty cash slips may be completed for higher amounts than £100. This is due to the purchase of Euros/ foreign currencies for specific activities related to the trips. All receipts or a full reconciliation spreadsheet must be prepared by the Budget Holder/ Trip Leader to account for the full value including any returned change.

The school has a Caxton pre-payment card which can be preloaded with foreign currency or sterling to be

used on school trips to avoid taking lots of cash. This can be used to purchase items or to withdraw cash from ATMs. The Budget Holder / Trip Leader is responsible for the card on the trip and must account for all expenditure by obtaining receipts (inclusive of VAT where appropriate).

Administration

The Bursar and Finance Officer are responsible for entering all transactions into the petty cash records on a regular basis and reconciliation of the Petty Cash should be carried out monthly. The Bursar reviews the petty cash reconciliation at the end of every month.

Physical Security

Petty cash is held in a locking cash box which is locked in the Finance Office safe overnight.

Cash Flow Forecasts

The School Business Manager is responsible for preparing cash flow forecasts at least annually to ensure that the School has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile expenditure to cover potential cash shortages.

Investments

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

School's Investment Strategy

Regularly monitor Cash Flow and Current a/c balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £300,000 and £700,000 is likely to be maintained.

- Avoid its current account going overdrawn
- Identify funds surplus to immediate cash requirements and transfer to a Deposit Account bearing a higher interest rate.
- Periodically (at least annually) review interest rates and compare with other investment opportunities.

Only invest in FCA, PRA regulated institutions with a UK banking licence which have a credit rating or implied credit rating that is investment grade at the time of the deposit. Governor approval must be sought after in advance of the investment.

9. Fixed assets

Fixed Assets

The School's capitalisation limit is £2000 and the School Business Manager will be responsible for deciding if a purchase should be capitalised in consultation with the School's Auditors. The School Business Manager or Bursar will be responsible for maintaining the asset register and calculating depreciation of the assets in each financial year.

Asset register

All items purchased with a value over the School's capitalisation limit must be entered in an asset register maintained in an excel spreadsheet. The asset register will include the following information:

- asset description
- date of acquisition

- supplier
- asset cost
- expected useful economic life
- location
- depreciation
- current book value
- re-sale value if appropriate

The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the School's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register, where practical, should be permanently marked as the School's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Governing Body. Inventories of School property should be kept up to date and reviewed regularly. Items that are used by the School, but do not belong to it, should be noted.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher through the completion of a Disposal Request Form (Appendix 1). Where the Net Book Value of the Asset is over £500 the Resources Committee must approve the disposal or sale. If the value of the item is significant, it should be sold following competitive tender. The School must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the School obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the School would need to ensure licences for software programmes have been legally transferred to a new owner. Due to this requirement disposal of all school Computer Equipment is done through the RBWM computer recycling service

The School is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other School assets. If the sale proceeds are not reinvested then the School must repay to the ESFA a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

Items of School property with the exception of staff laptops/ ipads must not be removed from School premises without the authority of the Head of Department. A record of the loan must be notified to the School Business Manager and booked back in to the School when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the School's auditors.

Depreciation of Assets

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land or Capital Works in progress. The Depreciation annual rates used for other assets are:

Annual Rate	
Leasehold buildings	2%
Leasehold Land	0%
Furniture and Equipment	20%
Computer and related equipment	33.33%
Assets under construction	0%

Prepayments and Accruals

Accruals and Prepayments are made on a monthly or annual basis to ensure the accurate figures of the accounts at the end of the period or year.

We will accrue or prepay our costs for general utility charges (Gas / Electricity / Water). If the need arises for an unexpected payment or income during the year, we will only accrue or prepay if the total amount is over £3,000.00 excluding VAT.

Typical items that will be considered beyond utility charges for prepayment or accrual are School Trips, Exam entry fees, Capita SIMS annual subscription and Auditors fees.

Accrual – An expense or income that will be paid / received in the current or future period, but actually incurred in a previous period. Eg: We know we are to expect a cost for the audit of year 2016-2017 of £12000.00, we would therefore accrue £1000.00 a month for this cost up to year end 31st August 2017

Prepayment – A Payment for an expense or income that has been paid / received in a previous period but actually incurred in the current or future period. Eg: We have prepaid the quarterly Gas / Electricity invoice on the 1st of the month. We will process the cost as a prepayment and book the actual cost to Gas / Electricity on a monthly basis until end of the quarter.

Appendix 1:

Newlands Girls' School
Equipment Disposal Request Form

Staff Name: _____ Date of request: _____

Equipment to be disposed of (make/model/serial no.): _____

The reason for disposal is that the item is broken/ surplus to requirements/ irreparable (please delete as appropriate)

There is /is not a residual value of the item (please check with the School Business Manager and delete as appropriate)

Action to be taken:.....(i.e. disposal/sale)

By:.....(Name)

I confirm:

1. That all obsolete stocks of this item have been destroyed to ensure they are not illegitimately procured and then resold.
2. That all data and hardware has been completely cleared of sensitive data.
3. That the Waste Electrical and Electronic Equipment (WEEE) directive has been complied with.

Signature:.....(Name). Date:.....

Finance Office Use only:-

Value Obtained for item	£ (cash/cheque)	Carrying Amount	£
Cost Centre Code		Grant received for purchase	Y/N
Ledger Code		Reinvested Grant	Y/N
Fund		Repayment to Secretary of State	Y/N
Original Cost		Value Repaid	£
Accum. Depreciation		Removed from Fixed Asset Register	Y/N

Appendix 2:

Financial expenditure delegations

This is a summary of the expenditure delegations. Please see the full Financial Regulatory Manual for further information.

Role	Bank forms and government returns	Cheque Signing / BACS Approval	Purchasing, Procurement and Contract Processing	Budget / Virements
Governing Body	<ul style="list-style-type: none"> Approve government returns Approve banking arrangements 		<ul style="list-style-type: none"> Approve all orders and contracts above £200k Approve waivers requiring the specified number of quotations / tenders for contracts Approve annual staffing establishment Chair of GB: Approve expenses of the Headteacher 	<ul style="list-style-type: none"> Approve and monitor annual revenue and capital budget Approve a 3-year budget plan
Resources, Risk & Audit Committee	<ul style="list-style-type: none"> Approve bank mandate for school account 		<ul style="list-style-type: none"> Approve establishment of new permanent staff posts Approve orders and contracts between above £100k, and approve any necessary procurement waivers for urgent contracts above £100k 	<ul style="list-style-type: none"> Monitor revenue and capital budgets Approve virements/ journals over £200k
Headteacher		<ul style="list-style-type: none"> Cheque / BACS approver / signatory 	<ul style="list-style-type: none"> Authorise monthly payroll (with CFO) and end of month financial documents Approve purchase orders and contracts from £2k to £100k Second signature/ approver for all payments, BACS or cheques Approve staff expenses Authorise new starts and leavers / payroll amendments including timesheets, additional hours, mileage & expense claims Approve establishment of new temporary staff posts 	<ul style="list-style-type: none"> Approve virements/ journals up to £200k
Deputy Heads		Cheque / BACS approver / signatory	<ul style="list-style-type: none"> Authorise new starts and leavers / payroll amendments including timesheets, additional hours, mileage & expense claims Authorise payroll and end of month financial documents in the absence of the Headteacher Authorise purchase orders and contracts up to £15k in the absence of the Headteacher Second signature/ approver of all payments, BACS or cheques in the absence of the Headteacher 	
Assistant Heads			<ul style="list-style-type: none"> Authorise timesheets, additional hours, mileage & expense claims 	
Bursar (CFO)	<ul style="list-style-type: none"> Prepare and submit returns 	<ul style="list-style-type: none"> Cheque / BACS 	<ul style="list-style-type: none"> First signature / approver of all payments, BACS or cheques requiring 2 signatories 	<ul style="list-style-type: none"> Approve virements/ journals up to £20K

Role	Bank forms and government returns	Cheque Signing / BACS Approval	Purchasing, Procurement and Contract Processing	Budget / Virements
	<ul style="list-style-type: none"> • Prepare and submit VAT returns 	approver / signatory	<ul style="list-style-type: none"> • Authorise end of month financial documents (with HT) • Check payroll and sign off with the HT (or DH) • Authorise orders up to £2k • Certify goods receipt and authorise invoices for payment up to £2k • Process payroll adjustments 	
Assistant Bursar			<ul style="list-style-type: none"> • Check payroll and sign off with the HT (or DH) • Authorise end of month financial documents with the HT in the absence of the Bursar • Authorise end of month financial documents with the HT in the absence of the Bursar • First approver of all BACS requiring 2 signatories in the absence of the Bursar 	
Budget Holders (HODs & HOYs)			<ul style="list-style-type: none"> • Certify goods receipt and authorise invoices for payment for own budget allocations • Authorise petty cash for own budget allocations 	

Appendix 3:

Charging Policy

The School will not charge for any of the following:

- Admission to the school.
- Education provided during school hours. This does not necessarily apply to instrumental or vocal Music lessons.
- Books, stationery, instruments and materials where these are to be used in connection with education during school hours. [Pupils should provide themselves with pens, pencils, rulers, rubbers etc and a calculator].
- Education provided out of school hours if it is part of a syllabus for a prescribed public examination that the pupil is being prepared for in school, or part of religious education.
- Transport between school and any place that is visited wholly or mainly during school hours e.g. sports centres.
- Entry fees for prescribed public examinations for which the pupil has been prepared in school and where the pupil has met the requirements of the exam.

The School may charge for the following:

- Any materials, books, instruments or equipment, where the pupil's parent wishes the pupil to own them. This may include items made by the pupils in practical and creative subjects if they are to be taken home.
- Optional extras that take place wholly or mainly outside of school hours e.g. evening theatre trips that are not a requirement of a public examination. These visits may not proceed where full costs are not met by all those who wish to participate in the activity.
- Board and lodging for all residential visits.
- Examination fees where the examination is outside the system of those with statutory approval, or when the pupil is not prepared for the examination by the school.
- Recovery of examination fees if the pupil fails to meet any examination requirement for a syllabus e.g. where they fail to complete coursework or does not attend a public examination, or changes their entry after the exam board deadline.
- Individual or group musical instrumental or vocal tuition, (which is not part of the full school curriculum) with prior agreement of the pupils' parents.
- Replacements for breakages, defaced, damaged equipment or lost books or wasted resources where this is a result of a pupil's behaviour.

The school will ask for parental contributions for various activities that are considered to enhance the pupils' education. Such activities could include school trips run wholly or mainly during school hours or where an external company provides a performance or workshop during the school day. However the school will not disadvantage any pupil because parents are unable or unwilling to make a contribution but the school will always inform parents that if there are insufficient contributions to cover the cost of that activity that the school maintains the right to cancel.

Remission Policy

- For residential visits, pupils, who are eligible for free school meals will not be charged for the board and lodging part of that visit.
- The cost of individual or small group instrumental or vocal lessons will be remitted for a pupil who is looked after by a local authority.

- For all other activities or visits remission will only be considered for pupils that are eligible for free school meals.

Parents who are eligible for the remission of charges will be dealt with confidentially.

The school may choose to subsidise part or all of the payment of some charges for certain activities and pupils, and this will be determined by the Governing Body and Headteacher.

Appendix 4:

How the Finance and HR Service will run if the school is partially closed eg. during a pandemic:

1. The School Business Manager, Bursar and Finance Officer all have access to a school laptop and have printing and scanning facilities at home
2. Files that are used daily will be taken home by the most relevant individual eg.
A possible split of files would be;
 - Bursar will have Payroll File, Trip File, Pool Invoices, Lettings to be paid, Direct Debit and sQuid file.
 - Finance Officer will have Credit Card File, Outstanding Purchase Orders and the Lettings file.
 - The School Business Manager will have the End of Month, Budget 23-26, Fixed Asset Register, Accruals and Prepayments, Budget Forecast Return Outturn file etc. but the School Business Manager will also aim to be in school whenever possible.
 - When remote audits take place the School Business Manager may request that the Finance Officer or Bursar bring any relevant files into school or that documents are scanned at home and emailed to the School Business Manager.

(All finance staff are aware of GDPR issues with some of these files).

3. To enable processing of invoices and orders, emails from budget holding staff with a Newlands Girls' School email address, will be accepted as authority to process in place of signed paperwork, provided the email states that they authorise the attached order, the name of the relevant supplier and the total amount of the order. Alternatively if they wish to sign the internal order form or invoice they can scan it and attach it to a work email and send it to finance@newlandsgirls.co.uk. The approval emails from budget holders will be printed and attached to the invoice or order.
4. When the budget holder has submitted an order with approval, the School Business Manager will then check the relevant cost centre for funds and email approval to the Finance Officer or Bursar so that the order can be placed with the supplier. Purchase orders can be printed in school whilst staff are working remotely so that the School Business Manager can sign the Purchase Orders and BACS payments so that they can be filed later on.
5. When goods are delivered to the school and the budget holder is not in school to check the delivery the goods will be placed in the Finance Office so that they can be checked by the School Business Manager before being taken to the relevant department.
6. The Finance staff will ask all suppliers to email all invoices to finance@newlandsgirls.co.uk.
7. If the Budget Holder is not able to authorise an invoice when they have previously agreed the order then the relevant link from the Leadership Team will be asked to authorise it.
8. Contracts that are due to come to an end will be simply extended where possible so that alternative quotes won't necessarily have to be found.
9. The Headteacher, School Business Manager and Deputy Head to take home their own box containing the Lloyds Commercial banking reader and card etc. If not in school the School Business Manager to telephone the Headteacher/ or a Deputy Head when a BACS payment needs to be approved online and be on the phone whilst the payment is approved. If necessary the School Business Manager to send an email copy of the BACS payments to the Headteacher or a Deputy Head and accept an email in place of signed approval.
10. For HR purposes Appointment and Variation forms would still have to be signed by the Headteacher/ Acting Co-Headteachers or a Deputy Head before being scanned and sent to RBWM HR & Payroll.
11. Payroll files will be sent to the Headteacher after it has been checked by the Bursar or School Business Manager and an email from the Headteacher or a Deputy Head, in the absence of the

Headteacher, would be accepted as authority to process payroll. Where possible a signature will be sought from a Deputy Head or Headteacher depending on who is in school.

12. At the end of the month the School Business Manager, Headteacher or a Deputy Head in the absence of the Headteacher will sign off the Bank Reconciliation or relevant paperwork.