

NEWLANDS GIRLS' SCHOOL

POLICY DOCUMENT



Financial Regulations Manual

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At Newlands we create confident and responsible young women equipped with the skills they need for the twenty first century. We empower all

*students to realise their potential as part of a sustainable community
committed to lifelong learning.*

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1. Introduction

The purpose of this manual is to ensure that the Academy 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 Academy 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 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 (Bursar), 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 Responsible Officer/Peer Reviewer or Peer Review on the effectiveness of the financial procedures and controls.

The Governing Body has appointed a Resources 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 Bursar, but the Headteacher still retains responsibility for:

- 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 Bursar; and
- signing cheques and authorising BACS payments in conjunction with the Bursar or other authorised signatory.

The Bursar

The Bursar 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 Committee. The main responsibilities of the Bursar are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the Academy 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 Academy;
- 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 Headteacher or other authorised signatory: and
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.

The Responsible Officer/Peer Reviewer or Peer Reviewer

The Responsible Officer/Peer Reviewer (RO) or Peer Reviewer is appointed by the Governing Body and provides the Governing Body with an independent oversight of the School's financial affairs. The main duties of the RO/PR 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 taken into account in reaching decisions.

The Responsible Officer/Peer Reviewer will undertake a programme of reviews as directed by the Resources 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 Resources Committee. Detailed guidance and recommendations on the transactions to be checked by the RO/PR is given by the ESFA.

Other Staff

Other members of staff, primarily the Assistant Bursar and 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 Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures.

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 Academy governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Academy may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Academy. 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 Academy must be recorded on the FMS6 accounting system. The FMS6 system is operated by the Finance Department.

System Access

Entry to the finance system is password restricted and the Bursar is responsible for implementing a system which ensures that passwords are changed and that sufficient staff have access to the system to cover for staff absence.

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

Back-up Procedures

The Bursar is responsible for ensuring that there are effective back up procedures for the system. Backup copies should be taken on at least a weekly basis.

The Bursar 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 Academy 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 must be authorised by the Bursar, Assistant Bursar or Finance Officer. Bank transactions should be input by the Assistant Bursar or Finance Officer and the input should be checked, and signed to evidence this check, by the Bursar when reviewing the bank reconciliations monthly.

Transaction Reports

The Bursar 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 Assistant 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 Bursar. The Bursar will review and sign all reconciliations as evidence of his/her review.

4. Financial planning

The Academy 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 Academy 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 Academy 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 Academy 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:

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

Date	Action	Relevant Form
October (17 th December 2020)	Deadline with ESFA for Land & Buildings Collection	
December 31 st (31 st January 2021)	Submission of annual report and financial statements to ESFA for year just ended from 1Sept to 31 August Deadline for filing audited accounts with Companies House	Use Coketown Model
January 31 st (23 rd February 2021)	Deadline for completing Abbreviated Accounts Return Deadline for publishing audited account on website	
April 1 st	ESFA issues final I&E budget for forthcoming year from 1Sept to 31 August	
May	Deadline for ESFA Budget Forecast return to 31 st March	
June 30 th	Deadline for completion of Annual Return with Companies House	
July annually	Submission of finalised Budget Forecast for forthcoming year from 1 st Sept to 31 August	

Dates in green are a 1-year adjustment due to COVID-19

- 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?”

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 Bursar 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 Committee in exceptional circumstances.

The approved Budget Forecast must be submitted to the ESFA in July each year on a date advised and the Bursar 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 Academy 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;
- review of other income sources available to the Academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the Academy 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 in line with GAG revenue and Capital Budget carry forward limits permitted by the ESFA and due regard for the provisions of the Charities Act.

Policy on Reserves

The policy of the Academy 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 Bursar have identified a number of longer term projects for large building works such as replacement windows 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 Bursar for approval by the Headteacher, Resources 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 accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

Monthly reports will be prepared by the Bursar. The reports will detail actual income and expenditure against budget at a summary level for the Headteacher. Management Account Reports will be created each month for the Chair of Governors and will be shared with the Resources Committee or Full Governing Body each term.

Budget holder reports will be created and issued monthly by the Finance Officer or Assistant Bursar. Any potential overspend against the budget must in the first instance be discussed by Budget Holders with the Bursar. The accounting system will not allow payments to be made against an overspent budget without the approval of the Bursar.

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 Academy. Increases can only be made to this establishment with approval of the Resources Committee unless 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 Bursar maintain personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, to the Bursar for budgeting purposes immediately.

5. Payroll Administration

The Academy payroll is administered within a service level agreement which will be reviewed every 5 years as a minimum.

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 Bursar or Assistant Bursar and the Headteacher.

All salary payments are made by BACS.

The Bursar or Assistant 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 Bursar 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.

PAYE/P11D Returns

The payroll provider will be responsible for the completion of all required returns.

6. Purchasing

The Academy 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 Academy 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 Academy;
- **Accountability**, the Academy is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the Academy are dealt with on a fair and equitable basis.

Routine Purchasing - Orders up to £10,000

Completed internal order forms are not required for all utility bills, examination entries, day to day agency supply, bank charge for audit letter, emergency repairs or reactive maintenance to service contracts provided they are below £500 and further costs relating to a SLA with RBWM e.g. Off Site Advisory, Waste Disposal and HR Charges.

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 half termly 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 Bursar, 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 Bursar 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 form via the FMS system, unless there is a genuine emergency. The order request must bear the signature of the budget holder and must be forwarded to the Finance Office where the Assistant Bursar or Finance Officer will enter the order onto the FMS6 system and will check to ensure adequate budgetary provision exists before authorising the order on the FMS6 system.

The FMS6 system will allocate a reference number to the order which should be printed and countersigned by the Bursar or Headteacher and dispatched to the supplier by the Assistant Bursar or Finance Officer/ or via automated online ordering via the FMS6 finance package after authorisation.

The budget holder must make appropriate arrangements for the delivery of goods to the Academy. On receipt the budget holder must 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.

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 Assistant 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 Assistant Bursar or Finance Officer in the purchase ledger. The Assistant 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 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 to the Finance Office. It is the policy of the Academy to pay invoices promptly after authorisation.

The Assistant 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, the Bursar and a nominated Assistant Head to stand in for the Deputy Heads or Headteacher during school holidays. In the absence of the Bursar, the Assistant Bursar will be the first approver of BACS payments.

Cheques or BACS payment remittances will be dispatched to suppliers by the Assistant 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.

Procurement Charge Card

The governors have approved the use of a charge card for use by the school finance department. Procedures and controls for use are contained in the School Charge Card policy (appendix 1).

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 Finance 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 or procured via a Framework Agreement. Purchases over £189,330 (threshold from 1/1/2020) may fall under EU procurement rules, which will apply to the UK up until 31st December 2020, and may require advertising in the Official Journal of the European Union.

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 Bursar 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 Academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped upon receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For all contracts - Two of the Authorised Signatories

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

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 Academy. 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

7. Income

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

The Academy 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 Bursar 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. Pupils should make payment via the sQuid system if the value is more than £10 or cash if the value is less than £10.

The Trip Leader will liaise with the Assistant 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

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 Bursar, Assistant 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 Assistant Bursar or Finance Officer who will establish a sales ledger account and produce a sales invoice from the FMS6 accounting system. Details of payments made and outstanding accounts will be forwarded to the Bursar at the beginning of each month and the Assistant 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 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 sports facilities and pool 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 our FMS6 invoice template.

Custody

Where practicable, receipts should be issued for cash and cheques received, other than for charity collections e.g. Non-Uniform days, 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 weekly 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 Academy bank accounts must bear the signatures of two of the following authorised signatories:

Headteacher;
Bursar;
A Deputy Headteacher;

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

Administration

The Bursar must ensure bank statements are received regularly no less than monthly, and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

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

Petty Cash Accounts

The Academy is authorised by the Governing Body to maintain a maximum cash balance of £1500. The cash is administered by the Assistant 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 Budget holders who have an agreed petty cash float, reconciliation will take place not less than termly.

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.

Administration

The Assistant 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. Unannounced cash counts should be undertaken by the Bursar termly to ensure that the cash balance reconciles to supporting documentation.

Physical Security

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

Cash Flow Forecasts

The Bursar is responsible for preparing cash flow forecasts at least annually to ensure that the Academy 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 £100,000 and £500,000 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 funds in risk free and immediately assessable deposit accounts spread across a number of the following:
 - For up to 3 months to:
 - HSBC
 - Standard Chartered
 - Barclays
 - For up to 2 months to:
 - Lloyds TSB
 - Santander UK
 - Bank of Scotland
 - Royal Bank of Scotland
 - Nat West
 - Nationwide

9. Fixed assets

Fixed Assets

The School's capitalisation limit is £3000.00 and the Bursar will be responsible for deciding if a purchase should be capitalised in consultation with the School's Auditors. The Bursar or Assistant 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
- depreciation
- current book value

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 Academy property should be kept up to date and reviewed regularly. Items that are used by the Academy, 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 Academy 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 Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy 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 Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested then the Academy 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 Academy property with the exception of staff laptops/ ipads must not be removed from Academy premises without the authority of the Head of Department. A record of the loan must be notified to the Bursar and booked back in to the Academy 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 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 Bursar 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 : Policy re issue of charge card

1. Charge card

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

2. Persons authorised to administer the account and nominate cardholders

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

3. Use of cards

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.
- 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.

4. Misuse of cards

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

5. Issue of cards

All cards to be issued and spending limit must be authorised by the Resources Committee and recorded as appendix (1) of this policy.

6. Monitoring of expenditure

The committee delegate the monitoring of expenditure to the Bursar 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 Assistant Bursar or Finance Officer will journal expenditure monthly to the appropriate areas of the school budget.
- The Bursar or Headteacher will complete a check of and sign all statements monthly.

Card holder	Card number	Card limit
Rachel Lawson		£10,000

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 e.g. during a pandemic:

1. The Bursar, Assistant 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 e.g.

A possible split of files would be;

Assistant 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 Bursar will have the End of Month, Budget 2019-20, Budget 2020-21, Fixed Asset Register, Accruals and Prepayments, Budget Forecast Return Outturn file etc. but the Bursar will also aim to be in school whenever possible.

When remote audits take place, the Bursar may request that the Finance Officer or Assistant Bursar bring any relevant files into school or that documents are scanned at home and emailed to the Bursar.

(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 Bursar will then check the relevant cost centre for funds and email approval to the Finance Officer or Assistant 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 Bursar 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 Bursar 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, Bursar and Deputy Head to take home their own box containing the Lloyds Commercial banking reader and card etc. If not in school the Bursar 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 Bursar 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 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 Assistant Bursar or Bursar 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 month, the Bursar, Headteacher or a Deputy Head in the absence of the Headteacher will sign off the Bank Reconciliation or relevant paperwork.