



Finance Policy

This school is committed to safeguarding and promoting the welfare of children and young people and expects all staff and volunteers to share this commitment

Governors' Committee Responsible:	Resources
Date Approved	Spring 2018
Review Period:	Annually
Next review Date:	Spring 2019
Status:	Statutory

The Limpsfield Grange Values:

At Limpsfield Grange we believe in working together to make a difference.

We are a tolerant community; we accept, value and understand others.

We care for all members of our community without judgement.

We are responsible for our own learning, behaviour and actions.

We accept that sometimes things go wrong. We work together to take responsibility for our mistakes and for putting things right.

We are a respectful community and we treat others as we would like to be treated, even if they have different views and opinions to our own.

We understand that good behaviour helps us to prepare for life beyond Limpsfield Grange.

We are positive and resilient. We celebrate difference in everything that we do.

We are all proud to be part of the Limpsfield Grange community.

July 2017

Limpsfield Grange School Finance Policy

Background and rationale

Governors have statutory responsibility for the financial management of maintained schools with delegated budgets.

The regulations setting out the financial management of schools are laid down in the Education Reform Act 1988, The School Standards and Framework Act 1998 and the Local Government Act 1972: s151. Detailed guidelines are contained within the Surrey Scheme for Financing Schools and the Surrey LMS Finance Manual, which can be found on the Babcock 4S website (www.babcock4S.co.uk)

Aims of the policy

- to define the responsibilities within the school and set limits of authorisation for the Headteacher and other budget holders
- to provide guidance on the application of regulations
- to identify procedures to ensure that adequate arrangements are in place to guard against fraud and theft
- to set out guidelines to achieve efficiencies and value for money in the use of resources which invests in teaching and learning and takes into account the Authority's purchasing, tendering and contracting requirements.

Scope

This policy covers all funds Delegated or Devolved by the LA, local generated income attributable to the delegated budget and the School Fund.

The role of the Governing Body is to:

- set the financial priorities of the school through the School Improvement Plan, 3 year financial plan and the annual budget plan
- ensure the budget is managed effectively and achieves value for money
- ensure the budget includes an allocation for expected performance pay reviews
- approve and monitor the annual budget
- ensure the school meets all its statutory obligations and complies with the Authority's Scheme for Financing Schools and Standing Orders
- Receive and respond to auditors' reports
- set the terms of reference for the Resources Committee
- agree limits of authorisation for the Resources Committee/Headteacher

The role of the Finance Committee is to:

- prepare the annual budget for approval by the Governing Body
- adopt the Local Authority Scheme of Delegation
- prepare and approve the draft budget
- review and maintain finance policies, including Lettings and Charging & Remissions.
- review systems of internal financial control
- monitor the annual budget and 3 year forecasts and make recommendations to the Governing Body

- set levels of authority for spending and virement
- advise the Governing Body on the affordability of the School Improvement Plan
- consider the impact of student numbers on the budget over short, medium and long terms
- receive and respond to audit report

Budgets and authority levels:

The Governors shall plan the school finances through:

- the approval and implementation of an annual budget based on the aims, objectives and priorities of the school, the financial position of the school and the levels of projected reserves.
- The preparation of a medium term Financial Plan of at least three years, updated annually.

The timetable for preparation, presentation and approval of the Annual Budget and School Improvement Plan will be as follows:

Autumn Term:	Review 3 year Financial Plan Approval of the School Improvement Plan (September) Approval of Draft Budget by the Resources Committee (November)
Spring Term:	Receive year end Forecast (February) Present Budget to Resources Committee (March)
Summer Term:	Approval of Budget by Governing Body (April) Creation of the draft School Improvement Plan (August)

Expenditure and Virement Limits:

- The Headteacher has the delegated authority from the Governing Body to authorise expenditure or vire funds between cost centres up to the value of £2,000 for a single transaction without Governor approval within the framework of the budget.
- Expenditure or virement of funds in excess of £2,000 REQUIRE THE APPROVAL OF THE FINANCE COMMITTEE
- The Finance Committee has authority to approve all capital purchases and building projects costing more than £2,000 but less than £10,000 for which provision has been made in the budget.
- The Full Governing Body must agree any expenditure above these limits or for which there is no budget currently allocated.

Purchasing & Achieving Best Value:

The Governing Body shall maintain a policy of Best Value for all purchases. All purchases will be made through the school’s ordering system. The School Business Manager shall keep records of all purchases made including quotations received but not accepted, together with the reasons. The performance of contractors and the outcomes of purchases are continually reviewed and the policy of Best Value will be applied using the four principles:

- Challenging how a service or supply is provided and why it is required
- Comparing performance with other schools
- Consulting with relevant stakeholders
- Competing as a means of securing efficient and effective services and supplies.

Maintenance & Service Contract Limits:

The school adopts the Standing Orders contained in the Surrey Scheme for Financing Schools and the Surrey Finance Manual.

Internal Controls:

Internal authorisation, subject to the purchasing limits stated in this policy, will be as follows:

Process:	Certifying officers:
Orders, invoice approval, VAT, Expenses forms, and absence returns	School Business Manager
Petty cash and cheques up to £250	One signatory to the delegated bank account (Headteacher, Deputy Head, Head of Residential Provision)
Cheques over £250	Two signatories to the delegated bank account (Headteacher, Deputy Head, Head of Residential Provision).
BACS payments – any amount	Headteacher, Deputy Head
Income/expenditure return (FINU81A) – VAT claim	School Business Manager and Headteacher
Order requisitions, deliveries	Budget Holder
Payroll forms, overtime claims, supply claims.	Headteacher (individual overtime claims signed by employees line manager)
Changes to Headteacher's pay	Chair of Governors
Headteacher's expenses – travel, purchasing card	Chair of Governors
Income received, banking slips	School Business Manager
Lettings Approvals	Premises Manager/School Business Manager/Headteacher
School Fund monthly reconciliation	School Business Manager

Separation of Duties:**Cash Handling**

Cash received by the Finance Assistant. Cash for delegated budget is recorded by the School Business Manager, banked by the Finance Assistant and reconciliations signed by the Headteacher. Cash for school fund is recorded and banked by the Finance Assistant and reconciliations signed by the School Business Manager.

Purchases

Orders are processed by the Finance Assistant and authorised by the Business Manager. Budget holders sign to say that they have received the goods, School Business Manager passes the invoice for payment and both she and Deputy Headteacher authorise. BACS payments are signed by both the Headteacher and Deputy Head.

Overtime

All staff complete an additional hours forms which is signed by the relevant member of SLT. The School Business Manager processes the payroll and uploads the payroll files to Surrey payroll. Hard copies are signed by the Headteacher.

Financial reporting:

Monthly/Half-termly:	Financial Monitoring Report + commentary	To: Headteacher, Resources Committee
Monthly:	Cost centre Summary Report	To: Headteacher
	Cost Centre Report	To: Budget Holders as required
Annually	Out-turn Statement	To: Governing Body
	CFR	“ “
	Unofficial Funds Audited Accounts	“ “
	Budget Plan	“ “
	3 year Financial Plan	“ “

Related Links

<https://www.babcock-education.co.uk/4S/>
https://www.surreycc.gov.uk/_data/assets/pdf_file/0006/30867/Scheme-for-Financing-Schools-15-Sept-2014.pdf

Review

The Governing Body of Limpsfield Grange School adopted this policy on:

It will be reviewed on: _____

Signed _____

Dated _____