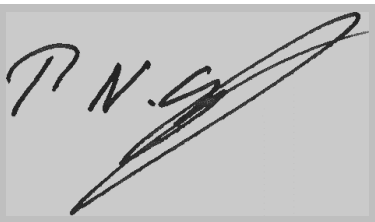
The Parkside School
learn grow thrive

Finance Policy

Approved by:	Mr Paul Stanley Chair of Governors	**Date:** June 2026
Signed:		
Next review due by:	June 2028	

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Introduction
This policy sets out the roles and responsibilities of school management and staff in relation to the financial arrangements within the school. The Finance Policy abides by the Financial Standards as set by the DFE and Norfolk County Council.

A. Governance

General

1. A list of all governors, their membership of committees and terms of reference thereof, is found on the GovernorHub website.

2. The governing board meets monthly or as required.

The Governors

3. The governing board approves the annual budget and the associated policies, e.g. charging policy, bad debt and redundant equipment policy.

4. The governing board is responsible for the overall direction of the school; it determines the school's spending priorities and evaluates the effectiveness of spending decisions.

The Head Teacher

5. The Governors delegate responsibility for the day-to-day management of the school to the Head Teacher.

6. The Head Teacher ensures compliance with the financial regulations in Norfolk's Scheme for Financing Schools.

7. The Head Teacher ensures that sound systems of internal control are in place.

8. The Head Teacher compiles draft budgets.

9. The Head Teacher monitors the budget monthly and supplies the Finance Governor with monitoring information. The information for the Finance Governor takes the form of Norfolk's budget proforma, includes committed expenditure and is accompanied by the Head Teacher's written report to the FGB. The Finance Governor attends the budget reviews.

The Staff

10. Staff comply with financial regulations in Norfolk's Scheme for Financing Schools and any school specific requirements.

11. Staff are responsible for any budget whose management is delegated to them.

The Full Governing Body

12. As set out in its' Terms of Reference, is responsible for:

- Agreeing draft budgets for the governing board's approval in time for submission to the LA by 1 May each year
- All financial appraisals
- Forecasting numbers on roll and future budget shares
- Monitoring and adjusting in-year expenditure
- Ensuring accounts are properly closed and reviewing the outturn position
- Evaluating the effectiveness of financial decisions
- Administering voluntary funds

13. Any review of staffing agreed is referred to the Finance Governor who assesses the budgetary implications of the recommendations and advises the governing board accordingly.

14. The school pays for the highest tier of support from Educator Solutions.

Expenditure Limits

15. The inclusion of an item in the approved budget plan gives authority to spend on an approved purchase order, save that the Head Teacher seeks approval from the Chair of Governors/Finance Governor/FGB for any individual transaction in excess of £5,000.

16. The Head Teacher authorises virements up to £5000; above this amount full governor approval is sought. All virements are minuted.

Orders

17. Quotations are obtained or tenders sought for purchases exceeding the limits set out in Norfolk's Scheme for Financing Schools.

Minutes

18. Minutes of Full Governing Board meetings are taken which record the basis for any decisions made and clearly state the decisions themselves. The output of budget settings and reviews are reviewed and agreed by the Finance Governor before presentation to the FGB who approve the budget and subsequent reviews. Any major changes to the budget are advised by the Head Teacher and the Finance Governor.

Register of Business Interests

19. The Head Teacher maintains a register of business interests for governors and for staff who influence financial decisions. The definition of business interests and pecuniary interests is attached at Appendix 1.

Key Financial Tasks

20. The Finance Governor undertakes the key financial tasks each term as outlined in the document at Appendix 3.

B. FINANCIAL PLANNING

1. The school development plan includes a statement of its educational priorities to guide the planning process. The school development plan states the priorities in sufficient detail to provide the basis for constructing budget plans.

2. There is a clear, identifiable link between the school's annual budget and the school development plan.

3. For each of the key issues in the school development plan, costs and other inputs are identified and budgets prepared.

4. The school development plan is reviewed in the spring term to ensure that educational priorities are stated for the next three years and shows how the use of resources is linked to achieving the goals.

5. The school budget is revised after the review of the development plan and resources identified within the budget to deliver the plan's priorities.

6. The school budget is maintained for the current financial year and two further years.

7. The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget

8. The budget and cash flow forecast are profiled in accordance with likely spending patterns.

9. In the event of a budget surplus this is earmarked for a future specified use.

10. A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.

11. All new initiatives are appraised by the Finance Governor with the Head Teacher in relation to their costs, benefits and sustainability before being presented to the FGB.

12. The main elements of the budget are fundamentally reviewed within a five-year cycle. Benchmarking information helps to identify priorities.

13. The budget cycle is as follows:

Spring Term

- If necessary, the Head Teacher prepares a third revision of the budget for the current year for the Governors to consider at their meeting in the first half of the term.
- The budget revision, once approved by the governing body, is sent to the LA by 28 February.
- A draft budget plan for the coming financial year and two further years is prepared by the Head Teacher and taken to the Finance Governor and the governors meeting in the second half of the spring term.
- The governing board will carefully consider the budget plan before approving the school's budget plan.
- The Head Teacher submits the approved budget plan to the LA by 1 May each year.

Summer Term

- The Head Teacher prepares a first revision of the budget. The revision takes account of the actual balance in hand or overspending for the previous

financial year.

- The budget revision is taken to the next meeting of the governing board for governor approval.
- The approved budget revision is sent to the LA by the end of the summer term, as per Norfolk's Scheme for Financing Schools.

Autumn Term

- The Head Teacher prepares a second revision of the budget for the Finance Governor to consider. The revision takes account of any changes to the school development plan, staffing adjustments and changes to the number of pupils on roll.
- The budget revision is taken to the next meeting of the governing board for governor approval.
- The approved budget revision is sent to the LA by the end of the autumn term, as per Norfolk's Scheme for Financing Schools.

C. BUDGET MONITORING

1. The Head Teacher produces monthly monitoring reports, which include committed expenditure.
2. The governors receive the monitoring report at each meeting together with the Head Teacher's written report thereon.
3. The Head Teacher identifies and recommends appropriate remedial action for budget variances.
4. The Head Teacher recommends to the governing body how to vire any in-year underspends in excess of £5,000. (The Head Teacher is authorised to vire amounts up to £5,000.)
5. The Head Teacher monitors expenditure on initiatives in the school development plan.
6. Holders of devolved departmental budgets are supplied with monthly monitoring reports. The Head Teacher monitors devolved budgets and agrees remedial action plans where necessary.
7. Where appropriate, the Head Teacher produces monthly cash flow forecasts to ensure the school does not go overdrawn.

D. PURCHASING

1. All orders comply with the LA's Standing Orders for Contracts as published in Norfolk's Scheme for Financing Schools.

2. The school demonstrates value for money through competitive tendering when appropriate or by using ESPO or other approved purchasing arrangements.

3. Prior approval of the governors is obtained for any expenditure in excess of £5,000. Orders are not artificially split to evade this limit.

4. The school will not enter into any "finance lease" and will ensure that any lease entered into is an "operating lease". Leases will be submitted to the Finance and Business Services Team to be checked as to their type before any agreement is entered into.

5. Three written quotations are obtained for any order whose value is estimated between £5,000 and £30,000.

6. If a quotation other than the lowest is accepted it is reported to governors and the reasons recorded and agreed with the Finance Governor and Chair of Governors.

   Contract specifications will contain the following:
   - Contract duration
   - Definitions
   - Contract objectives
   - Services to be provided
   - Service quantity
   - Service quality standards
   - Contract value and payment arrangements
   - Information and monitoring requirements
   - Procedure for disputes
   - Review and evaluation requirements

7. The official pre-numbered orders are used for all services except utilities, rent, rates, waste disposal of all kinds; trade or business accounts, ad hoc orders, ie, supply staff, licences; Companies House registration fee, for example, and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.

8. Individuals will not use official orders to obtain goods or services for themselves.

9. All orders are signed by an authorised signatory and the finance office maintains an up-to-date list of signatories. These are Carolyn Ellis-Gage, John Habershon and Fiona Webster-Lee.

10. Purchases completed from external funding sources, eg, LAC or Active Norfolk, may be authorised by the member of SLT designated to hold that responsibility and do not require head teacher authorisation.

11. The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision.

12. Where possible, each order placed is entered in the school's financial system as a commitment.

13. The school checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order. Evidence of this is provided by the use of rubber stamps approved by Norfolk Audit Services. The other checks indicated on the stamps are also carried out. These checks are not done by the person who signed the order.

14. Payment is made within the agreed time limits after certification by an approved signatory.

15. Wherever possible invoices are not authorised for payment by the person who signed the order, nor by the person who checked receipt of goods/services. Payment is only made against the original supplier's invoice and not on a statement.

E. FINANCIAL CONTROLS

1. A written description of all the school's financial systems and procedures is maintained. These are kept up-to-date and all appropriate staff trained in their use.

2. The Head Teacher has secured contingency arrangements to ensure that financial control can be maintained in the absence of key staff. These arrangements are that the office staff with finance training will cover any prolonged absence of one week or more of the School Finance Assistant; orders will be processed by the School Secretary if other staff are absent.

3. The Head Teacher has due regard to separation of duties in organising financial duties. At least two people are involved in the completion of tasks and the work of one acts as a check on the work of the other.

4. The school maintains proper accounting records. All transactions can be traced from accounting records to prime vouchers and all prime vouchers are traceable in the accounting records. The use of correcting fluid is not allowed. Any alterations to original documents are clearly made in ink and initialled to identify the person making the alteration.

5. Documents relating to financial transactions are retained in line with the LA's recommendations. (See Appendix 3, which is taken from the Finance Procedure Manual.)

6. All records are securely stored and access allowed only to authorised staff, ie Head Teacher, Deputy Head Teacher, School Secretary and Finance Staff (particularly records).

7. Where there is a requirement to account separately for earmarked funding the Head Teacher ensures this is done and that money is spent on its intended purpose.

F. INCOME

1. The full governing board approves the school's charging policy and reviews it annually. The Charging Policy is attached at Appendix 2.

2. Proper records of all income due are kept. Lettings are approved by the Head Teacher in accordance with the governors' policy and recorded in Star Accounts/Budget Planner. The lettings policy is attached at Appendix 4.

3. The responsibility of identifying and recording sums due is separated from the responsibility for collecting and banking income.

4. Official documentation is kept for other income. Receipts are kept securely and in order. The school is cashless and does not transact by cash.

5. Pending banking, cheques are locked away in a secure place or safe, as per insurance limits.

6. Income in the form of any cheques are banked promptly and in full. Paying-in slips showing the analysis of the cheques individually are retained in date order.

7. Income recorded in the accounts is reconciled monthly with the bank statement.

8. Where invoices are required, they are issued within 30 days.

9. The school sends a first reminder for any unpaid invoice after 4 weeks, a second reminder after 6 weeks and a final reminder after 9 weeks. Legal action is considered if a further 14 days lapse. Debts are written off only in accordance with the school's Bad Debt Policy (see Appendix 5).

10. Parkside School is a cashless school with facilities for parents and carers to pay monies to school using the School Money system.

G. BANKING

1. For official funds, the school bank account name is NCC: The Parkside School Imprest Account and is with Barclays Bank. The bank account number is 80597120. Signatories for the bank account are shown in the back office.

2. Bank reconciliations are completed monthly and any discrepancies resolved.

3. The reconciliation statement is signed by the person undertaking the reconciliation and reviewed and countersigned by someone who understands the reconciliation process.

4. Where possible, the person completing the reconciliation is not responsible for processing receipts and payments.

5. Staff never use their private bank accounts for any receipt or payment due to or from the school budget.

6. The school's banker has been advised that the school is not allowed to go overdrawn or negotiate overdraft facilities.

7. The school is not allowed to enter any loan agreement except with the LA. (This does not apply to loans pre-existing as at 1 April, 1999).

8. Where the value of any cheque payment is over £500, it must be signed by two authorised signatories. Where the value of any cheque payment is less than £500, one authorised signature is acceptable, unless this relates to a staff reimbursement in which case two authorised signatories are always required. Supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-

signed. Only manuscript signatures are allowed, ie not electronic or from rubber stamps.

9. All cheques are crossed "account payee". Cheque books are stored securely when not in use.

For online payments through the bank:

10. The Head Teacher will ensure that the correct staff are assigned access rights within the banking online system that are appropriate (considering separation of duties) and will ensure that these are kept up-to-date, ie staff leavers.

11. Online user ids/cards/Pin numbers are specific to named staff and must not be shared with others.

12. The School will adhere to the policies laid down by their banker in respect of online payments and ensure that the Data Protection Act is not breached in regards to holding supplier's bank information.

13. Each BACS (Bank Automated Credit System) payment batch is signed by an authorised signatory and supporting vouchers are made available to the signatory to safeguard against inappropriate expenditure. The BACS Creator and BACS authoriser must not be the same person.

14. Each BACS payment will generate a remittance document, which will be sent to the supplier to notify them of their payment having been sent.

15. Any BACS batches over £1,000 will be authorised by two authorisers.

16. A copy of the invoice for any individual BACS payment over £10,000 will be emailed to finance.support@educatorsolutions.org.uk to be checked prior to payment.

H. PAYROLL

1. Personnel procedures, including appointments, promotions and terminations are supervised by the FGB.

2. The Head Teacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.

3. The Head Teacher ensures that at least two people are involved in completing, checking and authorising any variations to payroll, whether temporary or permanent, and the payment of expenses.

4. Names and specimen signatures of authorised signatories have been sent to the payroll provider who will be promptly notified of any changes.

5. Arrangements have been made for staff to access their own payslips through the NCC HR & Payroll Application myOracle.

6. Payroll transactions are processed only through the payroll system. Only authorised staff are allowed access to personnel records, ie the Head can review the payment of all expenses and benefits.

7. The Head Teacher maintains an up-to-date list of teachers and other staff employed at the school. This is held in a secure system and is amended, as necessary, as required.

8. The monthly reports on payroll transactions are checked against the school's budget working papers to ensure they match.

I. PETTY CASH

Parkside School no longer operates a Petty Cash system and moved to a cashless school using software called School Money

Reimbursements are made on prior authorised expenditure with VAT receipts using the NCC timesheets portal (as Parkside is part of the NCC trial group).

J. TAX

1. The Head Teacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the Construction Industry Scheme (CIS) as the LA will pass back to the school any penalties imposed on it arising from an error by the school.

2. Proper VAT invoices are obtained for all transactions involving VAT.

3. The LA's VAT manual gives details of accounting for VAT and is adhered to by the school.

4. All payments falling within CIS are made in accordance with the LA's agreed procedure.

K. VOLUNTARY FUNDS

1. The School Fund Account is accounted for within the same banking arrangements as the school's delegated budget.

2. The fund has been registered with the Charity Commission.

3. The same standards that apply to the school's delegated budget apply to the school fund.

4. Only income unconnected with the delegated budget is credited to the fund. Any income properly belonging to the school's delegated budget is credited to the delegated budget.

L. ASSETS

1. The Head Teacher/Chair of Governors ensures that assets are maintained at reasonable levels and are checked physically at least once a year. A hard copy list of the asset register and the annual disposals and additions will be signed off by the Head Teacher/Chair of Governors annually in the Autumn term.

2. An up-to-date inventory is to be maintained of all items of equipment. Those that are portable, valuable and desirable are identified as school property with security marking.

3. The school defines an asset as any item which cost over £100 per individual item or any item which might reasonably be considered to be "portable and desirable."

4. The inventory is checked at least once a year, in the Autumn Term. This is minuted in the FGB meeting as evidence of the check having been undertaken. All discrepancies are investigated and any resulting in a loss of £100 or more will be reported to the governors. Any loss exceeding £500 will be referred to the Head of Finance and Business Services Team.

5. Whenever school property is taken off site either by pupils or staff, eg musical instruments/computers, they are signed for and the register noted accordingly. The register is held in reception/back office.

6. The governors have approved a policy in relation to redundant equipment (See Appendix 6).

7. The safe is kept locked and the keys removed and held elsewhere.

8. The school's asset management plan is supervised by the Governing Body.

9. The school is able to produce (via Star accounts) a summary of all donations to the school.

M. INSURANCE

1. The school reviews all risks annually to ensure that the cover available and the sums insured are adequate. Advice is available from NCC's Risk and Insurance Manager.

2. The governors consider whether to insure against any uncovered risks.

3. The school will notify the LA/its insurers of any new risks or any other alterations affecting existing insurance.

4. The school will not give any indemnity to a third party.

5. The school will immediately advise the LA/its insurers of any accident, loss or other incident which may give rise to an insurance claim.

6. Insurance will cover the use of school property when off the premises, eg musical instruments/computers.

N. DATA SECURITY

1. Computer systems used for school management are protected by password security. Passwords are changed termly and more frequently in the event of staff changes.

2. All data is backed up daily and the back-ups stored in a secure fireproof location, preferably off site.

3. The Head Teacher has established a contingency plan for recovery from an emergency.

4. Only authorised external hardware and software is installed on any school computer to safeguard against computer viruses.

5. The governors ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 2018, and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.

APPENDIX 1 : DEFINITION OF BUSINESS INTERESTS & PECUNIARY INTERESTS

When visiting schools Norfolk Audit Services are often asked the difference between business interests and pecuniary interests and exactly who should be making what declarations.

Business Interests

A business interest is the involvement of an individual or their family members in any trade or profession, along with any direct interest they may have in any company providing goods or services to the school. For example, if a Governor runs their own building company or provides training courses for teaching staff. When making a decision about what or what not to declare, the individual should consider how they may be challenged about their decision not to disclose information.

All members of the Governing Board, the Head Teacher and any staff who influence financial decisions, are expected to declare any business interests that they or any family member may have. There is a template Business Interests form available as Appendix 2 in the Finance and Business Services Team, Finance Procedure Manual. A register of the business interests should be made available in the school and there should be an annual review of this register. In addition, where a Governor or member of staff has no business interests, they should complete a form saying 'No interests to declare'. New Governors or members of staff, influencing financial decisions, should be asked to complete a form on joining the Governing Board or school.

Pecuniary Interests

It is a common misconception that pecuniary interests are the same as business interests, however, pecuniary interest is a wider term. Pecuniary interests include personal financial interests, such as involvement in a trust fund or investment, as well as potential interests, for example, where a member of staff's husband is applying for a vacancy in the school or where a Staff Governor is involved in the decision over the promotion of a colleague, and where they may be a potential candidate for the post made available. Because of the nature of these interests, they cannot only be declared annually.

All members of the Governing Board and all members of staff should be made aware at Governor and staff meetings of the need to declare these interests as they arise.

Declarations should be made in writing to the Head Teacher or the Chair of Governors and these should be filed in a register of pecuniary interests.

APPENDIX 2 : CHARGES FOR SCHOOL ACTIVITIES

Legislation allows schools to charge for certain activities which take place both inside and outside school hours. Norfolk County Council has adopted a policy, which it recommends to governors, but it is for governors of schools to decide whether or not to follow the policy. The School's charging policy must be described in its prospectus, which can be obtained from the school. It is also a requirement that the School's charging policy is provided on its website. If your son or daughter's school governors follow the County Council's charging policy, these are the activities and materials for which you will be charged:

Music Tuition

Vocal or Instrumental tuition, which is not part of the syllabus for an approved public examination, part of the National Curriculum or is provided under the first access to the key stage 2 Instrumental and Vocal Tuition Programme.

Charges may be made for tuition provided individually or to groups of any size, provided the tuition is provided at the request of the pupil's parent. No charge may be made in respect of a pupil who is looked after by the local authority.

Ingredients and Materials

Ingredients and materials for practical subjects where parents have indicated in advance that they wish to receive the finished articles.

Travel will normally be charged with the exceptions noted below:
Schools cannot charge for:

- transporting registered pupils to or from school premises, where the local education authority has a statutory obligation to provide transport
- transporting registered pupils to other premises where arrangements have been made for pupils to be educated
- transport enabling a pupil to meet an examination requirement where prepared for that examination at the school
- transport provided in connection with an educational visit.

Board and Lodging

Board and lodging will be charged in all cases where a school activity involves pupils on nights away from home. The charge must not exceed the actual cost.

Activities Outside School Hours

A charge can be made for all non-residential activities, which take place wholly, or more than 50% outside school hours, where the child's participation has been agreed in advance by the parents. The charge can include the cost of travel, entrance fees, insurance, books, equipment and any staff (teaching or non-teaching) engaged specifically for the activity.

Residential Trips

A residential trip is deemed to take place outside school hours if the number of 'missed' school sessions is less than 50% of the number of half days taken up by the trip.

For example:

Pupils are away from noon on Wednesday to 9 pm on Sunday. This counts as 9 half days including 5 school sessions, so the visit is deemed to have taken place during school hours.

Schools cannot charge for:

- education provided on any visit that takes place during school hours
- education provided on any visit that takes place outside school hours if it is part of the national curriculum, part of a syllabus for a public examination the pupil is being prepared for at the school or part of religious education
- supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit.

Schools can ask parents for voluntary contributions towards the cost of:

- any activity taking place during school hours
- school equipment
- general school funds.

Children of parents unwilling or unable to contribute may not be discriminated against. If insufficient voluntary contributions are received, with no alternative method to make up the shortfall, the activity should be cancelled. It is advisable to make parents aware from the outset of the possible cancellation of an activity if insufficient voluntary contributions are received.

Public Examinations - charges are made for the entry of a pupil for a prescribed examination for which he/she has not been prepared by the school, or where the pupil is entered for examinations in the same subject with two examination boards.

Remission of charges - only parents who are in receipt of Universal Credit, Income Support, Working Families' Credit, Disabled Person's Tax Credit or Income Based Job Seekers Allowance are eligible for remission of charges. Remission of charges only applies to board and lodgings charges, which are levied directly by the LA or the school and where they relate to activities deemed to take place wholly or partly in school hours.

Remission will not apply to such charges when they relate to activities wholly outside school hours, except if the activity is prescribed in a syllabus for a public examination, if it is prescribed by the National Curriculum or fulfils duties relating to Religious Education.

Parents who have difficulty meeting any charges should discuss the matter in confidence with the Head Teacher.

Useful Links:

Learning Outside the Classroom guidance:
http://www.lotc.org.uk/wp-content/uploads/2012/05/GCharging-Policy-Updated-PDF-1APR09.pdf

Latest DfE guidelines:
https://www.gov.uk/government/publications/charging-for-school-activities

Refunds

Refunds will only be offered in exceptional circumstances, eg if a school visit is cancelled and the venue and transport provider make no charge, or if the surplus collected for an activity exceeds the cost of that activity by an amount pre-determined by the governing board, which is £5 per pupil.

APPENDIX 3 : FINANCIAL CONTROLS – TAKEN FROM THE FINANCE PROCEDURE MANUAL

3.1 Scope

3.1.1 Financial Controls

This procedure outlines the financial controls that should exist within schools to ensure that a sound financial system is maintained. Governing boards must operate within the County Council's Standing Orders and Financial Regulations and Procedures and these are found within Annex D of Norfolk's Scheme for Financing Schools.

3.1.2 Internal Controls

This section focuses upon the system of internal controls a school should have established to ensure the effective financial management of its resources.

3.2 Responsibilities

The governing board is responsible for ensuring that adequate and effective systems of internal controls exist and are operated within the school to ensure accurate processing and management of activities.

3.3 Overview

The existence of a sound system of internal controls will help to achieve the following financial objectives:

- resource allocations and grants are used for the purposes intended
- the financial returns required by the LA can be made
- to safeguard against fraud.

3.4 Process

The key controls identified are:

- organisation
- responsibilities
- personnel
- separation of duties

- authorisation and supervision
- documentation
- review.

3.4.1 Organisation and Responsibilities

It is recommended that the school is organised as follows and the responsibilities of the governing board and school staff be clearly defined and allocated.

3.4.1.1 Governing Board

The governing board has overall responsibility as set out in Section A: Governance.

3.4.1.2 Head Teacher

The Head Teacher has overall executive responsibility for the school's activities and is considered by the LA to be the person with overall responsibility to the governing board for the financial management of the school. In the case of secondary schools, the Head Teacher will often delegate much of the financial management to a business manager/bursar/finance officer, and in the case of smaller primary schools the Head Teacher may delegate this function to the school secretary. However in all cases the Head Teacher will retain ultimate responsibility.

3.4.1.3 Business Manager/Bursar/Finance Officer/School Secretary

The business manager/bursar/finance officer/school secretary is the member of the school's staff with day-to-day financial responsibility for the school. It is essential that the governors ensure that the business manager/bursar/finance officer/school secretary is suitably qualified and has sufficient resources to carry out the function.

3.4.1.4 Budget Managers

Dependent on the size of the school and the complexity of the budgetary system required there could be a need to create budget managers in order to monitor departmental budget allocations.

3.4.1.5 Other Staff

All members of staff are responsible for the security of school property, for avoiding loss or damage and for complying with the school's financial procedures.

3.4.1.6 Formal Allocation of Responsibilities

The governing board should issue clear directions to the Head Teacher, business manager/bursar/finance officer/school secretary, budget managers and any

other financial staff on their respective responsibilities for financial affairs. This is essential for sound financial control and should take the form of written directions.

3.4.2 Personnel

The governing board should establish procedures to ensure that:

- personnel are competent, suitably qualified and trained to perform at a level commensurate with their responsibilities
- clear statements of criteria for personnel selection and formal job descriptions are maintained
- the finance staffing levels are adequate
- there are effective arrangements to deal with the absence of key financial personnel.

3.4.2.1 Financial Expertise

The governing board should consider carefully what sort of financial expertise it needs to support the role of the Head Teacher and the financial and administrative team. This involves the employment and training of staff, or buying in skills, either externally or as part of the 'Purchase of Support Services' from the Educator Solutions website https://www.educatorsolutions.org.uk/ or http://s4s.norfolk.gov.uk/

3.4.3 Separation of Duties

Duties should be properly separated between individuals so that key tasks are assigned to different members of staff. As a result there will be a reduction in the risk of error or intentional manipulation because the work of one person should act as a check on the work of another. Norfolk Scheme for Financing Schools Annex J.

Functions that should be separated include:

- authorisation (the authorisation of a transaction such as a purchase order or a payment)
- execution (the placing of an order, receiving of goods and services or charging and receipt of a fee)
- custody (the holding of the goods or services)
- recording (the completion of the accounting records).

It is accepted that in many smaller schools it is not possible to allocate all the above functions to different staff. In such circumstances schools should, wherever possible, take steps to separate the most significant activities between more than one individual or put adequate checks in place to safeguard against the risk of error or intentional manipulation. Where it is not possible to have full separation of all responsibilities, the governing body must satisfy itself that there are adequate checks in place.

3.4.4 Authorisation and Supervision

Levels of authorisation and supervision of transactions must be specified in writing. All transactions will require authorisation or approval by an appropriate person. It is important that once these limits are set they are communicated to all relevant staff. It is recommended that the Head Teacher should seek governors' approval in respect of all non-routine or exceptional expenditure, and in the case of any individual item exceeding a value of £2,000 or such other limits determined by the governors.

3.4.4.1 Delegation of Budgets

In a delegated budgetary system, each budget holder (eg head of department) is responsible for expenditure allocated to their budgets.

3.4.4.2 Post Authorisation Amendments

Transactions requiring post authorisation amendments (eg a purchase order where the precise final values are not known) should be avoided. In the case of cheque or other payments, signatures must never be obtained in advance of completing the cheque or other payable order.

3.4.4.3 Payroll Authorisation

Payroll alterations must be authorised by someone other than the person preparing the alteration and not by the person the alteration relates to.

3.4.5 Documentation

All aspects of the financial arrangements should be subject to full and proper documentation. Documentation should cover areas such as:

- accounting systems
- key financial decisions
- computer systems, (eg user manual for Star Accounts)

- operating procedures, (eg Year End timetable)
- security of personnel and payroll data
- security systems, (eg backup and passwords) relating to the storage of information
- individual duties, (eg job descriptions and delegated authority)
- authorisation limits.

3.4.6 Retention of Financial Records

The school should retain all documents relating to financial transactions for the periods set out in the School Retention Policy : Finance Section. All accounting records should be held securely when not in use and only authorised staff should have access. Records such as cheque books, paying-in books and Sales should be kept in a locked place out of school hours.

The Head Teacher and a named person will keep a key, which must be removed from the place of retention out of school hours. Insurance becomes invalidated if this procedure is not adhered to.

3.5 The Provision of Financial Support Services

The purchase of Norfolk County Council (NCC) services is defined within the Contract to Purchase Scheme. Services from NCC may be purchased outside the scope of this scheme through personal negotiation with the service provider. Services provided by NCC are available on the Educator Solutions website https://www.educatorsolutions.org.uk/ or http://s4s.norfolk.gov.uk

3.6 Audit

Schools are subject to audit by Norfolk Audit Services or, if required, the County Council's external auditors and are required to co-operate with them.

APPENDIX 4: LETTINGS

Use of School Premises

By Outside Bodies during School Hours

There are a number of examples of schools making part of their premises available to outside bodies during the school day. Such arrangements apply to pre-school playgroups, community users etc. The following summarises the principles which should apply to use.

- Any use of school premises by outside bodies during the school day should be carefully managed so as not to inhibit the smooth running of the establishment.
- Purpose of any school is to ensure the proper education of its pupils.
- The school cannot enter a contract to lease part of the premises during the school day.
- Where a school wishes to arrange a long-term use for part of its premises by a third party then negotiation and the arrangement for a lease will be made through the LA.

Shared Use of School Sites and Lettings
Shared Use Leases/Agreements

Where community use is made of school sites and the users are not part of the County Council then a Formal Lease is needed. The school should contact NPS Property Consultants who will be able to give guidance with this.

If part of school property is to be used by another department of Norfolk County Council, this may be formalised by way of an interdepartmental licence agreement, which is formalised by NPS Property Consultants.

If a letting is only on a sessional basis for eg every Monday and Wednesday between the hours of 3 and 5 pm then the Head Teacher using a standard Children's Services Department Agreement may arrange that letting.

Apportionment of Overheads

Many community users will share facilities, equipment, and staff with the school. If resources are shared, even when additional costs are not incurred, all costs will need to be fairly apportioned between a school's delegated budget and community users' budgets.

The recharge of these costs in the case of joint-user premises is treated by HM Revenue and Customs as an onward supply and VAT is chargeable at the relevant rate. See the VAT Manual for further guidance.

The installation of check meters for energy and water can help accurate apportionment of costs between school and community use. It may be necessary to use estimates to reflect the different levels of use by the school and community groups.

The following costs will need to be covered:

- heating and lighting
- water costs (particularly for swimming pools)
- equipment and materials
- refreshments
- staffing
- cleaning
- maintenance
- wear and tear
- programme management and administrative support.

Charging Policy

The governors must also agree to a charging policy for users.

A school's charging policy must include the following points:

- lettings are to be recorded within the appropriate diary and register
- the identification of the people responsible for the management and administration of the school's shared use policy
- the arrangements for making casual bookings and monitoring the use of the school
- the method of informing hirers about the conditions of use
- the arrangements for the receipt and banking of monies from hirers
- lettings must be paid for in advance.
- It is important that VAT on lettings is correctly accounted for (see the VAT Manual for further guidance)

Extended Schools

Expenditure met from funds obtained by schools from private sources or even direct from central government is not covered by the LA's VAT reclaim procedures.

If a school is using their existing accounting system there will be a need to enter any transactions relating to the Extended School with the VAT category T, Outside the Scope. No attempt to reclaim the VAT amounts should be made, even if shown on invoices. The total amount of the invoice should be entered, as in the example below.

For example, if an Extended School receives an invoice for £200, broken down as below:

Net amount	£166.67
VAT amount	£ 33.33
Gross amount	£200.00

It must be entered on to the school's accounting software as below:

Net amount	£200.00
VAT amount	£ 0.00
Gross amount	£200.00

Attempting to reclaim the VAT on Extended Schools expenditure is fraudulent.

APPENDIX 5 : BAD DEBT POLICY

1. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. Where this is not possible, the debt will be recorded on School Money.

2. All debts will be recorded and non-payment will be followed up by issuing reminders as outlined below.
   - Four weeks from date of invoice – weekly text and email reminders will be sent from the School Money system.
   - For debts over 4 weeks from date of invoice – a personal letter will be sent to parents / guardians.
   - For debts over 6 weeks from date of invoice – a second personal letter will be sent to parents / guardians.
   - Nine weeks from date of invoice - final reminder.

   The final reminder will be sent by recorded delivery and threatens legal action if the account is not settled within 14 days.

3. After 14 days, where a debt is still outstanding, legal action will be considered and the debtor will be informed of this in writing. The debt may be referred to the County Legal Services, where appropriate.

4. Legal action will not be taken for debts under £50.

5. If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:

   - those up to the value of £100 to be approved by the Head Teacher and reported to the next meeting of the governing board

   - those exceeding £100 and up to the value of £500 to be referred to the governing board for approval, either directly or after consideration by the finance committee

   - those exceeding £500 to be referred to the Finance Business Partner (Children's Services) (as per Norfolk's Scheme for Financing Schools).

6. The VAT element of any debt must not be written off as this contravenes HM Customs and Excise statutory requirements.

APPENDIX 6 – REDUNDANT EQUIPMENT POLICY

1. The governing board has the authority to declare equipment, furniture or any other assets or stores surplus to requirements and to arrange for their sale or write off, provided the items concerned were purchased in full or in part from its delegated budget. Land and buildings are always excluded from this authority.

2. Where the estimated disposal value of surplus or redundant assets (equipment) or stores is less than £100 and sale is to be by public auction or competitive tendering, authority for disposal can be given by the Head Teacher.

3. The prior approval of the governing board will be required where:

    - the estimated disposal value is between £100 and £500
    - the sale is not to be by public auction or competitive tendering

4. Where the estimated disposal value is above £500, these must be referred to the Finance and Business Services Manager. (As per Norfolk's Scheme for Financing Schools).

5. A list of equipment disposed of will be presented to the governing board at its next meeting. This list will show, so far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant(estimated where necessary) and disposal value.

6. The school's inventory will be amended to show disposals and such entries will be endorsed by the Head Teacher.

7. Where the school originally claimed back the VAT when making the purchase they should also account for VAT when recording the sale, using the appropriate VAT rate.

8. The net income (ie excluding VAT) from the sale of surplus or redundant assets or stores purchased from the school budget will be credited back to the school budget.