

Bonneville Primary School

Finance and Resource Committee

Report on financial procedures

12th January 2016

1. Financial procedures

- 1.1. Following the recent retirement of the Senior Finance and Administrative Officer and the SBS School Office Review, work has continued to update the financial procedures in place. There are several areas identified to the Finance and Resources Committee in which policy and procedure have been outdated, missing or poorly documented.
- 1.2. It is proposed that the School Business Manager will develop a full manual of local financial regulations and procedures. This will capture the processes and controls as they are developed for scrutiny and review.
- 1.3. This report contains draft elements of the procedural document, which address some of the identified gaps.

2. Delegated authority

This schema captures the spending authority currently in place, and sets out other delegated authority as currently exercised.

Summary of delegated authority	
Small purchases (under £2,500)	Headteacher
Low value purchases (under £10,000)	Headteacher
Mid-value purchases (under £40,000)	Headteacher
High value purchases (over £40,000) (including OJEU procurement)	Headteacher and Chair of Governors
Purchase order approval	Headteacher
Invoice approval	Headteacher
BACS approval NOTE: BACS runs must be authorised by two separate staff members other than the inputter	School Business Manager, Headteacher (Assistant Headteacher, EYFS Phase Leader as further authorisers when required)
Cheque signatories NOTE: Cheques should be signed by two signatories other than the cheque writer	School Business Manager, Headteacher (Assistant Headteacher, EYFS Phase Leader as further signatories when required)
Approval of payroll	Headteacher
Approval of virements up to £10,000	Headteacher
Approval of virements over £10,000	Finance and Resources Committee
Charge card approved monthly limit (Card in name of School Business Manager)	£5,000
Charge card emergency approved spend (Card in name of Headteacher)	£10,000

3. Petty Cash

- 3.1. At the discretion of the School Business Manager, the school may have petty cash on hand up to a maximum value of £500.
- 3.2. Petty cash may be used to reimburse staff for out-of-pocket expenses up to the value of £20. Reimbursements will be made in line with the Policy on the Reimbursement of Staff Expenses. This means that all expense claims must be accompanied by appropriate authorisation and receipts. There is no requirement for petty cash to be available, and staff should confirm that a cash reimbursement will be possible before incurring expenses.

4. Purchase card

- 4.1. The school may operate purchase or credit cards.
- 4.2. These will allow the school to make purchases from organisations that do not provide credit accounts or invoicing.
- 4.3. Any purchase or credit cards held by the school must be organised through the Lambeth corporate scheme.
- 4.4. Cards must be set up so that payment is taken in full each month from the school's main bank account.
- 4.5. Purchases made by card should follow the normal purchase order and procurement process.
- 4.6. The card statement should be reconciled in full against purchase orders and receipts each month, and all transactions should be presented to the Headteacher for approval along with other monthly financial documents.
- 4.7. The school will normally use one card for all purchase card transactions, and the limit for this card will be reviewed by the Finance and Resources Committee from time to time.
- 4.8. The school may also hold one other card for use in emergency circumstances. This card should only be used for emergency expenditure at the discretion of the Headteacher. Use of this card should be reported to the Finance and Resources Committee which will also review the card limit from time to time.
- 4.9. Purchase cards will be stored in the school safe, and will only be taken off the school site in exceptional circumstances and with the permission of the Headteacher. Purchase cards will not be taken home or stored off-site by staff.

5. Charging and Remissions

- 5.1. All of the education provided during school hours at Bonneville Primary School is free, and we will not charge pupils or parents to receive that education.
- 5.2. Bonneville Primary School is an inclusive school that provides a broad and balanced curriculum, including a range of optional extra activities outside the classroom. The school may ask parents to make a contribution to the additional costs of providing these extras (such as transport or accommodation). Parents will not be charged for the educational components of these activities, and the school will plan these activities so that they are affordable for every family.
- 5.3. Sometimes the school will organise activities that can only be funded by asking for voluntary contributions. If the school is depending on these voluntary contributions to allow the activity to proceed, this will be made clear to parents. The school will consider the

ability of families to make a contribution and will budget appropriately. Where sufficient contributions are not received, the school may change or cancel the activity.

- 5.4. Where the school charges for an activity, or requests a voluntary contribution, an assessment will be made as to whether some children might miss out due to their financial circumstances. The school will take steps to mitigate this risk by providing clear payment plans, by suggesting reduced levels of contribution for some families, and by ensuring that children whose families cannot afford to contribute are still able to participate in any activity that takes place. Eligibility for free school meals will be taken as an important indicator that a child may be at risk of missing out, and the school will take such eligibility into account when planning and organising activities. Other indicators of need or hardship may also be considered.
- 5.5. The school may provide additional services such as childcare that lie outside its educational remit. The school will ensure that such services are properly costed, and that the charges made for such services are reasonable and fair. Where the school chooses to subsidise such services from its main budget, this subsidy should be clearly identified and monitored, and must be provided in support of the school's core aims. The extent of any actual or forecast subsidy or surplus from such services will be reported to the Finance and Resources Committee.
- 5.6. The school will maintain a list of prices charged for services, and records of any individual charges levied or contributions sought. The Headteacher will be responsible for reviewing and approving such charges.

6. Debts

- 6.1. Where parents pay for services in instalments or spread payments, the school will provide regular updates and statements to ensure that parents/carers are aware of any debts owing.
- 6.2. School dinner money arrears will be monitored internally every two weeks, with informal reminders sent to parents each half term or when debt exceeds £100. Where debts remain outstanding after a further two weeks, parents/carers will be invited to provide their child with a packed lunch. School meals will be withdrawn if payment is not made immediately.
- 6.3. A payment plan to pay dinner money arrears over a term may be offered, but where the plan is not followed the school meal should be withdrawn.
- 6.4. Parents/carers will be strongly encouraged to apply for free school meals.
- 6.5. Where the school charges for other services, debts will be similarly monitored, and services withdrawn at the latest when arrears remain outstanding for a term or where the debt is greater than £200.
- 6.6. If withdrawal of a service is likely to affect the welfare or educational inclusion of a child, the matter will be referred to the Headteacher before services are withdrawn.

7. Income and expenditure outside the official budget

- 7.1.1. The school's income and expenditure is processed through a single bank account.
- 7.1.2. The income and expenditure consists mainly of official fund transactions, but may also include some unofficial funds that fall outside the school's core delivery.
- 7.1.3.** The school should ensure that any such unofficial funds are clearly identified and accounted for in its financial reporting.