



Finance Policy

March 2024

Earlsdon School Finance Policy

Introduction

The following document sets out the School's financial arrangements and the roles and responsibilities of the Governing Body, its Resources Committee, the Headteacher and other staff with financial responsibilities.

Roles and Responsibilities (Finance)

Governing Body

The Governing Body receives its delegated powers from the City Council under the Fair Funding Scheme of Delegation (FFSD). The full Governing Body meets at least once in each term. The Resources Committee also meets each term to review budget intentions for the year and to discuss other finance related issues. The Governing Body is responsible for the observance of Financial Regulations as contained in the FFSD. This includes:

- Observance of other financial provisions issued by the LA (e.g. Schools Finance Manual, Final Accounts procedures, and so on)
- Safeguarding of funds (including maximisation of interest income, cash and bank account controls and so on).
- Financial management and probity within the school.
- Establishing and recording the responsibilities delegated to the Headteacher.
- Managing the funding available to the school, for instance.
 - Considering, reviewing and approving the school budget to reflect the policies and principles established in the School Improvement Plan.
 - Establishing / recording the authority and limits for virement, together with the reporting/recording arrangements.
 - Ensuring that there is a suitable budget management / control system in place.
 - Monitoring arrangements and requiring explanations for any variations to budget.
 - Taking corrective action to bring spend in line with budget
- Establishing the timing and type of reports required by the Governing Body.
- Taking appropriate action whenever they become aware that something is unsatisfactory, seeking advice from the Schools Finance Manager as appropriate.
- Providing financial information to the Schools Finance Manager as and when required.
- Ensuring an inventory is maintained
- Ensuring that best value can be demonstrated including following correct procurement procedures

- Paying invoices and collecting debt promptly (including debt write-off procedures)
- Ensuring the school is compliant with the Schools Financial Value Standard
- Taking appropriate action in response to concerns raised by the LA
- Compilation / approval of business / financial plans to support credit union loan applications / community facilities
- Adherence to VAT & PAYE guidelines
- Ensure that staff have access to Whistle-blowing policy
- Complete a competency assessment and address training needs

Headteacher

The Governing Body will delegate overall responsibility for managing the school to the Headteacher. The Headteacher should ensure that they fulfil the responsibilities of any powers delegated to them.

Planning the budget for approval

Ensuring budget is utilised to support the School Improvement Plan

Be responsible for virements

Work with the School Business Manager

In addition the Headteacher should:

- Observe financial regulations / provisions in the FFSD and other LA publications (e.g. Schools Finance Manual)
- Establish and record the responsibilities to be delegated to the School Business Manager and Budget Holders.
- Ensure that staff with delegated finance responsibilities receive adequate training to ensure they can fulfil those responsibilities
- Establish systems to ensure staff are fully protected
- Complete a competency assessment for staff with financial responsibilities and ensure training needs are addressed

Budget Holder

Operate under delegated power from Headteacher, and are accountable to the Headteacher and Governors. Responsibilities are:

- To use budget to resource area of responsibility
- Monitor expenditure against the budget

School Business Manager

Operate under delegated power from the Headteacher, and is accountable to the Headteacher and Governors. Responsibilities are:

- The day-to-day management of financial issues and management information systems
- Support the Headteacher with budget planning and monitoring

- The management of effective systems of internal control
- Preparation and maintenance of accounting records required by the LA and the Governing Body
- Establish and record the responsibilities to be delegated to the Finance/Admin staff
- Establish adequate arrangements to guard against fraud and theft
- Benchmark income and expenditure annually against similar schools

Finance / Admin Staff

Operate under delegated power from School Business Manager, and are accountable to the School Business Manager, Headteacher and Governors.
Responsibilities are:

- Provide the day-to-day operation of efficient, effective, timely, financial and administrative processes
- Support budgetholders by providing advice and information as and when required
- Administer the day-to-day operation of the Schools Information Management system (SIMS), for example:
 - Payment of invoices
 - Collection of debt
 - Bank reconciliations
 - Out of School Club accounts
 - Lettings
- Ensure that SIMS data is up-to-date, holistic and has integrity.
- Report any issues that might have an impact on the integrity of data on SIMS to Headteacher at the earliest opportunity
- Manage unofficial School Fund

Delegated Authority

Area	Authorised Individual	Authorised Limit	Frequency of approval
Annual setting of the School Budget	Governors	Cannot delegate	Each year
Virements	Governors Headteacher	Over £10,000 £10,000	At Resource Committee meeting As and when – virements below limit should be approved by Governors retrospectively
Ordering	Budgetholder	To limit of budget for which they have	Yearly as part of the budget setting process

		responsibility	
Invoice Payment	School Business Manager		
Cheques	School Business Manager		
Debt write-off (part of Debtors policy)	Headteacher Governors Governing Body and Director of Finance and Corporate Service	Up to £500 £501 - £5,000 Amounts over £5,000	As part of the Debtors Policy
Disposal of Assets (write-off / sale)	Governors		As and when

Contracts and Tendering

The Governing Body may decide to issue orders and arrange contracts outside the City Council's arrangements, in which case dependent on the value of the order/contract, the following procedures shall apply:

Purchasing Procedure	Order Value
At the discretion of the Governing Body	Up to £1,000
At least 3 oral or written quotations	£1,001 to £3,000
At least 3 written quotations	£3,001 to £10,000 per annum
Competitive tenders from at least 4 suppliers	£10,001 to £100,000 per annum
Competitive tenders on an open tendering basis	£100,001 to EC Threshold (£144,456 to 31 December 2001)
Advert in OJEC and 4 competitive tenders	EC Threshold and above

Other specific Finance Policies

- Debtors Policy
- Charging & Remissions Policy (incl. School Meals)
- Lettings Policy

- Disposal of Equipment Policy
- Statement of Internal Control Best Value
- Register of Business Interests
- School Fund Constitution
- Governing Body Meeting Terms of reference (including clerking arrangements)

Fair Funding Scheme of Delegation

This document sets out the financial relationship between schools and the Local Authority. This document should be available within the school. It is available at:

<http://clg.coventry.gov.uk/ccm/navigation/leadership-and-governance/school-management/finance-and-resources/school-finance-guidance/scheme-of-delegation/>

On an annual basis – towards the end of the Autumn Term – the Local Authority consults with all school stakeholders on changes to the Fair Funding Scheme and formula.

Register of Business Interests

A register of the business interests of governors and staff with significant financial responsibilities is maintained in the School Office.

It is the responsibility of each governor and member of staff with significant financial responsibilities to notify the School of any business interests they have which require inclusion in the register. Any governor or member of staff who has a pecuniary interest in a business tendering for a contract will not form part of the committee awarding that contract. No governor or member of staff involved in awarding a contract will accept gifts or hospitality from current or potential suppliers.

Goods and Services for Private Use

The School does not obtain goods and services for the private use of governors or staff. In addition, governors and staff are advised to avoid accepting hospitality, entertainment, or other services from existing or prospective suppliers.

Communication to staff

Information is shared with staff annually following governor approval of the budget. All documentation is available to staff via the teacher governors or headteacher.

Recruitment of staff with financial responsibilities

Advice sought from Human Resources and Finance Officer to provide suitable testing materials commensurate with responsibilities of the post.

Service Level Agreements

Consideration is given to services provided by Local Authority.
Where other services are purchased e.g. Sickness Insurance a range of quotes is sought to provide best value & service.

Headteacher.....

Chair of Governors

Date

Date of Next Review March 2026