Financial Procedures Manual
Longford Park School

Prepared: Aug 2008
Approved by Governing Body: Signed
Author: Lisa Hughes
Next Review: December 2019
Date: 15/11/2018
FINANCIAL PROCEDURES MANUAL

The Purpose of the Finance Manual

The Finance Procedure Manual is intended to provide a source of reference that pulls together the financial issues involved in the administration of the school’s financial affairs.

It details the requirements that exist to ensure proper supervision and control of the school’s finances, outlines the processes and procedures involved and identifies specific responsibilities of Governors, the Headteacher, School Business Manager and other members of staff relating to financial matters.

The Headteacher’s responsibilities extend to other staff under his control including budget holders and all those entrusted with the control of financial resources.

Comprehensive financial management consists of two main functions: financial planning and financial control, in order to achieve the overall financial objectives of the school. It is important for the school to establish proper financial management arrangements and accounting procedures and to maintain a sound system of internal controls including safeguards against fraud.

The manual provides specific details on how the school is set up to deal with the key aspects of financial planning and control. The school has adopted and will follow the LA Scheme for Financing Schools, this guidance and Financial Regulations are available as a hardcopy at all times in the School Office and electronically via the intranet.

This detailed set of procedures is distributed to all staff that have financial authority. In order to communicate the main aspects that apply to all staff a newsletter version of these procedures is distributed annually to all staff, see appendix 8.
Financial Planning

It is very important that the financial plan (or budget) is prepared within the bounds of the financial objectives of the school. The budget is the financial dimension of the School Development Plan and expenditure is prioritised so that the School Development Plan can be implemented and the objectives met.

In relation to the preparation of the school budget responsibility for separate activities are delegated to the appropriate persons following the management structure of the school.

The hierarchy of responsibility and timetable for the development of the budget is listed below:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>PERSONNEL</th>
<th>TIMESCALE</th>
</tr>
</thead>
</table>
| Preparation of the first draft budget for the following financial year. | Headteacher  
 School Business Manager  
 Chair & Vice Chair to be invited | January                       |
| Consideration/Amendment of first draft budget. | Headteacher                                             | February                      |
| Amended draft budget                          | Headteacher  
 School Business Manager                                  | Early March                   |
| Notification of budget share entitlement from LA | Headteacher  
 School Business Manager                                  | Late March                    |
| Final Budget                                  | Headteacher  
 School Business Manager  
 Trafford Finance Support Officer  
 Finance Committee  
 Full Governing Body | Late April/Early May  
 Summer Term Meeting  
 Meeting   |
| Submission of approved budget to LA           | Headteacher  
 Clerk to Governors                                        | Following Summer term meeting (by end June) |

Timetable of meetings for current year attached herewith.

To provide a sound basis for budget preparation the school has established formal processes and timescales to ensure that all relevant financial and non-financial factors are considered and that information is available on a timely basis.

To aid budget preparation the school maintains both financial and non-financial (e.g. pupil numbers and staff numbers) information.

It is also important to recognise that at the outset of the budget planning process the financial budget allocation to the school from the LA is unknown and therefore the draft plan is based on indicative budgets which are issued to school in December/January.
During the year the budget will be monitored and reviewed. The school will adopt the best working financial practice as per the Schools Financial Value Standard (SFVS). A yearly self assessment will be completed. In order to meet this standard the school and governing body will ensure:

- Regular reporting will be made available to the governors and LA.
- The school will ensure governors and staff have relevant financial training so they can make informed decisions and support budget management and value for money.
- The budget reflects the school development plan.
- Best value is achieved and our performance is compared.
- Public money is protected and financial controls are constantly reviewed.

See Also Appendix 11
Further guidance is given to governors in Document – Timetable of recommended financial issues Appendix 12

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>LA</th>
<th>GOVERNORS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Reports</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Budget Listing and Virements</td>
<td>End of October</td>
<td>Autumn Term – FC</td>
</tr>
<tr>
<td>General Ledger Cost Centre Summary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Register of Business Interest</td>
<td>N/A</td>
<td>Autumn Term – FGB</td>
</tr>
<tr>
<td>Should also be completed by any members of staff with a financial responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CFR</strong></td>
<td>End of June</td>
<td>Autumn Term or Summer if available – FC</td>
</tr>
<tr>
<td>Consistent Financial Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Letter of Reserves</strong></td>
<td>End of June</td>
<td>Autumn Term – FC</td>
</tr>
<tr>
<td><strong>Salary Policy</strong></td>
<td>N/A</td>
<td>Autumn Term – P&amp;AC</td>
</tr>
<tr>
<td><strong>Finance Manual / Charging Policy</strong></td>
<td>N/A</td>
<td>Autumn Term - FC</td>
</tr>
<tr>
<td><strong>Financial Reports</strong></td>
<td>N/A</td>
<td>Spring Term – FC</td>
</tr>
<tr>
<td>Annual Budget Listing and Virements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Ledger Cost Centre Summary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best Value Statement / Best Value</td>
<td>N/A</td>
<td>Spring Term - FC</td>
</tr>
<tr>
<td><strong>Governor Remits</strong></td>
<td>N/A</td>
<td>Spring Term – PW &amp; PC/F&amp;PC/SC &amp; FGB</td>
</tr>
<tr>
<td><strong>Benchmarking Statement - Data and Charts</strong></td>
<td>N/A</td>
<td>Spring Term – FC</td>
</tr>
<tr>
<td><strong>Statement of Internal Control</strong></td>
<td>N/A</td>
<td>Spring Term – FC</td>
</tr>
<tr>
<td><strong>SFVS Assessment &amp; Skills Matrix</strong></td>
<td>End of March</td>
<td>Spring Term – FC &amp; FGB</td>
</tr>
<tr>
<td><strong>Financial Reports</strong></td>
<td>N/A</td>
<td>Summer Term – FC</td>
</tr>
<tr>
<td>Annual Budget Listing and Virements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Ledger Cost Centre Summary</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Final Budget to be approved</strong></td>
<td>By end June</td>
<td>Summer Term– FC then FGB</td>
</tr>
<tr>
<td><strong>Budget Holders</strong></td>
<td>N/A</td>
<td>Summer Term – FC</td>
</tr>
<tr>
<td>S251</td>
<td>N/A</td>
<td>Summer Term – FC</td>
</tr>
<tr>
<td><strong>School Development Plan</strong></td>
<td>N/A</td>
<td>Summer Term – PW &amp; PC /F&amp;PC &amp; FGB</td>
</tr>
<tr>
<td><strong>VAT IBA2 Reporting</strong></td>
<td>Monthly</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Whistleblowing Policy</strong></td>
<td>N/A</td>
<td>Every 3 years, Due for re-approval Spring Term 2019 – F&amp;PC &amp; FGB</td>
</tr>
</tbody>
</table>
Summary of Financial Control

All financial management systems will include various types of control. Each system which controls the expenditure, income, assets or liabilities of the school will require some or all of these controls in order to deliver the general financial objectives of the school.

The key controls within this school can be identified as follows:

- **Organisation - Structure & Responsibilities**
- **Allocation of Individual Budgets**
- **Budget Virement**
- **Purchasing Controls**
  - Purchasing Process
  - Credit Management & Payment Controls
  - Petty Cash
- **Credit Control and Debt Management**
- **Financial Systems and Reconciliation**
- **Protection of Data**
- **Inventory of School Assets and Disposal of Assets**
- **Insurance**

**Organisation**
The school has a clearly defined organisational structure with defined lines of reporting for all financial operations. In order to carry out its financial responsibilities effectively the Governing Body delegates most of its decision making to the Finance Committee.

It is the responsibility of the Finance Committee to ensure the school prepares a budget plan and maintains the necessary systems for financial control although ultimately the full Governing Body are required to approve each annual budget plan.

The Headteacher is responsible for the overall strategic management and the financial management of the school. The School Business Manager supports the Headteacher and deals with the day to day management of the school with regard to:

- Contracts of employment for all staff
- Budget monitoring

And is responsible for the schools finance functions as follows:-

- Completion of LA returns
- Approval of orders and payments to suppliers
- Maintaining, oversee and provide supervision of SIMS & FMS systems for school budget
- Budget monitoring & reporting
- Management of census returns

**Contingency Plan**
The school has an arrangement with other special schools in Trafford whereby each will provide support from their dedicated person responsible for finance in the event of a long term absence also extra support can be purchased from the LA via service level agreement.
## Organisational Structure & Responsibilities

The organisational structure for financial control is summarised in the following table:

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governing Body</strong></td>
<td>Approves annual budget plan and strategic plan. Delegates other decision making powers particularly of financial control to the Finance Committee.</td>
</tr>
<tr>
<td><strong>Finance Committee</strong></td>
<td>Discuss in detail annual budget plan for submission to Governing Body and has delegated responsibility for financial control. Monitoring of budget termly, providing constructive challenge as appropriate.</td>
</tr>
<tr>
<td><strong>Headteacher</strong></td>
<td>Responsible for strategic financial planning of the school. Attend the Finance Committee and is responsible for ensuring appropriate controls are in place. Bank signatory. Authorised signatory for: cheques in 2-way system. BAC’s approval in 2-way system.</td>
</tr>
<tr>
<td><strong>Assistant Headteacher ZF</strong></td>
<td>Authorised signatory for: cheques in 2-way system. BAC’s approval in 2-way system. Bank signatory. Attends Finance Committee meetings on invitation.</td>
</tr>
<tr>
<td><strong>School Business Manager</strong></td>
<td>File transfers for salary payments. Authorised signatory for: orders for goods and services. monthly returns to LA on cheque book management. BAC’s approval. cheques in 2-way system. authorisation of invoices for goods and services provided to the school and delivered by the school. verifying income collected to that banked. approval of reconciliation between FMS and the bank statement. IBA2 (VAT reconciliation form), reclaim VAT. Petty Cash Signatory over £50.00. Overseeing insurance. Clerk the Finance and Property Committee Meetings. Budget monitoring including salary expenditure, report on financial matters, allocation of budget to cost centres and overview of spending on at each Finance Committee meeting. Year end CFR return. In the absence of the School Business Manager responsibilities are aligned to the Headteacher.</td>
</tr>
<tr>
<td><strong>Finance Assistant</strong></td>
<td>Day to day maintenance of FMS, inputs orders and invoices to FMS. Processing all orders through FMS, place orders with suppliers and evidence delivery of goods/services. Process invoices. Seeks approval for invoices when necessary from departments – teaching staff, premises, sports. Bank signatory, cheque authorised signatory in 2-way system, only to be used in emergency in the absence of second signature. Creation of BAC’s runs, issuing of cheques and publish BACs payments to bank account. Creation of invoices for services provided by the school Banking and reconciliation of school bank accounts. Raising debtors accounts where necessary. Reconciliation between FMS and the bank statement. Creation of monthly IBA2 (VAT reconciliation form), submission of claim. Payment of Petty Cash reimbursements up to £50.00. Report any budgeting anomalies to School Business Manager.</td>
</tr>
<tr>
<td><strong>External Finance Support Officer</strong></td>
<td>Year end CFR return. Reconciliation of mainframe salaries with schools FMS system. Supports the Headteacher &amp; School Business Manager in budget planning and monitoring budget expenditure. Inputting central payments to FMS.</td>
</tr>
</tbody>
</table>
Allocation of Individual Budgets

Individual budgets are issued to some departments as deemed appropriate by the Headteacher. The School Business Manager prints reports termly for distribution to the department budget holder, keeping them fully updated on the current spend status of their budget. Anyone wishing to spend from these budgets must seek approval from the department budget holder, before order can be processed. All overspends/underspends must be approved by the Headteacher.

Budget Virement

Once the annual budget is set and approved by both the Governing Body and the LA it may only be amended by a process of budget virement. The school may set a contingency fund within the original budget to account for potential areas of budget overspends and may use this fund to vire monies to other budget heads.

The decision to vire from one budget head to another must be approved by the relevant body depending on amount:-

Less than £5,000.00 - Headteacher and/or Assistant Headteachers can approve.
£5,000 - £10,000.00 - Finance Committee must approve
More than £10,000.00 - Governing Body must approve.

Purchasing Controls

The school follows a number of concepts for purchasing to ensure funds are spent wisely:-

Probity – A declaration of interest form is completed by all governors and members of staff with financial responsibilities immediately upon appointment and yearly at the start of the Academic year to ensure honesty and fairness.

Value for Money and Best Value – The school ensures best value and applies the principles of the 4 C’s - Compare, Challenge, Consult and Competition. Price, reliability, availability and after sales service are considered when quotes are obtained. Contracts are regularly reviewed; approved suppliers are used where best.

The school will apply the following for obtaining quotations for Contracts and Orders:-

£250 - £1,000.00 - At least three telephone or written quotations will be obtained.
£1,000 - £25,000.00 - Three written quotations will be obtained.
Over £25,000 - Advice on suitable approach for any procurement (tenders)

All quotations will be kept in the best value file.

Segregation of Duties – Duties undertaken relating to finance should be properly segregated between individuals. One of the prime means of control is the separation of those responsibilities or duties which would, if combined, enable one individual to record and process a complete transaction. Proper segregation of duties reduces the risk of error and provides a safeguard against fraud and malpractice.

Functions that are required to be separated are as follows:

- Authorisation of transaction e.g. purchase order or payment of invoice
- Execution of transaction e.g. placing of order or receipt of goods
- Custody e.g. the storage and safeguard of goods and services
- Financial systems e.g. the accounting entries to record transactions

The Governing Body is ultimately responsible for ensuring sound financial controls exist and that there are adequate checks and segregation to ensure that the risk of error or fraud is minimised. In practice this is delegated to the Headteacher who works with the Assistant Headteachers and supported by the School Business Manager to ensure that appropriate procedures are in place in school.
**Purchasing Consortia** – Where possible school will join forces with other schools to increase its buying power.

**Tendering** – The school follows the LA recommendations with regard to procedures for obtaining "best value". Procedures vary according to the size of expenditure anticipated. The school often uses the LA Officers to procure the “best value” for large projects particularly those involving the school buildings and grounds. The school refers also to the guidance with the Trafford Contract Procedures Rules – tenders/quotes document & contract procedures and rules.

**Purchasing Process** -
The system for dealing with the processing of orders [appendix 1], receiving goods [appendix 3] and processing of invoices is outlined in [appendix 4].

It is school policy not to accept goods sent for inspection purposes.

- **Purchase Orders** (See [appendix 1])
  All purchase orders must be raised by completing a school's order form (See [appendix 2]) which is used to raise the official school order on FMS. These are printed from the system, numbered sequentially and are kept within the School Office. The original order form should be attached to the school's copy of the order.

  Each requisition for expenditure to the school budget must be approved appropriately:-

  **Less than £50.00** - Finance Assistant - Petty Cash reimbursements only
  **Upto £2,000.00** - School Business Manager
  **Less than £5,000.00** - Headteacher and/or Assistant Headteachers can approve
  **£5,000 - £10,000.00** - Finance Committee must approve
  **More than £10,000.00** - Governing Body must approve

  The Headteacher or Assistant Headteachers must sign the order. Once the order is authorised, it is sent to the supplier by either telephone, internet, or post.

- **Receipt of Orders** (See [appendix 3])
  Goods can be received by a number of staff within the school including Office Administrators, Premises Staff or Teachers. Staff will be required to sign carriers receipt and should ensure a goods received delivery note is taken. The delivery note is date stamped, then receipt of goods is checked. The delivery note must be checked against the order by the office administrators and the order signed in the ‘goods received’ box. Delivery note is then filed with the original order.

- **Credit Management & Payment Controls** -
  All invoices received will be paid on time and within the credit terms offered. The Finance Assistant ensures payment system and invoices received are monitored. Any invoice queries are followed up immediately so disputes are cleared up quickly to avoid late payments. “Aged creditor reports” are printed monthly as part of IBA2 VAT reports.

- **Payment of Invoices**
  Once the invoice from the supplier is received this is passed to the Finance Assistant who reconciles this with the original order on file and check receipt of goods. The order is then marked that the invoice is received. All invoices must be authorised for payment on the FMS system before a cheque or BAC’s run can be raised. This is done by the Finance Assistant.
- **Issuing of Cheques & BACS Run**
  Payments are processed via the FMS system by the Finance Assistant, our preferred method of payment is BACS but cheques can still be printed. All the cheques must be signed by two signatories and BACS runs must be approved by two signatories also. Personnel who have control of payments are:-
  - The Headteacher
  - The Assistant Headteacher
  - The School Business Manager
  A limit of £40,000-calendar month is set with the bank as maximum total amount of payment transactions for the period of each calendar month. This is reviewed each year.

- **Schools Withdrawal Book/Cheque Book**
  All withdrawals made must be signed by two signatories. Cash withdrawals made are used to replenish the petty cash tin. Cheque book is used only for payment of small orders where supplier may not be used again in the future and does not warrant the administration of opening an account on FMS.

- **Petty Cash**
  The Finance Assistant controls the safe storage of the petty cash tin, arranges replenishment from bank account and issues payment to staff. All withdrawals from bank account to petty cash tin are made by cheque, to ensure paper trail. All receipts and invoices are retained for reimbursements and a VAT receipt is required to reclaim VAT. No more than £400.00 is kept in the petty cash tin at any one time.

  The Finance Assistant logs all transactions onto FMS and prints monthly reconciliation reports as part of the VAT IBA2 report. The cash is counted and audited by the School Business Manager and spot checks are carried out periodically adhoc by the Assistant Headteachers.

  Staff requiring reimbursement complete a Petty Cash form (See [appendix 5](#)) and pass proof of purchase and VAT receipts to the Finance Assistant. The Finance Assistant is authorised to pay up to £50.00 to any one individual, any payments over this amount should only be made in exceptional circumstances, authorisation is required in advance by the School Business Manager and reimbursement will be made by cheque. The petty cash tin is used for occasions where it is not possible to process an order via FMS, for example – purchases made at local shops, Mini-bus fuel purchase. Petty cash cannot be used to pay salaries, cash personal cheques of travel and subsistence claims. Procedure to follow is in front of petty cash file. Petty cash is reconciled monthly and report printed for authorization by the School Business Manager.

- **Store Debit Card - Bank Business Cards – BACS Payment Cards**
  The governing body should authorise any cards to be used having considered the potential risk over and above that of the purchase order system and appropriate controls over usage.

- **Store Card**
  At the present time two store cards have been activated, these are Argos, Trade UK (Screw Fix).
  The purchasing process requires a hard copy of the schools purchase order. The Finance Assistant keeps safe storage of these cards and controls the use. A signing-out procedure is implemented for the issue of the card to staff.

  Documentary proof of any goods purchased with the debit card including details of the nature and cost of those goods, should be returned to the Finance Assistant for filing with the purchase order as soon after each purchase as is reasonably practical. Invoice is paid in full, credit terms are not accepted.
- **School Business Cards**

The use of the school business card is restricted to those purchases where providers of goods and services do not accept payment by cheque, at times of travel or for one-off orders usually of low value via the internet.

Authorised users of bank business cards for Longford Park School Account XXXX8949, sort code 30-95-42 are Mr Taylor Headteacher, Mrs Hughes, School Business Manager and Mrs Young, Finance Assistant. Each person has their own card in their own name and is signed. The Headteacher keeps his card on his person as authorised by Governors in March 2015 and the other bank cards are stored safely in school with a signing in and out procedure in operation.

The Headteacher and School Business Manager has accepted the schools terms and conditions of use form (See appendix 9). All transactions are listed on a Business Charge Card Monthly Statement for each user from the bank. Business Cards should only be used when purchase is urgent and not feasible to raise order. Ideally it should not be used for transactions over £250.00 and the maximum amount of credit per month/per card is £1,000. All transactions are processed on FMS by the Finance Assistant as a Manual Journal and reconciled to the Business Charge Card Statement and in turn the bank statement. Delivery notes and confirmation of payment receipts are kept on file.

Business Cards are not to be used for personal expenditure or used to withdraw cash. Business Cards should not be used for fuel costs as a result of travelling but may be used for the purchase of train/bus tickets/car hire required to complete role at school. If used for regular payments then a form should be completed to confirm start and finish date so payments can be monitored.

- **BACS Payment Cards**

Personnel with authority to approve payments made by BAC’s will be the same as the authorised Signatories. An Authenticator, Chip and Pin card is issued to Headteacher, Assistant Headteacher ZF and School Business Manager. Trafford Audit has approved the controls enforced which ensure financial security when using Lloydslink online services. In order to process payment, approval online is needed by 2 authorised personnel. Cards and card reader along with passwords are required to process payment. Card readers will be stored in the school safe and individuals will store cards in a secure place.

- **Credit Control and Debt Management**

Invoices are raised by the School Business Manager and the Finance Assistant, generally these are done as soon as services are provided and complete. Payment terms offered for Outreach Behaviour SLA’s are in advance but assigned to match financial year. Generally payment terms of 30 days from invoice date are offered. If order is direct to parents or carers a deposit may be required to secure order. If an invoice remains unpaid then the invoice is resent and debtor is contacted by phone to resolve. Installments maybe agreed if debtor has difficulties, this must be agreed by the Headteacher. Aged Debtor reports are printed monthly as part of IBA2 VAT reports and spreadsheet of manually issued invoices is maintained.

The School Business Manager is responsible for informing the Headteacher on the position about outstanding debts. Together they decide on the most appropriate course of action to be taken to collect these debts. If payment was unrecoverable the headteacher may write-off amounts less than £500, for all other debts the governors would be informed to determine appropriate course of action. All write-offs will be disclosed to governors.
- **Income and Raising of Invoices**

The school determines its income for inclusion in the school budget plan on an annual basis. All income that is included in the school budget should have defined procedures to ensure that it is paid on the due dates. This includes procedures for the monitoring and collection of outstanding debts. The School Business Manager and Finance Assistant use FMS to process invoices and reports are run as part of monthly VAT claim. Procedures for the issue of invoices can be found at the front of the invoice file (see appendix 6) and an Invoice Issue Request Form (see appendix 7) is to be used by staff when the need for an invoice is required.

The Outreach Manager is responsible for ensuring all orders for Outreach Behaviour SLA’s are entered onto management system, the School Business Manager can then issue invoice.

All income either paid direct into the school bank account or paid to the school via cheque or cash requires an official pre-numbered receipt to be issued. These receipts are generated when raised on the FMS system. Cash and cheques are banked promptly.

Cash and cheques received for school dinners are banked by the school. Online payment system, parentpay is also available for use by parents for payment of dinner money.

Donations received for school trips are collected by classes and given to Finance Assistant to deposit into relevant cost centre.

A copy of receipt for all income received over £50.00 should be provided to the payee.

The school maintains detailed accounting records to analyse income efficiently and accurately.

**Financial System and Reconciliation**

**Introduction - FMS**

As far as financial control and monitoring is concerned the school operates locally FMS which is the financial package offered to schools by the Education Department.

**FMS - Expenditure**

This manual is not a user guide to FMS and therefore will not provide detailed information on how the FMS system is structured or how information from the system is input or output. All items that are paid locally via the schools cheque book management account are recorded on FMS as financial commitments. Orders are generated by the financial system. The orders are recorded as commitments until payment for the goods has been made.

The School Business Manager and Trafford Support Officer are responsible for reconciling all costs relating to payroll i.e. ensuring that accurate payroll costs from the LA Mainframe are transferred to the school’s FMS.
**FMS - Income**
Income is not posted to FMS until it is actually received. In budget monitoring reports cash income items are recorded on an actual basis. The Finance Assistant is responsible for updating FMS with income received by the school and banks income on a regular basis.

**Bank Reconciliation**
The Finance Assistant ensures bank statements are received regularly and that reconciliations are performed promptly.
- All bank accounts are reconciled to the school’s cash book – Finance Assistant
- Checks on all reconciliations are done by the School Business Manager.
- Adjustments arising are dealt with promptly.

**Protection of Data**
The data held by the school electronically and as hard copies are very sensitive and confidential; the school recognises its responsibility in storing this information safely and the importance of protecting this information. The school is registered with the Information Commissioners Office, registration number Z277454917 and operates within its controls.

All sensitive, personal information filed in hard copy format is locked away and only accessible by authorised staff that has a relevant need to access this information to fulfill their duties.

Access to schools data held electronically is stored on a server which is controlled by restricted access to those authorised and is username and password protected. Our school servers are crucial to the smooth running of the school IT network. Backing up both the whole server including configuration and the school data is very important. The school adopts a multiple backup process, these are as follows:

1. A full backup of the school server is carried out daily to a dedicated backup device (NAS) located in school, this will enable us to do a full restore of the server should this be required. Backups are monitored on a regular basis by the IT Technician to ensure they are in full working order. A full and complete restore is carried out every 6 months to test the backup is in good working order.
2. The school data on the server is backed up daily using an online backup service, all data is encrypted prior to leaving the school server and backed up to UK datacentres. Backups are monitored on a regular basis by the IT Technician to ensure they are in full working order.
3. Additional IT resources that include software installs and workstation images are backed up to an external USB hard drive and stored off site. This data does not include any confidential or personal data. This process is carried out once per term by the IT Technician.
4. A further backup of our critical SIMS & FMS data is made termly to an encrypted USB Hard Drive and stored off-site. This process is carried out by the School Business Manager

**Inventory of School Assets and Disposal of Assets**
- See School Policy for full details of processes undertaken.

**Inventory**
Procedures relating to the purchase of assets follow the procedures for all purchases with regard to authorisation, limits and tender policies. All assets purchased by the school are entered on a central inventory immediately upon purchase and maintained by the School Business Manager and ICT Consultant.

There is an annual inspection carried out at the beginning of every financial year of the inventory against school assets, reports are printed for each department head to check and update as necessary. Discrepancies between the inventory register and the inspection are promptly investigated and where significant reported to the Headteacher.
- **Disposal of Equipment**

Obsolete items to be written off or items to be sold will be reported to the Finance Committee for approval and then clearly recorded in the inventory records.

Items recorded in the inventory may only be marked as `inactive` following written authority from the Headteacher. Where an individual item has a value of £500 or more, the matter shall be reported in full in writing to the Finance Committee by the Headteacher.

All proceeds from the sale of items purchased from public funds or donated to the school will be passed to the Finance Assistant who will acknowledge receipt of the proceeds and pay them directly into the school’s official bank account as income to the school budget.

Electrical and mechanical equipment, including computers should be disposed of by a professional company in order to dispose of them both safely and securely and under the guidelines of the W.E.E.E. directive.

**Insurance**

- **Council Policies**

The Council continues to hold most types of insurance cover relating to school activities. The policies include the following:

- Employers liability
- Public liability
- Officials Indemnity
- Libel and Slander
- Fire
- Risk Management
- Maternity leave insurance
- Cash – Maximum amount insured if held within the safe is £1,000. Keys for the safe are not left on-site.

The provision for other insurance cover is delegated to the school.

- **School Policies**

*Contents Insurance*

The school buys Balance of Risk Insurance (as recommended by the LA).

*Staff Sickness Absence Insurance*

The school buys staff sickness absence insurance which is purchased annually on the basis of “best value” criteria.

*School Trip Insurance*

The school buys into the LA’s school trip insurance which covers every paying trip made by the school. Non paying trips are covered by the LA’s public liability insurance.

**APPENDIX 1**

**APPENDIX 2**

**APPENDIX 3**

**APPENDIX 4**

**APPENDIX 5**

**APPENDIX 6**

**APPENDIX 7**

**APPENDIX 8**

**APPENDIX 9**

**APPENDIX 11**

**APPENDIX 12** - see separate document SFVS

**Timetable of Governor Meetings for current year** - see separate document
APPENDIX 1

Guide to Ordering

1. In response to a requisition order, signed by an approved person, within agreed limits
2. Sufficient money in the specified budget
3. In line with SIP

1. Prices, terms & conditions verified with chosen supplier
2. Committed on finance system
3. Print an official order consecutively numbered
4. Signed by authorised person (rubber stamp or ‘pp’ is not suffice)
5. ‘Segregation of duties’ in place

1. Telephone orders (after commitment) to be confirmed by written order
2. Internet orders sent after commitment made on finance system

1. Orders must clearly indicate price quoted
2. Delivery dates or other special requirements entered on order
3. Spoilt orders retained
APPENDIX 2

ORDER REQUEST - GOODS

Date

Requested by ____________________________  Class __________

Requirements

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Qty</th>
<th>Ref No</th>
<th>Item/Description</th>
<th>£ Price Each</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

TOTAL COST OF ORDER £

Is this order: Priority (please order immediately subject to authorisation) □

Urgent (please order within 5 working days) □

Not Urgent (please order within 10 working days) □

Signed by ____________________________________________

Authorised by ____________________________  Date __________

FOR OFFICE USE

Date Ordered __________  Date Entered on to FMS __________

Code to Cost Centre ______________

Code to Cost Ledger ______________
## APPENDIX 3
### A Guide to the Process of Receiving Goods and Services

<table>
<thead>
<tr>
<th>Delivery of goods – driver arrives at reception</th>
<th>Delivery of services – service worker arrives at reception</th>
</tr>
</thead>
<tbody>
<tr>
<td>The School Administrator accepts &amp; checks delivery of small items. Ensure items kept secure and passed to appropriate recipient. Order updated with receipt details and delivery note. <strong>Inspection copies are not accepted.</strong></td>
<td>Large item/several boxes: give driver clear instructions on secure place for delivery – contact relevant staff to receive delivery &amp; instructions of how to check. Delivery notes must be kept.</td>
</tr>
<tr>
<td>Authorised person to sign Delivery Note. Write ‘goods not checked’ or ‘number of parcels not checked’ or ‘parcel damaged’ according to circumstances. Retain copy of delivery note</td>
<td>Contact Premises Staff to receipt service.</td>
</tr>
<tr>
<td>File Delivery/Service Note in order file</td>
<td>School office can receipt service provided they are aware that the service has been ordered – if in doubt contact the Premises Staff and/or School Business Manager.</td>
</tr>
<tr>
<td>School Business Manager to check delivery information prior to processing any payments. All invoices should be forwarded to the School Business Manager</td>
<td>Authorised person to sign. Retain a copy of the service note</td>
</tr>
</tbody>
</table>

**Payment should never be made on a delivery note.**
APPENDIX 4
Guide to Purchase Invoice Processing

Invoice received:
check dated invoice with delivery note

Pass invoice to relevant person to certify goods received as per invoice
Highlight processing date for to avoid penalties or earn prompt payment discount
Use signature not initials; return promptly to School Business Manager

Details of invoice checked against original commitment
Any queries followed up

Process payment regularly (once a week/fortnight) – checking VAT, delivery charges, discounts and prompt payment discounts.

Rubber stamp / Enter Order Number
(If no order number and no dispensation – refer to relevant staff/senior staff for action)

Authorisation of payment processing by School Business Manager

BACS payment made or if supplier not registered
A Cheque is printed

Bank signatories to check payment details and authorise payment with bank online or sign cheques as appropriate

Invoices filed in
BAC’s Sequential Number or Cheque Number consecutive sequence for easy reference

Commitments which are cancelled etc to be archived on the finance software on a regular basis
### APPENDIX 5

**Petty Cash Expenditure Form**

<table>
<thead>
<tr>
<th>Cost Centre :</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ledger :</td>
<td></td>
</tr>
<tr>
<td>FMS :</td>
<td>Excel :</td>
</tr>
<tr>
<td>VAT app : YES/NO</td>
<td>VAT No :</td>
</tr>
<tr>
<td>Receipt Received : YES/NO</td>
<td>Dated :</td>
</tr>
</tbody>
</table>

| Amount Spent : | £ |
| VAT            | £ |
| TOTAL          | £ |

| Requested by : |  |
| Requested Date : |  |
| Description of expenditure/reason |  |

<table>
<thead>
<tr>
<th>Amount Taken</th>
<th>Amount Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

| Received by : |  |
| Date Received : |  |
| Authorised Signature required if over £50.00 |  |
APPENDIX 6

Procedures for the issue of Invoices
by Longford Park School

1. Pricing should be calculated and agreed by headteacher before acceptance of order unless service level agreement. More guidance is given in the Schools Charging Policy.

2. Purchase Order from customer required. In the event of a parent/carer being our direct customer then order price should be agreed and signature agreeing to cost and terms should be obtained before services commence.

3. For orders that are not offered as a Service Level Agreement then Invoice Issue Request Form should be completed and given to Headteacher for approval.

4. Once an approved Invoice Issue Request Form is received by the School Business Manager the FMS system is then used to create invoice.

5. Original Invoice is to be posted to customer. Copy of each invoice is to be filed.

6. Reminders for late payment are to be sent.

7. When payment is received this is receipted to FMS and reconciled against invoice. Cheque or monies should be paid into account promptly.

8. Details of payment (Office Use Section) at the bottom of each invoice should be completed.

Notes
VAT Rules apply.
Room/Office Rental is VAT exempt.
# Invoice Issue Request Form

**Date:** 

**Requested by:**

**Invoice details:**

<table>
<thead>
<tr>
<th>Date Invoice is to be raised and sent to Customer:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers Purchase Order Number:</td>
<td></td>
</tr>
<tr>
<td>Copy of Customers Purchase Order attached.</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Please complete the following information if it is not confirmed on the purchase order.</td>
<td></td>
</tr>
<tr>
<td><strong>Contact Name:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Invoice Address:</strong></td>
<td><strong>Postal Address:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tel:</strong></td>
<td><strong>Fax:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reason for Invoice:</strong></td>
<td></td>
</tr>
<tr>
<td>Please give full description of goods supplied / services provided / rooms rented etc</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Invoice Total : £</th>
<th>Please state briefly how this amount was calculated.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VAT may apply in addition to this amount.</td>
</tr>
</tbody>
</table>

Please now pass to headteacher to be approved.

Signed by Headteacher  ..................................................  Date  ........................................

Form should now be passed to Financial Administrator for Invoice to be raised.

<table>
<thead>
<tr>
<th>Office Use Only</th>
<th>Invoice No Issued:</th>
</tr>
</thead>
</table>
Appendix 8

Staff Financial Procedures

School has a Finance Procedures Manual in place, for the protection of all staff, and to ensure that we meet regulations. All staff with authority to act within the procedures will be provided with a copy. The following points should be noted by all staff:

Petty cash

Staff may purchase small/consumable items for school use and reclaim the cost from the petty cash held within school. Advance permission for expenses incurred must be sought from the budget holder prior to purchases being made. Receipts must be promptly presented to the Finance Assistant and must clearly show the items purchased, VAT receipts should be obtained where possible. Signature confirming monies reimbursed and received must be kept. All reimbursements should be kept to under £50.00, authorisation from the Headteacher is required for anything over and will be reimbursed by cheque or BACs. All receipts should confirm invoice as the school address for reimbursement to be made possible.

Orders

An order is any item that makes a commitment to expenditure by the school. This will include subscriptions, courses and services, as well as purchases of resources. An order request form should be completed and the expenses incurred agreed with the relevant budget holder. All purchase orders are then assigned to the correct cost centre and order raised by the Finance Assistant. All orders are authorised by the Headteacher, Assistant Headteacher or School Business Manager before being placed with supplier. Orders should not be placed with suppliers without an official purchase order number.

All delivery notes of items received should be passed to the School Business Manager to be kept on file. All Invoices should be passed to the Finance Assistant to arrange payment.

Best Value

Comparison quotes maybe required to determine best value of goods and service.

Approval items

It is school policy not to accept goods sent for inspection purposes.

Internet use

Staff must never agree a school purchase or sale by email or on the internet unless they have received authorisation from the Headteacher or Assistant Headteacher. Staff must not enter into contractual agreements with other organisations via e-communication unless authorised by the Headteacher to do so.

Use of school address for personal business

It is often convenient for staff to arrange to have personal goods delivered to school. School will endeavour to support staff with this however, please note:

- Although the school address may be used as a delivery address, it should never be used as the invoice address for any personal item.
- In order to establish ownership of goods, most appropriate recipient and obtain relevant paperwork all mail not marked private & confidential is opened. We would ask staff not to use the school address if this is unacceptable to them.
- School will review the amount of personal mail received to make sure it can be accommodated and isn’t having a detrimental effect on the role of the administrators.
Use of Business Cards / Store Cards / Authenticator Cards

Cardholder’s Terms and Conditions

1. **Using the Business card**

1.1 The cardholder is responsible for complying with the agreed credit limit for the card. The limit of the card is £1,000 per calendar month.

1.2 The cardholder must sign the card immediately upon receipt.

1.3 Expired cards, withdrawn cards or cards held by employees leaving the employment of the school must be returned to Headteacher.

1.4 Cards must be stored safely at all times.

1.5 Cards can only be used in conjunction with the core purpose of the school.

1.6 Documentary proof of goods purchased (VAT invoices), including details of best value assurance, must be submitted to the card controller to process.

1.7 Personal expenditure, purchase of alcohol and any other charge made to the credit card that is not an approved exception may be deducted from the cardholder’s salary on the next available payroll.

1.8 Cash withdrawals will not be made using the business card.

1.9 Use of the card will be reviewed by the school on an ongoing basis. Any use of the card that does not comply with these terms and conditions may result in immediate cancellation of the card.

**Security**

1.10 The cardholder is responsible for the card and its use and any Personal Identification Numbers (PINs) and Security Codes issued.

1.11 The cardholder must not divulge the Personal Identification Number (PIN) and Card Security Number that accompanies the card to any other person.

1.12 The PIN issued for use with the credit card must be kept separately from the card at all times.

**Lost or stolen cards, card details, and PINs**

1.15 The cardholder must notify the Lloyds Business Card Services 0845 602 2042 immediately if the card is lost, stolen or potentially misused.

1.16 The cardholder must also notify the School Business Manager as soon as is reasonably practicable.

2. **Store Cards**

2.1 Store cards must only be used with official order and must be returned immediately to The School Business Manager for safe storage in the safe.

3. **Bank Authenticator Cards – For use with online banking. Issued to Headteacher / Assistant Headteacher and School Business Manager.**

3.1 The cardholder must sign the card immediately upon receipt.

3.2 The cardholder must complete a telephone interview with bank to create security passwords and PINS. These must not be divulged to anyone.

3.3 Cards must be stored in a secure area.

3.4 Card readers will be stored in the safe and must be returned immediately after use.

**Cardholder Declaration:**

I confirm that I have read and understood these terms and conditions and I agree that I will abide by the provisions of this document. I understand that any fraudulent or negligent use of the card is a disciplinary matter that could constitute gross misconduct.

**HEADTEACHER**

Signed ________________________ Date ____________

**ASSISTANT HEADTEACHER**

Signed ________________________ Date ____________

**SCHOOL BUSINESS MANAGER**

Signed ________________________ Date ____________

**FINANCE ASSISTANT**

Signed ________________________ Date ____________
APPENDIX 11

Planner/Schedule of Agenda Items

We will provide a chart of accounts from FMS at each Finance committee meeting:
- Annual Budget Listing & Virements
- General Ledger Cost Centre Summary
- Fund Review

<table>
<thead>
<tr>
<th>Autumn Term</th>
<th>October</th>
</tr>
</thead>
<tbody>
<tr>
<td>FGB - Register of Business Interest</td>
<td></td>
</tr>
<tr>
<td>FC - CFR</td>
<td></td>
</tr>
<tr>
<td>FC - Finance Manual / Charging Policy</td>
<td></td>
</tr>
<tr>
<td>PA - Pay Policy / Remit</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spring Term</th>
<th>March</th>
</tr>
</thead>
<tbody>
<tr>
<td>FC &amp; Chair - Provisional Budget to be discussed, Section 251 Budget Statement / Indicative Budgets</td>
<td></td>
</tr>
<tr>
<td>ALL COMMITTEES &amp; FGB - Governor Remits to be reapproved</td>
<td></td>
</tr>
<tr>
<td>FC – Benchmarking Statement, Data and Charts</td>
<td></td>
</tr>
<tr>
<td>FC - Statement of Internal Control</td>
<td></td>
</tr>
<tr>
<td>FC - SFVS Assessment &amp; Skills Matrix</td>
<td></td>
</tr>
<tr>
<td>PW&amp;P, SC, FPC &amp; FGB - Remits</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summer Term</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>FC - SLA’s required for new financial year to be agreed</td>
<td></td>
</tr>
<tr>
<td>FC - Best Value Statement</td>
<td></td>
</tr>
<tr>
<td>FC &amp; FGB - Budget for year to be approved</td>
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<tr>
<td>Chair &amp; FGB - S251</td>
<td></td>
</tr>
<tr>
<td>PW&amp;P, FPC &amp; FGB - SDP</td>
<td></td>
</tr>
<tr>
<td>FGB - Check for new edition of Handbook for Governors and Scheme for Financing Schools</td>
<td></td>
</tr>
<tr>
<td>FC - School Reserves Letter</td>
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