

Financial Administration Policy

Date: April 25

Approved by: Resource Committee

Review Period: Annually

Next review due: Summer 2026



Statement of Intent

This policy and attached procedures are intended to identify and clarify the responsibilities of different groups of individuals who deal with or work with the finances of the school.

The practices outlined in the policy or in the attached procedures should not be interpreted as implying lack of trust, as this is most definitely not the case. They should be seen as a safeguard against misunderstandings and duplication of roles.

Aims of the School

This policy supports the following aims of the school: various sections of (e) - supporting staff and giving them structured systems and procedures; all of section (g) keeping a well-managed budget; parts of section (h) outlining the role of the Governing Body.

Financial Administration - Procedures

A. Roles and Responsibilities

A1. The Responsibilities of the Governing Body:

- To set and agree a balanced budget at the beginning of each financial year which supports the school's development plan and school aims
- To keep a list of the pecuniary interests of members
- To set limits on the use of any surpluses and virements
- To read the reports from the Governing Body Resources Committee, which are included in the mailings before each full Governing Body meeting, and ask questions about anything which they are unsure of
- To monitor expenditure via the Head Teacher's termly reports discussed at full Governing Body meetings
- To set a charging policy

A2. The Responsibilities of the Governing Body Resources Committee:

- To plan and review long term financial policy in light of school aims and the development plan
- To prioritise conflicting demands on the budget
- To evaluate and agree tenders and estimates for services and works at the school, which are more than £50,000 and authorise the Head Teacher to proceed
- To make representations to the Local Authority as and when necessary
- To agree a draft budget to present to the full Governing Body
- To meet once each term, or once per half term at certain times of the year, to monitor the school budget
- To prioritise use of any annual underspend
- To make available Resources Committee minutes, in advance, for governors to discuss at the termly Governing Body meetings
- To contribute relevant information to the school profile document that is published on the internet
- To consider and authorise requests for funding priorities from the other Governing Body committees and working parties
- To delegate the day to day management and organisation of the budget to the Head Teacher

- To review the finance policy and procedures annually to ensure best value
- To monitor virements (see limits listed below)

Organisation of the Governing Body Resources Committee:

- Membership will consist of not less than four governors, one of whom should be the Head Teacher. The Chair of Governors may attend and will have full voting rights.
- Meetings will be chaired by the Chair of the Committee or the Vice Chair. If neither are available another Governor must volunteer, as the Head Teacher is unable to chair any Governing Body meetings
- Meetings will be quorate if three or more Governors are present

The Financial Responsibilities of the Governing Body Pay and Staffing Committee and the Policy and Site Working Parties:

None of these groups have delegated financial responsibilities. They can only make recommendations or applications to the Resources Committee.

A3. The Responsibilities of the Head Teacher:

- To manage the budget within the guidelines set by the Governing Body at the annual budget setting meeting. A record of which will be filed with the minutes from the meeting
- To be accountable to the Governing Body for the management and administration of the school's finances
- To ensure that appropriate records are made available to the Local Authority when required
- To vire monies from one area to another within guidelines set by the Governing Body at the annual budget setting meeting and within the Scheme of Delegation limits
- To ensure purchasing arrangements achieve the best value for money
- To use one staff meeting, after the budget has been agreed each year, to explain the budget to staff
- To evaluate and agree tenders and estimates for services and works at the school, which are less than £25,000.
- To ensure financial procedures are correct and secure
- To implement the charging policy
- The control of expenditure and income, in agreement with the Governing Body

It is not expected that the Head Teacher would have 'hands on' experience of using the SIMS FMS finance package, but the Head Teacher would be expected to have a general knowledge in order to be able to manage and monitor the procedures.

A4. Financial Responsibilities of the School Business Manager:

- To manage the budget, together with the Headteacher, within the guidelines set by the Governing Body at the annual budget setting meeting.
- To be accountable to the Governing Body for the management and administration of the school's finances
- To report to the Resources Committee **once each term, or once per half term at certain times of the year**, providing a detailed budget monitoring report showing income and expenditure and explanations for any variances
- To ensure purchasing arrangements achieve the best value for money
- To ensure financial procedures are correct and secure
- To oversee the reporting of a bank account return to the LA on a termly basis
- To manage and meet LA deadlines for end of year procedures
- To monitor cashflow and advise the Headteacher of any necessary virements

- To produce an end of year CFR report, showing all income and expenditure for the financial year, revenue and capital, and end of year balances in agreement with the LA balances. This report will be uploaded to the LA and reported to the Resources Committee
- To authorise invoices for payment up to the value of £15,000 as per the scheme of delegation
- To oversee all financial responsibilities of the Finance Admin Team, including monitoring of procedures

A5. Financial Responsibilities of the Finance Admin Team:

- To manage the practical financial arrangements on behalf of the Head Teacher, including the use of BACS payments (since September 2011). Payment and authorisation procedures for BACS payments are attached in Appendix 1.
- To participate in relevant training related to financial procedures
- To be accountable to the Head Teacher and School Business Manager
- To report a bank account return to the LA on a termly basis
- To raise orders, check delivery notes against goods, enter invoice details onto the computer, arrange payment, process petty cash, keep accurate records of financial transactions in line with council procedures
- To ensure the school's registration in regard to the Data Protection Act 2018 is up to date
- To ensure cheque books and other relevant bank books are stored in the safe
- To meet with Governors to discuss routines and procedures during normal working hours if required

Where possible there will always be two people capable of carrying out financial procedures, in order that internal cover will be available during staff absence.

B. Process for Budget Setting

1. During the spring term the Head Teacher will draft, in conjunction with the School Business Manager, various budget scenarios, outlining the advantages and disadvantages of each option and comparing expenditure against the previous year. The draft will be on a prioritised needs basis, not on un-researched historical expenditure.
2. The different options will be presented by the Head Teacher to the Governing Body Resources Committee. They will explain how the different options support the school's development plan and school aims and provide Governors with any other information which they require.
3. The Resources Committee will propose a draft balanced budget to the full Governing Body. This will be circulated in advance of the meeting.
4. A copy of the agreed budget will be sent to the Local Authority within the required timescale.
5. Once the budget has been agreed the Head Teacher will present the budget to teaching and support staff during a staff meeting in order that all will become aware of the limitations of the budget and their responsibilities in using both human and other resources to give good value for money.
6. The budget will be monitored throughout the year as described.

C. Virements

1. The Head Teacher will be authorised to vire up to £25,000 on his own initiative. All such virements will be reported to the Resources Committee at their next meeting.
2. The Chair of the Resources Committee and the Head Teacher will be authorised to vire up to £50,000. These virements will also be reported to the Resources Committee at their next meeting.

3. The Chair of Governors and the Headteacher will be authorised to vire over £50,000. These virements will also be reported to the Resources Committee and the full Governing Body at their next meetings.
4. Limits on virements will be agreed at the annual Governing Body budget setting meeting, and copies forwarded to the Local Authority.
5. Amendments to the budget will be notified by the School Business Manager to the Resources Committee and to the full Governing Body by the Head Teacher.

D. Leasing

1. Where possible equipment will be purchased outright
2. For equipment which dates quickly or which requires a great deal of maintenance e.g. office photocopiers, operational leasing terms will be considered
3. If equipment is leased the Resources Committee will need to be sure that the budget will support the expenditure in the long term
4. All leasing equipment will have to be covered for insurance purposes with the Local Authority Insurance Section before contracts are exchanged

E. Tenders/Quotes

The level at which tenders/quotes must be obtained for goods/services purchased by the school is as follows:

- For expenditure below £25,000, no competitive process is required, but it would be best practice to do so.
- For expenditure between £25,000 and £50,000 at least three quotations must be obtained, compared and the results recorded.
- For expenditure over £50,000, three tenders must be obtained and a formal contract drawn up. Contracts at or above this level must not be entered into without appropriate technical advice.

F. Organisation of the Private Fund (The Friends of Springhallow Account)

The school does not hold its own Private Fund. The Friends of Springhallow is a registered charity, charity number 312196. It is a fundraising organisation run on behalf of the school. The Trustees are comprised of parents and staff. The Committee will comprise Chairman, Treasurer, Secretary and at least 2 other Trustees. A Senior Leader from the school will attend all committee meetings. All income generated from The Friends of Springhallow activities will be banked in the 'Friends of Springhallow' account.

1. A Statement of Accounts will be presented to the full Governing Body annually.
2. Procedures for administering and monitoring the account will be as rigorous as for the school's main bank account.
3. The account will be managed by the Friends of Springhallow Trustees (one of whom must be the Head Teacher) in consultation with the Governing Body. There will be three signatories for the account, one of whom must be the Head Teacher. When a Head Teacher leaves the school they must resign from the account and receive written confirmation that this has happened. A copy of the letter must be filed with the Friends of Springhallow documentation held by the Chairman/Secretary of the organisation. A copy should also be held at the school with Governing Body documentation.
4. Parents will be informed in regular newsletters of any amounts raised from events in which they have been directly involved.

G. Handling Cash

1. School trip money will be signed for by class teachers and cross checked by an administrator. Money paid in directly to the school office will be cross checked by another administrator.
2. Parents will be encouraged to use ParentPay where possible for payment of school trips and other items.
3. After School Club and Breakfast Club fees must be paid via ParentPay.
4. School photograph money will be handled directly by the photographers, staff will only sign to acknowledge receipt of the paying in envelope
5. Income into school account will be kept in the safe and will be taken to the bank by a two members of staff. A security company could be used to take large amounts of cash.
6. Any other cash collections will be checked by two people.
7. The school has a safe located in the admin office. There will never be more than the recommended Local Authority limit held in the safe at any one time.
8. The safe has two keys, one held by the Head Teacher and one by the School Business Manager. Keys will be kept in the 2nd safe overnight on the school premises and any loss of keys will be reported to the Local Authority insurance department.

H. Cash Limits for Authorisation by Different Signatories

1. The Head Teacher, the Co-Deputy Head Teachers and the two Assistant Head Teachers will be the school's signatories.
2. The Head Teacher will be the first signatory for items not raised by himself
3. One of the Co-Deputy Head Teachers will sign for items raised by the Head Teacher and will be the second signatory on all cheques over £250
4. The two Assistant Head Teachers will be the reserve signatories in the absence of the Head Teacher or Deputy Head Teachers

I. Petty Cash System

1. Petty cash will only be paid up to a value of £100
2. All petty cash expenditure must be signed and presented to the Head Teacher with the relevant receipts
3. A petty cash claim form must be signed and presented to the Head Teacher with the relevant receipts
4. Petty Cash will only be paid for non-personal expenses. Examples of personal expenses that must be claimed via payroll are: travel to and from courses, flights, train tickets, parking fees, hotel and restaurant charges.
5. Expenditure will only be reimbursed by cash up to the value of £25. Any expenditure between £25-£100 will be reimbursed by bacs.

J. System for Ordering

1. Curriculum Subject Leaders will be given an annual budget put into cost centres, agreed by the Headteacher when budget setting.
2. Orders will be placed via reputable firms, after comparisons for value for money have been made
3. A school internal manual order form will be completed and given to the appropriate team leader for checking. This will give an overview of all the school's resources
4. The Head Teacher/Co-Deputy Headteachers/Budget Holder will then authorise the order and give it to the Finance Admin Team for processing, stating clearly which cost centre the order should go through

5. Orders will not be processed which take cost centres into the 'red'. The School Business Manager will bring these situations to the attention of the Head Teacher who may authorise a virement or ask the co-ordinator to prioritise the order
6. The School Business Manager will be responsible for overseeing the ordering of the consumable stock, after reviewing consumption from previous orders
7. The Site Manager will be able to order relevant to his areas of responsibility and these must be authorised by the Head Teacher. Keeping unnecessarily large amounts of stock in storage will not be permitted unless savings will be made from a particular deal
8. Bulk ordering will be done when savings are obvious and the turnover of stock will be at least annual. Storing stock which will not be used up annually will be discouraged to make best use of space and quality
9. Any telephone or scanned orders will be supported by an official order form after following the procedures at point 3.
10. When received, stock will be checked off by the Administrators and stored appropriately. Bulk orders (which are usually cleaning materials) will go into the school's storage space. The stock cupboard for staff to use on a day to day basis will be kept locked, but with an easy accessible combination lock, to enable them to work effectively.

K. School Purchase Card

1. The RBS card is now managed solely by the school.
2. The authorised contact for the account is the School Business Manager.
3. The Deputy Headteacher is an authorised signatory for the account.
4. A valid signed cardholder agreement must be in place for each cardholder.
5. Only official card holders may use the purchase cards, there are no exceptions to this.
6. There must be an adequate audit trail for each purchase e.g. authorisation, confirmation of receipt of goods or services, confirmation of payment.
7. Monthly reconciliations must be carried out within one week of receipt of the card statements and must be signed by both the preparer and the reviewer. Wherever possible there should be clear segregation of duties to prevent fraudulent transactions being charged.
8. Card holder limits must be included in the scheme of delegation.

L. Inventory

1. All items over £50 will be entered in the inventory by the Finance Administrator. The School Business Manager will also be responsible for informing the LA's insurance department. The School Business Manager will be responsible for ensuring that leased equipment is insured and serial numbers are entered on the inventory
2. Staff taking any piece of school equipment off site, other than consumable stock, must seek the permission of the Head Teacher and sign the item out by completing an equipment loan form, held in the school.
3. Teaching staff will be allocated a school laptop/iPad. It will be the responsibility of the staff member to insure it whilst it is on home property
4. An inventory check will be carried out at the end of each academic year by two people and submitted to the Governing Body for approval
5. The Head Teacher will be able to 'write off' equipment by signing the inventory

M. Security of Expensive Equipment

When not in use such equipment will be locked away, except computers, which will be kept in classrooms. Portable tablets will be returned to the secure trolleys on a Friday afternoon and stored in the ICT room,

which is lockable. Sensors for the monitored alarm system have been placed to ensure all computer equipment and vulnerable areas are covered. Advice will be sought periodically from the Local Authority's security officer to review systems and procedures.

N. Security of Data

1. Computer passwords will be changed termly
2. Data is backed up remotely overnight by a secure system installed by LGfL
3. Financial records will be kept for a minimum of seven years
4. Only relevant staff – The Head Teacher, School Business Manager & the Finance Admin Team will be able to access finance data directly from the computer

O. Equipment Write-off

No item of permanent, major or minor equipment must be thrown away without the permission of the Head Teacher.

Only equipment which will be declared obsolete:

- is broken or damaged beyond economic repair
or
- no longer meets the demands of the curriculum/current provision
or
- has been superseded by more modern equipment and cannot be stored due to a shortage of space

Consideration will be given as to whether the obsolete item could be sold on for school funds

All electrical items, which are declared obsolete, will have the serial number and model number taken so that a cross-reference can be made against the inventory. Once this list has been completed, an administrator will find the relevant items in the inventory so that that Head Teacher can sign the items off.

All other items will be written off by the Head Teacher in the relevant log or inventory.

Items not found during the annual stock-taking will be reported to the Head Teacher so that appropriate action can be taken.

P. Staff Wellbeing

- Consumables for making tea and coffee may be purchased from the school budget.
- A termly staff breakfast agreed by the Governing Body and purchased from the school budget, has temporarily been put on hold due to the school's budget situation.

Reviewed at the Resources Committee Meeting on 1st May 2025

PAYMENT PROCEDURES FOR BACS

Authorisation of Invoices - Pamela Wiggins (School Business Manager)

Entering of invoices -
1. Tara Stone (Finance Administrator)
3. Pam Wiggins (School Business Manager) as and when required

BACS processing
1. Tara Stone (Finance Administrator)
3. Pam Wiggins (School Business Manager) as and when required

BACS Run report produced through FMS

Authorisation
1. Matthew Sartin (Head Teacher)
2. Dawn Clegg (Assistant Head Teacher)
3. Maria Heyns (Co-Deputy Head Teacher)
4. Zuza Nowak (Co-Deputy Head Teacher)

Sending File to Capita
Tara Stone (Senior Administrator)
Pam Wiggins (School Business Manager) (as and when required)
Log on www.myaccount.capita-cs.co.uk - using password

Experian Payments Gateway Pre-Authorisation Report received through email -

tara@springhallow.ealing.sch.uk

Tara Stone to print email, check amounts and pass report to Head Teacher for Authorisation.

Email then sent to tara@springhallow.ealing.sch.uk – Tara Stone

From: paymentservices@bacsservices.co.uk

(BACS Live Input Report for Service User 274319 will be available for collection)

Log on to: <https://paymentservices.bacs.co.uk/> with password to access and print report.

Matthew Sartin (Head Teacher) will authorise report and Dawn Clegg, Maria Heyns or Zuza Nowak (Senior Leaders) will counter sign.

Both reports to be attached to BACS report and filed in BACS file.

Audit Trail Report – To be signed by Head Teacher or other Senior Leaders

File BACS reports in BACS file