



# **Finance Policy**

## 1. Introduction

The Governors of Meadowfield School are committed to providing sound financial controls, achieving value for money and being worthy custodians of public money. To achieve these aims the Principal and the Governing Body have drawn up this Finance Policy which provides the guiding principles within which all Governors and Staff will operate.

Governance at Meadowfield School is via three Teams: Wellbeing & Development, Teaching & Outcomes and Business Services. Responsibility for budgetary control and financial performance of the school lies with the Full Governing Body.

This policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools.

## 2. Principles

Meadowfield School Finance Policy will adhere to the following principles:

- The responsibilities of the Governing Body, its Teams, the Principal and staff will be clearly defined and limits of delegated authority established, where applicable.

The **Governing Body** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by:

- Using both performance data and financial benchmarking to **compare** to similar schools to compare locally and nationally,
- Using the information gained to **challenge** performance and set new targets
- Using **fair competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- **Consulting** parents on policy development and major changes in the use of resources

The school will establish sound internal financial controls, based on the LA's Financial Controls to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the school's prioritised educational objectives through its links to the Strategic Improvement Plan, which indicates the resource implications of each priority. The Governing Body, via the Business Services Team, will monitor and review financial risks linked to the delivery of Strategic Objectives at least annually, in the Autumn Term, via the use of a Financial Risk Register.

The budget will be subject to effective monitoring, allowing the Governors, Principal and staff to maintain financial control in line with the Balance Control Mechanism, by reviewing the current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- The Budget Share is spent for the purpose of the school only.
- Purchasing arrangements achieve value for money.
- There are sound procedures for the administration of personnel matters.

- There are sound procedures for the administration of payroll matters.
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft.
- All income due is identified and all collections receipted, recorded and banked promptly.
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled.
- The use of petty cash is strictly controlled.
- The use of a NatWest **onecard** is strictly controlled.
- The School Voluntary Fund and any other non-public funds are administered as rigorously as public funds.
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit.
- The school will adhere to current GDPR and Data Protection legislation.
- Appropriate training in financial administration will be given to enable staff cover at all times.

### 3. Putting Policy into Practice

#### 3.1 Delegated Authority

The Full **Governing Body** of Meadowfield School has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds. It will evaluate, review and approve the Terms of Reference and Governor membership of all Teams annually, including the levels of delegation to each Governing Body Team.

The Full **Governing Body** will ensure the annual detailed report of the Schools Financial Value Standard ("SFVS") is provided to them and the Chair of Governors will sign the completed form prior to sending a copy of the Local Authority.

The Business Services Team is delegated responsibility by the Full Governing Body for the following aspects of financial management:

- Evaluate and recommend the three-year budget plan, which shows clear links to the School Development/Improvement Plan, for approval by the Full Governing Body
- Review the Finance, Lettings, Whistleblowing, Governor Allowance and Charging & Remissions policies, making recommendations to the Governing Body where necessary for their approval
- To review the Pay Policy annually for approval by the Governing Body
- To review and evaluate service agreements and insurance to enable the Full Governing Body to make decisions.
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools, to allow the school to respond to any consultation
- To evaluate budget monitoring sheets and report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances

- Evaluate and approve any proposed virement (If applicable) between the value of £8,000 and £15,000, documented in minutes and reported to the Full Governing Body
- Evaluate and approve Tenders for Contract Services between £8,000 and £50,000, documented in minutes and reported to the Full Governing Body
- Keep in-school financial procedures under review
- Benchmark the school's financial performance and report to the Full Governing Body.

The Principal is responsible for implementing the decisions of the Full Governing Body and for the operational management of the school. The general administration of financial procedures may be delegated to the Deputy Principals and the Director of Finance and Business Services at the discretion of the Principal.

### **3.2 Internal Financial Controls**

The internal financial controls operated by Meadowfield School follow the controls set out in the LA's Scheme for Financing Schools and guidance.

### **3.3 Financial Links to the School Improvement Plan**

The School Plan has sufficient scope and depth of financial implications and it is reflected in the school's three-year budget plan.

### **3.4 Monitoring and Virements**

Meadowfield School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Principal carries out a monthly internal monitoring procedure, copied to the Chair of the Governors and Business Services Team. A monitoring report or report by the Business Services Team is taken to all meetings of the Full Governing Body. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.

On occasions, virements need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £8,000 - The Principal, reported to the Full Governing Body

Virements between £8,000 and £15,000 – The Business Services Team reported to the Full Governing Body

Virements over £15,000 – The Full Governing Body

### **3.5 Insurance**

Meadowfield School is insured through the Kent County Council (KCC) 'Safe Hands' Scheme with relevant cover, including Money Cover, as identified by the schedule received from the LA's Insurance section.

### **3.6 Purchasing**

At Meadowfield School, budgets are delegated to Curriculum Leaders, Class Teachers and the Director of Finance and Business Services. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Principal in line with the priority needs of the school and the

Strategic Improvement Plan.

All staff adhere to the school procedures for purchasing items, as laid down in the School's Finance Procedures, paying regard to value for money at all times. The Principal and/or designated deputies authorise all orders and invoices prior to payment.

As a matter of good practice, orders between £2501 and £7999 have three quotations sought.

Where the school purchases large items, we adhere to the procedure for Spending the Council's Money as laid down in the Scheme for Financing (<https://www.kelsi.org.uk/policies-and-guidance/finance-guidance-and-policies/scheme-for-financing-schools>) in summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Full Governing Body or Business Services Team, at the earliest available meeting.
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Full Governing Body for approval.

All of the above will be minuted at the appropriate Full Governing Body meeting to ensure that the School is seen to be obtaining value for money at all times. With this in mind, the School adopts best value for money principles in all cases, presenting a rationale for selecting suppliers as outlined in the Procurement Form in Appendix 2.

**The school does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases as this constitutes borrowing which is not permitted.**

***A list of authorised signatories is held in the finance department and available upon request.***

### **3.7 Personnel Matters**

At Meadowfield School, at the start of every financial year the Principal uses a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Business Services Team and, as recommended, by the Governing Body for incorporation into the school budget planning process.

The Full Governing Body, in the absence of a Performance Management Committee, undertake an annual review of the Principal's salary, and recommend and approves enhancements. Staff Governors and the Clerk (if also a member of staff) shall be excluded from any discussions relating to the Principal's salary and enhancements.

The Principal ensures an annual review of all other staff takes place, in accordance with the Governors' Pay Policy and reports to the Full Governing Body.

Details of salary movements are recorded as a confidential item in the minutes.

### **3.8 Payroll Matters**

The payroll provider at Meadowfield School is Cantium, who provides payroll services to the specification laid down by the LA. The Principal, or designated deputy, signs off the monthly payroll reports once they have been checked for accuracy by the Finance Team.

### **3.9 Safeguard of Stocks, Stores and Assets**

All staff at Meadowfield School are responsible for the security of school assets. Co-ordinators, curriculum leaders and class teachers safeguard their assets and an asset register is maintained, which is checked at least on an annual basis and certified by the Principal or designated deputy. The ICT Asset Register contains details of digital equipment of value from £250, or lower if the item is transportable or

can pose a safeguarding or GDPR risk (digital camera, smart phone, etc).

Other school assets are recorded on a general asset register, maintained and updated by the Finance Office.

Digital equipment of value is held in a locked cupboard/cabinet and items are visibly marked to deter theft wherever possible. The stock is maintained and distributed by authorised staff.

Where school assets are loaned to staff or pupils, this is annotated on the respective Asset Register. A Mobile Device Agreement is completed and signed at the time of borrowing and returning ICT items. In case of staff leaving the workforce, any equipment returned is recorded on a Leavers Form, signed by the staff member, HR and ICT departments.

Where assets, for the residual value of more than £500, are written off and disposed of, the Full Governing Body agrees this and the agreement is minuted. Disposals of assets should be authorised once the following criteria are met:

- Item(s) are broken or beyond repair;
- The repair cost is significant to the replacement cost and the Principal, or delegated deputy, considers the asset uneconomical to repair;
- Obsolescence: the asset becomes obsolete due to technological improvements and it is no longer fit for purpose.

The manner of disposal must be GDPR compliant; if the disposal is outsourced to a reputable company, a certificate of destruction must be obtained. This is recorded on the Asset Register.

### **Sale of Assets**

From time to time, the Principal can decide if small assets, for the residual value of less than £500, which are obsolete, can be sold. In this instance, the transfer of ownership and the purchaser details are recorded on the Asset register for VAT purposes, a VAT sale invoice is raised and any income received from the sale of small assets is recorded and deposited in the School bank account.

The sale of any obsolete asset, with a residual value of more than £500 must be authorised by the Governing Body.

Occasionally, the Principal might allow for small and obsolete assets, with an insignificant residual value, to be donated to staff or the community at no set price. The transfer of ownership would be noted on the respective Asset Register and any discretionary donation would be deposited in the School bank account.

### **3.10 Income**

At Meadowfield School, the Lettings Policy is reviewed and approved on an annual basis by the Support Services Team and reported to the Full Governing Body.

Where debts are required to be written off, after every effort has been made by the Principal and Governors to recoup the monies, the Full Governing Body will approve up to £1,000. Approval to write off debts over £1,000 is required in writing from the Local Authority Finance Business Partner CYPE.

Payments by BACS or cheque are encouraged and the level of cash to be held in school at any one time should not exceed £500. Cash will be receipted, recorded and banked, promptly, at all times.

The total cash (income & petty cash) held in the school must not exceed the school's cash insured levels. Cash is insured up to £3,000.00 (as per Meadowfield School's insurance policy schedule)

### **3.11 The School Bank Account**

Meadowfield School operates its school bank account in accordance with the regulations in the LA's Scheme for Financing Schools and the guidance in the LA's scheme for financing schools. The school operates only one current account for the administration of KCC official funds.

Bank account signatories are updated immediately if there is a change in staffing and details are copied to Schools' Financial Services as a matter of course.

Meadowfield School pays suppliers/invoices via online banking, BACS or direct debits ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Meadowfield School are received twice monthly and reconciled in accordance with LA guidelines. The Principal or designated deputy signs and dates the bank statement when the reconciliation has been checked.

Meadowfield School is not permitted to go overdrawn in the NatWest Corporate bank account scheme.

### **3.12 Petty Cash**

Petty Cash is held securely at all times and the limit for petty cash withdrawals is £500 in any single transaction. At Meadowfield School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £30. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

No employee should use their own money (cash, cheque, credit or debit cards) to purchase items intended for school use.

### **3.13 NatWest onecard**

Meadowfield School operates an approved one-card in accordance with the Local Authority guidance. The approved users are listed below.

Statements are downloaded and reconciled against relevant receipts by the Finance officer, checked by the Finance Manager and the Director of Finance and Business Services, as applicable and signed off by the Principal. The use of credit cards facilitates the purchase of items where it is not possible or appropriate to use cheques, for example, for purchases over the internet where significant savings can be obtained. Purchases are made in accordance with guidance given in the Schools Financial Controls section of the Scheme for Financing Schools regulations. The card holders may only use the card for business purposes. Individual staff names and their spending limits are detailed in Appendix 1.

Personal Credit and Debit cards will not be used for the purchase of items for the school.

### **3.14 Governors' Allowances and Expenses**

At Meadowfield, governors are not allowed to claim for any allowance from the school's delegated budget, however, no member of the community should be prevented from becoming a governor on the grounds of cost.

Costs incurred solely for the purpose to perform their duties and when the school is unable to arrange for a suitable alternative, might be reimbursed on a case by case basis, upon presentation of receipts and/or upon completion of a claim expense form authorised by the Principal or a delegated deputy.

Reimbursable costs must be justifiable and reasonable and should be agreed by the Principal before they are incurred. These can relate to travel and subsistence, telephone charges, photocopying, postage and stationery. Travel expenses where a governor uses their own vehicle must not exceed the HM Revenue and Customs (HMRC) approved mileage rates.

The chair of governors (or the vice-chair, where appropriate) may investigate claims that appear excessive or inconsistent.

### **3.15 Fraud and Irregularities**

Meadowfield School has a robust system of controls to safeguard against fraudulent or improper use of public money and assets. Meadowfield has a current Anti-Fraud, Bribery and Corruption Policy in place and staff are made aware of this and the Local Authority's Whistleblowing procedure and to whom they should report concerns. These details and policy are available to staff on the Every system and published on the website.

### **3.16 Data Protection**

Meadowfield School adheres to the UK GDPR and the Data Protection Act 2018, including paying a data protection fee to the Information Commissioners Office (ICO). Meadowfield school pays the relevant Tier 2 fee as determined by the ICO itself.

### **3.17 Information Systems**

Meadowfield School adopts a password protection procedure for its information systems. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

### **3.18 Financial Administration**

At Meadowfield School, at least two members of staff are trained in the use of the finance software and financial administration procedures, in event of staff absence. We also purchase a support contract through Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

## APPENDIX 1

Holders of corporate cards and spend limits:

<b>Cardholder</b>	<b>Role</b>	<b>Single Transaction Limit</b>	<b>Monthly Card Limit</b>
Deborah Brabon	Finance Manager	£3,000	£6,000
Jill Glass	Finance and HR Assistant	£500	£1,000
	Finance Officer	£500	£1,000
David Sattin	Site Team Member	£100	£500
Rebecca McCarthy	STLS Administrative Officer	£1,500	£3,000

Controls on the use of corporate cards:

- The individual cardholder is responsible for the security of the card and will not leave it, even if locked away, where others have access. The PIN number must not be stored with the card.
- Only the cardholder may use the card. Under no circumstances may another person be allowed to use the card.
- The cardholder may only use the card for business purposes.
- The cardholder accepts that in any case of misappropriation there will be an investigation which may result in either disciplinary, civil or criminal action being taken against the cardholder.
- The Principal will decide the limit of each card. Any subsequent changes to card limits will be decided by the Principal and approved by governors, following which Schools Financial Services will be notified in writing.
- Cash withdrawals are blocked for all cards.
- Controls for expenditure on the card are the same as those for all school purchases.

Before the corporate card is used, the following questions must be asked and answered satisfactorily:

- Why is the purchase being made using a corporate card?
- Is it possible to make the purchase in the usual manner by placing a purchase order and receiving an invoice for payment? If not, why not?
- If VAT is payable, will it be possible to obtain a VAT receipt which includes the supplier's VAT number and registered address so that the VAT can be reclaimed?
- Is the purchase within the single transaction and monthly transaction limits?

**APPENDIX 2**



**PROCUREMENT FORM**

<b>Supplier's name; if new, please provide details</b>	
<b>Reason for request</b>	
<b>Budgeted (Y/N)</b>	
<b>Recurrent purchase (Y/N)</b>	
<b>Cost (if recurrent, please indicate cost of first order and an estimate of the yearly cost)</b>	
<b>Is the purchase relating to ICT? If yes, ICT Manager to countersign any purchase to confirm viability and budget</b>	

**For orders up to £1000 and within budget:** is the purchase necessary and has the supplier been selected in accordance to value for money principles?

Signature of budget holder

**For orders between £1001 and £2500:** is the purchase necessary and has the supplier been selected in accordance to value for money principles? *(Finance department to check if the same product could be purchased at a lower price using a different supplier)*

Signature of budget holder

Signature of Finance Manager

**For orders between £2501 and £7999:** please obtain and attach three quotes.

<b>Supplier's name</b>	<b>Cost</b>	<b>Reason for selecting supplier</b>

Signature of budget holder

Signature of Principal/Finance Director

**For orders in excess of £8,000, but less than £50,000:** please obtain and attach three written quotations to be submitted to the Full Governing Body.

Supplier's name	Cost	Reason for selecting supplier

Signature of Principal/Finance Director:

Signature of Chair of Governing Body:

Date of FGB meeting:

**For orders in excess of £50,000:** three competitive tenders must be sought and submitted to the Full Governing Body for approval. The decision will be minuted at the appropriate Full Governing Body meeting to ensure that the School is seen to be obtaining value for money at all times.

 <b>Statutory Policy Approved by Governing Body</b>	
<b>Policy Adopted</b>	March 2015
<b>Policy Reviewed</b>	September 2023
<b>Next Review</b>	Academic year 2024/2025