



# Financial Procedures Manual

Manor Primary School  
September 2024

Responsibility of	Finance and Buildings committee
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## SUMMARY

Provide updated guidance to schools on Financial Procedures

## OWNER

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## VERSION

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## Contents

1. Introduction .....	4
2. Governance .....	5
3. Financial Planning and Budgeting .....	8
4. Budget Monitoring .....	10
5. Purchasing .....	11
6. Financial Control .....	14
7. Income Control .....	15
8. Banking arrangements .....	17
9. Personnel and Payroll .....	19
10. Petty Cash .....	21
11. Tax .....	22
12. Voluntary/private Funds .....	24
13. Security of Assets .....	25
14. Insurance .....	26
15. Data Security .....	27
Appendix 1: Purchasing Guidelines (RBC recommended) .....	29

### Additional Appendices:

Appendix 2 Register of Business Interest	29
Appendix 3 Sample Inventory Policy	30
Appendix 4 Quotations and Tendering Policy	31
Appendix 5 Financial Planning Timetable	32
Appendix 6 Certifying Officers	33
Appendix 7 IT Equipment Loan	34
Appendix 8 BACS Procedures	35
Appendices 9-14 reference to adopted policies	36
9 School Financial Value Standard	
10 Whistleblowing Policy	
11 Charging Policy	
12 Lettings Policy	
13 Credit control and bad debt policy	
14 Credit Card / Procurement Card Policy	



## 1. Introduction

1.1 This document summarises the policies and procedures adopted by the Governing Body of the school to ensure the sound financial management of the school by:

- Clearly defining and documenting efficient and effective financial controls and procedures such as:
  - Appropriate delegated authority
  - Segregation of duties
- Safeguarding those involved in its management and applies to all school staff, governing body and stakeholders.
- Ensuring proper use of public money by following the guidelines set by the Reading Borough Council (RBC) <sup>Note 1</sup> financial policies and the Scheme for Financing Schools 2022.
- Maintaining controls in the absence of key staff.

1.2 As the school is a public body it is accountable to a wide range of people and all those involved in the management of the school, including staff and governing body, are expected to follow the Seven Principles of Public Life set out by the Nolan Committee:

- Selflessness: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- Leadership: Holders of public office should promote and support these principles by leadership and example.

1.2 Therefore, based on this schools should have clear procedures that include, but not limited to:

- Financial planning: financial plans should be prepared for both short-term and long-term financial health
- Internal controls: should include sound internal control and risk management processes
- Financial monitoring and management: the governing body and headteacher should monitor the school's current and forecast financial position

Proper and regular use of public funds: be able to show that public funds have been used as intended and decisions are open and transparent

<sup>Note 1</sup> RBC is used to refer to both RBC and BfC as entities responsible for supporting state-funded schools in Reading.



## 2. Governance

- 2.1 The governing body is collectively responsible for the overall direction and the strategic management of the Manor Primary School. This involves determining the guiding principles within which Manor Primary operates and then making decisions about, for example, how to spend Manor Primary's budget. The governing body is also responsible for ensuring the school meets all its statutory obligations and, through the Headteacher and School business manager, complies with RBC's financial regulations and the Scheme for Financing School 2022.
- 2.2 The School Financial Value Standard (SFVS) requires the governing body to ensure that it has adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money. And that if gaps are identified, a plan to address with agreed identified owners and progress monitored.
- 2.3 The financial responsibilities of the governing body, its committees, the headteacher and other staff are defined in this Financial Procedures Manual. This should allow the governing body to ensure that adequate systems of financial control are in place, and that it receives the information it needs to carry out its role. The governing body may delegate authority to a committee, individual governor or the headteacher and will be established through 'terms of reference' for that committee. These need to be documented, approved by the full governing body and annually reviewed and updated.
- 2.4 The documents needed to assess controls in this area, and their location, are:
- terms of reference for the governing body and each committee (Committee File Heads Office)
  - budget monitoring reports (School business manager)
  - governing body/finance committee minutes (Governors File Headteacher Office)
  - register of business interests (Governors File, Headteachers Office)
  - School Financial Value Standard (SFVS) (Governors File, Headteachers Office)
  - Policies (Governors File, Headteachers Office)
- 2.5 Roles and responsibilities of the governing body includes:
- consider the extent to which it delegates its financial powers to the headteacher
  - ensure adequate arrangements are made for insurance against risks
  - ensure the school has a realistic, sustainable and flexible financial strategy in place for at least the next 3 years, based on realistic assumptions about future funding, pupil numbers and pressures
  - consider, approve and monitor the annual budget
  - determine virement and expenditure thresholds
  - evaluate the effectiveness of spending decisions to ensure value for money
- 2.6 Roles and responsibilities of headteacher includes:
- ensure compliance with RBC's financial regulations and the Scheme for Financing Schools 2022
  - ensure adequate insurance provision is made as part of the annual budget
  - ensure and oversee robust systems of internal control are managed on a daily basis by the School business manager, including regular review of budget monitoring information
  - be responsible for day-to-day financial management
  - compile and approve draft budgets that are integrated with the schools' strategy for raising standards and attainment

- supply the governing body with regular budget monitoring information, ensuring timely response to finance audit reports and advising the governing body of remedial action

2.7 Roles and responsibilities of the School business manager, as delegated by the headteacher, includes:

- ensure compliance with RBC's financial regulations and Scheme for Financial Schools 2022
- ensure that robust systems of internal controls are in place to enable proper processing of the school's transactions
- be responsible for day-to-day financial management, ensuring prompt and accurate recording of all financial transactions
- compile draft budgets, discussing it with and getting the approval of the headteacher, relevant committee and full governing body
- supply the governing body with regular budget monitoring information in advance of the meeting to allow time for reading and understanding
- liaising with external agencies, including RBC, to ensure the school's best financial interests are met
- ensure that all staff that deal with financial matters are trained in the appropriate procedures and records are kept of this training

2.6 The staff will:

- read and comply with the school's financial regulations
- notify the school of any personal interest in a transaction involving the purchasing of goods and services
- be responsible for any budget delegated to them, ensuring that expenditure charges to their cost centre is made within the educational priorities of the school

2.6 The finance committee will:

- ensure an appropriately experienced person chairs the finance committee to be able to challenge
- review and approve the draft budget
- appraise expenditure options
- carry out budget monitoring
- approve the annual SFVS
- review the Financial Procedures Manual annually
- review the risk register regularly as required
- report regularly to the full governing body

2.7 Clear Limits of Delegated Authority:

Delegation limits refer to thresholds above which the approval of the governing body is needed before goods or services can be purchased or money can be vired between budget headings.

Proposed capital expenditure on the premises and site should be discussed and approved by RBC first as per Scheme for Financing Schools 2022, section 2.20.

Manor Primary School follows the thresholds set out in the Scheme for Financing Schools 2022 section 2.17, based on the total spend over the entire lifetime of the contract, and are detailed as follows: -

Contract Sum	Minimum no of quotes	Acceptance Procedures
£0 - £10,000	Written quotation not required	Governors must make best effort to secure probity and value for money

£10,001 - £60,000	Three written	Governors must make best effort to secure probity and value for money
Over £60,000	Seek advice from RBC	Governors must make best effort to secure probity and value for money

## 2.8 Financial information to the governing body:

The finance committee meet at least once every term, or more often, to approve any major decisions. The School business manager provides a report on financial matters at each meeting such as the annual budget, budget monitoring reports, outturn reports and SFVS dashboard.

## 2.9 Minutes of all meetings:

Minutes are taken at all finance committee meetings and duly circulated and agreed. They are distributed and commented on at meetings of the full Governing body.

## 2.10 Register of Business Interests:

The governing body and staff with significant influence on financial decisions should declare any interests which may impact on school-related matters. See Scheme for Financing Schools 2022, section 2.15. For example, governors and staff should declare any links they have with local firms from which Manor Primary School may wish to buy goods or services, including links of any immediate family members.

Registers of pecuniary interests aid transparency and provide some assurance that personal interests do not influence school decisions. (Appendix 2). All governor meetings should have a first agenda item to declare any personal or business interests, and the Register of Business Interests should be reviewed and updated annually.

Any related party transactions are also required to be reported as part of the annual SFVS submission.

## 2.11 Whistleblowing Policy:

The staff and governing body of the school seek to run all aspects of school business and activity with full regard for high standards of conduct and integrity. If members of school staff, parents, governing body or the school community at large become aware of activities which give cause for concern, the Whistleblowing Policy (see Appendix 9) acts as a framework to allow concerns to be raised confidentially and provides for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion, under the school's disciplinary procedures. All staff receive copies of the Whistleblowing policy at induction and annually in September.

## 2.12 School Financial Value Standard:

The governing body is required to annually complete the School Financial Value Standard in accordance with the guidance from the DfE. This must be submitted to the RBC by 31 March each year and will inform their programme of financial assessment and audit.

The standard consists of a checklist that asks questions of governing bodies in 6 areas of resource management. It provides clarification for each question, examples of good practice, and details of further support available to assist schools in addressing specific issues.

A copy of the School Financial Value Standard can be found in Appendix 9.



### 3. Financial Planning and Budgeting

3.1 Financial planning is an essential part of good financial management. It provides the school with a clear view of how it intends to use its resources. It has two interlaced elements:

- school development plan (SDP)/school Improvement Plan (SIP)
- school budget

Supporting documents for financial planning should include:

3.2 School Development Plan: The SDP should contain the following elements:

- statement of school policy and objectives
- spending priorities for the current financial year linked to Asset Management and ICT plans
- budget and forecast for the current financial year
- specific funding such as the Pupil Premium, Sports Funding and Recovery Premium recorded in detail in line with grant conditions
- allocation of any delegated budgets to named budget holders. Accountability is not assigned unless the staff member has genuine control over this expenditure.

It should be possible for anyone reading the SDP to locate in the budget for the same year the proposed expenditure for continuing commitments and new initiatives. There is no one way of linking spending priorities with the budgets as new initiatives will often span several budget years.

3.3 Asset Management Plan: containing the spending priorities for the next 3-5 years

3.4 ICT Development Plan: containing the spending priorities to deliver the SDP

3.5 Budgets:

Budgets should be for the current financial year and planned for at least the next 3 years. The available budget constitutes the school's delegated budget for the year adjusted for any surplus from the previous year, income receivable, provisions for pay or price increases and other contingencies. See Scheme for Financing Schools 2022, sections 2.8 and 2.9.

The school would be required to obtain explicit RBC approval if it were to set a deficit budget; procedures for setting a deficit budget are detailed in the Scheme for the Financing of Schools section 4.9 and the BFFC Strategy for Schools in Financial Difficulty.

In practical terms, realistic budgeting means the school considers what was spent last year, adjusting for inflation/pay increases and any planned changes in provisions. Realistic estimates are just as important for the income side and are based on pupil number projections and anticipated other income, such as lettings monies, that have increased during the previous financial year. The school should also ensure it has reviewed its staffing structure regularly to ensure that it is the best structure to meet the needs of the school whilst maintaining financial integrity.

Profiling allows more effective budget monitoring: a budget deficit in a particular month may be the product of a one-off expenditure item. Conversely, a surplus may merely reflect clustering of expenditure in future months.

Budgeting will also consider:

- costings for new initiatives
- financial planning timetable
- budget working papers





- finance committee minutes
- outcome of DfE benchmarking tools

The governing body should approve school's budget before the beginning of the relevant financial year, having had sufficient time to scrutinise and challenge the information provided. Under these circumstances, the finance committee should meet with the school business manager in early March to view a provisional draft budget. The headteacher and School business manager will forward details of the approved budget, including any subsequent budget changes, to RBC by the last day of April – Appendix 5 Financial Planning

### 3.5 Cash flow monitoring:

A cash flow forecast will allow the school to identify whether the budget as currently profiled is likely to be covered by funds available in any given month. Current healthy reserves and regular intervals of delegated 'budget to bank' transfers by RBC ensures the bank position is always adequate.



## 4. Budget Monitoring

- 4.1 Regular monitoring of income and expenditure against the agreed budget is central to effective financial management. It allows the governing body, the headteacher, school business manager and staff to maintain financial control by reviewing the current position and taking any remedial action necessary. However, budgets are not set in stone. The original budget may need regular updating, following consultation with the governing body, to take account of in-year developments.
- 4.2 In practical terms, budget monitoring involves producing monthly monitoring reports and drafting proposed plans of action to tackle any significant variances. This would include headteacher reviews of individual cost centres, if used.
- 4.3 Budget monitoring becomes an important guide when setting the budget for the following year. The School Financial Value Standard states that the governing body should receive clear and concise monitoring reports at least 6 times a year. These reports will be a summary of the detailed monthly monitoring report.
- 4.4 Supporting documents for budget monitoring should include:
  - regular budget monitoring report plus explanation of variances
  - all variances are expressed in terms of both a percentage and/or monetary variance from the budget. An explanation of variances should be included, above an agreed threshold.
  - School business manager issues budget management reports (direct from SIMS FMS) to all budget holders regularly. This ensures budget reports are both timely and current.
  - SIMS FMS monthly reports are reconciled with RBC finance CFR reports by the school business manager
  - plans to address significant budget variances: budget monitoring is reinforced with plans of action to tackle any significant budget variances as early as possible. The headteacher and school business manager specify how any overspend is to be addressed, within what timeframe and who is to be responsible.
  - papers showing monitoring of expenditure on particular initiatives
  - monthly cash flow report
  - regular monitoring reports to governing body: School business manager should produce at least termly budget monitoring reports to the governing body including sums committed but not yet paid and outturn forecasts against the approved budget.
  - earmarking of budget surpluses: RBC is informed about the intended use of all money carried forward in balances, if over 8% of the school's total. Note that Schools' Forum have a right to investigate any significant surplus balances for maintained schools and could implement a 'claw-back' policy.
- 4.5 Where budget monitoring indicates that the school is going into a deficit balance position then RBC School Support should be notified immediately. The school should refer to the RBC's Scheme for the Financing of Schools, section 4, and the BFFC Strategy for Schools in Financial Difficulty.



## 5. Purchasing

5.1 Because the school is using public funds, it is vital that it achieves the best value for money it can from all purchases, whether they are of goods or services. In this context, value for money is about getting the right quality at the best available price. This often means looking further ahead than the immediate purchase, especially when selecting equipment, and taking into account associated costs such as supplies and maintenance. The advent of Fair Funding has lent even greater significance to the contracting element of this area as the school now has greater control over spending decisions. It is important that contract specifications contain detailed service and quality provisions. Many of the standards in this section are there to protect individuals and to ensure that public money is spent without any personal gain. Purchasing procedures are needed to prevent waste and fraud.

5.2 Supporting documents for purchasing should include:

- delegation framework (financial delegation limits)
- quotations and tendering guidelines – Appendix 4
- recent contract specifications - school order forms - invoice/order file
- list of staff authorised to approve expenditure – Appendix 6 – Certified Officers
- budget holders monitoring reports; as shown on SIMS FMS
- list of staff authorised to certify invoices
- opportunities for collaboration or joint purchasing
- consideration of DfE recommended national deals/buying guides

5.3 Entering into financial agreements:

The school will not enter into any financial agreement with capital implications without the approval of RBC, as per the Scheme for Financing Schools 2022 section 3.8.

5.4 Use of written order forms:

Written orders ensure that the school has a precise record of what has been ordered which can then be compared against delivery. The school runs SIMS FMS that issues numbered orders that deter fraudulent orders as a break in the order sequence will arouse suspicion. The finance staff can view all numbered orders on SIMS FMS.

5.5 Orders only used for school purposes:

Orders should be used only for goods and services provided to the school. Individuals must not use official orders to obtain goods and services for their private use.

5.6 Responsibilities of signatory:

The signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.

5.7 Orders entered as commitments on budget:

When an order is placed, the estimated cost should be committed against the appropriate budget allocation as soon as possible so that it features in subsequent budget monitoring.

5.8 Check goods and services on receipt:

The school should check goods and services on receipt and evidence this check (sign and date delivery note) to ensure they match the order. This must not be done by the person who signed the order.

## 5.9 Payment made promptly and only against valid VAT invoices:

These checks should confirm:

- receipt of goods or services, cross-referenced to the order number
- expenditure has been properly incurred and that payment has not already been made
- prices accord with quotations, tenders, contracts or catalogue prices and arithmetic is correct
- correct accounting treatment of VAT
- the invoice is correctly coded in accordance with Consistent Financial Reporting (CFR)
- discounts are taken where available

Note: The school should not make any payment on the basis of a photocopied invoice (or, if so, it must be stamped 'Copy Invoice, Not Previously Passed for Payment') or a statement from a supplier. Additionally, SIMS FMS identifies any duplication of suppliers' invoice numbers/references.


## 5.10 Certification of invoices for payment:

The headteacher and school business manager should maintain a list of staff authorised to certify invoices for payment, (appendix 6) that is agreed by the governing body annually. Once invoices are authorised, the school has the facility to pay suppliers by BACS as well as by cheque. Invoices are filed in batches of BACS payments or cheque details are attached to the invoice to provide an audit trail from invoice to final payment. Easy access to orders is crucial to the audit process, both internally and externally.

## 5.12 Use of school procurement cards:

- The use of credit cards is considered a form of borrowing, which is prohibited from schools. However, the school can use a school procurement card where the balance must be paid off in full each month or a debit card.
- The governing body approves the use of procurement cards and the named card holder in the school.
- The card holder is personally responsible for the safe custody of their card. The card should be held securely at all times/kept locked in the safe and any loss of cards should be reported immediately.
- Only (number) procurement card is to be used with a credit limit of £3,500. The purchase limit for any individual item is set at £3500.
- The procurement card is to be used in circumstances when payment is necessary in advance of the provision of goods or services, for example on-line purchases of food and drink for the after-school club or building materials for urgent repairs; or to get best value for the purchases required.
- An order requisition must be raised to request a payment by procurement card and must be authorised by the headteacher before the card can be used to make a payment.
  - Use of the procurement card is restricted to the following people who have signed a declaration form (see Appendix 14)
  - E.g. headteacher
  - E.g. School business manager
- When the goods or services are obtained a receipt or delivery note must be matched against the order requisition and then passed to the School business manager to enable the corresponding entry on the procurement card statement to be matched to the supply of goods and services.

## 5.13 Receipt of gifts, hospitality, entertainment and other services:



Generally, gifts, hospitality and other personal benefits should not be accepted or offered by any member of staff or governors, except as provided for below. It is essential that the school can demonstrate that no undue or improper influence has been applied, or could be perceived to have been applied by any supplier or anyone else dealing with the school.

Staff and governors are permitted to accept gifts, rewards or benefits from pupils, pupils' families, members of the public, or organisations which the school has official contacts with, only where they are isolated gifts of a trivial character, or inexpensive seasonal gifts (such as chocolates, flowers, diaries, wine) or modest working lunches. Inexpensive is defined as less than £50.

Therefore, gifts should not be accepted if they appear to be disproportionately generous, or could be construed as an inducement to affect a decision or action, whether business, educational, or other.

All staff and governors are required to inform the clerk to governors of such offers as they arise. The clerk to governors will maintain a register of gifts and favours offered and whether these were accepted or rejected. If an individual is uncertain as to whether a declaration should be made, they should do so.

The school does not obtain goods or services for the private use of governors or members of staff. Governors and members of staff may not:

- hold any financial interest in any equipment or property held or used for the school
- acquire any interest in the disposal of school equipment or property at the end of any contract between the school and any third party.



## 6. Financial Control

### 6.1 Internal controls include:

- internal checks - one person checking another person's work
- separation of duties - distributing the work so that key tasks are assigned to separate members of staff
- systems manuals - clear, readable descriptions of how systems work and who does what
- a system of authorisations - each transaction is authorised before passing on to the next stage of the process
- a clear audit trail covering all stages of a transaction, for example from copy order to invoice, to accounts, to cheque/BACS payment, and in reverse

### 6.2 Written descriptions of financial systems and procedures:

The school uses SIMS Financial module for the day to day running of finance at the school. The HELP option of SIMS Finance provides a comprehensive operating manual.

### 6.3 Financial control when staff absent:

The headteacher ensures that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing. In the absence of the school business manager, the headteacher will liaise with our Financial Support provider.

### 6.4 Separation of duties:

The governing body ensure that duties related to financial administration are distributed so that at least two people such as the headteacher and the school business manager are involved. The work of one should act as a check on the work of the other and all checks such as bank and petty cash reconciliations are documented.

### 6.5 Maintaining proper accounting records:

The school aims to maintain proper accounting records and retains all documents relating to financial transactions for the recommended period as advised by RBC (currently this is at least six years) and in accordance with GDPR regulations. This ensures all financial transactions are traceable from original document to accounting records and vice versa.

### 6.6 Rules of document alteration:

Any alterations to original documents such as cheques, invoices and orders will be clearly made in ink or other permanent form and initialled. 'Copy Invoices' will be marked 'Copy Invoice, Not Previously Passed for Payment'.

### 6.7 Security of accounting records:

All accounting records will be securely retained when not in use and only authorised staff will be permitted access.

### 6.8 Fraud:

It is the responsibility of the headteacher to secure the funds and assets of the school, including the prevention of loss through fraud and irregularity. These responsibilities extend to the governing body who must be aware of the risk of fraud and must, as far as possible, address this risk in the internal control and assurance arrangements.

All instances of fraud and theft attempted or committed against the school, whether by employees or governors or third parties must be reported to the audit department of RBC and the full governing body.



## 7 Income Control

7.1 School income is revenue that is not formula and grant funding and may include;

- Hiring of premises and facilities (lettings)
- Donations, sponsorship and non-LA administered grants
- School meal sales
- Contributions to pupils for certain activities as per the Charging Policy, see 7.2

7.2 It is important that the school does not exceed its insurance or RBC's limits on holding cash on school premises, currently £2,000. This figure will be reviewed annually by the governing body in line with the school's business needs. If a higher amount is required then this would need to be discussed with RBC to ensure there is adequate insurance.

7.2 Governors' Charging Policy:

The school's charging policy has been determined by the governing body, taking into account all overheads, the appropriate level of profit to be charged and the suitability of charges in relation to other providers. This shall be reviewed annually. The Charging Policy is shown in Appendix 11.

7.3 Records kept of all income due and income received:

Full details are held within the finance office of all expected income due within the financial year as well as that for occasional invoice charging.

7.4 Lettings authorised by headteacher:

All lettings are authorised by the headteacher and/or school business manager within a framework determined by the governing body and in accordance with the Lettings Policy (see Appendix 12), which is reviewed annually. Approved lettings agreements are recorded in a file held in the finance office until the letting has passed, it is then destroyed as there is no legal requirement to keep it (GDPR).

7.5 Separation of responsibilities:

The responsibility for identifying sums due to the school should be separated from the responsibility for collecting and banking such sums. Sums collected must be reconciled with sums banked. Two people should collect any and count any monies from occasional events such as collections at school performances, where possible.

7.6 Issue of receipts:

Receipts or payment cards are issued for all cash over £50.00. Copies of receipts and payment lists are held in the admin office.

7.7 Security of cash & cheques:

Cash and cheques for school activities must be delivered into the finance office and locked away each evening to safeguard against loss or theft.

7.8 Paying into bank:

Collections are paid into the bank account promptly and in full. Bank paying-in slips show clearly the split between cash and cheques and list each cheque individually. In accordance with the Scheme for Financing Schools 2022, section 5.1 income from lettings should not be paid into voluntary or private funds.



#### 7.9 Income collection not used for payments:

Income collections are not used for the encashment of personal cheques or for other payments.

#### 7.10 Chasing invoices and writing off debts:

The school records and monitors income due and chases invoices which have not been paid within 30 days. Debts are only written off in accordance with RBC's regulations and the school keeps a record of all sums written off. If all appropriate attempts to recover debts have been made, and have proved unsuccessful, they should be written off with the minuted approval of the governing body, and within RBC guidelines as set out in the Scheme for Financing Schools 2022, section 2.6. (Appendix 13 Credit Control & Bad Debt Policy)

**All delegated budget income and voluntary fund income is kept separate.**





## 8 Banking arrangements

8.1 The proper administration of bank accounts is at the heart of financial control. In particular, regular bank reconciliations at the school are essential. They prove that the balances shown in the accounting records are correct and provide assurance that the underlying accounts are accurate. See Scheme for Financing Schools 2022, sections 3.5-3.7.

8.2 The standards in this section cover bank account and cheque/BACS controls. Failure to keep to these standards leaves areas of the school's finances open to potential error or fraud and indicates a possible breakdown in the school's internal control systems.

8.3 Supporting documents for banking should include:

- monthly bank reconciliations
- document showing interest rate on savings account
- correspondence with bank on overdraft prohibition
- list of banks and building society accounts held by school, and their authorised signatories

8.4 Bank reconciliations:

Bank reconciliations are a key element of financial control, since they can prove the accuracy of the accounts. Bank reconciliation involves comparing what is in the school's financial records with the bank statement relating to the same period. If the two records do not match (excluding uncleared cheques/BACS payments and receipts), the discrepancies are investigated. This process will uncover any fraud or mistakes in the accounts.

8.5 Reconciliations reviewed and certified:

All bank reconciliations are signed by the school business manager who undertakes the reconciliation. They are also reviewed and countersigned by the headteacher who understands the reconciliation process.

8.6 Separation of duties:

The school business manager is responsible for carrying out bank reconciliations, and is also responsible for the processing of receipts or payments. However, the reconciliations are checked and countersigned by the headteacher.

8.7 No use of private bank accounts:

Individuals must not use their private bank accounts for any payment or receipt related to the school's budget.

8.8 No overdrafts:

The school's bankers have been advised that the school main account should not be allowed to go overdrawn.

8.9 Approval of non-RBC loans

The school must not enter into any loan agreements or finance leases, other than with RBC, without the prior approval of the Secretary of State for Education. If there is any doubt at all as to what constitutes a loan agreement, advice should be sought from RBC.

8.10 Two signatories needed on all cheques:

The school's procedures require that all cheques must bear the signatures of two signatories approved by the governing body. The bank mandate sets out the authorised account signatories as approved by the headteacher see 8.18.

#### 8.11 Online banking:

Online banking access by approved signatories allows for bank statements to be reviewed and printed when required, so financial procedures are not dependent on the receipt of posted monthly statements. Online banking access also allows for BACS payment of invoices. The BACS payment process still requires two approved signatories to complete the online authorization of transactions. All BACS reports, detailing the transactions, are signed by those two persons completing the procedure. Online access cards and PINs should be kept secure at all times and never shared – see Appendix 8.

#### 8.12 Supporting documentation for cheque/BACS signatories:

The school's procedures ensure that supporting documents, e.g. invoices are made available to cheque/BACS signatories to safeguard against inappropriate expenditure.

#### 8.13 All cheques crossed:

The school's procedures require that all cheques drawn on the account(s) are crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques. Cheque books are in a locked safe in the finance office when not in use.

#### 8.14 Cheque signature requirements:

The school's procedures require that only manuscript signatures are used and cheques should not be pre-signed.

#### 8.15 List of bank accounts and signatories:

The following table shows signatories for the school's bank:

Name	Main School Budget Bank details: Barclays Account number- 30294489 Sort code – 20-71-03	Private School Fund Bank details: Barclays Account number- 10635685 Sort code – 20-71-03
Headteacher	Yes	Yes
School Business Manager	Yes	Yes
Deputy Headteachers x 2	Yes	Yes
Assistant Headteacher	No	No

## 9 Personnel and Payroll

9.1 The school is aware of a number of areas where HMRC regulations may affect or determine the way payments are made. For example, there are strict rules about payments to individuals who claim to be self-employed. The school follows RBC's advice on such matters.

9.2 Supporting documents for payroll should include:

- RBC personnel procedures
- up-to-date list of staff employed (to include rates of pay/allowances)
- payroll transaction report
- approved claim forms and timesheets where appropriate

9.3 Procedures for personnel/payroll matters:

The school follows established RBC procedures for the administration of personnel activities, including appointments, terminations and promotions. The headteacher is responsible for ensuring recruitment process is in accordance with Safer Recruitment. All payroll transaction must use the schools' payroll system.

9.4 Separation of duties – decisions:

The school business manager ensures that, where practicable, the duties of authorising appointments, making changes to individuals' conditions or terminating the employment of staff (which should be by the headteacher) are separated from the duties of processing claims.

9.5 Separation of duties – process:

The school business manager ensures that at least two people are involved in the processes of completing, checking and authorising all documents and claims relating to appointments, terminations of employment and expenses. Therefore, the school business manager prepares the paperwork whilst the headteacher should authorise appointment, termination etc and there should be clear evidence of this.

9.6 Authorised access to personal files

Any personnel information should be held securely. The school business manager ensures that only authorised members of staff have access to personnel files and that arrangements for staff to gain access to their own records are in place.

9.7 Regular updating of staff employed:

The school business manager maintains a list of staff employed via SIMSP7 and Orovia Budget tool. This list is updated promptly to reflect new starters and leavers, including rates of pay/allowances. The single central record should also be promptly updated for all new starters and leavers.

9.8 Payroll checks:

The school business manager undertakes monthly checks between payroll reports and school documentation (staffing forecast spreadsheet) to ensure:

- There are no ghost employees.
- Staff are being paid the correct rates and allowances.
- Payments made to supply staff, casual staff and overtime have been made against authorised claim forms submitted.
- Ex-employees have been removed from the payroll.



The headteacher should review and approve the monthly payroll.

#### 9.9 Payroll authorisation:

All payroll changes forms should only be authorised by the headteacher. However, there are occasions when the headteacher is absent and, to meet the deadline for payroll, the forms require signature by another member of staff.

The person signing in the absence of the headteacher should not be the school business manager but should be a member of the staff on the Senior Leadership Team in the school.

The school have authorised the Ms E Anderson to sign in the absence of the headteacher. When this deputy head authorises payroll, the reason for the headteacher's absence should be clearly noted on the form and upon the headteacher's return to work, they will then countersign the payroll forms to ensure that they are aware of any payments authorised.

#### 9.10 Authorisation of headteacher's expenses / payroll:

All changes to payroll paperwork concerning the headteacher, such as changes to pay scale, honorarium or one-off payments, as well as any expense claims, must be authorised by the Chair of Governors and appropriately recorded in the governors' minutes. The school must also take professional independent advice as part of the pay decision process to ensure there is a tight correlation to strong educational outcomes and sound financial management.



## 10. Petty Cash

10.1 Petty cash may be used for making small purchases. Since cash is portable and desirable it is important that proper controls are in place to prevent its abuse or loss.

However, the school no longer holds any petty cash any pre-approved staff reimbursements are now processed through FMS as an invoice and paid via BACS transaction.

## 11. Tax

11.1 The headteacher and school business manager are responsible for ensuring that the school complies with VAT and other tax regulations. VAT is a complicated area and the following controls merely set out the control framework for the school. See Scheme for Financing Schools 2022, section 7.1.

11.2 The school follows RBC's guidance on VAT and RBC may be consulted for a detailed interpretation. Similarly, the school follows the guidance given on the Construction Industry Scheme as detailed by RBC.

11.3 Relevant staff aware of tax regulations:

The headteacher and school business manager ensure that all relevant finance and administrative staff are aware of Value Added Tax, Income Tax and the Construction Industry Scheme (CIS) regulations.

11.4 Payments only on VAT Invoices:

A proper VAT invoice is the only basis on which VAT can be reclaimed. It contains the following elements:


- supplier's name, address and VAT registration number
- date on goods/services were supplied
- name and address of the school
- goods or services supplied
- amount payable excluding VAT
- amount of VAT
- VAT rate

11.5 Procedures for VAT on business activities etc:

The following procedures set out how VAT on business activities, school trips and other taxable activities should be accounted for, both within the delegated budget and in voluntary funds. The following sets out the main areas of activities, which generate income within each business group and the applicable VAT rate associated with each. It is vitally important to get the VAT rate right otherwise the school/RBC will be liable to severe penalties from HMRC.

Item	Standard	Zero	Exempt	Non-business
Sport development courses			X	
Private telephone calls	X			
Book sales		X		
Children's clothing (see note 1)		X		
School uniform (see note 1)		X		
Sales of work from class to pupil			X	
School trips – curriculum based	X			
School trips – non-curriculum based				X
Training courses			X	
Meals supplied to adults at RBC schools	X			
Note 1: Sizes in accordance with tabled measurements as per the government website <a href="https://www.gov.uk/guidance/vat-on-young-childrens-clothing-and-footwear-notice-714">https://www.gov.uk/guidance/vat-on-young-childrens-clothing-and-footwear-notice-714</a>				

11.6 VAT Charges on Lettings:



Generally, the hire of a room together with tables, chairs, flipcharts, projectors and the provision of light refreshments (tea and coffees) are **exempt** from VAT. Should the let include the hire of catering facilities, sound equipment, musical instruments, disco lights then these items **are** subject to VAT and separate charges are set to identify the VAT element to be charged, otherwise the whole of the let becomes taxable. However, if the extra facilities are fixed in the room or difficult to move (e.g. piano), the hirer does not want to use them then there is no need to charge for the facility and therefore **no** need to charge VAT.

Sports facilities **are** subject to VAT unless the letting is:

- for a continuous period of more than 24 hours
- for a series of 10 or more sessions for the same activity in broadly the same place, separated by at least one day and not more than 14 days.
- whole series must be booked at the same time (but need not be paid for all at once)
- hirer must be a club, association or a group of clubs

Full details of the RBC VAT Guide should be obtained from RBC.

#### 11.7 Employment and taxation:

The governing body must be assured that their staff payroll arrangements fully meet their tax obligations and comply with the appropriate instructions regarding the employment and contract arrangement of individuals on the avoidance of tax. Guidance must be sought from HMRC and RBC.



## 12. Voluntary/private Funds

- 12.1 Voluntary funds provide the school with an additional source of income. Although such funds are not public money, the standards for the guardianship of these funds are as rigorous as those for the administration of the school's delegated budget. The school's voluntary fund account will be audited annually with a copy of these audited accounts sent to RBC.
- 12.2 Separate accounting from school budget:  
The school business manager, as appointed by the governing body, ensures that voluntary funds are accounted for separately from the school's delegated budget and are held in a separate bank account. Any voluntary fund income will be paid into the voluntary fund bank account as soon as possible. No more than £2000 must be held in cash (see 7.2).
- 12.3 Scrutiny of accounts:  
The governing body will appoint an appropriate person/body to carry out an independent examination/audit of the accounts as per the Scheme for Financing of Schools 2022 2.14. The school business manager will present the audited accounts, the auditor's certificate and a written report on the accounts to the governing body as soon as possible after the end of the accounting year and will ensure they are copied promptly to RBC after the governing body has approved them.
- 12.4 Same accounting standards as for school budget:  
The headteacher and school business manager ensure that the same standards of financial accounting which apply to income and expenditure for the school's delegated budget are applied to the voluntary funds. This includes ensuring two signatories authorised by the governing body sign cheques drawn on the voluntary fund bank account.
- 12.5 Use for voluntary funds only:  
Any income which properly relates to the school's delegated budget should not be credited to the voluntary fund. Only income unconnected with the school's delegated budget should be credited to the school's voluntary funds. Lettings income, for instance, should always be paid into the mainstream bank account as it relates to RBC assets.
- 12.6 Procedures for issuing receipts:  
Receipts will be issued for any donations or income over £50.00 entering voluntary funds. This is to provide evidence and to reduce the possibility of theft and is particularly important in the case of donations, as there may be no other proof that the income existed, thus facilitating fraud. The receipts should be numbered and copies kept.
- 12.7 Regular reconciliations with bank statements:  
The school business manager will ensure that regular reconciliations between the accounting records and bank statements are undertaken and independently reviewed.
- 12.8 Insurance cover for voluntary funds:  
The governing body has adequate insurance that covers voluntary fund losses.
- 12.9 Charity Commission:  
Voluntary funds will be registered with the Charities Commission if the income **in year** exceeds £5,000.





## 13. Security of Assets

13.1 The school's assets are kept securely and recorded in the school asset register. A copy of the Inventory Policy can be found at appendix 3. The school business manager has made the necessary arrangements to identify portable highly desirable and electrical items as school property, to record where they are located and to insure them for on-site and off-site use, as appropriate.

13.2 Annual maintenance plan:

The governing body approve an annual maintenance plan which sets out the priorities for building matters, that is linked to the School Development Plan and the financial budget, as well as giving due consideration to security and health and safety issues.

13.3 Maintenance of stock levels:

The school business manager must ensure that stocks are maintained at reasonable levels and subject to a physical check at least once a year.

13.4 Security marking and asset inventories:

An up-to-date inventory is maintained of all items of portable highly desirable and electrical equipment. RBC recommend that the school marks all computer and ancillary equipment plus any items valued at more than £500 with the Smartwater or similar product.

Details on the inventory should include:

- asset description
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- location

School procedures ensure that every time an asset is purchased, disposed of or becomes obsolete the inventory is automatically updated including disposal details and any income received/costs incurred from its disposal. This will provide evidence in the case of an insurance claim.

13.5 Computer equipment will be disposed by using a contractor that guarantees to destroy any data. It is also the school's policy to dispose of electronic equipment in a way that is compliant with European Union waste recycling directives (e.g. WEEE directive).

13.6 Check on inventories annually

The school business manager must arrange for the inventory to be checked at least once a year against physical items, the inventory should be signed and dated when check takes place. All discrepancies should be investigated and reported to the finance committee. All write-offs and disposals will likewise be reported and authorised.

13.7 Procedures for property taken off site:

Whenever school property is taken off-site it should be signed for and a recorded accordingly. This is not practicable for teachers' laptops and therefore a loan agreement is in place that details their responsibilities – Appendix 7.

### 13.8 Security of safes and keys:

The people with key / code access to the safe are the school business manager and the headteacher. The school's safe is kept locked. Master safe keys are kept secure with the headteacher and school business manager and kept off-site.

## 14. Insurance

14.1 The school must take out insurance that is adequate and complies with statutory requirements as set out in the Scheme for Financing Schools 2022, section 10.1. This is provided by the RBC insurance scheme. Such risks may include third party liability (subject to agreement by RBC), property, money, personal accident and fidelity guarantee insurance (to cover the loss of assets due to fraud or dishonesty on the part of employees).

### 14.2 Supporting documents for insurance should include:

An up-to-date insurance policy – see the school's insurance file, the insurance cover note must displayed in the school office.

### 14.3 Annual review of risks:

The school reviews all risk annually, in conjunction with RBC, to ensure that the sums insured are commensurate with the risks. This should be recorded on the school's risk register which is reviewed regularly to monitor, manage and identify risks.

### 14.4 Additional insurance cover where appropriate:

The governing body should consider whether to insure risks not covered by RBC. The cost of such premiums is met from the school's delegated budget. For example, school minibuses.

### 14.5 Notification procedures for new risks/changes

The school will notify its insurers of all new risks, property, equipment and vehicles, which require insurance, or of any other alteration affecting existing insurance. A yearly update is required at RBC by the start of the financial year.

### 14.6 No indemnity to third parties without authorisation:

The school will not give any indemnity to a third party without the written consent of its insurers.

### 14.7 Notification of insurance losses and claims:

The school will immediately inform its insurers of all accidents, losses and other incidents which may give rise to an insurance claim.

### 14.8 Insurance of property taken off site:

Laptops are not covered by insurance when taken offsite. For all other items, advice should be sought from the school's Insurers.

### 14.9 Public Liability Insurance:

The school's insurance clearly states that all contractors and hirers must have their own Public Liability Insurance to the value of a minimum of £5 million. Hirers must produce evidence of such insurance prior to the event or a 11% charge will be added to the invoice to be included within the school's public liability cover.



## 15. Data Security

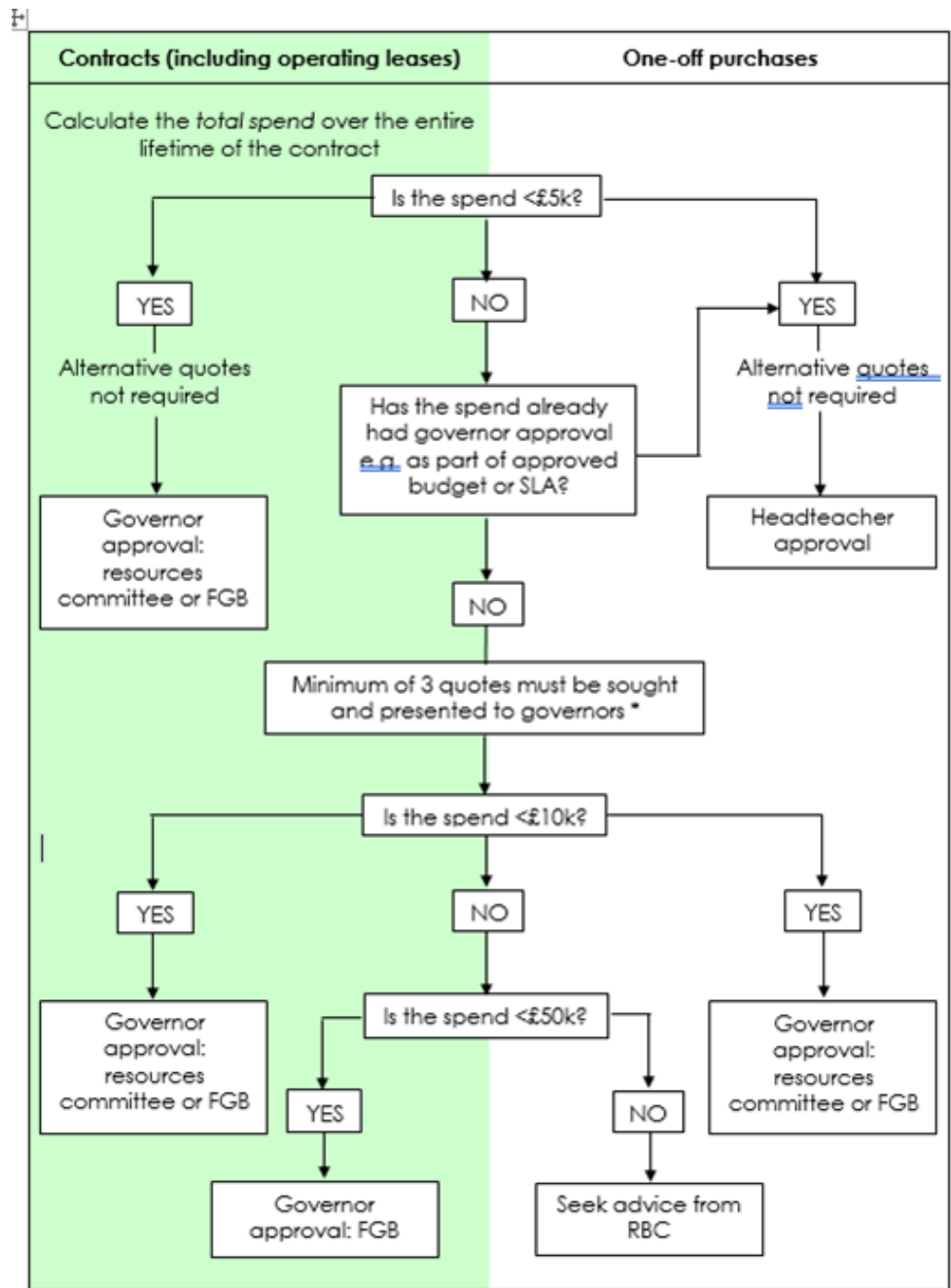
- 15.1 The school is fully reliant on computers to process and record personal, financial and other management data. Most of the controls in this section therefore cover access to data held on computers. It is important that management information is properly protected from unauthorised access and that it is backed up regularly and an email record kept as proof that the backup has been successful. It is also important that the school has a recovery plan to ensure continuity of financial management in the case of an emergency.
- 15.2 The Data Protection Act 2018 is designed to protect the rights of individuals in relation to the personal data that is held about them. It sets out the General Data Protection Regulation (GDPR) requirements about the processing, storage, retention and disclosure of that data and extends the coverage of the previous legislation from data handled electronically to certain manual record systems. This also includes data sharing agreements.
- 15.3 The Act requires governing bodies and headteachers to appoint a Data Protection Officer and the school uses Judicium Education as a support provider for all activities covered by this legislation. All pupils' electronic and paper records will fall wholly under the requirements of the Data Protection Act 2018 and be subject to notification.
- 15.4 The school has adopted the Policy on Use of Electronic Systems in Schools provided by RBC.
- 15.5 Security of access:  
Computer systems used for school management are protected by password security to ensure that only authorised staff has access. Members of staff change their password regularly such as when the system requests it, when a password has been compromised and where there is a change in personnel.
- 15.6 It is necessary on some systems at the school to introduce different levels of access, to ensure that no one has inappropriate access. For instance, allow a member of staff to read but not alter records, as is the case on SIMS FMS.
- 15.7 Recovery plan for emergency:  
The school business manager has established a recovery plan to ensure continuity of financial administration in the case of emergency as part of the school's rainbow plan. This includes the regular back-up of data and provision for back-up to be held offsite.
- 15.8 Protection against computer viruses:  
The school must have anti-virus software installed and regularly updated.
- 15.9 Data Protection GDPR notification:  
The governing body ensure that the Information Commissioner's Office, via RBC, is notified in accordance with the Data Protection Act 2018 and that the school's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the current legislation.





## Appendix 1:

### Purchasing guidelines





## Appendix 2 – Register of Business Interests

Name of Governor .....

Date of Appointment to GB .....

Date of Resignation/Retirement from GB .....

Nature of Interest including details of company or organisation	Date of Start of Interest	Signature of Governor	Notes

### Record of Review

Date of Review	Reviewed By	Signature		Date of Review	Reviewed By	Signature

## Sample of inventory Policy

Accurate inventory recording is required both for Insurance purposes, and compliance with Financial Regulations in the LEA Scheme for Financing Schools.

The purpose of maintaining an accurate inventory is to maintain control of physical assets, as well as the provision of evidence of loss in the event of an incident giving rise to an insurance claim.

### **We aim to:**

- Maintain control over the whereabouts of physical assets
- Strictly adhere to all software licensing requirements
- Provide evidence of loss in the event of an incident giving rise to an insurance claim.
- Include the following information on our inventory
  - Item Description
  - Make
  - Model
  - Serial Number
  - Location
  - Sale value
  - Acquisition price
  - Acquisition year
  - Disposal date
- Maintain accurate inventory records
- Report to Governors on regular basis
- Maintain records of all equipment loaned to staff and students

### **PRACTICE**

- It is the responsibility of the bursar to keep an up to date inventory of equipment held within the school, on the [Equipment register](#).
- All purchases must be security marked prior to being used, where appropriate.
- Inventory database to be made available to Internal/External Auditors for scrutiny
- Loss of, or damage to any item must be reported to the bursar immediately.
- Disposal of school assets must be reported to the Bursar.
- **A catalogue of all software is maintained by the ICT Co-ordinator (held by the ICT technician including licensing information, location etc.**
- **The School strictly adheres to all software licensing requirements.**

## **Sample Policy on Quotations and Tendering**

Manor Primary's governing body agrees that all purchases under the value of £10,000.00 may be delegated to those listed under D8 of the Financial Procedures manual. Purchases over this value must be subject to quotation, 3 quotes will be obtained and all quotes submitted to the governing body for approval, except in the case of emergencies, where the approval of a senior member of Executive Governing Committee must be sought. See A2 for financial delegation table.

Where a quotation other than the lowest is accepted, the reasons for this decision will be reported to the governing body and included in the minutes of the relevant meeting.

### **Expenditure limits - tendering**

Manor Primary's policy on tendering is as stated within The Council's Financial Regulations on tendering procedures, and includes:

- Advertisement of tenders
- Compliance with EEC regulations
- The procedures for the submission, receipt, opening and recording of tenders
- The circumstances when financial or technical evaluation is necessary
- Acceptance of tenders
- The form of contract documentation
- Cancellation clauses in cases involving corruption or bribery

Details of the Council's Financial Procedures should be requested from the LA.

### **Contract specification defines service**

A tightly drawn up contract specification is the best way for Manor Primary to ensure that it receives the service it was expecting. It is the basis on which Manor Primary can seek redress for service quality or quantity if it falls below the level specified and therefore provides a framework against which the success of the contract can be measured.

A contract specification should contain the following elements:

- Contract duration
- Definitions
- Contract objectives
- Services to be provided
- Service quantity
- Service quality standards (could include customer satisfaction surveys, number of user complaints, inspection checks)
- Contract value and payment arrangements
- Information and monitoring requirements
- Procedure for dealing with disputes
- Review and evaluation requirements






## **FINANCIAL PLANNING TIMETABLE**

Term	Task
Term 5 April	<ul style="list-style-type: none"><li>• Approve final budget &amp; submit to RBC</li><li>• Approve AMP</li><li>• Agree balances &amp; close down old financial year</li><li>• Support staff annual salary review</li></ul>
Term 1 September	<ul style="list-style-type: none"><li>• Ensure appropriate dates are set for finance committee and full governors meetings to ensure final budget approved by 1<sup>st</sup> April</li><li>• RBC outturn statement</li><li>• Teachers annual salary review October</li><li>• Annual Inventory check</li></ul>
Term 2 November	<ul style="list-style-type: none"><li>• Cost the SIP/SDP for future budget setting purposes</li></ul>
Term 3 January	<ul style="list-style-type: none"><li>• Prepare draft budget</li><li>• Prepare AMP</li><li>• RBC outturn statement</li></ul>
Term 4 March	<ul style="list-style-type: none"><li>• Draft budget to finance committee for approval</li><li>• Prep year end</li><li>• Open new year</li></ul>

## Appendix 6 – Register of Certifying Officers



**REGISTER OF CERTIFYING OFFICERS  
FOR SCHOOL RECORDS ONLY**

**COST CENTRE** 3086

**ESTABLISHMENT** Manor Primary School

**DATE** 01.03.2024

**APPROVED BY  
(SIGNATURE)**

**NAME  
(PRINTED)** J Samuel

**DESIGNATION** Chair of Governors

SURNAME	INT.	SIGNATURE	FINANCIAL LIMIT				
			ACCOUNTS PAYABLE £	PETTY CASH £	PURCHASE ORDERS £	PAYROLL £	EXPENSES CLAIMS £
Swain	F		10,000	200	10,000	120,000	500
Anderson	E		10,000	200	10,000	120,000	500
Farrell	D		10,000	200	10,000	N/A	500
Baker	J		10,000	200	10,000	N/A	500
Hodgkinson	A		N/A	200	1,000	N/A	500

NOTES FOR GUIDANCE ON COMPLETION OF CERTIFYING OFFICERS FORM

- Cost Centre - enter the name of the school and the cost centre
- Approved by - document to be approved and signed by Chair of Governors
- Financial Limit - this is the highest amount that can be authorised by that person
- Account payable - this means creditors (invoices)
- Purchase Orders - the amount of goods and services that can be ordered
- Payroll - this means timesheets, overtime claims, payroll input, amendment & authorisation documentation
- Expenses - enter the largest amount that can be signed for
- Who can sign? - Only School employees, not Governors or Volunteers as they are not covered by Financial Regulations
- Should any of the column headings not apply to that person, please write N/A. Do not leave blank, as this can be filled by anyone else and defeat the object of the register.

PLEASE UPDATE THIS DOCUMENT ANNUALLY



## Appendix 7

### SCHOOL EQUIPMENT LOAN AGREEMENT FOR STAFF

Dear

#### **LAPTOP COMPUTERS & OTHER EQUIPMENT BELONGING TO THE SCHOOL**

You have been given a laptop computer or iPad for your use during your employment with this School. Please read this letter carefully. You are responsible for the proper care and control of the equipment issued to you. Listed below are the requirements and suggestions for caring for and using the equipment.

Please sign at the bottom to show both receipt and understanding of these requirements and return it to the School Business Manager.

Thank you.

Signed: Headteacher Date: \_\_\_\_\_

All staff must undertake reasonable precautions to protect the equipment and any data stored on it. Specifically:

1. The Equipment must not be left in the classroom unattended at any time.
2. The Equipment must be kept locked in a secure cupboard or filing cabinet when not in use.
3. The Equipment is not to be left in a car at any time. This includes in a locked boot.
4. It is strongly suggested that the equipment is **NEVER** put on the back (or front) seat of the car whilst in transit - (they have been stolen at traffic lights by simply opening the door!).
5. If the equipment is accidentally damaged in any way, the School Business Manager is to be informed immediately.
6. All staff are subject to Reading Borough Council policies & procedures regarding the use of IT.
7. Management of data is subject to the provisions of the Data Protection Act and the Freedom of Information Act.
8. The equipment is for your use only, on official school business.
9. All employees have a legal responsibility to take care of the health and safety of themselves and others who may be affected by their acts or omissions at work.
10. There is no requirement for you to insure the equipment, but you should consider informing your home contents insurer that you have this equipment at home.

Equipment details:

Make/model

Serial No.

School inventory list no.

Date of issue to member of staff

I undertake to return the equipment on termination of my employment by the school, or when a reasonable request is made by the school to do so at any time.

Signed .....

Date equipment returned to the school

Signed ..... on behalf of the school

### **BACS Run Procedure**

The procedure for making payments via BACS should conform to existing controls for processing payments by cheques and reflects the principles of segregation of duties as detailed in the Schools Financial Procedures Manual and as directed by the Scheme of Finance for Schools.

When payments are made by BACS the BACS run report from FMS, together with the all the invoices detailed on the report must be presented to and signed by the members of SLT who will be approving the payments on line.

The responsibility for proper administration of the school's financial affairs rests with the governing body and, therefore, governors should be informed and consulted on the decision to make payments by BACS. It is recommended that the governing body review school financial procedures and ensure that monetary thresholds are updated and reflected in their schemes of delegation and financial procedures manual.

If the Governing Body approve the use of BACS payments schools should ensure the following reports are provided to the BACS Authorisers:

- The FMS BACS Run Report
- The actual invoices and credit notes to be paid
- The BACS batch report from the on-line bank

### **Both signatories must:**

- 1) Ensure that for each supplier payment there are corresponding invoices/credit notes for the amounts paid without discrepancy
- 2) Compare the FMS BACS run report with the BACS bank batch report to ensure there are no discrepancies and the total values are the same.
- 3) Sign the FMS BACS Run report to confirm it has been reviewed and authorised
- 4) Sign the Bank Batch report to confirm it has been reviewed, authorised and matches the FMS BACS Run report

### **BACS Payment Process**

- 1) Once invoices have been appropriately approved the School Administrator creates the BACS payment report in FMS.
- 2) Once the BACS report is created the School Business Manager uploads this into the online bank account. The bank account is accessed by a digital reader, authorisation card and pin number.
- 3) After the BACS report is uploaded it is then authorised by one of the agreed authorisation signatories that are accounted for on the bank mandate. Each officer has their own card and pin number for authorising the BACS payments. The first authorised signatory approves the Level 1 Authorisation.
- 4) After Level 1 Authorisation has taken place a second officer reviews the file and approves in the same manner by use of digital reader and pin number.
- 5) After 2<sup>nd</sup> authorisation the BACS payment is then fully authorised and payment will take place according to the date inputted.

### **Storage of BACS Devices**

Each authorised officer has a personal BACS authorisation card and these are kept in locked drawer.

Each authorised officer created their own personal password to use for the device and this is not shared or given to any other person.

The reader for the cards is located in the School Business Manager's office and the pc in that office is used to process the payments by each individual officer during the approval process.



The following appendices are attached as separate policies

Appendix 9 - Schools Financial Value Standard - See separate SFVS approved March 2024 and submitted to RBC.

Appendix 10 – Whistleblowing Policy

Appendix 11 – Charging Policy

Appendix 12 – Lettings Policy

Appendix 13 – Credit Control & Bad Debt Policy

Appendix 14 – School Credit Card Policy