



Oldbury on Severn C of E Primary School

Love one another as I have loved you' (John 15:12)

Finance and Purchasing Policy

Date Written	8 th October 2024	Review Date	October 2026
Signed Executive Headteacher		Signed Chair of Governors	

The governors and staff responsible for budgetary control will aim to work within the standards summarised in "Keeping Your Balance" (Standards for financial administration in schools) Audit Commission, as follows:-

Summary of Standards

The key standards of financial administration are set out below.

- The responsibilities of the Full Governing Body and its committees, the executive headteacher and staff, Should be clearly defined and limits of delegated authority established. •The budget should reflect the school's prioritised educational objectives, seek to achieve value for money and be subject to regular, effective monitoring.
- The school should establish sound internal financial controls to ensure the reliability and accuracy of its financial transactions.
- The school should be adequately insured against exposure to risk
- The computers used for administration purposes should be registered under the Data Protection Act 1984. All data should be protected against loss.
- The school should ensure that purchasing arrangements achieve the best value for money.
- There should be efficient procedures for the administration of personnel matters including the payroll where this applies.
- Stocks, store and other assets should be recorded, and adequately safeguarded against loss or theft.
- All income due to the school should be identified and all collections should be recorded and banked promptly. Receipts should be issued.
- The school should properly control the operation of bank accounts and reconcile bank balances with the accounting records.
- The school should efficiently manage and use petty cash.
- School voluntary funds should be administered as rigorously as public funds.

Organisation of Responsibilities and accountability of the governing body

The Executive Headteacher receives delegated powers from the Full Governing Body and is accountable to the Governing Body.

The Governing Body is accountable to the following;

The Local Authority.

The parents of the pupils at the school.

The wider public, through auditors.

The governors keep a register of pecuniary interests.

Meetings will be minuted and reports made at Full Governing Body meetings. The Governors with the Executive Headteacher will consider all aspects of the school planning and will liaise with staff, other committees and the Full Governing Body to achieve the following:-

- Forecasting.
- Matching expenditure to income.
- Comparing the value of alternatives.
- Financially evaluating plans including the SDP.
- Allocating resources
- Authorising expenditure and activities

Executive Headteacher

In the absence of the Executive Headteacher the Head of School carries out the Executive Headteachers role in all aspects of school management.

The responsibilities of the Executive Headteacher are as follows;

- To liaise with the Governors in order to give appropriate, relevant, timely, reliable and clear information.
- To report to the Governors any proposed policy changes which might affect budgets.
- To prepare estimates of expenditure and income at the start of each financial year.
- To seek prompt approval of the proposed budget.
- To provide regular reports to the Governing Body.
- To be responsible to the Governing Body for ensuring that LA financial regulations or standing orders of DCSF financial requirements as appropriate are implemented.
- With the Governing Body, to respond appropriately to recommendation made by inspectors.
- To notify auditors of any suspected irregularity.
- To consider, respond and react upon recommendations in audit reports, in collaboration with the Governors.
- To authorise all payments on the AEF purchasing system.
- Other aspects of responsibility are included under separate headings.

The Executive Headteacher will make available training in budget administration for staff where and when it is deemed necessary.

Limit to delegation

The Governors have approved expenditure up to £5,000 to the Executive Headteacher, Individual items in excess of this will be referred to the Finance Committee.
Any amount in excess of £10,000 will be referred to the FGB

School Business Manager

Finance

Undertakes financial work covering school accounts, other funds, working within LA financial procedures.

- Recording of balances of money for banking.
- Recording of accounts with bank statements.
- Recording of Income under appropriate headings.
- Recording and safe custody of Petty Cash, and preparation and issue of cheques/cash payments in conjunction with the Executive Headteacher.

Budgets

Monitors and reconciles school budgets

- Reconciles accounts against statement; investigates discrepancies.
- Provides information for the Executive Headteacher, Governors and staff as requested.
- Maintains Imprest Account, recording balances and expenditure.
- Records detail of income and expenditure using manual or computerised commitment accounting record systems.

School Administrator

- Places orders and ensures that they are entered onto AEF purchasing system at the time of ordering.
- Checks orders received against delivery notes and investigates any discrepancies
- Checks invoice against delivery notes and original order and inputs on AEF purchasing.

Breakfast Club/After School Club

- Online payment through Parent Pay
- Monitor Breakfast and After School Club payments and reconcile monthly.

Dinner Money

- Online payment through School food united
- Check that any debts that occur as the result of school placing a lunch order are sent to parents/carers to pay.

Capital Expenditure

The school in its planning will from time to time wish to make provision for a capital project e.g. equipping a new or renovating a building or major equipment items. Because of the possible costings of such plans it may be necessary to keep back some money from the budget in one or more financial years, or the project may be undertaken in phases over one or more years.

Capital expenditure that is the responsibility of the school will be kept within LA guidelines. The governors will consult with the LA on all aspects of capital buildings projects and will follow the recommended procedures.

Security of stock and other property

The SBM will be responsible for keeping an inventory of electrical and movable equipment. Make, model and serial numbers will be recorded. An annual check will be made. Lost, stolen or damaged items will be certified by the Executive Headteacher. Property taken from the school site should be notified to the school office.

Income

The Governors have a charging policy.

Official receipts will be issued.

Records of income will be kept.

Money will be kept safe until banked.

Invoices will be issued promptly.

Receipts will be kept.

Banking

The school keeps a bank account in respect of the voluntary school fund.

The school fund is prohibited under the 1988 Education Reform Act from borrowing money, or from having an overdrawn account. The bank is aware of these restrictions.

Cheque and paying-in books are held in the school. Two signatories are required on all cheques.

Petty Cash

The Executive Headteacher is responsible to the Governors for the running and safe keeping of Petty Cash.

The SBM administers the running of the Petty Cash.

The SBM will keep vouchers and receipt for payment.

Identification will be shown where VAT is paid.

Surplus cash will be kept locked away.

The school will be able to produce cash or vouchers to the amount drawn.

The school will submit claims for reimbursement with vouchers and receipts.

Personal cheques will not be cashed from Petty Cash.

Payments will be limited to minor items, i.e. less than £50, and for which there is proper authority and provision in the school budget,

The Executive Headteacher signs off Petty Cash reimbursement forms.

Purchase Card

One purchase card is issued to the Head of School.

The card has a monthly limit of £1000 and £500 for any single purchase

The card must be kept securely and not shared with any other person

Purchases can only be paid by purchase card when either:

a) There is no alternative means of paying

b) It can be shown to be the best value with a saving of at least £10.

Any purchase card order over £100.00 must be authorised by the Executive Head.

The purchase card holder is responsible for completing the purchase card transaction log and attaching invoices.

At the end of each month, the transaction log is passed to the SBM to check against the purchase card statement.

The Executive Headteacher signs off each monthly purchase card transaction log.

The SBM recodes all payments to the relevant budget code on AEF on a monthly basis.

Personnel

The Governing Body considers aspects of the curriculum development and the appointment and promotion of staff. The committee makes its recommendations to the Full Governing Body, Staffing information is kept on file.

A regular check is made that payroll files agree with the school files.

Purchasing

- The Governors assure best value for money by asking the Executive Headteacher to test the market prior to purchase using appropriate means,
- If the anticipated value of a single line item purchase or contract is between £1,000 and £3,000 a minimum of two telephone, catalogue, internet quotes should be obtained.
- For items over £3,000 three written quotes should be obtained.
- The Executive Head Teacher approves all purchase requests before the order is placed (signs the school order request form).

- Orders are placed and then entered onto the AEF purchasing system immediately.
- Goods are checked on receipt by the School Administrator and the Delivery note signed.
- Payment is only made on receipt of a proper invoice which has been checked, given an order number and certified for payment.
- The staff authorised to sign for payment are the Executive Headteacher, or in her absence the Head of School.
- The school operates a commitment accounting system for orders, and produces a breakdown of amounts from budget headings.

Insurance

The Governors use the insurance arrangements offered by the LA for the contents, and for the building and legal liability.

The school or Governors will immediately inform the relevant insurers of accidents, losses or other incidents which might give rise to an insurance claim.

Competitive Tenderings

Tenders must be sought for purchases and contracts expected to exceed £75000 over the life of the contract. It is the policy of the Governing Body to discuss and agree at a Full Governing Body meeting. issues relating to competitive tendering. Full advice is taken from the LA. It is felt to be wise to follow LA arranged tenders, but each case is looked at in its own merit. If the school undertakes competitive tendering independently it will follow processes recommended in "Keeping your Balance" – Standards for Financial Administration in Schools - OFSTED, and the LA Standing Orders.

Staff Absence

The Governors have opted to stay into the pooled scheme for long term sickness operated by the LA.

Contracts

LA advice (Corporate finance) is to be sought before undertaking any leasing.

Linked Policies/documents

- Terms of Reference for Financial Responsibilities
- Schedule of Delegated Authority
- Statement of Best Value