



Limehurst Academy Policy Document

Financial Regulations

Date Approved by Governors: October 2018

Review Date: October 2019

Headteacher's signature:

Chair of Finance signature:

Introduction

1. These financial regulations shall govern the financial arrangements relating to all of Limehurst Academy finances and accounts and were approved by the full Governing Board on 10th October 2017. They will operate in accordance with the EFA Academies regulations.

2. DELEGATED AUTHORITY

1. The Governing Board is responsible for the control of expenditure and income in accordance with the delegated funding received.
2. The Governing Board has in turn delegated the Governors' financial responsibilities to the Finance & General Purposes Committee (F&GP)
3. The Headteacher shall be responsible for implementing agreed policies and maintaining day to day control of the school finances and accounts.
4. The School Business Manager (SBM) and Finance Officer shall assist the Headteacher in the discharge of financial responsibilities.
5. The following staff are designated as authorisers of
 - (i) Salaries Documentation:

Headteacher
Deputy Headteacher
Assistant Headteachers
 - (ii) Cheques

Chair of Governors
Headteacher
Deputy Headteacher
Assistant Headteachers
 - (iii) Orders

Headteacher
Deputy Headteacher
Assistant Headteachers
6. The Headteacher or SBM shall check and authorise premises staff time sheets.
7. However, the Governing Board will remain accountable when Governors' financial responsibilities are delegated.

3. REVENUE BUDGET PREPARATION

1. The school's budget timetable for the next financial year shall be as follows:

Autumn Term

- Identify commitments and new plans; agree priorities
- Agree staffing requirements
- Cost first draft of the budget, with the plan covering at least the next three years, and submit to Governing Board

Spring Term

- Outline the budget plan, to be ready by the end of the term.
- Adjust the budget to take account of the budget share notified by Leicestershire LA
- Submit to Governing Board for final approval
- Submit final approved budget plan to the EFA's Finance Team by the notified date

2. The F&GP Committee shall decide on the order of priorities from the School Development Plan. (School Improvement Plan)
3. The Headteacher shall prepare the detailed costings and submit them for approval to the F&GP Committee.
4. All plans and budgets should be regularly reviewed during the year and all significant changes will require the approval of the F&GP Committee.
5. The Headteacher shall inform the EFA of the school's revenue budget. This information should be supplied by the beginning of the financial year and updated for changes as necessary. If the school's revenue spend falls outside its budget plan submitted to the EFA, corrective action must be taken where possible and the Headteacher will formally make the EFA aware of the school's financial position as soon as practicable.

4. REVENUE BUDGET CONTROL

1. The Governing Board shall decide how to use the budgets within the cash limit allocated. The Headteacher will be responsible for the control of spending against budgets. A commitment accounting system is in place to monitor current commitments and liabilities.
2. As far as possible a budget monitoring report should be prepared monthly for the Headteacher. A bank reconciliation and VAT analysis should be prepared as soon as the bank statements have been received (at least on a monthly basis). These returns should be prepared by the SBM/Finance Officer and certified by the Headteacher
4. The Headteacher shall prepare a termly review of the budgets and submit them to the Governing Board for consideration.
4. Budget holders will receive a monthly SIMS financial transaction report

5. VIREMENTS

1. Substantial virements shall be approved and minuted by the Governing Board and should be within the agreed criteria and financial limits.
2. The Headteacher is given delegated power to vire from one budget to another and shall seek approval from the Governing Board retrospectively.
3. All virements exceeding £10,000 or 2% shall require prior approval from the Governing Board.

6. AUTHORITY TO INCUR CAPITAL EXPENDITURE

1. The Headteacher is given delegated power to incur expenditure up to £10,000 on any single item or issue within the financial year.
2. All unplanned expenditure exceeding £10,000 shall require the prior approval of the Governing Board.
3. All expenditure must be authorised by the designated staff.
4. Payment of invoices should be made through the school local payments system and from the school bank account.
5. The Governing Board may borrow money only with the written permission from the Secretary of State (i.e. external loans or bank overdrafts). The Governing Board needs to seek permission to enter into any arrangement, which commits the school to payments over a period of more than twelve months that exceed £12,000. The school will look at ESPO leases where available. Borrowing will include:
 - Finance Leases
 - Credit Arrangements
 - Hire Purchase

7. LOCAL PAYMENTS SYSTEMS

1. The School Finance Officer shall be responsible for making all payments on behalf of the school.
2. All invoices passed for payment must be properly certified and evidenced by the relevant designated staff – payments shall be made on original invoices where possible
3. The School Commercial Master Card (Debit Card) may be used to pay for items ordered online or by telephone where this method of purchasing offers best value. In this case only, payment will be made before goods are received. A credit limit of £10,000 is set on this card (The cardholder is Mr. J. Mellor). The Headteacher, SBM or Finance Officer will authorise payment by this method.
4. Before certifying an invoice for payment, designated staff must be satisfied that for the goods and services delivered:
 - An official purchase order has been raised for the purchase
 - That the delivery note has been checked
 - That it is of correct quantity, quality and price
 - That it has not been previously paid
 - That funds are available in the relevant budget
 - That the VAT chargeability on qualifying expenditure is shown
5. The Headteacher should carry out selective invoice checking termly to ensure that all sums which the designated staff have certified for payment were legally and properly payable.
6. The Governing Board is permitted to use their budget share to meet the cost of capital expenditure on the school premises

8. ORDERS FOR GOODS AND SERVICES

1. Staff may order goods and services from whatever reputable source they see fit; but will be expected to take into account quality and value for money.
2. An official order must be made in writing on the school's official order form for expenditure on goods and services initiated by the school, whenever possible.
3. Orders must be completed in accordance with the following procedures:
 - Authorised by designated staff only
 - Show estimated prices on the order form
 - Sent to the supplier through the SBM or Finance Officer
 - If placed by telephone, written copy of order with estimated prices must be given to the SBM or Finance Officer
 - Telephone orders should be followed up by a confirmation order by the next working day if possible
4. Copies of all orders should be retained in file 'Copies of Official Orders'. Delivery Notes should be filed and retained for at least one year.
5. On receipt of authorised invoices, payments are made within the suppliers' payment terms but always with regard to maximising bank interest and cash flow. Once payment has been made, invoices and cheque details should be moved to the 'Paid File'.
6. Individual budget holders are not permitted to spend in excess of their annual budgets without the prior approval of the Headteacher.
7. Where ESPO is used for procurement of goods and services it is not necessary to seek alternative tenders.
8. Three written quotes should normally be obtained for all goods and services in excess of £5,000, unless no other equivalent goods or services are available, or where Governors have previously committed themselves to a particular service/supplier, brand/type of goods.
9. For building works expected to cost in excess of £15,000, three tenders will normally be obtained, for large works using bid funds this may be done through a Project Management Company (Y M D Boon or other).
10. Where tenders have been obtained a tender form will be completed showing those invited to tender, those tendering, the successful tender and the reasons for accepting the tender (in those circumstances where the cheapest tender is not accepted).
11. Under the Authority's Constitution, all purchases estimated to exceed £50,000 should be put out to formal tender. Any proposal not to put a contract of over £50,000 out to formal tender should be authorised by the Governing Board. (Advice should be sought from the Clerk to the Governors in relation to reporting requirements, to ensure commercial confidentiality.)
12. Schools entering into high-value contracts should also be aware of EC procurement regulations.

9. CASH ACCOUNTS

1. Small items of expenditure not exceeding £500 will be made from the petty cash account.
2. The School Finance Assistant shall ensure that all petty cash payments are properly recorded and authorised and supported by receipts.
3. Staff Pay Advances (to correct errors on payroll / undue staff hardship) can be paid from petty cash and then reclaimed at the next pay day.

10. TRAVEL AND SUBSISTENCE

1. Payment shall be made in accordance with the school rate, as appropriate. (Currently 45p per mile to avoid P11D)
2. Car user allowances, both casual and essential, will be paid locally (below the taxable rate) and not through the payroll provider. The school will make no return to the Inland Revenue.
3. The SBM shall inform the Inland Revenue of casual car user allowances for home to base, if they are paid locally above the P11D rate.

11. SALARIES, WAGES AND PENSIONS

1. The Governing Board is responsible for the salary and wages costs of all teaching and support staff employed to work at the school.
2. However, the contract of employment is between the employee and Limehurst Academy
3. The SBM must ensure that the school provides the necessary information and returns to its chosen payroll provider (Moorepay) to effectively administer the payroll and related staffing procedures.
4. The SBM will complete LGPS and Teacher Pensions returns by the required dates.
5. The SBM will also provide information for annual Pensions returns by statutory deadlines.

12. CONTRACTS

1. The school will enter into contracts for the provision of goods, services, materials and work within the procedures laid down by Leicestershire County Council's Standing Orders, as amended for schools.
2. All contracts for services will be reviewed at least biannually for best value and best service

13. INCOME

1. Income should be collected in advance wherever possible to improve cash flow.
2. The School Finance Officer and Finance Assistant must maintain records of all income received/due; acknowledge receipt of income; and ensure all monies are banked promptly and intact into the School's bank account.
3. The Governing Board has delegated powers to write off debts up to £250.

4. The Governing Board shall approve a charging policy for all income generation.
5. The school may retain income received from the sale of assets purchased with non-delegated funds and the sale of specialist internal services.

14. BANK ACCOUNTS

1. The Governing Board shall authorise the opening and closing of all bank accounts.
2. New bank arrangements may only be made effective from the beginning of each financial year.
3. The following procedures must be followed:
 - Dual signatories for all cheque payments.
 - Cheque signatories are the Headteacher, Deputy Headteacher, Assistant Headteachers, School Governor (Chair of Governors).
 - Payments to individual payees/suppliers that exceed £10,000 require additional authorisation (signature by Governor) as per the bank mandate but bulk BACS payments that exceed £10,000 for numerous payees do not.
 - The School Finance Officer shall ensure that bank statements/online banking reports are received at least monthly and reconciled to accounting records
 - The SBM shall investigate and resolve all discrepancies
 - The School Finance Officer shall be responsible for cheque ordering and custody of unused cheques
4. Under no circumstances shall private cheques, money or postal orders be cashed through the school disbursement account or voluntary funds.
5. In no case shall money, cheques, etc. belonging to the school be paid into a private bank account.
6. The School Finance Officer must ensure, where possible, that the total amount of cash, including disbursements and voluntary funds, held on the premises shall not exceed the insurance limit of the safe.
7. Cash should be banked at least once per week, and the value of cash held on the premises should not exceed the insurance limit. Cash will be taken to the bank by the collection service (Kings). In some circumstances the Finance Officer may take cash to the local branch.

15. CARRY OVER OF SURPLUS/DEFICIT

1. Any surpluses at the end of the year will be carried over to the following year. In the first year as an Academy the carry forward will be unrestricted funds. In subsequent years the balance will be split between GAG and unrestricted.
2. The Governing Board must inform the EFA immediately if a deficit is anticipated in the current year.

16. TRUST FUNDS AND INVESTMENT

1. The Governing Board shall delegate power to the Headteacher to authorise the investment of any surplus funds or 'dormant' money in the bank accounts to maximise potential earnings from interest. All funds remain under the Directors/Governing Board control. Investment of Building Society and Bank Deposit Accounts and Bonds shall be in the name of Limehurst Academy.

17. LEASING

1. The Governing Board must approve all leasing agreements involving prescribed capital expenditure prior to making any contractual arrangements.
2. Only operational leases are permitted without authority of the Secretary of State as other may be considered to be borrowing.

18. INSURANCE

1. Insurance will be required for Governing Board; third party liabilities, premises and equipment; and school trips. Staff long-term sickness cover is also recommended.
2. The Governing Board must ensure that all insurance cover is adequate. A comprehensive 'All Risk' policy is required by the EFA. Currently the LIAS framework is used through the Local Authority.
3. The Governing Board will meet the excess from insurance claims or any losses not covered by insurance.
4. The Governing Board shall inform the school's insurers of all accidents, losses and incidents that may give rise to an insurance claim. The SBM will maintain a register of all accidents, losses and incidents.

19. HEALTH AND SAFETY

1. The Governing Board must ensure that all staff comply with the Health and Safety regulations. The SBM and Site Manager will assist the Headteacher to provide safe working and learning environment.
2. Limehurst Academy purchases the services of the Y M D Boon H&S Team who regularly visit, monitor and assess the safety of the Academy.
3. The Headteacher will report significant injuries to all persons, including staff/parents/pupils/visitors to both the Local Authority and the HSE.

20. PROTECTION OF PRIVATE PROPERTY

1. The Headteacher must inform all persons concerned that all private property taken onto the school premises will be at the owner's risk.

21. INVENTORIES AND STOCK

1. The Headteacher is responsible for the management of the school's assets and will maintain a record of stock receipts and issues.
2. Curriculum Heads must maintain an inventory of all non-consumable items purchased priced over £250. The inventory must be regularly updated in respect of purchases and disposals. Attractive, portable items having a value less than £250 but over £100 should also be controlled/monitored.

3. The Headteacher should ensure that items that become obsolete or surplus to the school's requirements are disposed of economically.

4. The Headteacher shall ensure that stock takes of inventories and stores are undertaken annually.

22. SECURITY

1. The Headteacher is responsible for the security of the school's premises and equipment.

23. UNOFFICIAL FUNDS

1. The Governing Board shall ensure that all unofficial funds are properly controlled and audited annually, within the Academy account as unrestricted funds.

24. FINANCIAL IRREGULARITIES

1. The Headteacher shall inform the Governing Board of any circumstances where a financial irregularity is suspected.

2. The Governing Board accepts that a suspected financial irregularity exists when:

- The EFA Academies Financial handbook is not complied with (whether or not the Academy suffers a financial loss)
- An employee gains unauthorised financial benefit from his/her association with the Academy.

25. ACCOUNTING & AUDIT

1. The Academy accounts must have proper accounting records prepared at the accounting year end (31st August) and be audited annually for the EFA (In accordance with the latest Accounts Direction). They must be submitted by 31st December each year to Companies House by the auditors.

2. The Governing Board must ensure that the School's appointed auditors (Haynes Watts) are allowed access to staff, premises and documents, as necessary.

3. The Governing Board shall discuss all audit reports and agree the implementation of audit recommendations with the Headteacher and SBM.

26. DOCUMENT RETENTION

1. The Headteacher shall ensure that documents are retained for periods in accordance with the requirements of the auditor, the Inland Revenue and Customs and Excise.

27. GIFTS AND HOSPITALITY OFFERED BY SUPPLIERS

27. Ordinarily such gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts or hospitality in excess of £25 should be reported to the Headteacher in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the college for items other than travel expenses.

28. REGISTER OF BUSINESS INTERESTS

1. A register of business interests is maintained by the school. This should also be completed by all Governors and those staff with significant financial responsibilities. It is suggested that this be cheque signatories, finance staff and those members of staff with specific budgetary responsibilities (e.g. Heads of Department, curriculum area leaders). Entries in the register should be kept up-to-date and, in all instances, be reviewed and amended (where relevant) on at least an annual basis. This annual review can be evidenced simply by staff re-signing and dating existing declaration forms, making any amendments as necessary.

29. COMPUTER SYSTEMS AND DISASTER RECOVERY PLANS

29. Computer systems used for school management should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly and updated for staff changes.
29. The Headteacher should ensure that data is backed up regularly and that all back- ups are securely held in a fireproof location, preferably off-site.
29. The Headteacher should establish a recovery plan to ensure continuity of financial administration in the case of emergency.
29. The Headteacher should ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.
29. The Governing Board should ensure that the school has written descriptions of all its financial systems and procedures. These should be kept up to date and all appropriate staff should be trained in their use.
29. The Headteacher should ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

Updated October 2017