



# Chilham St Mary's CE Primary School

## FINANCE POLICY

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Policy agreed: May 2018  
Policy reviewed: January 2023  
Next Policy review: January 2024

*At Chilham St Mary's, we are a diverse, loving community of learners, committed to providing firm foundations where everyone can grow in the knowledge and power of God's love. We encourage and support every individual to explore and achieve their own potential, rooted within our unique, historic environment.*

### 1. Introduction

The Governors of Chilham St Mary's Primary School are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Headteacher and the Governing Body have drawn up this Finance Policy to provide the guiding principles for which all Governors and staff will operate within.

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

### 2. Principles

Chilham St Mary's Primary School Finance Policy will adhere to the following principles;

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

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

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

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

The budget will reflect the school's prioritised educational objectives through its links to the School/Development Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Headteacher and staff to maintain financial control in line with the Balance Control Mechanism by reviewing the

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current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- The Budget Share is spent for the purpose of the school only
- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- The use of petty cash is strictly controlled (if applicable)
- The use of a Corporate Card (NatWest onecard) is strictly controlled.
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- The school will adhere to current GDPR and Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

### **3. Putting Policy into Practice**

#### **3.1 Delegated Authority**

The Full Governing Body of Chilham St Mary's Primary School has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds (e.g. the School Voluntary Fund).

The Full Governing Body of Chilham St Mary's Primary School will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and the chair of governors will sign the completed form prior to sending a copy to the Local Authority.

The Finance & Estates Committee is delegated responsibility by the Full Governing Body for the following aspects of financial management;

- Evaluate and recommend the three year budget plan, which shows clear links to the School Development/Improvement Plan, for approval by the Full Governing Body
- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- To review the Charges and Remissions Policy for approval by the Full Governing Body
- To review a Pay Policy for approval by the Full Governing Body
- To make decisions in respect of service agreements and insurance
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools, to allow the school to respond to any consultation
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements (If applicable)
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance and report to the Full Governing Body

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The Headteacher is responsible for implementing the decisions of the Governing Body and for the operational management of the school. The general administration of financial procedures may be delegated to other members of staff at the discretion of the Headteacher and this delegation should be documented in the Finance Policy.

The Headteacher has delegated the general administration of financial procedures to the School Business Manager

### **3.2 Internal Financial Controls**

The internal financial controls operated by Chilham St Mary's Primary School follow the financial controls set out in the LA's Scheme for Financing Schools.

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

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

### **3.4 Monitoring and Virements**

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

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

Virements up to £8,000 - The Headteacher, reported to the Finance & Estates Committee

Virements over £8,000 up to £15,000 - The Finance & Estates Committee

Virements over £15,000 - The Full Governing Body

### **3.5 Insurance**

Chilham St Mary's Primary School is insured through *the Kent County Council (KCC) 'Safe Hands' Scheme through Zurich Municipal* with relevant cover, as identified by the schedule received from the LA's Insurance section.

**Zurich Municipal**

**Zurich House**

**Stanhope Road**

**Portsmouth**

**PO1 1DU**

Our staff absence insurance is with

**Class Insurance**

**The Business Centre**

**BCFC**

**Valley Parade**

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Chilham St Mary's Primary School does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured.

### **3.6 Purchasing**

At Chilham St Mary's Primary School, budgets are delegated to key stage co-ordinators and class teachers. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Development/Improvement Plan.

All staff adhere to the school procedures for purchasing items, as laid down in the School's Staff Handbook, paying regard to value for money at all times. The Headteacher or designated deputy authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the procedure for *Spending the Council's Money* as laid down in the *Scheme for Financing Schools* ([www.kent.gov.uk/publications/business/spending-councils-money.htm](http://www.kent.gov.uk/publications/business/spending-councils-money.htm)), in summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Finance & Estates Committee for approval and report to the Full Governing Body
- For orders of £50,000 or over, no fewer than three competitive tenders are sought and submitted to the Full Governing Body for approval

All of the above will be minuted at the appropriate committee/Governing Body meeting to ensure that the School is seen to be obtaining value for money at all times.

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

### **3.7 Personnel Matters**

At Chilham St Mary's Primary School, at the start of every financial year the Headteacher uses the Budget Planning Software (BPS) supplied by Schools financial Services to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance & Estates Committee for incorporation into the school budget planning process.

The Performance Management Committee undertakes an annual review of the Headteachers salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and reports to the Full Governing Body. Details of all salaries are recorded as a confidential item in the minutes.

### **3.8 Payroll Matters**

The payroll provider at Chilham St Mary's Primary School is SPS Intepay, who provides payroll services to the specification laid down by the LA. The Headteacher signs off the monthly payroll reports once they have been checked for accuracy.

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

All staff at Chilham St Mary's Primary School are responsible for the security of school assets. Co-ordinators, subject managers and class teachers safeguard their assets. The asset register is maintained on the FMS6 Equipment Register and checked on an annual basis and certified by the Headteacher.

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where assets are written off and disposed of, the Finance & Estates Committee agrees this on behalf of the Full Governing Body and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans form is completed and signed when borrowing the item and again when the item is returned.

### **3.10 Income**

At Chilham St Mary's Primary School, we do not currently undertake Lettings.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, the Full Governing Body will approve up to £1,000. Approval to write off debts over £1,000 is required in writing from the Schools Financial Services Manager.

We have agreed a level of cash to be held in school at any one time as £300. Cash will be receipted, recorded and banked promptly at all times.

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

Chilham St Mary's Primary School operates its school bank account(s) in accordance with the regulations in the LA's Scheme for Financing Schools. The school operates only one current account for the administration of KCC official funds.

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

Chilham St Mary's Primary School pays suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Chilham St Mary's Primary School are printed out on at least a monthly basis and reconciled in accordance with LA guidelines. The Headteacher or designated deputy signs and dates the bank statement as soon as possible after the reconciliation has been checked.

### **3.12 Petty Cash**

Chilham St Mary's does not operate a petty cash system.

### **3.13 Corporate Cards – NatWest onecard**

Chilham St Mary's Primary School operates an approved onecard in accordance with the LA guidance.

**The approved uses are:**

Mrs Melanie Woodland – School Business Manager with a monthly limit of £2500

Mr Rodney Linkins – Caretaker with a monthly limit of £250

Personal credit / Debit cards will not be used for the purchase of items for the school.

**3.14 The Voluntary Fund**

Chilham St Mary's Primary School does not operate a school Voluntary Fund

**3.15 Irregularities**

All staff at Chilham St Mary's Primary School are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff in their staff handbook and a copy of the Whistleblowing policy given to new starters at their induction.

**3.16 Data Protection**

Chilham St Mary's CEP School (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying a data protection fee to the Information Commissioners Office (ICO). Chilham St Mary's CEP School pays an annual fee of £35.00 as determined by the ICO.

**3.17 Financial Administration**

At Chilham St Mary's Primary School one member of staff is trained in the use of the finance software and financial administration procedures. We also purchase a support contract through the Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support if required. Chilham St Mary's CEP is an associate member of the CARE Foundation trust and can obtain support from another one of the trust schools.