



“I have come in order that you might have life – life in all its fullness.”
John 10:10

Finance Policy

Incorporating:

- Lettings Policy (Appendix 4.1)

Policy accepted by FGB on:	<i>30/11/2015</i>
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Signed (Chair of Governors):	<i>NR Jockhu</i>
Statutory policy: <i>Yes/No</i>	On school website: <i>Yes/No</i>

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FINANCE POLICY

(This policy is based on the Somerset County Council *Revised Model Finance Policy for Schools*. SFAT Circular 3/2015. IPostID-2-4107.)

INTRODUCTION

The Finance Policy has been adapted to reflect the individual needs of Christ Church C of E First School and includes specific information relating to procedures and tasks performed in the school.

The Finance Policy is a working document and will be updated to meet any changes, such as staff changes.

The policy will be approved by the Governing Body and will be reviewed at least every two years. Both the approval of the Finance Policy and the date of the future review will be recorded in the Minutes of the Governing Body Meeting.

The Finance Policy is used in conjunction with other Model Policies issued by the LA and in particular:

The Financial Management Scheme (FMS)

The Scheme sets out the financial relationship between Somerset County Council (SCC) and the maintained schools which it funds.

The Scheme contains requirements relating to financial management and associated issues and is binding on both the Local Authority (LA) and on schools through their respective Governing Bodies.

Financial Guidance issued by Education Financial Services

This includes:

Financial Guidance – Working with SIMS FMS

Financial Guidance – Budget Planning

Financial Guidance – Reconciliation for Central Payment Schools

Financial Guidance – Financial Reporting

Financial Guidance – Income

Financial Guidance – Petty Cash for Local Payment Schools

Financial Guidance – Petty Cash for Central Payment Schools

Financial Guidance – Unofficial School Funds

1. ORGANISATION AND ACCOUNTABILITY

Responsibilities of the Governing Body

- It is expected that each member of the Governing Body will have completed an induction course for governors and be aware of policies for schools and *The Governors' Handbook*.
- Responsible for the well-being and control of staff (Staff Pay Policy).
- Responsible for security, custody and control of resources of the school (plant, buildings, materials, cash, stocks).
- Must comply with their responsibility in relation to Health and Safety.
- May incur expenditure up to the total of the delegated budget share of the school after allowing for the carry forward.
- Ensuring that adequate financial procedures and controls exist to minimise the risk of loss, wastage or misappropriation, and also to satisfy official requirements relating to VAT, Income Tax, NI, Construction Industry Tax, etc.
- **Governors may delegate any of these powers to a Committee or Headteacher (see further in this section). The Governing Body must determine, review and approve the constitution, membership and Terms of Reference (TOR) of any Committee annually.** Committee minutes/reports are submitted regularly and documented in Full Governing Body minutes.
- Appoint a Clerk to the Governing Body (other than a governor or Headteacher) who will attend regular Clerk's briefings and ensure the efficient functioning of the Governing Body.
- Governors have the power to limit the delegated powers of the Headteacher if it is considered to be necessary.
- Register of Business Interests is reviewed annually to ensure it is up to date and current declarations held. Register to be available in school for scrutiny. Staff and governors must withdraw from meetings where they or any member of their immediate family has a financial interest in any matter under consideration.
- Responsible for setting the de minimis level for capital expenditure.
- By 30 June, governors must have formally approved the school's budget plan, taking into account such things as current spending, priorities in the annual School Development Plan (SDP), future commitments and pupil numbers. Details of the budget plan must be sent to the Schools Funding and Accountancy Team, with the assumptions underpinning it.
- Monitor the budget at least twice a year as presented by the Finance Committee, ensuring full details of any variances, budget movements, and remedial plans have been documented.
- Responsible for ensuring that school accounts are accurately reflected in the County Council Statement of Accounts by making arrangements for compliance with guidance produced by the LA.
- Approving at least three authorised signatories to cover for absence (Headteacher plus two others). A governor can only sign as a second signatory.
- Ensuring that an up-to-date inventory is maintained for items with a replacement cost of **£100** or more and an expected life of at least one year with all County Council property being security tagged. Ensuring that the

inventory is checked against the items at least annually. Discrepancies are reported to governors to investigate and keeping a record of write-offs.

- Nominating an independent person to audit the unofficial fund at least annually.
- Money may only be borrowed with written permission of the Secretary of State. This does not apply to Trustees and Foundations (see Sections 3.4.1, 3.4.2 and 3.4.3 of the Financial Management Scheme).
- Approving the write-off of debts.

Responsibilities of the Finance Committee

The Governing Body has delegated to the Finance Committee the following responsibilities:

- The drafting and recommendation to the Governing Body of the annual budget.
- The monitoring of the budget, expenditure and income.
- Ensuring expenditure does not exceed the available budget.
- Authorising, in advance, virements exceeding **£5,000**, a figure agreed by the Full Governing Body. (See Section 3 – Virements.) A member of the Finance Committee or the Chair of Governors is empowered to authorise virements that have been recommended by subcommittees by signing the virement form in advance of money being moved. Virements are then reported in the next Finance Report.
- Authorising expenditure not covered by the cost centre headings in the original agreed budget, or incurred due to a change in policy and authorising the funding source for such expenditure. Details to be documented in Committee minutes and presented to the Governing Body.
- Approving high level purchases and contracts prior to an order being placed.
- Ensuring that a full financial report is delivered to the Governing Body twice yearly – in the Autumn term and following the end of the financial year.
- Ensuring that a brief report is delivered to the Governing Body at least once every term.
- Maintaining a Charging and Remissions Policy.
- Maintaining a Lettings Policy.
- Writing off or making provision for a bad debt subject to paragraphs 2.1.8 and 2.1.9 of the Financial Management Scheme.
- Maintaining a Tendering Policy.
- Making decisions on the level of buy back of SCC Support Services from Somerset Services To Education Providers (SSTEP), following consultation with the Chairperson of each governors' committee.
- Agree costings for the three-year School Strategic Development Plan (SSDP).

Responsibilities of the Headteacher

Rupert Kaye is Headteacher at Christ Church C of E First School. The Governing Body has delegated the following responsibilities to the Headteacher:

- Leading and managing staff to secure improvement.
- The efficient and effective deployment of staff and resources.
- Accountability to governors and others, such as parents, pupils, staff and the local community.

- Ensuring all reasonable action is taken to minimise risks.
- By 31 March each year, or within 30 days of the budget share being issued, the Head must prepare estimates of expenditure and income covering the next financial year for consideration and approval by the Governing Body.
- Ensuring that a monthly reconciliation between the school's Accounting System (e.g. SIMS FMS) and the County Council's Accounting System is carried out by the last working day of the month following the month of account. (Also bank reconciliation if a Local Payments School.)
- Submitting a written report to governors or Finance Committee at least termly on the progress of the budget, explaining variations from expected spend/income and advising on the likely final position.
- Informing the Service Manager – Schools Funding and Accountancy Team immediately if the school's budget looks as though it will be overspent at the end of the year by 5% or more with a proposed course of action to recover the deficit.
- Authorising virements below a level of **£5,000**; a figure agreed by the Full Governing Body in advance. (See Section 3 – Virements.)
- Reporting virements and journals to the Full Governing Body for their approval.
- Submitting a formal response to the Service Manager – Schools Funding and Accountancy Team within one month's receipt of an internal audit report. Ensuring that the Governing Body receives details of the final report and the school's responses.
- Responsibility for the identification of all income due, its prompt collection and banking, and the maintenance of complete and accurate records.
- Responsibility for ensuring that Value Added Tax (VAT) is treated correctly on all transactions. Also ensures that the school complies with VAT and other tax regulations and that all relevant finance and administrative staff are aware of them.
- Notifying the SCC Insurance Section immediately of all new, anticipated or changed risks requiring insurance. Email: insurance@somerset.gov.uk
- Notifying HR Admin and Payroll as soon as possible of all matters affecting staff payments.
- Authorisation in advance of any staff changes or additional paid hours to be worked by staff, to be notified at the next relevant governors' meeting.
- Responsibility for controlling access to all data in the school in accordance with the Data Protection Guidelines and Codes of Practice. (Section 8, *The Governors' Handbook*.)
- Submitting a signed copy of the annual leases return to the LA.

Responsibilities of the Deputy Headteacher

Ali Bowden is Deputy Headteacher at Christ Church C of E First School. The Governing Body has delegated the following responsibilities to the Deputy Headteacher:

- Day-to-day management of the non-staffing budgets.
- Signing of official orders.
- In the absence of the Headteacher, undertakes the responsibilities of the Headteacher and ensures that an authorised person other than themselves, signs orders.

Responsibilities of the School Business Manager (Finance Officer)

Sara Lodge is School Business Manager at Christ Church C of E First School. She is the school's Finance Officer. The Governing Body has delegated the following responsibilities to the Finance Officer:

- Assisting with the preparation of the school budget, setting expenditure thresholds and profiles.
- Ensuring that on receipt of approved order requisition forms, orders are processed for all planned expenditure except for supplies of public utility services and items purchased through petty cash of not more than **£100** in value.
- Ensuring outstanding orders are reviewed regularly, cancelling or following up as necessary. Ensuring goods and services received are checked against delivery notes, orders and invoices and ensuring the school is charged only for goods received.
- Ensuring invoices are processed within one week of their receipt.
- Preparing cheques (Local Payment schools only).
- Ensures that petty cash is used for approved purposes and that receipts are collected, staff reimbursed, manual records are kept and transactions are recorded on the school's Accounting System (e.g. SIMS FMS) in a timely manner. Arrange for the reimbursement of the imprest bank account.
- Ensuring processes are in place for the collection and recording of income due/received. Ensuring all income due is received, recorded and that the income is banked.
- Ensure that effective action is taken to pursue non-payment of debts within defined timescales.
- Monitoring the budget, providing information and/or financial reports for the Headteacher, governors, LA and budget holders as required.
- Maintaining separate official and unofficial funds and ensuring income is allocated to, and payments made from, the appropriate fund, with no mixing of funds.
- Ensuring processes are in place to maintain financial records for unofficial funds, that they are audited by an independent person annually, and are reported to the Governing Body for their approval. Ensuring that a certificate of the audit, the audit checklist and supporting information are submitted to the LA.
- Reconciling transactions between the County Council's Accounting System and the school's Accounting System by the last working day of the month following the month of account.
- Providing the LA with staff contract changes and submitting payroll forms to ensure that additional staff payments are made promptly.
- Providing financial information as required by the LA.
- Carrying out end of year procedures for closing old year accounts in accordance with the timetable issued by the Schools Funding and Accountancy Team.
- Maintaining an up-to-date inventory of school equipment.
- Ensuring adequate back-ups are maintained of computer-based information.

2. INTERNAL FINANCIAL CONTROLS

Division of duties

Division of duties is the involvement of more than one member of staff in the undertaking of financial tasks. **This is very important as it ensures that one person is not solely responsible for any given function and helps protect against possible error/fraud and provides cover for staff absence.**

Below is an example of how the division of duties can work in practice to minimise the risks involved:

- (1) Individual staff complete a requisition form for goods and services required.
- (2) Budget holder or Headteacher signs the requisition form, with the appropriate cost centre identified.
- (3) Using the requisition form, the Finance Officer prepares orders on the school's Accounting System, having ensured that the goods/services required are within the budget plan and there are sufficient funds in the cost centre.
- (4) Deputy Headteacher checks the official order against the requisition form before signing the order as correct.
- (5) Upon receipt of goods, the budget holder checks the delivery note, to ensure that the goods listed have been "received" and back to the order to see if any items are outstanding. Checks are evidenced in writing and the delivery note is then passed to the Finance Officer.
- (6) When the invoice is received the Finance Officer checks the invoice against the delivery note/order and passes it to the Headteacher, who checks the validity before signing for payment.
- (6) Finance Officer processes the invoice against the original order on the school's Accounting System.
- (7) Headteacher checks and signs the invoice batch header to allow the Finance Officer to upload the invoice to County for payment.

No alterations are made to any invoices. If a change is required, the Finance Officer requests an amended invoice from the supplier.

Refer to **Appendix 3**, which details division of duties for processes, i.e. ordering, invoicing and petty cash, including cover for absences. In the school all transactions are traceable through the system from start to finish.

Authorised signatories

Authorised signatories have been agreed by governors. A list of personnel authorised to sign orders, invoices, cheques, etc. is detailed in the minutes of the governors' meeting at which they were agreed.

Reconciliation

Reconciliation is carried out by the Finance Officer on a monthly basis, by the last working day of the month following the month of account. The Headteacher checks the computer tabulation sheets for inappropriate transactions and signs to evidence the check.

Form 10 (Reconciliation Balance Summary Form) is checked and signed by the Headteacher and retained by the school (**there is no need for this to be sent to the LA**).

Records

- Financial and personnel information needs to be retained for HM Revenue and Customs (HMRC) purposes. See **Appendix 2** for details. Documents are archived annually by the Finance Officer, as appropriate.
- A written log of any instances of fraud or theft detected in the last 12 months is kept in order to identify patterns of misconduct and any weaknesses in the current arrangements which need to be addressed.
- For expenditure, including large purchases and contracts, the school should ensure that a formal written contract is in place, explaining the work performed and all outputs expected, the time period covered and rate chargeable. A copy of the contract should be retained by the school.

3. BUDGETING/FINANCIAL MANAGEMENT AND PLANNING

Funding

The majority of the funds received by the school are delegated through the LA via the annual Individual Schools Budget Statement. This allocation is calculated using a formula based on several factors which affect the school's funding. Additional allocations or deductions may be made throughout the year. The school also has the opportunity to raise additional funds (income), e.g. via lettings or PTA-organised events.

Preparation of the school budget

The priorities within the SDP contain accurate financial estimates and form the driving force of the budget with an emphasis on value for money. The Headteacher is responsible for preparing the budget. Initially, this will be considered by the Finance Committee prior to approval by the Full Governing Body.

Any budget surplus or deficit is reviewed and addressed by the Finance Committee.

Budget monitoring and reporting

Regular monitoring of income and expenditure against the agreed budget is central to effective financial management.

After the monthly reconciliation between the school's Accounting System and the County Council's Accounting System, budget monitoring reports detailing income and expenditure are produced for the Headteacher and budget holders.

The Headteacher analyses the monthly report to identify any variances/unexpected expenditure and takes appropriate action.

Budget holders receive and review their monthly reports comparing the amount committed/spent against their budgets.

The budget monitoring report is presented regularly (at least once a term) to the Finance Committee. The report includes explanatory notes, details of budget movements, estimated outturn at the end of the financial year and any remedial action taken/required, or items requiring further discussion/approval.

If it is anticipated that the school may go into a deficit situation by the end of the financial year, the Headteacher will inform the Service Manager – Schools Funding and Accountancy Team immediately, with a proposed course of action to recover the deficit.

Carry forwards at the end of year will be discussed with the Finance Committee to decide how any uncommitted money will be spent.

Virements (budget movements)

The Governing Body has agreed that budget virements of up to **£3,500** can be actioned, without its prior approval, to allow some flexibility within the everyday running of the school.

The Finance Committee is responsible for authorising, in advance, virements exceeding **£3,500**, a figure agreed by the Full Governing Body.

A member of the Finance Committee or the Chair of Governors is empowered to authorise virements that have been recommended by subcommittees, by signing the virement form in advance of money being moved. Virements are then reported in the next Finance Report.

All budget virements are recorded on a virements form by the Finance Officer and authorised by the Headteacher in advance of being actioned on the school's Accounting System. They are reported to the Governing Body at the next available opportunity.

Any internal journals (transfer of income or expenditure between Cost Centres) for significant amounts are printed and authorised by the Headteacher. They are reported to the Governing Body at the next available opportunity.

Forward financial planning

In light of estimated or known pupil changes, forward budget plans are projected and considered by the Governing Body. It is good practice for the school to plan over the medium term, i.e. three years.

4. PURCHASING

Orders/contracts are only entered into after ensuring that value for money principles have been followed. This includes investigating any available subsidies or discounts for activities, services and goods.

The de minimis level, above which a purchase is treated as capital expenditure is **£500**.

Governors' approval is required for orders of an individual item exceeding **£2,500** and this should be recorded in the minutes of the meeting.

Limits set should be reviewed regularly by the Governing Body and documented in the minutes.

Contracts

All contracts between **£2500** and **£5000** will be discussed by the Finance Committee. All contracts above **£5000** will go to Somerset Procurement.

Any contracts must comply with the Local Government Acts, EU regulations and other legislation governing the expenditure of public funds. Thresholds are reviewed regularly. Refer to the Financial Management Scheme and EC Procurement Thresholds.

The value of a contract is calculated as the amount per annum multiplied by the number of years duration. Different processes are required for different types of contracts and for different values.

For example:

- If taking out a three-year contract at **£15,000** per year this would be worth **£45,000** and would fall into the ***Request For Quotation (RFQ) process***. This process requires a written specification of what is required to be issued to prospective suppliers for them to quote against.
- If taking out a three-year contract at **£50,000** per year this would be worth **£150,000** and would fall into the ***Official Journal of the European Union (OJEU) tender process***. This requires a formal sealed bid procurement process that must comply fully with the requirements of the EU Consolidated Public Procurement Directive.

Where tenders are sought, the criteria to be used in the selection of the successful tender are established **prior** to advertising or receiving tenders. The Governing Body takes responsibility for the safe receipt, storage and opening of tenders where necessary.

A record is kept of how and from whom tenders are sought, what tenders are received, who the successful tender is and the reason for not accepting the lowest tender. A Contracts Register is maintained for this purpose.

As Guidance

For all purchases up to £25,000 in value, the following is required:

- Details of three prospective suppliers and a selection criteria.
- Details of the predetermined award criteria.
- Three competitive quotes and supporting documentation.
- Record of assessment of quotes and any correspondence.

In all cases if the required number of quotes cannot be obtained and if the lowest quote is not accepted, the reasons are reported to the Governing Body and recorded in the minutes of the meeting.

Contracts for goods and services

- For contracts of goods and services between **£25,000** and **£130,000** in value the **RFQ** process is used.
- For contracts of goods and services above **£130,000** the **OJEU** tender process is used.

Contracts for works

- For contracts for works between **£25,000** and **£130,000** the **RFQ** process is used.
- For contracts for works above **£130,000** to **£3,750,000** the tender process **without OJEU Notice** is used.
- For contracts for works above **£3,750,000** the **OJEU** tender process is used.

Where the school is engaging in works such as building or decorating, where Construction Industry Tax (CIT) applies, the Finance Officer ensures that the supplier is registered under the scheme before accepting them to carry out the work.

Copies of all contracts entered into are retained by the school to enable compliance with terms and conditions to be monitored.

Requisition and ordering

Requisition forms **must** be completed by staff and signed by the budget holder, who ensures that the expenditure has been included in the budget plan and that there are adequate funds to make the purchase.

On receipt of approved order requisition forms, orders are processed for all planned expenditure except for supplies of public utility services and items purchased through petty cash of not more than **£100** in value.

All official orders are printed on controlled stationery and signed by the Deputy Headteacher or another authorised signatory taking account of division of duties.

The authorised signatories are:

- (1) Rupert Kaye – Headteacher
- (2) Ali Bowden – Deputy Headteacher
- (3) Sara Lodge – School Business Manager

All official order stationery is kept secure in a locked cabinet. The order stationery control sheet is updated for all orders including order sheets spoilt.

Outstanding orders are reviewed regularly, cancelled or followed up as necessary. If cancelled, a reason is written on the copy order for audit purposes.

Orders are not raised on behalf of, or for the benefit of, private individuals or organisations.

Telephone orders are discouraged and only used in exceptional circumstances. If an order is placed in this way, it is made clear that it is subject to SCC terms and conditions and written details are supplied immediately to the Finance Officer to enable a confirmation order to be raised on the school's Accounting System and sent to the supplier.

Delivery notes

All delivery notes are checked upon receipt of goods, to ensure that the goods listed have been "received".

Delivery notes are also checked against the order by budget holders. Checks are evidenced in writing and the delivery note is then passed to the Finance Officer.

Discrepancies are followed up by the Finance Officer.

The inventory is updated for items of furniture, equipment, etc. of **£100** or more.

Payment of invoices

Where goods are provided by a supplier who is registered for VAT, a valid VAT invoice is obtained.

Payments to individuals (other than some contractors subject to CIT) who supply goods or services to the school (e.g. tuition or performances) are made via the payroll system.

The Finance Officer checks the delivery note to the invoice, to ensure that the school is only charged for goods received. The delivery note is attached to the invoice. Payments are not made from statements or “brought forward balances”.

The invoice is then passed to the Headteacher for authorising **prior** to the Finance Officer processing on the school’s Accounting System. The printed authorisation list is also certified by the Headteacher before either the file is transmitted via the Interface to County (for central payment schools) or a cheque is raised (for local payment schools). The invoice is attached to the authorisation list.

Procurement Cards (P-Cards)

A Procurement Card is a quick, simple and easy way to pay for low value purchases. The card is issued by SCC, and its use complies with the Corporate Purchase Card Procedures guidance, which is issued to all cardholders at individual initial briefings. Supplementary guidance that is issued periodically is also adhered to.

Suitable limits are set in line with legitimate school business needs and are reviewed regularly.

Governors have agreed that the school has two Procurement Cards with NatWest Bank and held by:

- (1) Sara Lodge – School Business Manager
- (2) Ernie Penney – Site Manager

The P-Card is **only** used by the **named cardholder** and is kept under their control at all times.

Purchases are only made for authorised goods or services on behalf of the school (SCC).

The school **must** ensure that division of duties is adhered to and that expenditure is authorised by an appropriate person.

Division of duties for P-Cards can vary from school to school depending on who has been issued with a P-Card, how many have been issued and the size of the school.

Below is an example of how the division of duties can work in practice to minimise the risks involved:

- (1) An independent officer checks the invoice against the transaction log (along with appropriate receipts).
- (2) The designated authorising officer approves the payment of the invoice.
- (3) The designated authorising officer is usually the budget holder or Headteacher, but is different from the person who has been issued with the P-Card. If the Headteacher is not available, then authorisation is made by the Chair of Governors or in their absence the Chair of Finance.

Leases

When considering a lease arrangement, the school only enters into an operating lease arrangement and not a finance lease or hire purchase, as the latter are a form of borrowing. Operating leases involve the school paying a rental fee for the hire of an asset for a period of time, and are similar to a rental agreement.

The LA requires LA Community and Voluntary Controlled Schools to complete an annual return at year end detailing any leases that schools have entered into and confirming that they are not finance leases. **The Headteacher ensures that a signed copy of the annual leases return is sent to the LA.**

5. INCOME

Income can be vulnerable and the income collection system should meet the following objectives:

- All income due to the school is identified and collected.
- All income is receipted and banked promptly and completely.
- There is a clearly documented audit trail from receipt through to banking for all transactions.

The school has a Charging and Remissions Policy (separate document) and a Lettings Policy in place (see **Appendices 4.1, 4.2, 4.3 and 4.4**). These are adhered to at all times.

Adequate division of duties reduces the risk of error and fraud in dealing with income. The person collecting income is different from the person that records and banks the income with record of officers involved in this process evident. (An example of division of duties is listed in **Appendix 3**.)

Raising invoices

An account is raised by the Finance Officer via the school's own billing system, ensuring the invoice complies with the requirements for a tax invoice, e.g. SCC VAT number and sequentially numbered. An invoice is sent to the customer for goods and services provided.

Collection and banking of income

This comprises several stages:

(i) Cash handling

Cash handling guidance, as recommended by South West Audit Partnership (SWAP), is adhered to at all times.

SWAP recommend that on school sites where cash is collected and banked locally, that the safety of the individual is considered and that clear and up-to-date guidance is provided for banking:

At all times:

- Do not count cash where the public/visitors can see.
- Prior to banking, keep cash and cheques locked away securely in the safe, out of site of the public/visitors.
- Bank income regularly, so that a minimal amount is kept on the school premises and so that a large amount of cash does not have to be carried to the bank.

In accordance with recommendations from SWAP, individuals undertaking banking are advised to do the following:

- **Think about your personal safety. If attacked, surrender cash.**
- If possible travel by vehicle rather than on foot or by public transport.
- As far as possible vary the times and route taken to the bank, especially on foot.
- Bank only during good daylight hours if possible and avoid quiet streets and alleyways.
- Be aware of what is going on around you. Walk in the centre of the pavement facing the oncoming traffic.
- Never let members of the public know where you are going when you leave the office.
- Take care how you inform your colleagues of your absence but do let your manager know of your departure and expected return time.
- Keep with you a means of communication to let your manager know if you are delayed.
- Do not draw attention to the fact you are carrying cash. A box file or a strong shopping bag or even an inside coat pocket are preferable to a brief case or cash bags.

To ensure that staff are aware of cash handling procedures, SWAP recommend that the school completes the following self-assessment:

- Have you provided training in personal safety for your secretary/administrator?
- When banking money, are the day and times varied to avoid a routine becoming known to others?
- When banking money, is the route taken varied to avoid a routine becoming known to others?
- Are amounts kept to a minimum by regular banking?
- Does the person going to the bank inform their manager of departure and expected return time?
- Has the person been given instruction to give up the money if accosted?
- Has the person a means of contact in case of unavoidable delays?

- When banking the Quick Deposit Box at the bank is used and a record is kept in the paying-in book.

(ii) Recording

Income collected in class is recorded on record sheets by the appropriate Class Learning Support Assistant. The income is then taken to the Finance Officer, who checks and signs for it. All other income received by staff in the School Office is recorded on record/monitoring sheets.

A receipt is issued by the Finance Officer for any cash, postal orders and cheques received via the office. If appropriate, termly receipts can be issued, e.g. swimming, dinner money and trips. In some cases, e.g. trips, this may be produced as part of the returns slip.

Income is recorded on the school's Accounting System promptly, ensuring the correct VAT treatment is applied, and the authorisation slip is printed.

Ensure bank paying-in slips and electronic coding slips are completed in full.

(iii) Reconciliation

Reconciliation of income is carried out on a monthly basis by the Finance Officer, ensuring that all income banked has been received.

Independent checks are made by the Headteacher to ensure that all income expected has been recorded, banked and received. Evidence of these checks is made in writing.

Debts policy

The Finance Officer monitors outstanding debts regularly, and pursues bad debts.

Effective action is taken to pursue non-payment of debts within defined timescales.

Where money is not recovered, the matter is referred to the Finance Committee, who may write off the debt providing the total amount of debt written off in a financial year does not exceed 1% of the school's delegated budget share for the year.

Subject to the paragraph above, debts due from a single debtor up to a total value of **£1,000** in any one financial year may be written off, but only on the direct authority of the Governing Body, i.e. by resolution at a Governing Body meeting. In this event, the school should refer to the Financial Management Scheme (see Sections 2.1.8 and 2.1.9).

The school will maintain a record of all debts written off showing what attempted recovery action has been taken and the justification for non-recovery.

6. **BANKING ARRANGEMENTS**

(For schools operating Local Payments System ONLY.)

The proper administration of bank accounts is a fundamental financial control. In particular, regular bank reconciliations are essential as they prove that the balances shown in the accounting records are correct and provide assurance that the underlying accounts are accurate. The internal controls documented in this section guard against potential error or fraud.

Bank accounts

The current banking arrangements are discussed annually by the Governing Body.

The school has the following bank/building society accounts:

- High Interest Account
- Current Account

An arrangement currently exists to transfer all surplus balances to be swept from the Current Account into the High Interest Account automatically.

Bank statements are received monthly and are reconciled by the Finance Officer to the transactions held within the school's Accounting System. Any discrepancies are investigated. This reconciliation is checked and certified correct by the Headteacher or Business Manager (Form LP/1), who reports to the Finance Committee and the LA.

The Governing Body has agreed three signatories, one of which is the Headteacher, so that two people sign each cheque and a third person is available to cover any absence. This has been recorded in the minutes of the meeting in which it was agreed. Three sample signatures of each authorised person have been sent to the bank. **Blank cheques are never signed.**

The authorised signatories are:

- (1) Rupert Kaye – Headteacher
- (2) Ali Bowden – Deputy Headteacher
- (3) Sara Lodge – School Business Manager

Advances of the budget are received in 13 instalments during the year. The accounts do not go overdrawn, as there is no overdraft facility allowed.

When using Direct Debits and Standing Orders, the school ensures that:

- (i) a copy of the signed direct debit or standing order guarantee has been signed by two authorised signatories;
- (ii) an invoice/statement has been received prior to the payment due date. The payment is approved in advance by the school approved signatories along with other payments;
- (iii) effective monitoring arrangements are in place for cash flow monitoring and to confirm accuracy of each payment (done during reconciliation);
- (iv) there is written evidence of cancellation of direct debits/standing orders.

Controlled Stationery

All controlled stationery is kept securely in the safe.

Spoilt cheques are attached to the back of the chequebook.

7. PETTY CASH/IMPREST

Petty cash is a small sum of money, which is held in a separate bank account. When expenditure is incurred, a claim is completed and sent to the LA, which charges the school's budget and reimburses the bank account. This is called an Imprest System, whereby the account is always topped back up to a fixed float/advance of **£985**. The school is issued with a chequebook and receives monthly statements of the account transactions.

Petty cash is used to reimburse staff for approved purchases on behalf of the school upon production of a valid receipt for:

- cash payments too small for an order to be acceptable;
- emergency purchases where immediate settlement is required;
- purchase of postage stamps;
- obtaining greater discounts for settlement by cash/cheque;
- obtaining goods/services from suppliers who do not accept official orders.

Petty cash is NOT used for:

- making payment to staff including salaries, travel or expense claims;
- paying for services such as mobile telephones, fuel or services that may be liable to CIT;
- making payments to individuals (e.g. theatre groups, authors, musicians, self-employed) who require cheques to be payable to them personally (except window cleaners and piano tuners who use their own equipment);
- cashing personal cheques;
- paying in income (to the Petty Cash Account).

Using the Petty Cash Account

Items can be paid for by cheque or cash. If cash is required, a cheque is drawn for the cash. Both the chequebook and cash (if any) are kept securely in the safe.

The recipient signs for any cash received.

The Governing Body has agreed three signatories. Two of the authorised signatories are required to sign each cheque. **Blank cheques are never signed.**

The authorised signatories are:

- (1) Rupert Kaye – Headteacher
- (2) Ali Bowden – Deputy Headteacher
- (3) Sara Lodge – School Business Manager

Receipts are obtained wherever possible for all items purchased from the Petty Cash Account. (If a receipt isn't available, a petty cash voucher is completed instead.)

If VAT is charged on an item, a valid VAT receipt is obtained. (If a VAT receipt cannot be obtained, a petty cash voucher is completed and authorised but no VAT can be reclaimed.)

All receipts and petty cash vouchers are authorised by the Headteacher and promptly entered by the Finance Officer onto a cheque/cash control sheet. Details are then entered onto the school's Accounting System either at the time of purchase or on a weekly basis.

All expenditure of more than **£100** is approved by the Headteacher before the money can be spent. An order is raised on the school's Accounting System, which is signed by an authorised officer, retained at the school and cancelled once the petty cash expenditure has been entered.

A reimbursement claim is completed regularly, at a minimum when approximately half the float has been spent. The claim is checked and authorised by the Headteacher before being submitted for reimbursement.

When the reimbursement is shown on the bank statement, the Finance Officer records the reimbursement on the School's Accounting System. Reconciliation of the imprest is completed every time a claim is made, including verification of the cash held in hand. **Evidence of reconciliation must be retained.**

8. **ASSETS**

The school has many valuable items in use throughout the site. Some of these items are fixed, but many are portable and therefore may be vulnerable to theft.

Inventory

All items purchased above **£100** (together with portable items under **£100**, e.g. ICT equipment/digital cameras) are recorded in the school inventory upon receipt, giving full details of:

- Value
- Date purchased
- Description
- Serial numbers (where applicable)
- SCC Security label number (Security labels are available from SCC's Insurance Section)
- Useful life
- Location within school

The Inventory is checked annually against the asset register by the Headteacher and a governor, with any discrepancies being investigated. Evidence of the annual check is retained.

A record is maintained of all authorised disposals, including the proceeds of the sale, the date of transaction and the name and address of purchaser, and minuted in governors' meetings.

A booking out system is employed where any goods are taken off site. The system includes the following details:

- Name of borrower
- Item borrowed
- Date borrowed
- Condition of goods when removed
- Date returned
- Condition of goods when returned

Cash/chequebooks

Cash and chequebooks are kept in the safe when not in use.

The value of petty cash held within the school is kept to a minimum.

Income collected from pupils is recorded and banked as soon as possible, preferably within two working days, in order to ensure only minimum levels are held on the premises.

Stock

All consumable stock is stored centrally in the stock room. This is locked at all times to avoid the misuse of stock, which leads to unnecessary ordering.

A physical check is carried out annually to ensure that stock is kept at a reasonable level.

9. INSURANCE

School contents insurance (balance of risks)

The school buys into SCC's Contents Insurance for Schools:

<https://slp.somerset.org.uk/sites/insurance/SitePages/Home.aspx>

This insurance covers the following:

- School contents situated in the school premises (including attendant buildings owned and/or occupied by the school for the purposes of the school's business).
- The cost of the removal of debris.
- Professional fees.
- Contents temporarily removed from the premises (limit of **£2,500**).
- Damage to property on temporary loan to the school (limit of **£2,500**).
- As from 1 April 2015 loss of freezer content up to a limit of **£1,000** is covered.

Perils covered:

- Damage resulting from theft
- Malicious damage
- Escape of water
- Impact
- Accidental damage

The cover excludes personal effects of employees, pupils, students and visitors.

ICT equipment is also included in this policy. Details of all ICT equipment are recorded in the school inventory. A full and up-to-date inventory of school contents must be kept at all times to substantiate a claim and provide evidence of ownership.

An excess of **£100** applies to each and every claim except for:

- laptop/mobile computers – excess is **£200**;
- theft from non-alarmed area – **£250**;
- theft whilst in transit – **£250**.

Building maintenance insurance

The school buys into the Building Maintenance Indemnity Scheme (BMIS) through SCC.

Vehicle insurance

When a vehicle is hired in by the school, the school will either make insurance arrangements through County, or choose to take the hirer's comprehensive insurance cover.

Supply insurance

The school buys into the Primary/Special Schools' Supply Mutual Fund (SMF) administered by the LA.

School activities travel insurance

The school buys into the School Activities Travel policy arranged by SCC.

The policy provides travel insurance cover for all insured persons (pupils, teaching and support staff, adult volunteers, helpers and assistants, and other authorised children) of participating schools whilst on organised trips **outside** the designated school boundaries.

Extended school activities

The school ensures the correct use of school premises when used by a third party.

Lettings insurance

Lettings insurance, available through SCC, is offered by the school to all hirers of the school premises (other than commercial organisations, who should have their own public liability cover).

A fee based on 12% of the hiring cost is added to the lettings charge.

Further information about Public Liability Insurance can be found here:

[https://slp.somerset.org.uk/sites/insurance/SitePages/Hirers%20Liability%20\(Lettings%20Insurance\).aspx](https://slp.somerset.org.uk/sites/insurance/SitePages/Hirers%20Liability%20(Lettings%20Insurance).aspx)

10. COMPUTER SYSTEMS AND DATA SECURITY

The Data Protection Act 1998

The school and Governing Body register under the Data Protection Act. The School Business Manager (**Sara Lodge**) is the school's nominated Data Controller. She is responsible for controlling access to all data in the school in accordance with the Data Protection Act and to ensuring that all staff are aware of their responsibilities/obligations at all times.

All information relating to personnel is:

- obtained and processed fairly and lawfully;
- held only for specified lawful purposes;
- adequate, relevant but not excessive for those purposes;
- accurate and up to date;
- available to those people referred to;
- kept securely.

Information is not kept longer than necessary and neither used nor disclosed other than in accordance with the purposes that the school has disclosed. Any new use of personal information, including the sharing of personal data with other agencies, should be notified to the Information Commissioner's Office (ICO) and the relevant pupils and staff.

Offences against the Act are criminal and individuals will be held personally responsible.

Access/security

The purpose for controlling access is to ensure that only authorised personnel are able to access information that is relevant to the tasks for which they are responsible. It prevents unauthorised access to information which could result in accidental or deliberate corruption of the data and which might contravene the confidentiality part of the Data Protection Act.

The Headteacher (**Rupert Kaye**) is the System Manager, responsible for the overall control of all systems. The Deputy Headteacher (**Ali Bowden**) is the Deputy System Manager, covering in the absence of the System Manager.

Access rights are determined, monitored and reviewed regularly by the System Manager and/or Deputy System Manager.

Access to software is restricted according to the level of access required for an individual to carry out their job to an expected level. Access rights are reviewed regularly by the System Manager and/or Deputy System Manager and protected via passwords.

All laptops and memory sticks are encrypted.

Computers are not left easily accessible by unauthorised users.

Computer screens are locked (by password/locking the workstation) if left unattended.

Any software installed onto the school's network is protected through a virus guard so that any files received from outside sources can be virus checked before being opened.

Cloud technology

Where cloud technology is used to store personal or confidential data the school ensures that the supplier adheres to the Data Protection Act.

Backup

Backup is carried out automatically every night and the backed up data is stored remotely. It is the school's duty to make sure that backup procedures have worked. Further information about backup should be available from the school's ICT support.

Transmission of data

The transmission of personal or confidential data must always be over secure channels and the school ensures that any methods used, including email, do not lead to breaches of the Data Protection Act.

Computer printouts

Each month, details of expenditure as recorded on the County Council's Accounting System relating to the school's budget are downloaded and printed. These printouts are stored in a lockable cabinet as they contain personal information relating to staff employed at the school.

11. PERSONNEL/PAYROLL

Regulations

The school is aware that there are a number of areas where HMRC regulations affect or determine the way payments are made. In particular, these relate to individuals who are self-employed and where individuals/companies are subject to the Construction Industry Tax Scheme.

Controls are in place to ensure appointments are cleared through the Disclosure and Barring Service (DBS). Also, controls are in place to ensure that additional checks are made where required for a staff member's eligibility to work in the UK and their suitability to work with children.

Payroll

No employee can certify payroll expenditure from which he or she might personally benefit.

The Chair of Governors signs any amendments to the Headteacher's contract.

Links with SIMS FMS

Contract information held within SIMS.net Personnel feeds through to SIMS FMS providing salary and on-cost projections. The Finance Officer ensures that SIMS.net Personnel is kept up to date with any contract changes and also with salary, Superannuation and National Insurance changes.

Pay Policy

The school has a separate Pay Policy, which is reviewed annually by the Headteacher and Personnel Committee.

Whistleblowing Policy

The school has a separate Whistleblowing Policy, the implementation of which is reviewed and communicated to staff regularly. Further information can be found on the following sites:

Guidance and code of practice for employers

<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>

Whistleblowing for employees

<https://www.gov.uk/whistleblowing>

SCC Whistleblowing Policy

<http://extranet.somerset.gov.uk/hr/employment-information/whistleblowing/?assetdet964527=38647>

12. **UNOFFICIAL/VOLUNTARY FUNDS**

Unofficial funds are monies that do not belong to SCC but for which employees of SCC are accountable during the course of their employment. The funds arise from contributions or donations other than from the LA. Consequently it does not hold any official monies of the LA.

All staff involved with Unofficial School Funds must ensure that their actions comply with the Financial Management Scheme (Section 2.8). It is the responsibility of the Governing Body and Headteacher to provide an overview of the Unofficial Fund and ensure the day-to-day administration and operation of the Fund is carried out with as much care and diligence as the school's delegated budget (Official Funds).

Purpose of the Unofficial Fund

The purpose of an Unofficial School Fund is to hold the proceeds of fundraising events and donations made by individuals or organisations and spend them for the benefit of the pupils.

The Unofficial Funds comprise:

- General donations, i.e. funds donated for the general benefit of the school
- Specific donations, i.e. funds donated with contingent terms
- Fundraising activities
- Charity collections
- Book Club income
- After-school activities (tennis, cricket, etc.)
- School trips
- Staff tea money
- Children's cooking contributions
- Uniform
- School photograph income

The Unofficial Funds are spent on:

- School trips
- Uniform
- Milk
- Resources

Management of the Unofficial Fund

Because Christ Church is a school maintained by the LA, the funds are controlled by the governors.

The Headteacher ensures that governors are informed that the school holds Unofficial Funds and are aware of their purpose.

An Unofficial Funds Finance Committee (which is separate from the Governing Body Finance Committee) determines the policy of, and activities to be undertaken by, the Fund and monitors performance closely. The Unofficial Funds Finance Committee comprises:

- (1) Rupert Kaye – Headteacher
- (2) Neil Douthwaite – Chair of Governors
- (3) Sara Lodge – School Business Manager

The Headteacher ensures that proper accounts are maintained of all receipts and payments concerning unofficial funds.

The Headteacher (**Rupert Kaye**) delegates the operation of unofficial funds to the School Business Manager (**Sara Lodge**). **However, the Headteacher is responsible for approval of all expenditure from the account.** Reports are made to the Unofficial Funds Finance Committee concerning the balances and activities of the funds at least quarterly and this committee monitors performance closely.

Separation of Funds

This Fund is kept completely separate from the Official Fund. It has independent records and has its own bank account accruing interest. The two funds are never involved in the same transaction/activity. (It is recognised that some transactions can go through either official or unofficial funds, but the income and related expenditure always go through the same fund.)

Accounting procedures and records

The Unofficial Funds are managed with as much care and diligence as the school's delegated budget (Official Funds) and therefore accounting procedures must adhere to other sections in this Finance Policy, Section 4: Purchasing and Section 5: Income. Proper accounts are kept of receipts and payments relating to unofficial funds.

(i) Income

As soon as money is received, it is sent to Sara Lodge (School Business Manager) for recording and for banking at the earliest opportunity. Receipts are issued using a numbered, duplicate receipt book. Where money is being collected in instalments from pupils, a collection record card is maintained for each pupil.

All cash income is paid into the bank in full and is withdrawn as a cash cheque when it is required, no matter how short the time between banking the cash and drawing the cheque.

(ii) Authorised expenditure

Any money paid out is by cheque.

All cheques are signed by a minimum of two out of three authorised signatories. Blank cheques are never signed or issued.

The Governing Body has agreed three signatories:

- (1) Rupert Kaye – Headteacher
- (2) Ali Bowden – Deputy Headteacher
- (3) Sara Lodge – School Business Manager

Wherever possible, an invoice or a signed receipt covers all payments. If no receipt has been obtained, a payment voucher, authorised by the Headteacher, covers all reimbursements of payments made.

Copies of paid invoices are retained for all purchases to ensure that the records are comprehensive.

All payment vouchers are numbered, dated and filed.

(iii) Reconciliations

Regular reconciliations of the bank statements to the accounting records are completed monthly and independently checked by the Headteacher. Evidence of these checks is made in writing.

Auditing of accounts

The Governing Body appoints an auditor who is independent of the school and is not involved or related to anyone involved in the running of the funds. (It is not normally necessary for the auditor to be a registered auditor or qualified accountant.)

The accounts are audited at the end of each academic year (i.e. 31 August).

Auditors are entitled to seek and to obtain any information and explanations required from members of the staff concerned with the operation of the fund and all records are made available to them.

If a cost is incurred in obtaining the audit, this is met from the fund.

The Headteacher ensures that the accounts are prepared annually and audited, and presents the audited accounts, the auditor's certificate, the audit checklist and a written report on the accounts to the Governing Body as early as possible in the Autumn Term.

The LA requires all schools to complete an Unofficial Funds Audit Checklist and an Annual Audit Certificate for their Unofficial School Fund (or a nil return if they do not have one). **Once accepted by the Governing Body, the Headteacher ensures that a signed copy of the Year-End Statement of Accounts, showing details of income and expenditure for all Unofficial Funds, is sent to the LA along with the Annual Audit certificate and the Unofficial Funds Audit Checklist.**

Insurance

The Governing Body ensures that the fund is covered by insurance, including fidelity guarantee insurance.

Charity Commission registration

- Schools' unofficial funds would normally be required to register as charities with the Charity Commission if they are established for exclusively charitable purposes and if their total income exceeds **£5,000** per annum.
- Becoming a charity will allow the fund to be eligible for various tax reliefs and may also help in obtaining grants from other charities which can make grants only for charitable purposes.
- Where the school fund has charitable status, the governors will normally be the trustees of the charity. (See Charity Commission website <http://www.charity-commission.gov.uk>)

13. **CHARGING FOR SCHOOL ACTIVITIES**

The 1996 Education Act requires all schools to have a policy on charging and remissions for school activities. No charges can be made unless the Governing Body of the school has drawn up a Charging and Remissions Policy. The policy must be made available to parents and must be kept under regular review.

The following guidance has been taken into account in the school's Charging and Remissions Policy:

Guidance on charging

In general, all education provided during school hours is free, though music tuition can be an exception to this (see below).

(i) Residential school visits

Schools cannot charge if 50% or more of the time spent on the activity is in school hours or if the activity is part of the national curriculum. If a charge is made, the cost must not exceed the actual cost, i.e. the school must not make a profit.

However, schools may charge for the cost of board and lodgings during overnight school trips. The charge must not be more than the accommodation actually costs and parents who are in receipt of certain benefits are not required to pay. (See remission of fees below.)

(ii) Music tuition

Charges can be made when the tuition is not an essential part of:

- the National Curriculum;
- a public examination syllabus;
- first access to the Key Stage 2 instrumental and vocal tuition, Wider Opportunities programme.

(iii) Examinations

No charge can be made for entering pupils for public examinations that are on the National Curriculum.

However, an examination entry fee may be charged to parents if:

- the pupil wasn't prepared for the examination at the school;
- the examination isn't on the National Curriculum, but the school arranges for the pupil to take it;

- a pupil fails without good reason to complete the requirements of any public examination where the governing body or LA originally paid or agreed to pay the entry fee.

Schools can also charge for:

- resits for public examinations where no further preparation has been provided by the school;
- costs of non-prescribed examinations where no further preparation has been provided by the school.

(iv) Breakages and replacements

Schools can charge for breakages and replacements as a result of damage caused wilfully or negligently by pupils.

(v) Extra-curricular activities and school clubs

Schools can charge for extra-curricular activities and school clubs. The charge cannot exceed the actual cost of the provision.

Voluntary Contributions

Schools can ask parents for a voluntary contribution towards the cost of:

- any activity which takes place during school hours;
- school equipment; and
- school funds generally.

In the example of an activity, if it cannot be funded without voluntary contributions, the school must make this clear to the parents at the outset. The contribution is voluntary and pupils of parents who can't, or don't want to, contribute must not be excluded from the activity. If insufficient voluntary contributions are raised then the activity can be cancelled.

Remission of charges

When a school informs parents about a school visit, they should make it clear that parents who can prove they are in receipt of the following benefits will be exempt from paying the cost of board and lodging:

- Universal Credit in prescribed circumstances
- Income Support
- Income Based Jobseekers Allowance
- support under Part VI of the Immigration and Asylum Act 1999
- Child Tax Credit (provided they do not also receive Working Tax Credit and have an annual income, assessed by HMRC, that does not exceed **£16,190** (Financial Year 2013/14))
- Guaranteed State Pension Credit
- an income-related employment and support allowance that was introduced on 27 October 2008

Further information on charging for school activities can be found on the DfE website:

<https://www.gov.uk/government/publications/charging-for-school-activities>

APPENDIX 1: REGISTER OF BUSINESS INTERESTS

The Governing Body of Christ Church C of E First School has agreed that the governors and staff involved in financial decision-making should “declare any links they have with companies or organisations from which the school may wish to buy goods or services. It is important for anyone involved in spending money to demonstrate that they do not benefit personally from decisions that they make.”

The Governing Body has defined a “business interest” as:

- (i) a situation where the person concerned, their family (immediate and other relatives) or close friends have a connection with a potential supplier, or where there is a business connection, i.e. common directorships/partnerships.
- (ii) in relation to Pay and Performance, an interest in the pay or appraisal of someone working at the school in cases where the governor or staff member is also paid to work at the school.

Nil returns are required.

Name	Name of company or organisation	Nature of business or interest	Date entered in register

APPENDIX 2: RETENTION OF RECORDS

Documentation, files and records are retained to act as a record and support for actions taken and to assist future reviews of policy. They are also retained to satisfy the requirements of Internal Audit, External Audit, and HMRC. This section identifies the minimum period of time that records should be retained to satisfy all these requirements.

Financial regulations require the retention of certain records for specified periods. If in doubt, a minimum of six years should be applied. Specific regulations are as follows.

COMPUTER TABULATIONS	6 years plus current year
SIMS DATA	6 years plus current year
COPY ORDERS	6 years plus current year
DELIVERY NOTES, CREDITOR INVOICES, CREDIT AND DEBIT NOTES	6 years plus current year
RECEIPT BOOKS	6 years plus current year
PETTY CASH BOOK	6 years plus current year
BANK STATEMENT, CHEQUEBOOK STUBS (including analysed cheques)	6 years plus current year
CASH RECORDS AND TILL ROLLS	6 years plus current year
DEBTOR ACCOUNTS	6 years plus current year (providing debt has been collected)
INVENTORY RECORDS	6 years plus current year
TIME SHEETS	6 years plus current year
EMPLOYEES' RECORDS, PERSONNEL ACCIDENT REPORTS	7 years following cessation of contract
TENDERS (schedule of limited/opened)	6 years plus current year after settlement of final account
TENDERS (schedule of price approvals, other correspondence)	6 years plus current year after settlement of final account
CONTRACT DOCUMENTATION, FINAL ACCOUNTS AND SUPPORT EVIDENCE	6 years plus current year after settlement of final account
OTHER SITE DOCUMENTS, e.g. DIARIES	6 years plus current year (providing sufficient documentation is held confirming exact dates of work etc.)

APPENDIX 3: CCFS DIVISION OF DUTIES CHART (Part 1)

	Head	Deputy Head	Teachers	Finance Officer/ Assistant	Teaching Assistant	Caretaker
A. ORDERING						
Complete requisition form	X	X	X	X	X	X
Authorise requisition form (budget holders)	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Process order on School Accounting System		(<input type="checkbox"/>)		X		
Authorise order on School Accounting System		(<input type="checkbox"/>)		X		
Sign paper copy of order	(<input type="checkbox"/>)	X				
Check delivery note to goods received	<input type="checkbox"/>	<input type="checkbox"/>	X	X	X	X
Check delivery note to order		(<input type="checkbox"/>)		X		
B. INVOICE PAYMENTS						
Check invoice to delivery note/order (where applicable)	<input type="checkbox"/>			X		
Sign invoice to authorise payment	X (counter-sign)	(<input type="checkbox"/>)				
Process invoice on School Accounting System		(<input type="checkbox"/>)		X		
Authorise invoice on School Accounting System		(<input type="checkbox"/>)		X		
Authorise invoice batch header (including checking against invoices attached)	<input type="checkbox"/>	X				
Upload batch to County/print cheques		(<input type="checkbox"/>)		X		
Check payments on tab	X	(<input type="checkbox"/>)		X		
C. PROCUREMENT CARD						
Cardholders and recording transactions	<input type="checkbox"/>			X		
Checking of transaction log		X				
Approval of payment of invoice	X (HT or Chair of Govs)					
Process payment of invoice on School Accounting System				X		

APPENDIX 3: CCFS DIVISION OF DUTIES CHART (Part 2)

	Head	Deputy Head	Teachers	School Business Manager	Teaching Assistant	Site Manager
D. PETTY CASH						
Sign cheques (two signatures)	X	X	<input type="checkbox"/>	X		
Issue cash (which should be signed for)		(<input type="checkbox"/>)		X		
Reimburse staff with cash or cheque		(<input type="checkbox"/>)		X		
Sign receipts/vouchers to authorise	X	X		<input type="checkbox"/>		
Record expenditure in manual records		(<input type="checkbox"/>)		X		
Record expenditure on School Accounting System and produce reimbursement claim		(<input type="checkbox"/>)		X		
Sign reimbursement claim (including checking against the supporting receipts/vouchers)	X	(<input type="checkbox"/>)		<input type="checkbox"/>		
Balance petty cash		(<input type="checkbox"/>)		X		
Check petty cash balance form (including counting any cash in hand)	x	<input type="checkbox"/>		X		
E. INCOME						
Raise invoices/requests income and keep records of all income due		(<input type="checkbox"/>)		X		
Collect income, count and record manually				X	<input type="checkbox"/>	
Issue receipts				X	<input type="checkbox"/>	
Record on School Accounting System		(<input type="checkbox"/>)		X		
Complete paying-in book		(<input type="checkbox"/>)		X		
Bank income		(<input type="checkbox"/>)		X	<input type="checkbox"/>	<input type="checkbox"/>
Spot check income received against records of income due	<input type="checkbox"/>	(<input type="checkbox"/>)		X		
Check income collected to amount banked and amount on County Accounting System.	X	(<input type="checkbox"/>)		<input type="checkbox"/>		

APPENDIX 3: CCFS DIVISION OF DUTIES CHART (Part 3)

	Head	Deputy Head	Teachers	School Business Manager	Teaching Assistant	Site Manager
F. BUDGET MANAGEMENT						
Undertake reconciliation process				X		
Detailed checks of staff payments				X		
Allocate income if required (budget virement)	<input type="checkbox"/>			X		
Complete Form 10 or Local Payments Forms				X		
Sign and Check Form 10 or Local Payments Forms	X	(<input type="checkbox"/>)				
Complete Form 11 if applicable				X		
Sign County Accounting System Tabs/Balancing figure	X	(<input type="checkbox"/>)				
Production of financial reports				X		
Review monthly reports	X	(<input type="checkbox"/>)				
Complete any budget movements required – authorise } virement – action }	X	(<input type="checkbox"/>)		X		
G. PERSONNEL/PAYROLL						
Complete payroll forms for contract changes, supply, etc.		(<input type="checkbox"/>)		X		
Authorise payroll forms – Chair of Governors to authorise Headteacher's	X	X			X	
Update SIMS.net Personnel for contract changes		(<input type="checkbox"/>)		X		
Check staff variances on School Accounting System				X		
Check staff payments on County Council Accounting System tabs	X	<input type="checkbox"/>				
Monitor staff budgets	<input type="checkbox"/>	(<input type="checkbox"/>)		X		

APPENDIX 4.1: LETTINGS POLICY

This sets out the arrangements for the use of the school premises by groups, individuals or organisations.

It should be read in conjunction with the LA's advice and guidance on Lettings and Lettings Insurance. Refer to websites for information on extended schools via Somerset Learning Platform (SLP) or DfE. (See links under Insurance Section of the Finance Policy.)

All hirers of the school premises will be made aware of the hire costs, terms and conditions, including insurance requirements, **before** the hire and the agreement is signed (see **Appendix 4.2** and **Appendix 4.3**). Fees should be charged in advance; only in exceptional circumstances should invoices be raised after the event.

Hire charges, where set, will be reviewed annually by the Headteacher and governors. The charges will cover any costs incurred, i.e. heat and lighting, Site Manager and insurance. Current charges are as follows:

- Site Manager costs are based on the current rates issued by Somerset County Council's HR Admin and Payroll Section based on the number of rooms hired.
- An element for heating and lighting is added based on advice from Somerset County Council's Energy Management Team.
- Public liability insurance (to cover the hirer's liabilities) is added to the hire charge at the current rate of 12% (issued by Somerset County Council's Insurance Section).

Charges to children and youth groups may be subsidised if funds are available for this purpose. This is to be agreed on individual circumstances by the Headteacher and governors.

There is currently no charge for the use of the premises by the PTA.

NB: In VA schools the governors are entitled to any income over and above costs incurred (Financial Management Scheme, Section 5.2.1).



APPENDIX 4.2: SOMERSET COUNTY COUNCIL LETTINGS OF COUNTY COUNCIL PREMISES HIRERS' LIABILITY INSURANCE

The County Council requires that any individual or organisation hiring Somerset County Council schools and other premises on a casual basis has insurance for their own legal liability to third parties arising from their use of the premises.

Subject to the Exclusions below the County Council is able to offer Hirers' Liability insurance to any Hirer that cannot provide evidence of other insurance.

This insurance indemnifies the Hirer against their legal liability to pay damages or compensation arising out of or from:

- (a) personal injury to any person (other than personal injury to an employee of the Hirer arising out of or in the course of employment by the Hirer);
- (b) damage to the premises (including contents therein) hired from the County Council;
- (c) damage to any other property not belonging to or in the custody of the Hirer or any person in the Hirer's service,

occurring during the period of the hire and arising out of the activities of the Hirer for which the premises were hired.

This insurance is subject to a limit of indemnity of £5,000,000 and the Hirer will be required to pay the first £100 of each claim.

It is a requirement of the insurance that the Hirer must take all reasonable precautions to prevent accident, loss, damage or injury.

The premium for the insurance is added to the hiring charge. The insurance is also available to hirers where the County Council makes no charge, although it is expected that outside organisations eligible for free use of premises will normally make their own insurance arrangements. If insurance is required in the absence of a hiring charge the County Council will calculate a premium equivalent to that payable on a chargeable letting for a similar period of hire.

The County Council does not offer insurance for other risks associated with hire of premises, such as loss of money or tickets or cancellation of events due to adverse weather.

This document is a summary of cover. Full details of the insurance are available from the Insurance Department, Finance and Performance, County Hall, Taunton TA1 4DY. Email: insurance@somerset.gov.uk

EXCLUSIONS

These insurance arrangements are not available to commercial organisations such as exhibition promoters or professional entertainment companies, as we expect those types of hirer to have their own insurance.

The insurance will not apply to the extent that the Hirer is indemnified under any other policy of insurance.

The insurance excludes any claim for personal injury or damage arising out of the use of the premises for:

- (a) meetings organised by political parties;
- (b) professional entertainment purposes;
- (c) commercial or business functions which involve bringing into the premises equipment which operates by means of the application of heat;
- (d) martial arts activities;
- (e) any sporting activity but only in respect of personal injury or damage suffered by one participant that was caused by another participant.

CLAIMS

All claims under these insurance arrangements must be made to the Insurance Department, Finance and Performance, County Hall, Taunton TA1 4DY.

Preliminary information should be telephoned to the Insurance Department on 01823 359862, when advice on further action will be given.

APPENDIX 4.3: HIRE OF EDUCATIONAL ESTABLISHMENTS – CONDITIONS OF HIRE

1. CONDITIONS AND DEFINITIONS

In these conditions:

- (a) “the Authority” means the Somerset County Council;
- (b) “the Establishment” means the school premises;
- (c) “the Facilities” means the premises and/or equipment forming part of or belonging to the establishment which the Hirer has identified on his/her application form;
- (d) “the Hirer” has the meaning defined at Clause 2 below;
- (e) “the Hire Period” is the period or periods of hire set out in the application form and agreed by the Headteacher;
- (f) “the Responsible Body” means the establishment’s Governing Body, its management committee or any other body charged with responsibility for the use of its premises by the community;
- (g) “User/Users” are those people using the Facilities as members of the Hirer’s party.

2. THE HIRER

- 2.1 The Hirer is the person (whether acting as an individual or on behalf of a club or organisation) hiring the Facilities.
- 2.2 The person signing the application form shall be deemed to be the Hirer and must be over 18 years of age.
- 2.3 Where the person who signs the form indicates that he or she signs the application form for or on behalf of any club or organisation, that club or organisation shall also be deemed to be the Hirer and shall be jointly and severally liable with the person who signs this agreement for any breach or non-observance of these conditions and that person warrants that he/she is the duly authorised representative of the club or organisation concerned and has the necessary authority to sign this agreement on its behalf.
- 2.4 Should there be any default of payment by the club or organisation, the person signing the form shall be deemed personally liable.

3. APPLICATION FOR HIRE

- 3.1 All applications for the hire of the Facilities must be in writing, or by email, using the printed form.
- 3.2 The Facilities will be used solely for the event described on the application form.
- 3.3 If this booking relates to a regular and continuing booking this one undertaking shall be binding for all occasions when the Facilities are used, but a regular booking shall not create or cause a periodic tenancy in respect of the Facilities.

- 3.4 The information given by the Hirer in the booking form shall not imply that the Authority considers the Facilities are suitable for the purpose(s) for which they are to be hired or are adequate accommodation for the number of people attending, and the Authority gives no warranty that the Facilities are legally or physically fit for the purpose(s) for which they are hired.
- 3.5 The Headteacher or his/her representative may enter the Facilities at any time during the Hire Period to ensure that the terms of this agreement are being fulfilled, and the Hirer shall not at any time be entitled to exclusive possession as against the Authority or its duly authorised representative(s).
- 3.6 The Headteacher, or his/her representative, may refuse admission to any person without giving any reason for doing so and may similarly require any person to leave the premises.
- 3.7 Authority to accept or decline or postpone a booking shall rest with the Headteacher of the establishment or his/her representative, whose decision shall be final.

4. ACCESS TO THE FACILITIES

- 4.1 Provided the Hire Period has been agreed by the Headteacher, the Hirer and the Users will be given access to the Facilities by the school Site Manager.
- 4.2. The Site Manager will be present to unlock the premises at the beginning of the hire and will lock up at the end. He/she will not be available during the period of the hire.

5. HIRER'S RESPONSIBILITIES AND THE SAFETY OF USERS

- 5.1 The Hirer is responsible for the safe admission and departure of Users to and from the school and Facilities.
- 5.2 The Hirer must ensure that any necessary Disclosure and Barring Service (DBS) checks have been carried out for those supervising children during the Hire Period.
- 5.3 The Hirer is responsible for the behaviour and safety of the Users and must ensure that there is appropriate supervision levels at all times during the Hire Period.
- 5.4 The Hirer is responsible for ensuring that all necessary written permission forms have been obtained from children's parents to enable them to participate.
- 5.5 The Hirer must ensure that a qualified supervisor is present during all activities of a hazardous nature, i.e. karate, trampoline, gymnastics, swimming, judo or where the hiring organisation is a youth group.

- 5.6 The Hirer will be responsible for the provision of all such information, instruction and supervision as is necessary to ensure the safety of any activity for which the Facilities are used.
- 5.7 The Hirer is responsible for any special needs or requirements of the Users.
- 5.8 The Hirer is responsible for the adequacy, suitability and safety of all equipment brought to the Facilities.
- 5.9 The Hirer shall not use the Facilities in such a way as to cause any nuisance, damage, disturbance, annoyance, inconvenience or interference to the Facilities or adjoining or neighbouring property, or to the owners, occupiers or users of such adjoining or neighbouring property.
- 5.10 It is the sole responsibility of the Hirer to obtain any necessary licence for the sale of drinks for the performance of plays and similar productions and for the playing of pre-recorded music.
- 5.11 The Hirer must ensure that there are sufficient stewards to prevent unauthorised persons from entering the Facilities and to ensure that guests are restricted to the Facilities and to the necessary means of access thereto.
- 5.12 The Hirer must ensure that all equipment is put back after use.
- 5.13 Any equipment brought to the Facilities must be removed at the end of each Hire Period.
- 5.14 The Hirer must familiarise himself/herself with the emergency procedures for fire, first aid and accident reporting, and carry them out to the best of his/her ability.
- 5.15 If the alarm system is activated during the Hire Period, due to Users wandering into restricted areas of the building, then the Hirer will be responsible for any call out fee charged to reset the alarm.
- 5.16 The Hirer must have access to a phone or mobile phone (where there is a signal) at all times in case of an emergency.
- 5.17 The Hirer and the Users must participate in any evacuation drills or procedures operated by the school.
- 5.18 The Hirer must adhere to non-smoking legislation and the non-smoking policy of the school.

6. CONDITION OF FACILITIES

- 6.1 The Facilities must be left clean and tidy after each Hire Period. If the Facilities are not cleaned to the reasonable satisfaction of the Site Manager, the Hirer will be responsible for the cost to have them cleaned.

7. PAYMENT

- 7.1 In the case of a one-off hire, payment will be 30 days in advance of the hire unless otherwise agreed with the Headteacher in writing.
- 7.2 If the hire is for a regular let the establishment will invoice the Hirer in advance on a termly basis.
- 7.3 The Hirer shall be solely responsible for ensuring the agreed hire fee is paid. Failure to pay the agreed fee may result in future bookings being refused and legal action being taken to recover the outstanding debt.

8. CANCELLATION BY THE SCHOOL

- 8.1 The Headteacher reserves the right to cancel an agreed booking for reasons including but not limited to the following:
- The school requires the use of the Facilities.
 - The school considers that the Facilities are unfit for use.
 - Any reason beyond the school's control.
- 8.2 Any monies paid in respect of bookings cancelled in accordance with the above Conditions will be refunded to the Hirer. The Authority, the school and the Responsible Body will not be liable for any other expenditure incurred, or loss sustained directly or indirectly by the Hirer or the User, arising from cancellation.
- 8.3 If the Hirer is in breach of these Conditions of Hire the Headteacher reserves the right to cancel a booking immediately and no refund will be given.

9. CANCELLATION BY THE HIRER

- 9.1 No refund will be given if less than 24 hours notice is given for a cancellation. If cancellation is received more than 24 hours beforehand, a full refund will be given.

10. DAMAGE

- 10.1 Any damage to the Facilities or the school should immediately be reported to the Site Manager.
- 10.2 If any damage is done to the Facilities, school equipment or any part of the school by the Hirer or the Users, the school may, at its discretion, carry out the necessary repairs and the Hirer will undertake to pay the cost of such reparation.

11. INSURANCE

- 11.1 It is a prerequisite of this Agreement that the Hirer has appropriate insurance cover.

- 11.2 The Hirer is responsible for arranging appropriate insurance cover. Details of the insurance arrangements which Somerset County Council is able to offer is attached (**Appendix 4.2**). However, the Hirer must also consider taking out further cover for other risks not included, such as cancellation.
- 11.3 The Hirer agrees to provide the Headteacher with a copy of their insurance policy prior to the Hire Period and thereafter upon request.

12. LIABILITY GENERALLY

- 12.1 Except in the case of death or personal injury caused by the negligence of the school or Somerset County Council, neither the County Council nor the Governing Body of the school shall be liable to the Hirer in contract, tort, negligence, breach of statutory duty or otherwise for any loss, damage, costs or expenses of any nature incurred by the Hirer.
- 12.2 The Hirer shall indemnify and keep the Authority indemnified against all losses, claims, demands, actions, proceedings, damages, costs or expenses or any other liability arising in any way from this Agreement and any breach of any of the Hirer's undertakings/agreements contained in this Agreement.
- 12.3 The Hirer shall not do or permit or suffer to be done by any act, matter or thing which would or might constitute a breach of any statutory requirement affecting the Facilities or which would or might vitiate in whole or in part any insurance effected in respect of the Facilities from time to time.

13. CAR PARKING

- 13.1 The parking of vehicles within the school site in the car parking area, by the Hirer and the Users shall be subject to the agreement of the Headteacher and permitted only on condition that:
- they park at their own risk and that they accept responsibility for any damage caused to their vehicles or any injury to any person or the property of the school by the vehicles or the presence of such vehicles at the school;
 - the Hirer shall maintain at all times adequate means of access for emergency vehicles.

14. NO ASSIGNMENT/SUBCONTRACTING

- 14.1 The Hirer shall not be entitled to assign the benefit of, delegate the burden of, or subcontract all or any of its rights and obligations under, these Conditions of Hire.

15. VARIATION

- 15.1 The Responsible Body reserves the right to vary these Conditions of Hire at any time or to make special arrangements in any particular case. The varied Conditions of Hire will not be effective until a copy is given to the Hirer.

APPENDIX 4.4: APPLICATION FOR HIRE

I hereby apply for the use of the facilities detailed below:

Club/organisation:

Accommodation required:

Equipment/furniture required:

Equipment etc. to be brought onto premises by Hirer (if any):

.....

Heating required: Yes/No

Insurance required: Yes/No If you do not require insurance, please attach a copy of your own Public Liability Insurance Policy to this application. (See **Appendix 4.3: Conditions of Hire, Paragraph 11.3.**)

Qualification of Hirer (if relevant) see **Paragraph 5.5** of Hirer's Responsibilities and the Safety of Users (**Appendix 4.3**):.....

Applicant's name:

Applicant's address:

.....

Applicant's telephone no:

Treasurer:

Treasurer's address:

.....

Treasurer's telephone no:

Date required: Alternative date:

Times: From: To:

Approximate number of people:

I have read and agree to be bound by the Conditions of Hire.

Signed in a personal capacity and on behalf of
(organisation/group), whose authority I have to bind them by signing this application.

Signed:

Date: