



WOODFIELD ACADEMY **FINANCIAL PROCEDURES POLICY**



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Part 1 Financial Management Information

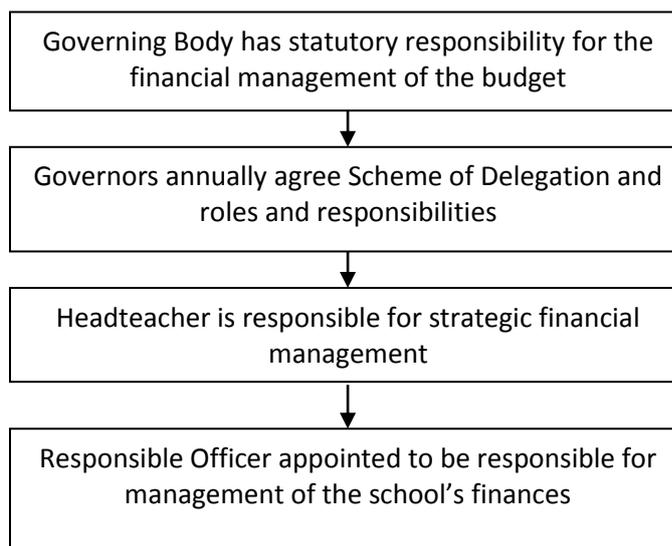
1. Leadership and Governance

- The Governors have a responsibility to establish the strategic framework of the school within the context of national legislation.
- The Headteacher and senior leadership team are responsible for the day to day running of the school.
- The Headteacher will meet with the Chair of Governors on a regular basis. Actions taken as a result of these meetings will be reported to the Governing Body.
- The Chair of Governors, or if not available, the Vice Chair, has the power to discharge any of the Governing Body's functions that can be delegated to an individual, in circumstance where delay would be seriously detrimental to the school.

1.1 Governors' Responsibilities

- Woodfield Governing Body will set and review the terms of reference for all sub-committees (to include the Audit Committee) on an annual basis and produce an annual calendar together with a template for renewal of school finance and other policies.
- All financial decisions agreed by the governors' finance committee will be minuted.
- Woodfield Academy recognises that Governors may have limited financial experience and aim to overcome this by training and also skills analysis of the governors to better inform needs and ensure financial propriety. A training log will be maintained by the Clerk and Governors may feedback on training, thus cascading the knowledge.
- The Governing Body will agree annually on the Scheme of Delegation of Financial Powers to the Headteacher, indicating roles and responsibilities for the leadership team and finance department.
- All governors, senior staff and finance staff will, on an annual basis, complete a form stating their business interests. These forms constitute the school's Register of Business Interests or Related Party Transactions. Records will be kept of all associations.
- The Governing Body approves the school's annual budget; the Chair of Governors must sign the approved plan, a copy of which will be filed with the committee minutes.
- The Governing Body reviews and monitors returns to the EFA, copies of the returns will be signed by the Chair of Finance to acknowledge that the governors have had sight of the returns.

1.2 Organisational Structure



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1.3 The Role of the Full Governing Body and Good Practice

In exercising their functions, the Governing Body shall:

- act with integrity, objectivity and honesty in the best interests of the school; and
- be open about the decisions they make and the actions they take and be prepared to explain their decisions and actions to interested persons to ensure transparency.

Nothing in the above shall require the Governing Body to disclose material relating to:

- a named teacher or other person employed or engaged, or proposed to be employed or engaged, at the school;
- a named pupil at, or candidate for admission to, the school; or
- any matter which by reason of its nature, the Governing Body or a committee of the Governing Body are satisfied should remain confidential.

The Strategic Role of the Governing Body

The Governing Body shall establish a strategic framework for the school by:

- setting aims and objectives for the school;
- review and set statutory policies for achieving those aims and objectives;
- setting targets for achieving those aims and objectives.
- maintaining and reviewing the School Improvement Plan

The Governing Body shall monitor and evaluate progress in the school towards achievement of the aims and objectives set and regularly review the strategic framework for the school in the light of that progress.

In exercising the functions above, the Governing Body shall:

- ensure the Academy meets all statutory requirements
- consider any advice given by the Headteacher or Assistant Head for Finances.

The Governing Body shall act as "critical friend" and supporter to the Headteacher in the performance of his or her functions and give him or her constructive criticism and challenge.

Disqualification

When the subject for consideration is the pay or performance review of any person employed to work at the school, any relevant person employed to work at the school other than as the Headteacher, will be withdrawn from this part of the meeting and minutes will be recorded under Part II business.

1.4 The Role of the Headteacher

1. The Headteacher shall be responsible for the internal organisation, management and control of the school, and the implementation of the strategic framework established by the Governing Body. The Headteacher provides vision, leadership and direction for the school and ensures that it is managed and organised to meet its aims and targets which are established and agreed by the Governing Body.
2. The Headteacher shall advise the Governing Body in relation to the establishment and review of the strategic framework, and in particular, shall

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- a) formulate aims and objectives for the school, for consideration and adoption by the Governing Body;
 - b) formulate policies for the school for achieving those aims and objectives, for adoption, with or without modification, or rejection by the Governing Body; and
 - c) formulate targets for the achievement of those aims and objectives for adoption, with or without modification, or rejection by the Governing Body.
3. The Headteacher will provide an overview of how the aims and objectives have been achieved or otherwise and how particular targets have been met. This report will form part of the review of the School Improvement Plan annually.

1.5 The Role of the Assistant Headteacher for Finance

This role aims to support the Headteacher in his function by carrying out the following duties.

- Being responsible for the internal organisation, management and control of the school. Staffing structure is to be reasonable and regularly reviewed. Where possible, a target of 85% of income excluding Pupil Premium is the benchmark; this is reviewed annually.
- Will ensure that the Scheme of Delegation is available within school and reviewed annually.
- Assists with the formulation, aims and objectives, policies and targets for the Governing Body to consider.
- Regularly reports on financial targets and spending, reporting budget which are over or under spent.
- Formulates and implements policy which will lead the school towards its targets.
- Provide the Governing Body with sufficient evidence and information to enable it to determine the extent to which delegated responsibilities have been met.
- Will draw up an annual budget with recommendations, including recommendations for drawing on reserves.
- Will ensure that any EFA policy is embedded into practice.
- That returns are completed in a timely manner
- Will provide adequate funds for governor and staff training.
- Will regularly review all financial policies and procedures.
- Will ensure staff training is regularly carried out and reviewed.
- Will meet regularly with the Headteacher to discuss any issues or concerns.
- Will ensure that all finance staff are appropriately trained and that they have regular review of practice and performance.

1.6 Budget Control

The Committee together with the Headteacher and Assistant Headteacher will ensure the effective allocation of the resources to appropriate budgets for staffing, premises, administration and curriculum resource.

Before approving the budget the Committee will have

- Satisfied itself that the budgets allocated to the various budget holders are adequate and appropriate and fit for the needs of the curriculum in line with the AIP.
- Set a ceiling on any single item purchase of £1,000 without prior approval by the Head or Assistant Head for Finances.

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- The Committee will be informed of unbudgeted emergency expenditure of more than £5,000. Any unbudgeted expenditure of more than £10,000 will need to be authorised by the Committee and the FGB.
- The Committee will be informed of additional funding streams including Pupil Premium, Catch up 7, SEN Funding, PE grant, additional income from lettings.
- The Committee will receive a breakdown of income generated, will review charges and look for new ways of generating income.
- The Committee will monitor budget in line with expenditure. Where funds are to be transferred from contingency or from one area to another virement authorisation is to be approved. Virements within budget area do not need to be approved.

Clear Limits of Delegated Authority

Table of delegated authority Limits

Delegated Budget Holder	Limits of Delegation (Single Item)
Department Heads	£1,000
Assistant Head (Finance)	£5,000
Deputy Headteacher	£5,000
Headteacher	£10,000

Best Value quotation limits and procedures still apply.

Delegation of the Governing Body's Functions

1. In deciding whether or how to exercise any power to delegate their functions, including the general power in regulation 41 of the Education (School Government) (England) Regulations (b) the Governing Body shall have regard to:
 - a. the requirement that they should exercise their function with a view to fulfilling a largely strategic role in the running of the school; and
 - b. the responsibility for the internal organisation, management and control of the school will be delegated to the Headteacher.
2. The Headteacher shall comply with any reasonable direction of the Governing Body in performing any function delegated to him by the Governing Body.
3. The FGB will delegate the setting of the Governing Body agendas to the Chair of Governors or Committee Chairs.

1.7 The members of the Governing Body for 2015-16 are

Trustees

Mr S Bond
Mrs T Coward
Mr D Hartles

Governors

Mr S Bond
Mrs T Coward
Mr D Hartles
Mrs T Thomas
Mr J Thornewill

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Mr D Schofield
Mrs K Duffin
Mr M Rowley
Mr G Wood

Senior Management Team:

Headteacher	Mr S Bond
Deputy Headteacher	Mrs L Guest
Deputy Headteacher	Mrs K Harvey
Assistant Headteacher (Finance and Resources)	Mrs K Harwood
Assistant Head and SENCo	Mrs J Partridge

Registration Number 08039319 (England and Wales)

Auditors Clement Keys
8 Calthorpe Road
Birmingham
B15 1QT

The quorum will be 50% of Governing Body members, rounded up.

1.8 Committee Roles and Good Practice

The terms of reference of each committee of the Governing Body must be approved by the full Governing Body and reviewed each year. They provide the sole, agreed framework within which each committee operates.

1. Each committee will be composed, where at all possible, of at least one governor from each of the categories which form the whole Governing Body i.e. parents, teachers and co-opted governors. The Headteacher is an ex-officio member of each committee. At least three other governors shall be a member of each committee.
2. The membership of each committee will be agreed on an annual basis at the first meeting of the whole Governing Body in the autumn term.
3. The chair of each committee is elected by the whole Governing Body on an annual basis at the first meeting of the whole Governing Body in the autumn term. No governor employed at the academy will act as chair to the committee. In the absence of the chair the committee will elect a temporary replacement from among the governors present at the committee meeting.
4. The clerk of the committee is elected by the committee.
5. In the absence of the **chair** or clerk the committee will elect a replacement for the meeting.
6. Each committee will meet as often as is necessary to fulfil its responsibilities and at least once each term.
7. The clerk to the committee will circulate an agenda for each meeting and papers at least a week before the committee meeting.
8. Attendance at each committee meeting, issues discussed and recommendations for decisions will be recorded. The written record will be forwarded by the Clerk to the Governing Body in sufficient time for its inclusion on the agenda and papers of the next meeting of the whole Governing Body. This is to meet statutory requirements, to provide information to the whole Governing Body and to seek ratification of decisions and recommendations.

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9. The minutes of the previous meeting will be ratified at the next committee meeting and signed by the Chair of Governors.
10. The chair of the committee will be responsible for giving an oral summary of the committee's deliberations if necessary at meetings of the whole Governing Body.
11. Each committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues, including parents and members of the academy staff who are not governors.
12. Any governor may attend meetings of committees.
13. Only governors who are members of the committee may vote at committee meetings. Where necessary, the elected chair of the committee may have a second or casting vote.
14. In the event of a need to make genuinely urgent decisions between meetings on matters falling within the remit of the committee, the chair of the governors, in consultation with the Headteacher and chair of the committee, will take appropriate action on behalf of the committee. The decisions taken and the reasons for urgency will be explained fully at the next meeting of the whole Governing Body and be recorded on the minutes under 'Chair's Actions'.
15. The committee chairs will liaise with the chair of governors at the beginning of each term to plan the work of each committee in relation to the Academy's development plan and other issues / legal requirements.
16. **Audit Committees:** The Academies Financial Handbook recommends that Academy Trusts (ATs) form audit committees but allows other committees to incorporate the role of an audit committee into their remits.
The Handbook states:
All ATs must establish either an audit committee or a committee which fulfils the functions of an audit committee (ie it could be an addition to the terms of reference to an existing committee, other than the finance committee, and have an overlapping or fully integrated membership).
17. Woodfield Academy has established a separate audit committee with its own separate terms of reference.

Purpose of the Committees

(To oversee the function of Finance, Audit, Curriculum, Staffing, Premises, H&S)

The purpose of the Resources Committee is to plan the budget and monitor spending, to ensure that pupils receive the best possible education in the best possible environment. The committee will monitor:

- projected numbers of pupils in the coming years
- the impacts this will have on the budget
- whether resources are adequate
- what the lettings policy is and when it needs reviewing.
- the financial implications of the SIP and Post Ofsted Action Plan
- the major expenses that school will be facing over the next 3 years
- that the school meets H & S requirements
- any bids for additional funding
- the issues faced in regard to provision with regard to space/layout/decoration/fabric/building etc.
- the working conditions for the staff
- the staff employed and how they are deployed for best advantage
- the age / gender profile of staff
- any gaps in teaching provision/expertise.
- the pay and performance policy for all staff
- the effects of supply staff on lessons / the pupils and how it is managed

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- which staff have responsibility points and the value added impact to students

Delegated Powers

- To consider the financial implications of the priorities in the School Improvement Plan
- To form an Audit Committee and carry out the responsibilities of an Audit Committee.
- To agree the level of delegation to the Headteacher for the day to day financial management of the school.
- To produce an annual budget for approval by the Governing Body.
- To monitor the budget and present reports to the governing body at each meeting.
- To delegate expenditure requests under £5,000 and request three quotations for consideration in excess of £5,001.
- To exercise virement and journals of the budget up to limit of £10,000.
- To authorise emergency works up to a value of £5,000 where the health and safety of a person or the security of the premises is concerned.
- To decide rates and make all other decisions relating to the hiring of school facilities.
- To oversee any bids, including CIF bids and other funding streams, ensuring earmarked funds are correctly recorded in the accounts.
- To be responsible for the premises and the learning environment.
- To deal with matters of school security.
- To oversee fund raising and any gifts to the school.
- To be responsible for the proper recruitment of staff, except in respect of the Headteacher and deputy Headteacher, whose recruitment is covered separately by legislation.
- To decide the salary scale starting point of newly appointed staff and subsequent increments and targets.
- To be responsible for the allocation of TLRs and any consultation with staff groups about such matters as they see fit.
- To recommend a pay policy to the Governing Body.
- To implement the Governing Body's pay policy and determine pay and annual progression.
- To decide matters of early retirement.
- To meet the Governing Body's responsibilities under the Disability Discrimination Act 1996 especially in the area of employment.
- To monitor the implementation of the School Improvement Plan regarding staffing and staff development, and premises management.
- To manage the Governing Body's responsibilities for Health and Safety at Work.
- To review and approve relevant non-statutory policies.

Non-Delegated Matters

- To make recommendations to the Governing Body about the staffing requirement of the school.
- To make recommendations to the Governing Body about the salaries of the Headteacher and the deputy Headteacher(s).
- To carry out the staff dismissal procedure.
- To carry out the restructure of the Academy or consider redundancies.

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The Audit Committee – Purpose of the Committee

Constitution

The Governing Body has resolved to establish an Audit Committee to advise the governors on matters relating to audit arrangements and systems of internal control including the Responsible Officer Reports and any accountant recommendations and changes in financial legislation. This Committee shall operate in accordance with any requirements of the Education Funding Agency and any other national funding bodies. It is responsible to the Full Governing Body.

Authority

The Committee is authorised by the Governors to

1. seek any information it requires from the internal audit service, the financial statements auditor, committees and finance employees, plus relevant information from subcontractors and other third parties.
2. obtain external professional advice.
3. work within the remits of EFA published guidelines within the Academies Financial Handbook (current year)..

Membership and Quorum

The FGB may co-opt persons to the Committee who are not Governors. The Committee shall consist of a minimum of 3 and a maximum of 5 members (of whom at least two shall be Governors and at least one of whom has the relevant skills and expertise). The Chair, the Headteacher and any staff governor shall not be eligible for membership. The Committee may include other employees of the Academy (other than those with executive responsibilities in the Academy at senior level).

50% of members, rounded up represent a quorum.

Chairmanship

The Chair of the Committee shall be appointed by the FGB and will normally be a governor to allow effective feedback to the FGB. If the Chair is absent from a meeting, the members shall choose one of their number to act as Chair for that meeting.

Meetings

- i. The Committee shall meet as necessary but normally once per term. The Chair or any two members may call a meeting.
- ii. The meetings shall be timely with regard to the work of the Academy's internal audit service and the financial statements auditor.
- iii. Non-members may be invited to attend meetings.
- iv. Other FGB members shall not have the right to attend meetings.
- v. The Clerk to the committee will keep appropriate records of the proceedings.
- vi. The minutes of committee meetings shall be circulated to all FGB members.

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Duties

The duties of the committee shall include:-

- i. responsibility for monitoring the adequacy and effectiveness of the Academy's systems of internal control (including review of the statement of internal control) and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money).
- ii. advising the FGB on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor and the internal audit service.
- iii. advising the FGB on internal audit reports and annual reports and on control issues included in the management letters of the financial statements auditor and management's responses to these.
- iv. monitoring the implementation of agreed recommendations relating to responsible officer reports and internal audit annual reports.
- v. Establishing relevant annual performance measures and indicators and monitoring the effectiveness of the internal audit service and financial statements auditor.
- vi. monitoring the Academy's risk management plan and advising the FGB on its adequacy and effectiveness
- vii. producing an annual report for the FGB and accounting officer which details the work of the committee over the financial year.
- viii. monitoring and advising the FGB on any alleged fraud and irregularity in the Academy's financial and other control systems and ensuring that all allegations of fraud and irregularity are properly followed up.
- ix. being informed of all additional services undertaken by the internal audit service (if any) and the financial statements auditors.

Complaints Committee

In appointing members to the complaints committee, consideration must be given to the possible need for further action by the disciplinary/dismissal committees with regard to the issue of tainting other committees. With that in mind, the complaints committee should be small and constituted as follows:

- That 3 governors be appointed, with a quorum of 2
- That the committee, when it meets, includes at least one parent governor
- That governors employed at the school and who may have a direct involvement, are precluded from membership
- That the committee has delegated powers. As such it needs formal notice, an agenda and brief minutes (care needs to be taken about the content of minutes re: tainting, when reporting back to the full Governing Body)
- If the Governing Body has not appointed a chair, or the chair is not available, the committee shall appoint one of their number to be chair.

It is assumed that, unless the complaint is about the Headteacher personally, the head will always be expected to be the person to initially resolve a complaint.

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Terms of Reference

- To review the Headteacher's decision where a complainant is dissatisfied
- Where a complainant requests, to allow the complainant to present his/her case personally
- To allow the complainant to be accompanied by a friend
- At the Committee's discretion, to allow a pupil to be heard.
- Following a tribunal format, the complainant and the Headteacher will only be heard in each other's presence.

The quorum will be 50% of committee members, rounded up.

Staff Dismissal and Grievance Committee Good Practice

- The Staff Discipline and Grievance Committee will hear any complaint about performance management or any other grievance brought by a staff member. This means the committee must have people different from those named on the PM committee.
- General discipline or grievance matters will be investigated by the Headteacher in the first instance. If a satisfactory outcome is not reached, the Chair of Governors will investigate and attempt to resolve the issue.
- If the issue remains unresolved, the matter will revert to the Staff Discipline and Grievance Committee.

The quorum will be 50% of committee members, rounded up.

Dismissal Appeals Committee Good Practice

To hear appeals from any member of staff who objects to a decision of the Staff Dismissal Committee.

The members of the Dismissals Appeals Committee will be three governors not connected with any previous Hearing relating to the Appeal.

The quorum will be 50% of committee members, rounded up, but not less than the number of governors who heard the matter in the Staff Dismissal Committee (**and different governors and not the Headteacher**).

Pupil Discipline Committee Good Practice

Quorum: Three governors. The Committee **must consist of three or five members** of the Governing Body but not the Headteacher.

To review the use of exclusion within the school, including considering the views of the parent of an excluded pupil, and deciding whether or not to confirm exclusions of more than five days or where a pupil would miss an opportunity to take a public examination.

The quorum will be 50% of committee members, rounded up.

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1.9 The Performance Management and Pay Policy Guidance

1. The Governing Body will establish a written policy setting out how school teacher appraisal at the school is to be implemented.
2. The Governing Body will review the Performance Management Policy every school year together with the Pay Policy.
3. Any amendments will then be communicated to all other teaching staff.
4. The Headteacher and the Governing Body shall implement the policy.
5. The Governing Body shall make a copy of the Performance Management Policy available for inspection at the school at any reasonable time by
 - any school teacher employed at the school;
 - any person involved in the school teacher appraisal system;
 - any external adviser appointed in accordance with Appraisal Regulations.

The Governors are responsible for

- the implementation of the Performance Management (Appraisal) Policy and the Pay Policy
- organising the Headteacher's performance review in accordance with statutory requirements and setting performance objectives.
- knowing the PM procedures for reviewing the Headteacher's performance;
- ensuring that all PM governors are trained;
- ensuring the PM policy works well in school in regard to all other staff.
- overseeing any complaints in relation to the policy and procedures.

1.10 Confidential Reporting Procedures (Whistle Blowing)

The school has a Whistle Blowing Policy which includes procedures to be followed by individuals working at the school or a school governor who wishes to complain about financial management or financial propriety at the school and details how complaints should be logged and are subsequently dealt with. A copy of the whistle blowing policy is approved by governors on an annual basis and then published to staff via email. The staff member is expected to sign receipt of the policy and spare copies of the policy are kept on the staff room noticeboard.

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1.11 Delegation of Headteacher's Responsibilities

Information and Communication Systems

The designated systems manager shall be responsible for the control of systems and for security and privacy of data. Currently all school data, including financial data is backed up off site by Worcester County Council. The ICT Manager does a streamed back up once per week.

Accounting

The Headteacher shall be responsible for the operation of financial processes within the school, ensuring that adequate operational and internal controls are in place and maintained in accordance with this scheme of delegation and the financial guidelines and procedures.

The Headteacher shall ensure that full, accurate and up to date records are maintained in order to provide financial and statistical information and that the figures have been reconciled with the school's bank account. The Headteacher shall ensure that the financial summary and other financial reports are presented to Governors at least every two months.

Audit

The Headteacher shall report on progress towards the conclusion of the Audit in a timely manner to the Finance Committee.

The Headteacher shall ensure that all records and documents are available for audit and arrange for the accommodation of the auditors and for the auditors to feedback to the Audit Committee.

The Headteacher will ensure that all Responsible Officer reports are fed into this committee and progress regularly reviewed.

Budget Procedures

The Headteacher shall notify the Governing Body of variations in the school budget plan, approved by the Finance Committee.

The Assistant Headteacher for Finance shall submit all required monthly reports to the Governing Body and the EFA Authority promptly.

The Governors will be regularly informed regarding budget expenditure versus the plan and how reserves are to be allocated to ensure the financial stability of the academy. Review of staffing expenditure will form part of this probity.

Orders for Goods and Services and Works (of any other nature)

Where possible, two quotations will be obtained for orders of £1,001- £5,000.

For orders of £5,001 and over, 3 written quotations will be obtained and the approval of the Headteacher will be required. Evidence will be filed with the order.

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

2.2 Salaries and Wages

The Assistant Head for Finances shall notify the Payroll of any matters affecting payments to employees.

The following members of staff are authorised to certify pay documents and time records (excluding documents relating to themselves):

Headteacher
Chair of Governors – relating to Headteacher
Assistant Head (Finance and Resources)
Finance Manager

In the case of overtime or additional salary expenses, the claims shall be authorised by two members of the above staff, dependent upon who the claim is from.

The Payroll report is released by WCC 5 days before the pay is run and it is the school's responsibility to report any discrepancies before this date.

Any changes to the Staffing contracts are initiated by the HR Manager and checked by the Assistant Head for Finances before final authorisation by the Headteacher.

2.3 Income

The Finance Manager shall ensure that all income is accurately accounted for, promptly collected and banked intact. The Assistant Headteacher for Finances will reconcile all income accounts and chase outstanding income (lettings etc.).

The Governors do not wish for a cash signing over procedure. All cash is posted into a secure locked box by students and the cash is checked and recorded each morning by two members of staff.

All other income is paid electronically via parents either via Parent Pay or Parent Mail and is recorded on the system. Income is reconciled to the electronic system and printouts attached to the banking logbook and signed by two members of the above staff (see 20).

2.4 Banking Arrangements

All monies banked will be taken to a branch of Lloyds Bank at least on a weekly basis. The cash will be bagged and sealed security for deposit in the banks post deposit slots. The bank promise to count the money on the day received and inform the school of any discrepancies.

All monies banked will be added onto P S Financials system within two days of the bank verification, split down into the appropriate income codes gleaned from the balancing printouts.

If there is any discrepancy, the amount will be changed on the bank slip, denoted with the date and time. Discrepancies are likely to be extremely rare as the cash is verified by two people in school.

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

2.5 Security of Assets

The Assistant Headteacher for Finances and the Finance Manager shall maintain an inventory of all items of moveable furniture, equipment, vehicles and plant and ensure such items are security marked where appropriate. The value and depreciation will be recorded and the recorded in the accounts.

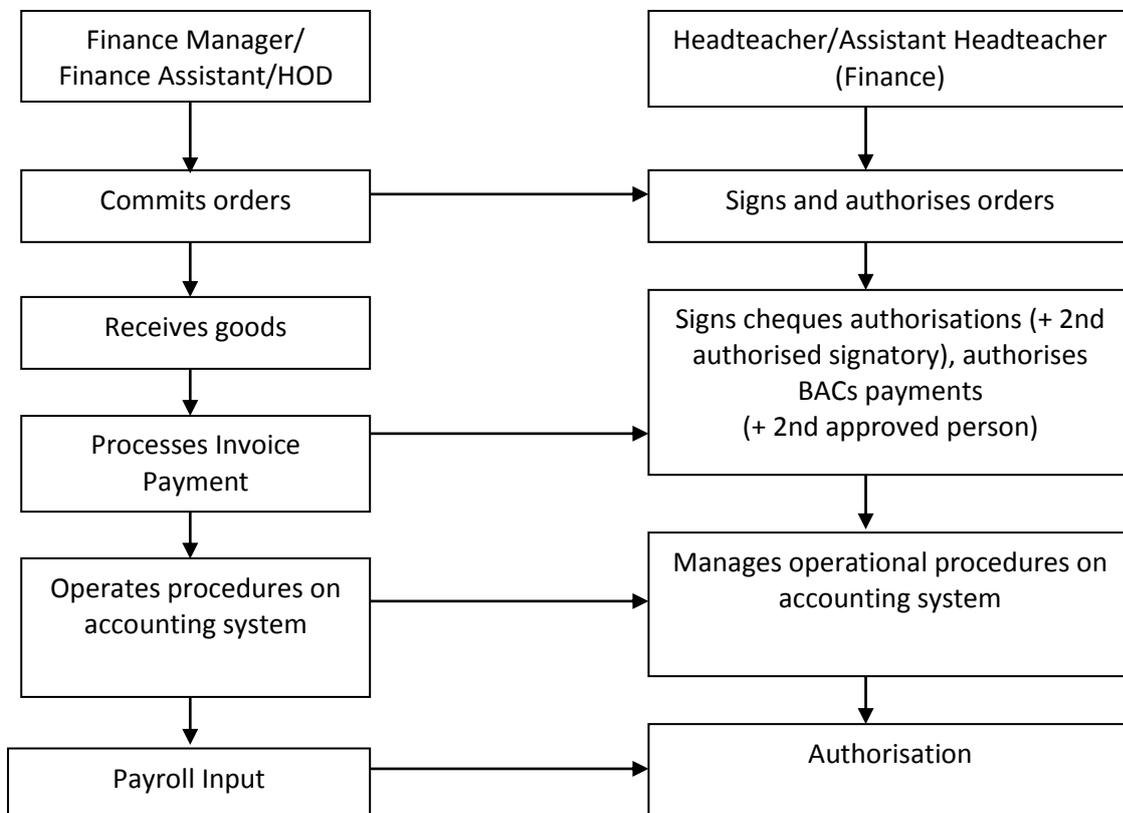
The Headteacher shall ensure that procedures are in place for the receipt, care, safe custody and issue of resources.

The Headteacher shall dispose of unusable or obsolete equipment or materials in accordance with instructions issued by the auditor.

The Headteacher shall maintain a record of all school property removed from the premises and shall ensure that items to be used other than for school business are so used in accordance with his directions and are covered by the school's insurance policy.

2.6 Segregation of Duties

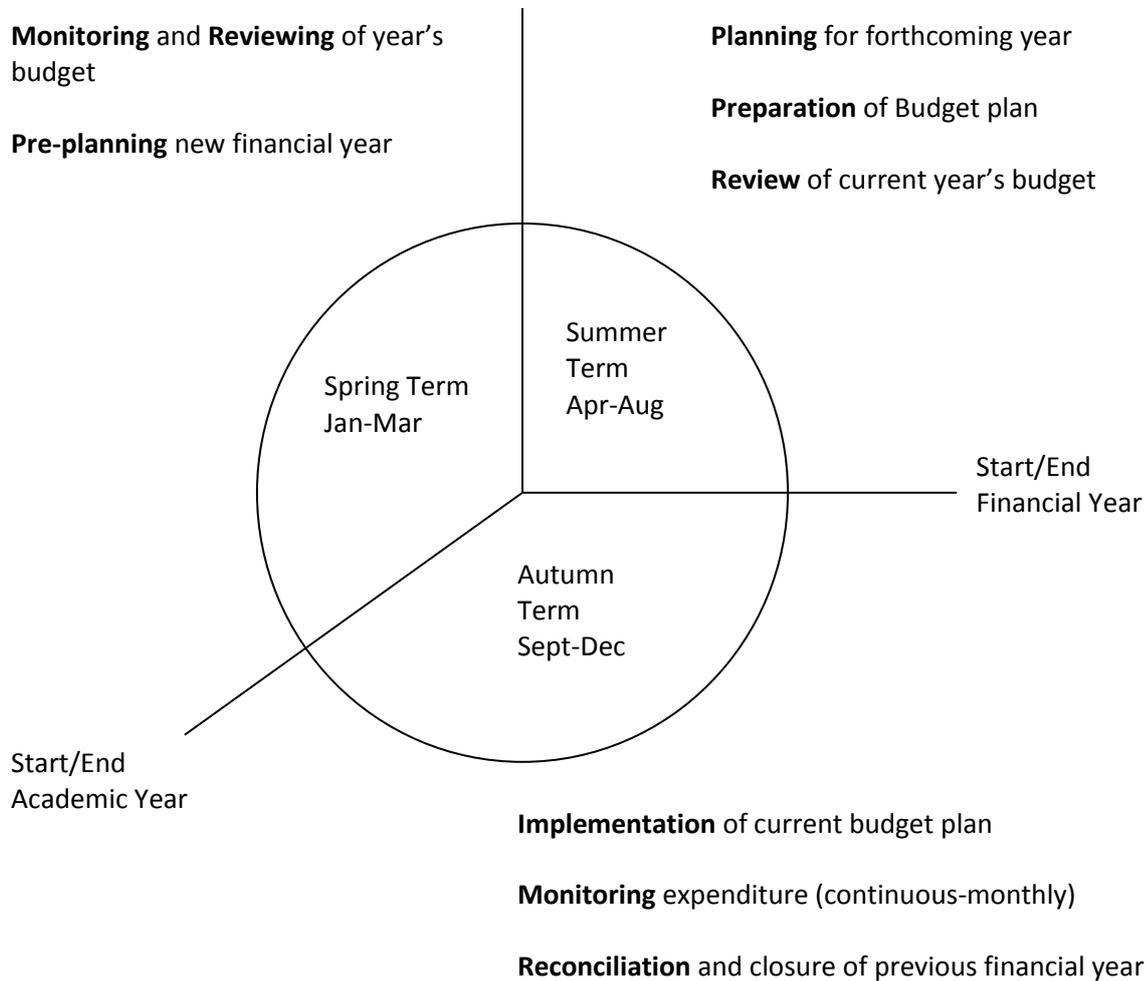
- The size of school and staffing arrangements will affect the segregation of duties
- One person should process and record various functions (they will have no authority to authorise these processes)
- Another person / persons authorises the process(es).



WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

2.7 The Budgetary Cycle



The premises development plan should also be included in the AIP. It aims to improve the learning environment of the school. Costs related to premises development are factored into the budget on an annual basis.

The SEF is also one of the main tools for evaluating the impact of financial planning with key development priorities feeding into the planning cycle.

The budget sets out how resources are allocated and provides for a mechanism for monitoring expenditure through the year. In addition to the development plans mentioned above, it is supported by the following planning documents:

- Curriculum analysis
- Staffing analysis
- Curriculum development action plans
- Budget for current financial year
- Costings for new initiatives
- Budget working papers
- Finance Committee minutes
- Cash flow forecasts

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

The AIP contains the following elements:

- A statement of school policy and perspectives
- Spending priorities for the current financial year linked to premises, ICT and curriculum development plans
- The budget for the current financial year
- Allocation of any delegated budget to named budget holders. Accountability is not assigned unless staff members have genuine control over their area.

Woodfield is required to:

- Produce a budget plan detailing estimates of planned expenditure
- Total planned expenditure must not exceed budgeted income, unless specific reasons are given and approved by the FGB.
- Consideration can be even each year when setting the budget on how to deal with reserves and what they should be earmarked for in line with the 3 year development plan.
- The precise budget format may change year on year dependent upon the spending needs of the academy and how the Governors wish the reserves to be committed.
- Once the budget plan is approved by the Governing Body it must be submitted to the EFA in line with regulations.

2.8 Consistent Financial Reporting (CFR)

The Government has introduced CFR as a standardised national reporting framework to:

- Improve schools' accountability
- Ensure minimum standards of financial reporting
- Improve schools' ability to manage finances
- Enable data to be transferred electronically from schools to the DfES to be part of the Common Basic Data Set (CBDS), available on central website for benchmarking purposes

CFR - Budget Headings

INCOME (CODES RELEVANT TO WOODFIELD)

Funds Delegated by the EFA (GAG) – I01

- Major share of funding provided by EFA
- School's Budget Allocation
- Any additional EFA funding not included in delegated budget
- School Standards Grant

DFE Capital – I02

Other DFE Grants – I03

Pupil Premium – I04

Other Government Grants I05

Private Sector Sponsorship/Donations I06

Donations for Capital – I07

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

Interest – I08

Hire of Facilities – I09

- income from lettings and hire of equipment
- income from special facility (dual use sports centre etc)
- income from consultancy, training and exam fees
- bank interest
- income from sale of uniform, materials, private phone calls, photocopying
- income from photographs, musical instruments
- income from non-catering vending machines
- Site Manager's rent
- sale of equipment/furniture

Out of school Activities – I10

Income from Catering – I09

- income from running own catering services
- payments received from catering contractor
- income collected on behalf of caterer

School Trip Income – I12

- Income from Contributions to Visits etc.

Receipts from Teacher Insurance – I14

- reimbursements from staff absence insurance schemes – teachers only

Receipts from other Insurance Claims - I15

- all reimbursements from insurance claims
- reimbursements for non-teaching staff absence insurance schemes

SEN Support Income – I16

- Notional SEN funding from budget share
- Funding for individual pupils
- Standards Fund

Contribution from Revenue to Capital – I17

CAPITAL INCOME

Capital Income – CI01

- capital funding from public sources – Capital Standards Funding

Loans – CI02

Private Income – CI03

- private income dedicated to capital funds

Direct Revenue Financing – CI04

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

EXPENDITURE

Teaching Staff – ES01

- all teachers directly employed by the school
- all teachers on fixed term contracts to cover illness/vacancies
- consists of gross pay

Supply Teaching Costs – ES02

- supply staff employed directly by the school
- curriculum release, sickness cover, training absence
- consists of gross pay
- identify supply costs related to Standards Fund
(do not include supply costs paid via an agency)

Education Support Staff – ES03

- Teaching Assistants
- Technicians (including ICT)
- Exam Invigilators
- Librarians
- Foreign Language Assistants
- Nursery Assistants
- Supply Education Support Staff

Premises Staff – ES04

- Site Manager/Site Service Officer/Site Manager
- Site Manager's/SSO/SM Overtime (not lettings)
- Site Manager's/SSO/SM Overtime (lettings)
- Cleaning Staff
- Grounds Staff
- Maintenance Staff
- Security Staff
(not costs incurred through cleaning or grounds maintenance contracts)

Administrative and Clerical Staff – ES05

- Bursars/Business Managers
- Clerk to the Governors
- Admin Managers
- Receptionist
- Secretaries
- Supply Admin and Clerical

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

Catering Staff – ES06

- Cashiers
- Cooks
- Servers
- Snack bar staff
(not costs incurred through a catering contract)

Other Staff – ES07

- Mealtime Supervisors
- EWO
- Supervisors of out of school clubs
- Tutors of school-managed adult education
- Liaison Officers

Building Maintenance and Improvement – EX01

- repair and maintenance
- related professional and technical services
- materials and equipment
- basic refurbishment
- major repairs and maintenance
- identify costs relating to Standards Fund

Grounds Maintenance and Improvement – EX02

- grounds maintenance (including service contracts)
- grounds improvement (except capital expenditure)
- identify costs relating to Standards Fund

Furniture and Equipment – EX03

Cleaning and Caretaking – EX04

- cleaning supplies
- cleaning equipment
- cost of service contracts
- cover scheme for Site Managers
- window cleaning
- other cleaning and caretaking costs
(do not include staff employed directly by the school)

Water and Sewerage – EX05

Energy – EX06

- gas
- electricity

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

Supply Teacher Insurance – EX07

- premiums paid to insurers for supply teacher cover
- premiums paid for non-teaching staff absence
- premiums paid for employee-related insurance for accident and liability, assault, fidelity guarantee, libel and slander

Rates – EX08

Rent – EX09

Other Insurance Premiums – EX10

- premises-related insurance
- vehicle insurance
- accident and liability Insurance – people not directly employed by the school
- school trip insurance

Security – EX11

Other Occupation Costs – EX12

- rents, lease or hire charges of premises
- refuse collection
- hygiene services
- security
- health and safety costs (including PAT testing)
- pest control

Learning Resources (not ICT equipment) – EX13

- books (library and text)
- curriculum furniture and equipment purchase and RandM (except ICT)
- rental/lease/maintenance contracts, AVA and other curriculum equipment (except ICT)
- printing, stationery and teaching materials
- subscriptions, licences and copyright (except ICT)
- curriculum transport, minibus (except insurance), student work experience travel, school trips

Transport – EX14

Exam Fees – EX15

- cost of test, examination entry fees and other accreditation costs including vocational courses

Brought In Professional Services-Curriculum – EX16

- Curriculum Support Services (consultancy/training/advice from LEA/external provider) - music support, advisory and SEN services

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

- ICT curriculum consultancy
- payments to visiting lecturers/speakers (not classroom teachers)
- courses purchased for students from external providers (FE colleges)
- Exam Invigilators
- self employed music teachers or LEA peripatetic teachers

Agency Supply Teaching Staff – EX18

- cost paid to agency for teaching staff brought in to cover teacher absence

ICT Learning Resources – EX19 – Hardware

- EX20 – Software
- EX21 - Consumables
- educational software, site licences, hardware used for teaching
- purchase, lease, hire or maintenance contracts of ICT used for teaching
- cost of broadband, ISDN, ASDL
(except capital expenditure on ICT)

Catering Supplies – Ex22

- non-capital catering equipment
- purchase, rent, lease or hire of vending machines
- full cost of service contract
- repairs and maintenance of catering equipment
- related professional and technical services
- cost of providing free school meals and milk

Brought In Professional Services –

Professional Services, consultancy and advice to staff and Governors

- Legal & Prof Fess– EX23
- Auditors Remuneration - EX24
- Payroll – EX25

- Personnel – EX26
- Finance – EX27
- Clerking service if clerk not directly employed by school

Bank Interest – EX28

IT - EX29

Staff Development and Training – EX30

- Staff development and training costs at the school
- cost of in-service training courses and development opportunities
- cost of equipment and resources to provide training
- identify costs relating to Standards Fund

WOODFIELD ACADEMY
FINANCIAL PROCEDURES POLICY

Administrative Supplies – EX31

- administrative stationery, printing and materials (prospectus etc)
- postage
- bank charges
- advertising (except recruitment)
- telephone charges (except dedicated internet lines)
- medical supplies
- purchase, hire, lease or maintenance of admin ICT equipment
- purchase, hire, lease or maintenance of furniture and equipment - subscriptions, publications and copyright fees

RCCO – EX32

Indirect Employee Expenses – E33

- recruitment costs (advertising, interviews, relocation costs)
- employee travel and subsistence
- duty meals
- miscellaneous employee expenses
- identify costs relating to Standards Fund

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

2.9 Budget Management

The budget will be monitored and reported on a regular basis. Governors are responsible and accountable for the maintenance of a secure budget to resource the school.

- Approved budget to be entered onto the finance system at the commencement of the new financial year.
- Returns made to EFA as required on the annual calendar.
- Reports to full governors' meetings and Finance Committee and Audit Committee meetings in format required by the governors, on termly/half termly basis.
- (Where applicable) Headteacher to receive written report.
- Budget holders to receive on request reports on expenditure from the relevant budget (although they can print themselves from the P S Financials system).
- Headteacher / Assistant Head for Finances and Finance Manager to monitor expenditure to ensure it is in line with budget plan and that it does not exceed income.
- Headteacher / Assistant Head for Finances to ensure all income and reimbursements are collected and recorded promptly
- Headteacher / Assistant Head for Finances to immediately alert governors of any variances to the budget plan.
- Assistant Head for Finances to ensure timely reconciliation of the accounts to the trial balance and bank statements and to ensure VAT is claimed within the correct period deadlines and that period closedowns and all financial data printouts are stored for audit and signed by the Headteacher.

Part 3 Bank Accounts

3.1 Choosing an Account

- The school will select the banking institution and negotiate terms and conditions.
- The Governing Body must authorise the opening and closing of all bank accounts.
- Terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted.
- Woodfield will inform the bank, in writing, that their accounts must not become overdrawn. Any supplementary card accounts will be repaid in full each month from the main cheque account.
- Woodfield will ensure there are sufficient funds to cover large payments by regularly checking cash-flow, especially in relation to salary payments.
- The academy will give the bank authority for the auditors to seek whatever information they require in order to fulfil their duties.

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

The Governors have chosen the following:

- A current account that enables invoice payment either by cheques or through BACS payments. This account pays a small percentage interest on the balance.
- That the account can transfer monies to be held on high interest deposit for a period of no more than three months, to attract interest at a greater rate.
- Notice accounts could be opened, with a higher rate of interest, but with penalties for early withdrawal. These accounts could hold a reserve set aside for a capital or other such project.

3.2 Bank Mandate

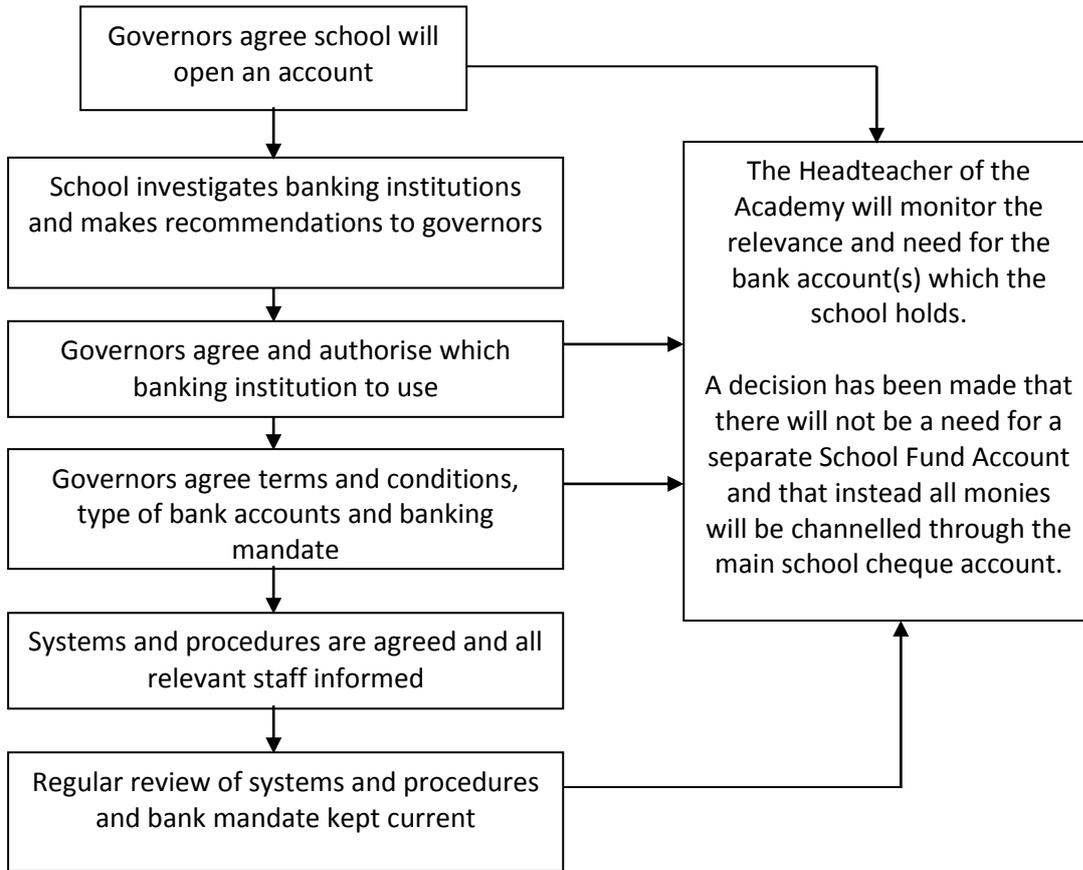
- Woodfield will require two signatories on all cheques, transfers and other payments and for setting up direct debits. The signatories will be made up of the following – Headteacher, Deputy Headteacher, Assistant Head for Finances and (on rare occasions) Chair of the Governing Body.
- No staff member may countersign a cheque which is made payable to them.
- The bank mandate must be changed when relevant staff leave the employment of the school and this is written into the exit procedures.
- When the Chair of Governors leaves they are to be removed from the bank mandate and the new Chair of Governors are to be added.

3.3 Controls of the Bank Account

- There will be a segregation of duties between the authorisation, preparation and issue of cheques. No one who prepares and issues the cheque may also sign it; it must be signed by two people who have not been involved in the cheque's preparation and issue.
- Similar controls over segregation of duties are applied to BACS and electronic banking.

WOODFIELD ACADEMY FINANCIAL PROCEDURES POLICY

3.4 Flow Chart – Opening a Bank Account



3.5 Cheques

- Lloyds will supply cheque books to be used in conjunction with the school’s financial software.
- All cheque books or pre-printed cheques will be stored securely in the safe when not in use.
- Cancelled cheques must be retained in the cheque book, marked “cancelled” across them.

3.6 Cash Flow

- The cash-flow of the school will be monitored on a regular basis and reported to the Finance Committee.
- The Assistant Head for Finance will be aware of large payments which are due and ensure that sufficient cash is available to meet the payment.
- The EFA will be informed if temporary problems arise, explaining the reason, and request advice on what action to take.
- Governors will be aware that there is a difference between cash flow and budget expenditure problems.

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

3.7 Direct Debits

Direct debits will save staff time if used for regular payments for services, provided these services are secure (i.e. rates, leases etc.).

- Governors agree that the school may use direct debit arrangements.
- Each record set up will list payment details, dates, length to run etc. and be recorded in the direct debit log and this will be checked termly to ensure that the service commissioned is still relevant and of value to the school.
- Direct debit mandates will be signed by the Headteacher and another member of finance staff.
- VAT can be re-claimed on direct debit payments, provided the supplier submits a VAT statement and so the Finance manager should chase these before posting the payment into the accounts.
- The payment will be reconciled as it appears on the bank statement.
- The Assistant Head will be aware of when direct debit payments are due when calculating cash flow.
- No direct debit shall be set up that exceeds £1,000 per annum. Another method of payment will be sought for these payments. This is to ensure that the VAT is monitored and not left to regress.

3.8 Debit and Credit Cards

- The Governing Body authorise Woodfield to hold a charge card (for use abroad) and a debit card. They have been informed of any potential risks.
- Charge card accounts must be cleared in full at the end of each month to avoid infringing schools' borrowing restrictions and systems have been set up to ensure that payment is taken each month from the main cheque account.
- Clear, written control systems have been approved by the Governors and those using the cards are aware of the systems. These are given below.

3.9 Use of Debit / Credit cards

- The Governors have approved the use of a charge and a debit card.
- The following staff are authorised users, and have read and agree to follow the procedures laid down below:

Headteacher
Assistant Headteacher for Finances

- The Assistant Head for Finances is appointed to control the use of the cards and will oversee the following:
 - 1 Cards will be stored in the school safe at all times except when officially issued to an authorised user and then if on school premises will be locked in a secure drawer or filing cabinet if not on the person.

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

- 2 The spending limit on the card is £2,500 per month.
- 3 Cards must be signed in and out by the authorised user and the card controller. All elements of the signing in and out document must be completed to include, date, time, supplier, purchase, reason and budget cost centre. This record should be countersigned by the staff member making the transaction and the controller. The log will act as a record for the Finance Manager to oversee the transaction onto PS Financials.
- 4 Typically all transactions will be made on school premises i.e. internet purchases but occasionally it may be necessary for the cards to be used off-site. If this is the case, the card must be used by the card-holder only.
- 5 In very exceptional circumstances the card may be used abroad by a member of the teaching staff for emergencies only and this will be authorised in advance by the Headteacher. Two members of staff are to sign for the card and are to witness transactions together. One will hold the card and the other the PIN number.
- 6 Cards can only be used in conjunction with the core purpose of the school.
- 7 Cards must be signed out immediately before use and signed back in immediately after use (or as soon as practicable), together with the receipt for purchases showing only transactions relevant for the school and with the appropriate VAT field completed. If no VAT is shown on the receipt and yet the company is VAT registered, then the VAT can be estimated and claimed. Where possible the school will seek to obtain a full VAT receipt.

Procedures for the use of Debit Cards at Woodfield Academy

The Governing Body has agreed to implement the use of a debit card.

The Governing Body authorise the card to be used after giving consideration to the risks and the controls needed:-

- i) Authorised users – Head and Assistant Head for Finances.
- ii) Maximum value to use on the cards spending limit will be £2500 per month.
- iii) Instructions on the scope of use of the card will be within the as stated above (charge card usage).

Documentary proof of any goods purchased with the debit card, including details of the nature and cost of those goods (such as vouchers, receipts), should be returned to the person responsible for recording card transactions as soon after each purchase as is reasonably practical.

Transactions will be posted to the accounts by someone other than the cards' signatories who will check the validity of the transactions. Woodfield will ensure that debit card transactions are reconciled to the bank statements at least on a monthly basis.

A review of the use of the cards should be carried out on a regular basis by a responsible officer

WOODFIELD ACADEMY
FINANCIAL PROCEDURES POLICY

3.10 Proforma - Bank Account Direct Debit Record

A record of all direct debits will be kept for audit purposes in a separate file and checked on a termly basis to ensure that they are still relevant and of value to the school.

The basic information required is given below:

Bank Account Number:

Sort Code:

Authority Signatories (two signature required):

Direct Debit - Name of Supplier:

Description of goods or services supplied:

Reason for the direct debit verses any other payment type:

Start date:

Amount 1st payment:

End date:

Amount final payment:

Frequency of payments:

Amount each payment:

Diary note to cancel with the bank following last payment collection:

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

3.11 Debit/Credit Card Signing In/Out Book

This is kept in the safe along with the credit / debit cards (except where stipulated especially above), the Assistant Headteacher for Finances shall sign the book out, the Finance Manager shall check information written in the book (as below) against receipts and sign the book back in.

Cards must be kept in the safe when not in use (unless on the person or in a locked drawer or cupboard) and can only be issued by the card holder. Authorised users should sign the card out and return it as soon as practicable after use. Documentary proof of goods/services purchased must be submitted to the Finance Manager.

Date card signed OUT	Purpose/ proposed use	Journal number as entered on PSF	Signed Out by Card Controller	Amount	Signed by Card Controller

3.12 Bank Account Management

- The EFA often pay tranches of the delegated budget, standards fund, reimbursement or other similar payment directly into the bank.
- On receipt of written notification of payment, the credit will be entered onto the software and allocated to the correct cost centre – ensuring an audit trail to confirm all reimbursements etc. have been received.
- School invoiced income from the EFA will be treated as in the previous point, plus procedures for receipting of invoices as described in relevant section.
- All bank accounts and charge/credit card statements will be regularly reconciled and at least every two weeks. More regular reconciliation will aid cash flow control.
- All bank charges, interest and direct debit payments, will be included in the reconciliation, ensuring they are entered on the financial software in a timely manner.
- Reconciliations to be carried out by the Assistant Head for Finances.
- Adjustments will be dealt with promptly, with a clear audit trail.

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

- Any journal or virement to the budget to correct mistakes will be recorded in the journal log book with a reason stipulated and this will be signed by the Headteacher.

Part 4 Information Management System (IMS)

4.1 Data Security

- The Information Management System (IMS) must ensure that data is safe from being lost, corrupted or stolen. There are implications under the Data Protection Act and The Human Rights Act if schools do not manage their system in a secure manner. Currently all shared and personal documents are back up in two different ways. As soon as changes are made within the system, within 15 minutes, these are uploaded via cloud storage "Synergy". Back-ups are run off site and Woodfield holds a synergy cloud back up system which is licenced through Worcestershire County Council. Level 3 security is applied but schools only need to operate to a level 2 requirement.
- The IMS must be separate from the student network system. This can be managed, but careful collaboration between the ICT curriculum needs and the ICT Administration needs must be coordinated and recorded in the Data Policy.
- The IMS is on a separate administration domain server which is separated from the curriculum server. Data is not accessible from the curriculum server to the administration server without elevated privileges i.e. staff
- A user's IMS Protocol must be signed by all staff authorised to access the IMS. They must be aware that infringement of the agreement can be a disciplinary matter. There is a draft acceptable usage policy which will include a section pertaining to responsible usage and all staff will be required to sign the document on an annual basis. All staff are trained in Data Protection on an annual basis on one of the school training days and security levels are assigned in both SIMS and PSF.
- A System Manager must be agreed by the governors. This person will be responsible for setting up new users, giving them appropriate access levels to the various programmes. The ICT Manager assigns new passwords and setups up emails for new staff members and ensures that all departing members of staff are removed from the system and all accesses and passwords revoked.
- The financial software should only appear on the screens of those who are authorised users. User access can vary from read only, to full access. To ensure probity and segregation of duties, use is limited to given modules within the finance package in accordance with their post and responsibilities. The system is set so that on the staff member's first login, they are directed to change their password and these passwords should include numbers and characters.
- Passwords are individual, not obvious, confidential with a set secure format. Staff are advised that passwords for the school site and external sites should be kept either locked in sealed envelopes in the site or on the persons mobile telephone which is password protected.
- Passwords are changed regularly. PS Financials is set to require a password change after a set number of entries to the site, or on a regular basis.
- The programme is set to close down after a period of not being used. This is to prevent people accessing or viewing data.

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

4.2 IMS Protocol and Security

All staff that have access to the IMS system must read and agree to comply with this protocol. Non-compliance could be a disciplinary matter. Data Protection training is given to all staff and forms part of the induction process.

- There are no shared passwords within the office systems. A persons individual password is not be made available to anyone else except the System Manager, nor must the password be written down and displayed where others may see it.
 - Staff are advised that passwords must consist of 6 characters; at least 1 capital, at least 1 number, at least 1 special character.
 - Any used password cannot be used again.
 - Staff may change their password at any time if they think it is no longer secure.
 - No computer will be left unattended for any reasonable length of time.
 - Staff must not install new software without receiving approval from the System Manager. (This is to ensure all necessary licences are in place and that the software will not have an adverse effect on the network).
 - Software must be closed down and the workstation turned off at the end of each day to avoid the possibility of the security being breached.
 - Staff must not allow parents, students, relatives or other unauthorised persons to have access to their password or to the IMS.
 - Staff must not allow parents, students, relatives or other unauthorised persons to see confidential information stored on the IMS.
 - Allowing another person to log onto the IMS using your password or to have access to confidential information is a disciplinary matter.
 - Removal/deletion of any information without the prior consent of the Headteacher, Deputy Headteacher or the School Administrator will be seen as gross misconduct resulting in formal action.
 - Where laptops are taken off site, these must be signed out. Any sensitive data is encrypted with a memory stick.
 - Any confidential information which is sent via email is password protected and the password is sent via a separate email or text to the receiving party.
 - Staff will sign receipt of the IMS protocol security.
-

Agreement to abide by the IMS Protocol and Security

Name:

Date:

I have read and understood the IMS protocol and security. I appreciate the importance of maintaining the confidentiality of this system and agree to comply with the protocol and security.

Signed:

WOODFIELD ACADEMY

FINANCIAL PROCEDURES POLICY

4.3 Back-Up

The school purchases a licence for off-site back up. The back-ups are cloud based and the responsibility of Worcester County Council. We also have a Symantec back-up solution on the curriculum server which backs-up all data including system state in case of a major server malfunction. The administration system uses NT back-up and it covers both data and system state in case of major server issues. If data were lost, school would be able to restore.

Part 5 Purchasing and Income

5.1 Purchasing

All finance staff will be trained in or be aware of the following,

- The protocol for raising purchase orders on the system for quotations and tendering.
- The list of approved major and regular suppliers which should be reviewed regularly, especially once the annual value of goods ordered from these suppliers exceeds £5,000. Agency suppliers are one such supplier who will be regularly reviewed in terms of best value and the quality of staff provided.
- The tendering policy and how and when tenders are sought.
- How and in what situations consideration should be given to Best Value.
- Ensure all staff are aware of and comply with the purchasing procedures.
- New suppliers will be checked with Companies House to ensure that the supplier is solvent.
- Department staff may request items from their line manager.

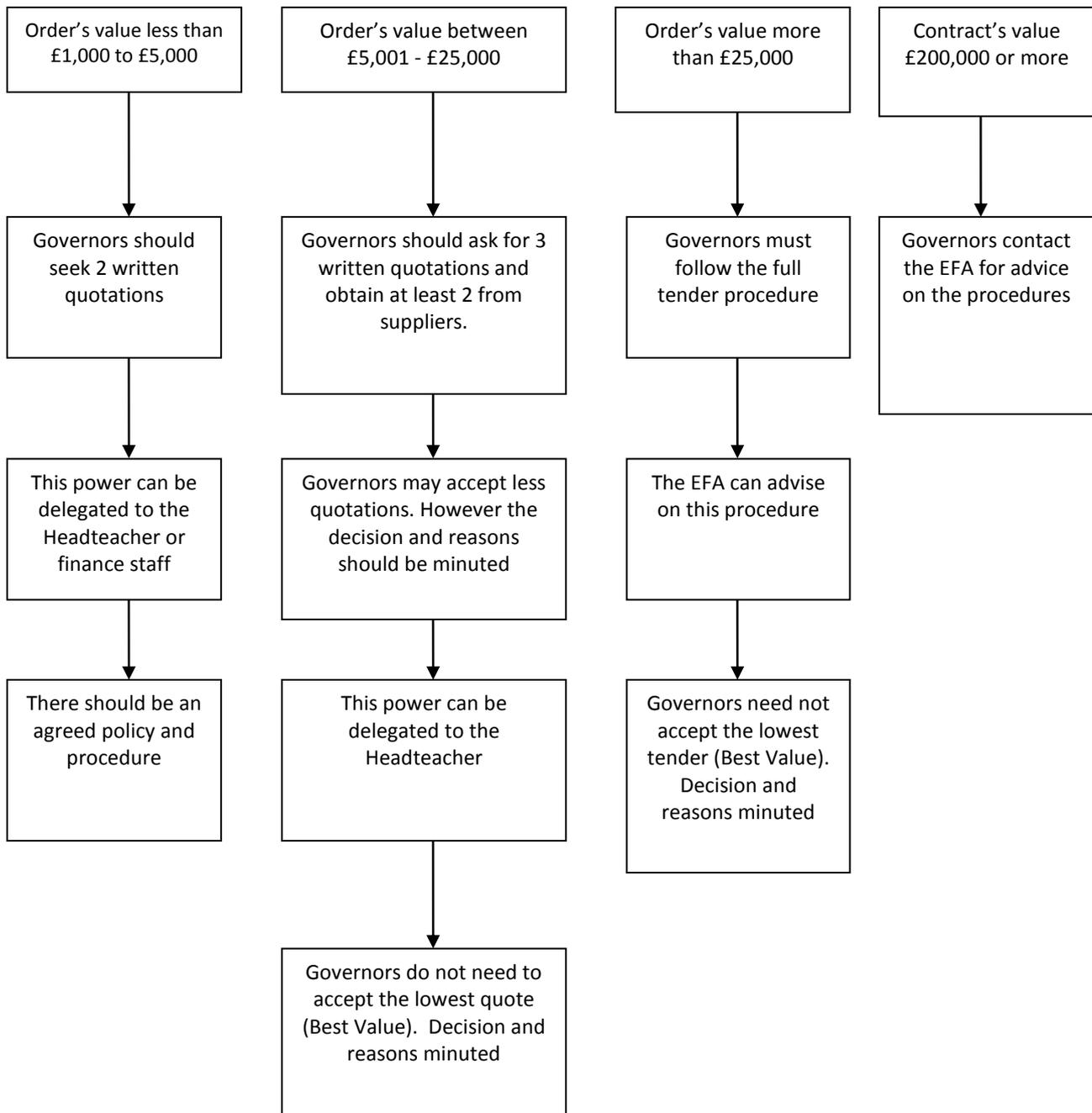
5.2 Security of Ordering System

- Orders are printed immediately following authorisation.
- Orders are filed sequentially ensuring that no orders are missing. Cancelled orders will be printed and marked 'cancelled' with the reason and cross referencing the correct order number.
- Department Head, the Finance Assistant or Finance Manager may raise orders on the system.
- Official orders must only be used to purchase items for the school and Terms of Reference should be included. The system allows for orders to be emailed directly to the supplier.
- Levels of access to finance software are relevant according to the responsibilities of the authorised staff.
- Individual, secure passwords are used and changed regularly.
- Segregation of duties is in place and complied with

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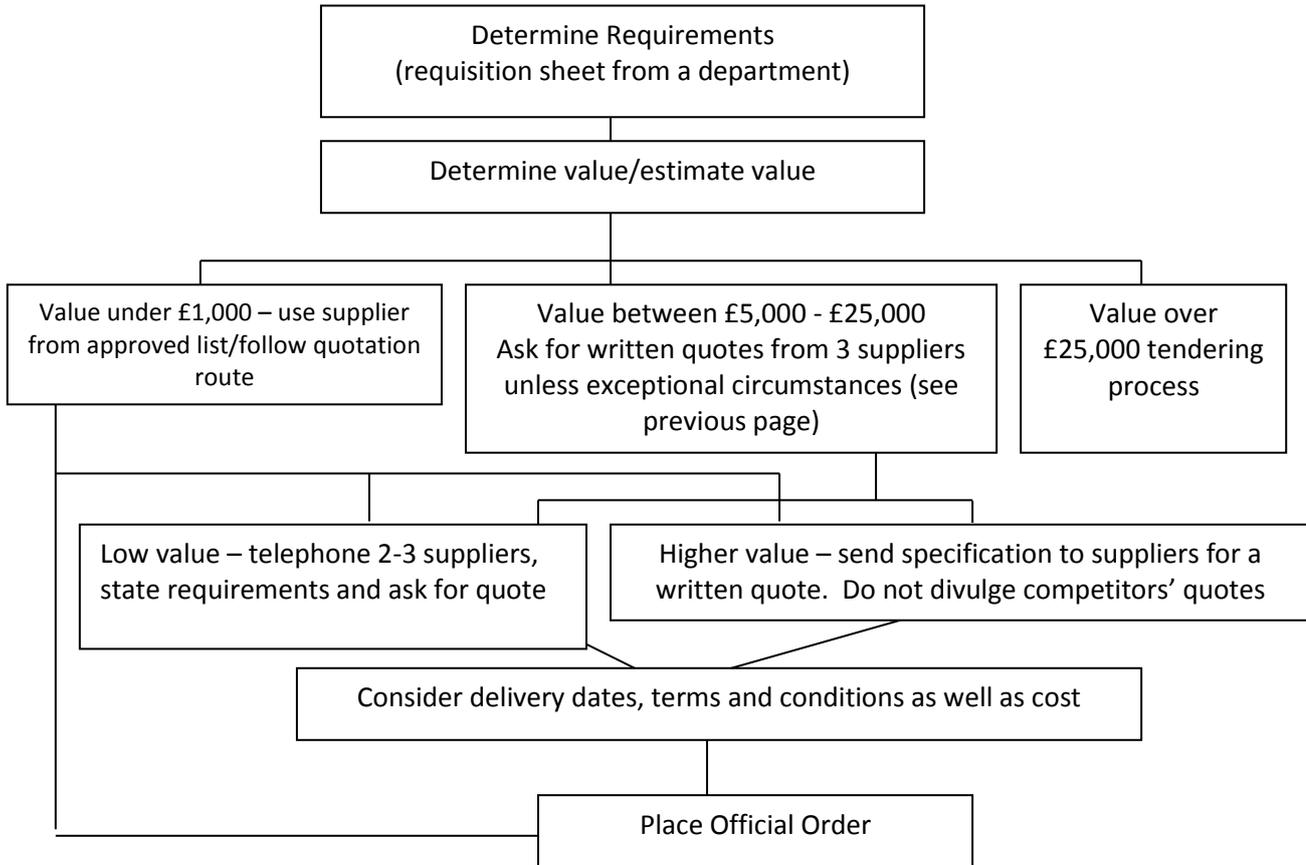
5.3 Purchasing and Tendering Procedures

The value of the order dictates the purchasing route that the school needs to take to comply with legislation



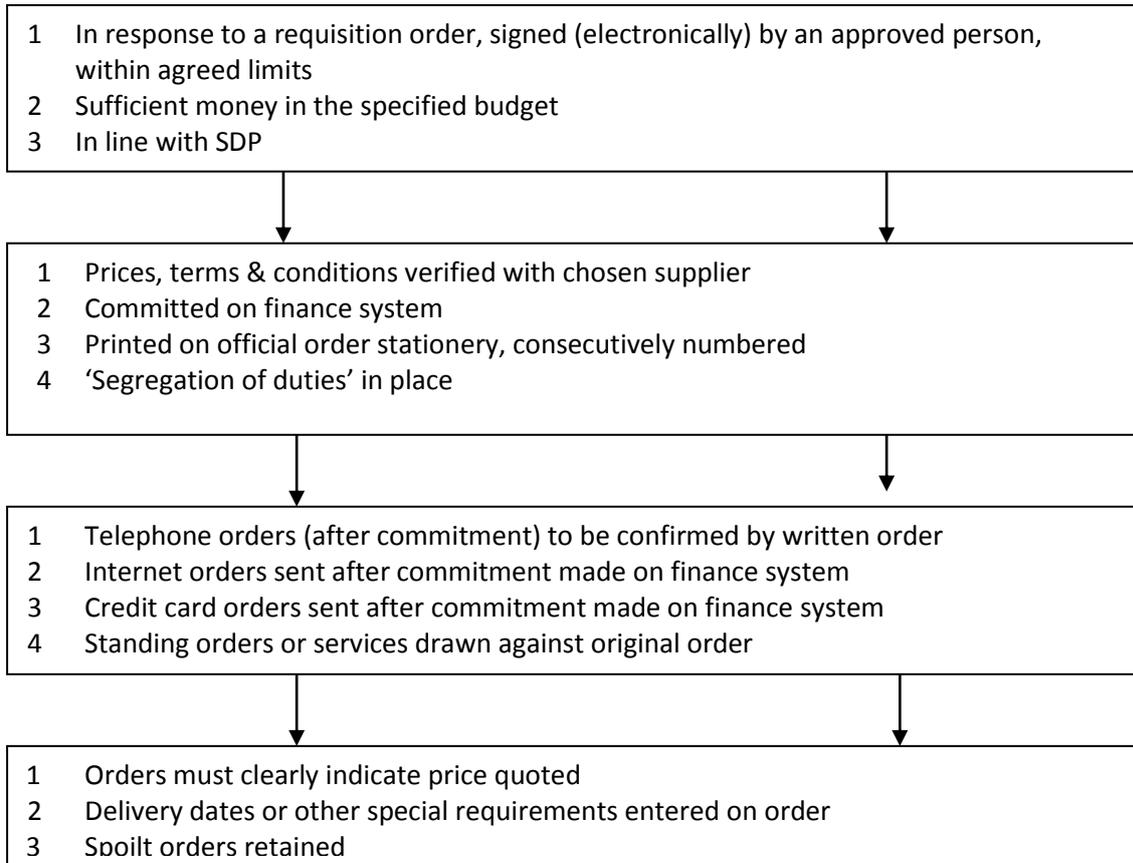
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Various costing routes



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5.4 Ordering



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5.6 Procedures for Ordering Resources

- 1 Staff to complete an order on line, including supplier's name, code, and description of product, cost and number of items required. If you are unsure of which suppliers to use, please contact the school administrator for assistance.
- 2 Orders must be in line with the SDP and there must be sufficient money in the relevant budget to cover the cost of the proposed purchase.
- 3 The school will only order items for school use, all items officially ordered belong to the school.
- 4 The member of staff responsible for authorising expenditure from the relevant department/budget must approve and sign the requisition.
- 5 Any paper requisition forms to be passed to the school administration department for processing.
- 6 The Finance Manager or Finance Assistant will check prices, terms and conditions and delivery date. It is the duty of the Finance Manager or Finance Assistant to ensure that best prices are obtained.
- 7 The school administration office will commit the order to the finance system and produce a printed order, with an official order number.
- 8 Only an authorised person can sign the order (please remember segregation of duties).
- 9 The school Finance Manager or Finance Assistant may make telephone, fax or internet orders, provided step 6 has been taken. Where practicable a telephone order should be confirmed by a written order.
- 10 The requisition form will be retained in the school office and filed sequentially.
- 11 Other than exceptional circumstances and with prior agreement from *the Headteacher* staff cannot order or purchase items without an official order number.
- 12 Request for copies must be made via the school Finance Manager or Finance Assistant to avoid problems incurred when the school is invoiced and there is no record of an inspection copy having been requested or received.
- 13 Please be aware when ordering inspection copies that suppliers may charge handling costs which will be credited against the department budget. It is usually possible to negotiate the removal of the handling costs prior to ordering the inspection copies. This would be a task for the finance office.

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5.7 Proforma – Purchase Letter

(Occasionally required when purchase includes more details than can be printed on the official order stationary, or in response to a detailed quote for materials, services etc. The order must be committed on the financial software and an official order number allocated)

School Headed Paper

Date

Supplier's Name

Supplier's Address

Order Number:

Please supply the following items, *as per Quote Number:*

(enter specification already agreed with the supplier)

Net Cost:

Agreed *delivery/supply/commencement* date:

Enter any further details, ie instalment delivery, access to site, special terms and conditions

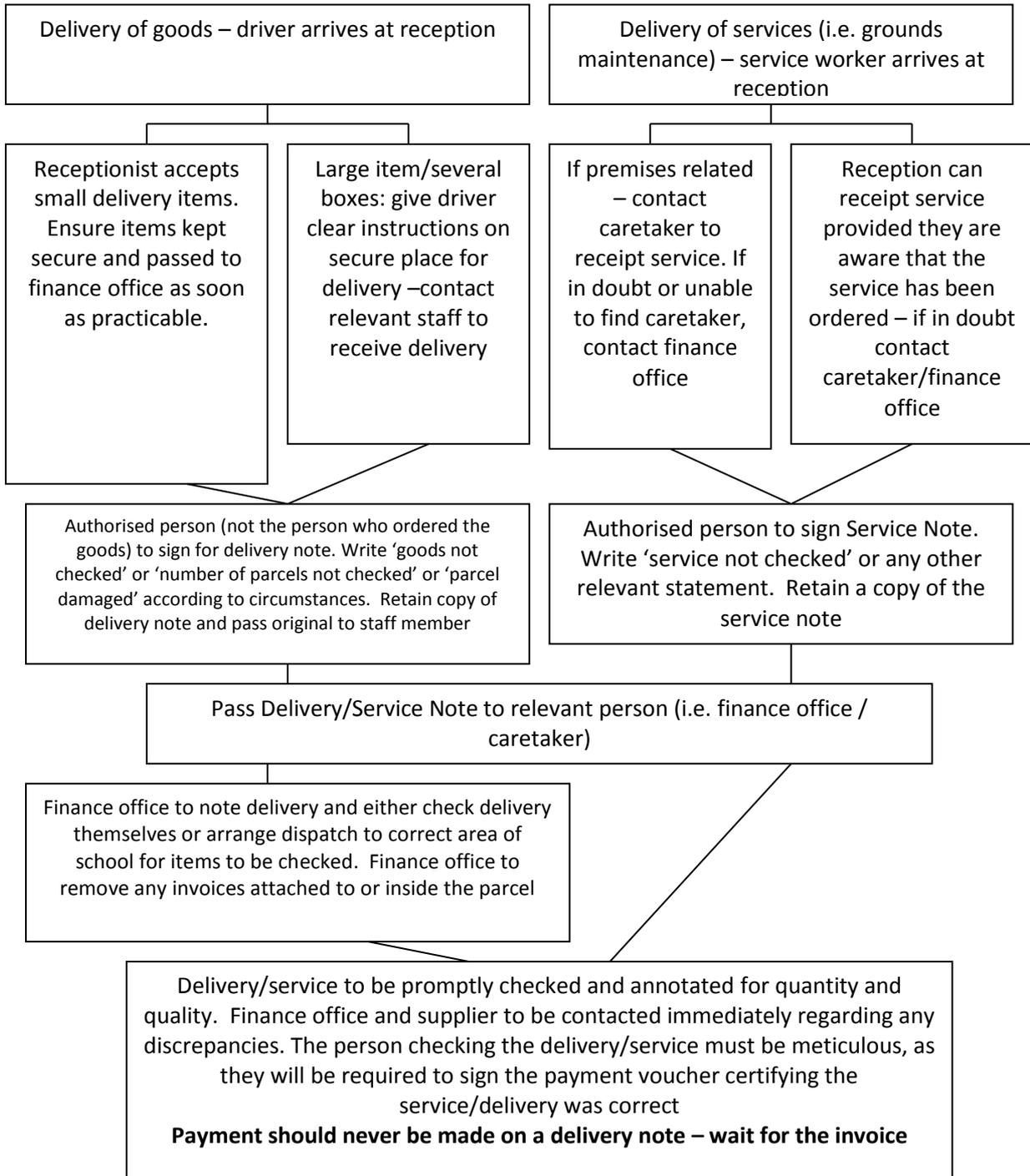
Signed by Authorised Person

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5.8 Receipt of Goods and Services

A Guide to the Process of Receiving Goods and Services



**N.B. All service / maintenance related paperwork is to be passed directly to the Assistant Head (Finance and Resources).
All delivery notes are to be copied before goods and delivery note are sent to the department (unless goods are checked by the finance office).**

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5.9 Procedures for Receipt of Goods or Services

- 1 The following staff are authorised by the Governors to sign for the receipt of goods or services:

Department orders are to be signed for by a second member in the department. This ensures that the goods are required and is separate to the person who ordered the goods.

In the case of other goods or services, the delivery note may be signed by

- The Site Manager
- A member of the teaching staff
- A Deputy Headteacher
- The ICT Manager

Receipt of Goods

- 2 Delivery notes for items accepted at reception must be signed by the authorised person receiving the goods and a copy retained. Please annotate whether the items were checked, not checked, parcel damaged etc.
- 3 The delivery note and goods must be kept secure and passed to the school administrator as soon as practicable.
- 4 All inspection copies must go the school administrator for their records; the school administrator will distribute the inspection copies to staff.
- 5 Finance Manager or Finance Assistant to note the delivery.
- 6 Finance Manager or Finance Assistant to check for any invoices that are in or attached to parcels.
- 7 Department Assistant / Other Person (as listed above) to check the delivery is correct or dispatch the delivery to the relevant department for checking.
- 8 Deliveries must be checked promptly by the relevant person and the delivery note annotated regarding quantity and quality of goods. The person checking the delivery must be meticulous. The delivery note MUST be returned to the school office for filing with the order
- 9 Any discrepancies, damaged items or incorrect items must be notified to the school administrator immediately.
- 10 Payment should never be made on a delivery note – wait for the invoice.

Receipt of Services

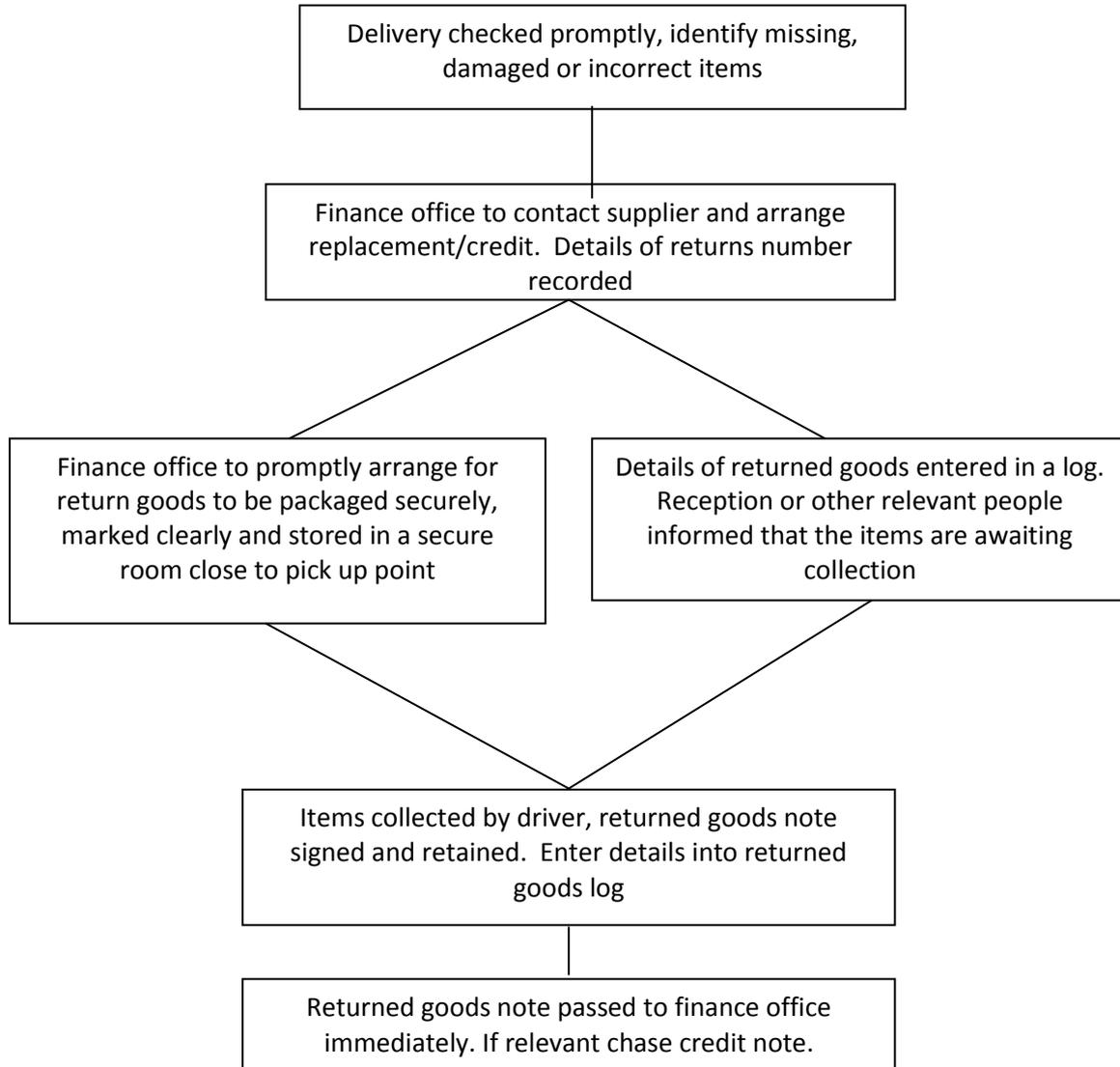
- 11 Service notes should be signed by the relevant authorised person. In the absence of the relevant person, any of the above in item 1 may sign the service note provided they are aware that the service has been contracted by the school. Please annotate that the contractor was on site but the service has not been checked.
- 12 Pass the service note to the Assistant Head for Finances.
- 13 Services must be checked promptly by the relevant person and the service note annotated regarding quantity and quality of service. The person checking the service must be meticulous.
- 14 The contractors sign in log can be used as a point of reference.

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5.10 Returned Goods

A guide to the process



5.11 Proforma - Return Goods Log

The returned goods log should detail the date ordered, number and description of items, suppliers name, carrier, date collected and signature of Woodfield finance staff. All returns notes should be filed in the log.

5.12 Procedures for Returning Damaged or Misordered Items

- 1 Deliveries must be checked promptly to identify the quantity and quality of the items.
- 2 Any discrepancies must be brought to the attention of the Finance Manager or Finance Assistant immediately.
- 3 The Finance Manager or Finance Assistant will contact the supplier and arrange for the items to be collected / swapped.

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- 4 Items to be returned must be safely parcelled and clearly marked, including the 'returns number' if one has been issued by the supplier.
- 5 The parcelled items must be placed promptly in the school office. The requisition sheet must be handed to the school administrator to be signed.
- 6 The Assistant Head for Finance and the Site Manager will be informed that the items are waiting for collection.
- 7 On collection of the items, the person dealing with the transaction will sign and retain a copy of the returned goods note from the carrier.
- 8 The copy of the returned goods note to be passed to the Finance Manager or Finance Assistant promptly.
- 9 The Assistant Head for Finance will be aware of credit notes due as a result of returned goods and discrepancies.

5.13 Purchase Invoice Processing

- Purchase invoices should be matched against an order and a delivery note.
- Invoices must be checked for accuracy.
- Segregation of duties must be maintained.
- Only authorised staff should carry out the payment process.
- Suppliers' statements should be regularly reconciled to outstanding invoices and these should be retained with the invoice once paid.
- Invoices must relate to official orders. If this is not the case, they should not be paid unless dispensation has been made to the staff who ordered the items.
- VAT regulations must be complied with (where applicable).
- Schools must be aware of the Construction Industry Tax Deduction Scheme.
- Schools must be aware of Inland Revenue Tax requirements.

5.14 Checking Invoices

- Segregation of duties must be adhered to. The person raising the order is not permitted to process or approve the invoice.
- A voucher providing a checklist for invoice approval and payment should be attached to the invoice (this can be a slip of paper or a rubber stamp).
- Only authorised staff can sign the voucher at various stages of the process.
- Initials are not sufficient; a full signature should be required.
- Details of invoice must be checked against order commitment and any extra lines accounted for with the budget holder.
- Check VAT details.
- Check and add delivery charges if appropriate.

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- Check prompt payment facilities or discounts, note date by which payment must be processed to be able to claim the discount.

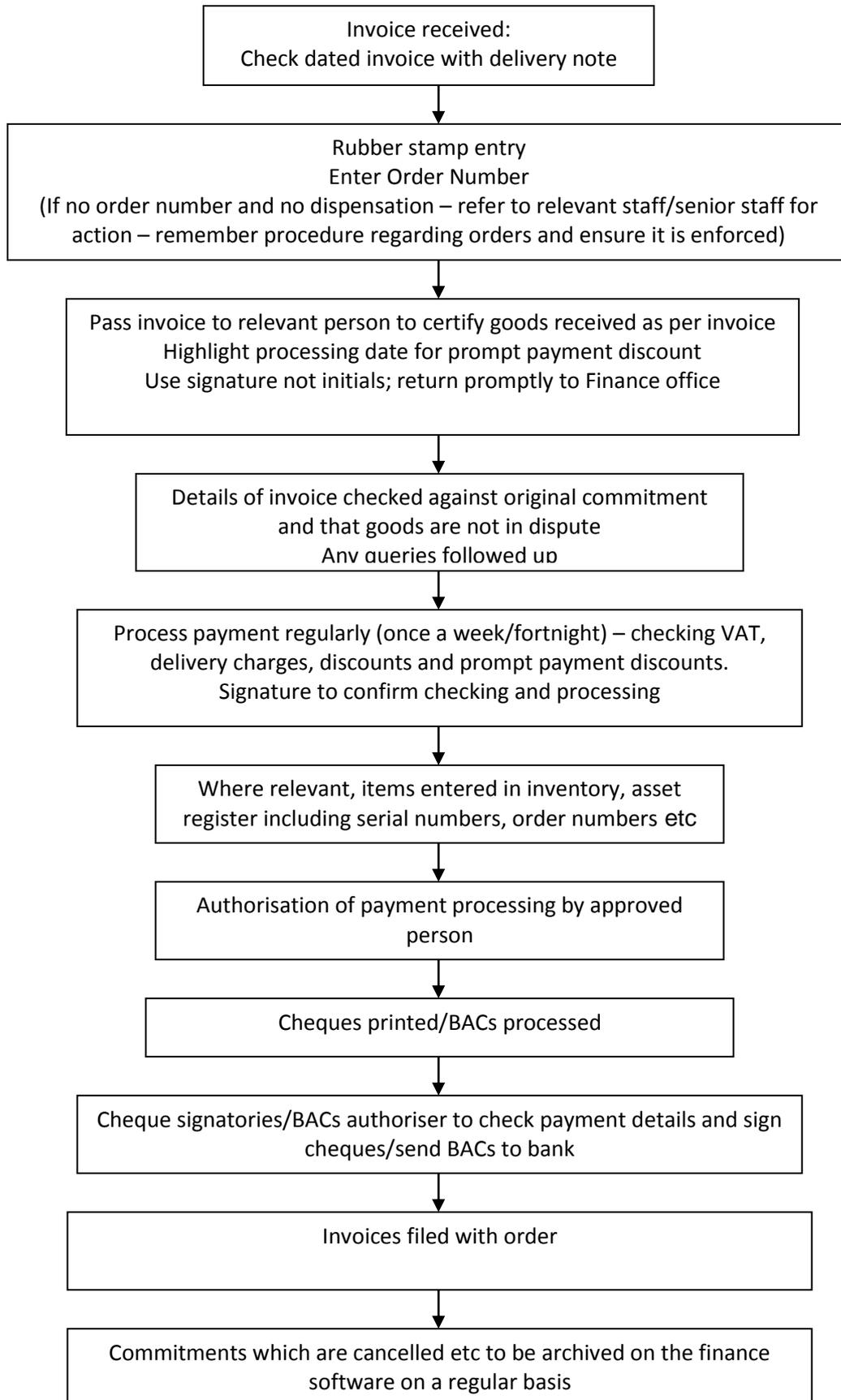
5.15 Paying Invoices

Provided all the above checks are correct:

- Enter details of invoice against original order commitment.
- Check payment due is the same as that shown on the software.
- Only authorised person to approve payments.
- Print/write out cheques or progress BACs payments.
- Authorised cheque signatories or BACs approvals to check payment details before signing cheques or authorising payments.
- There should be two stages in the process for the release of payments.
- File invoices in with the order and delivery note, filed in number order.
- There will be a regular follow up of orders which are still outstanding.
- Any items not in stock will be cancelled from the order to put the commitment back to the budget.
- As part of the regular housekeeping check, orders will be cancelled or followed up. Advice from the staff member will be sought where items have been out of stock for more than 3 months.

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5.16 Guide to Purchase Invoice Processing



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It is important to note that at this point it is expected that the goods will be recorded in the inventory or asset register if required. There is a stamp which details dates that each of the process is completed and this is signed at each stage of the process by the person carrying out the transaction on the system, to include the date.

5.17 Procedures for Payment Processing

- 1 Payments must only be made on invoices. Delivery notes and hand written notes are not acceptable. If the original invoice has been lost, the copy invoice must be clearly marked 'copy'.
- 2 Payments will only be made on invoices which relate to official orders. Staff, who have purchased items without an official order, unless they have obtained prior dispensations as described in order procedures, may be responsible for payment for such items.
- 3 VAT can only be claimed on VAT invoices.
- 4 VAT can be claimed on credit card purchases provided a valid VAT invoice has been obtained which identifies the school as the customer. VAT cannot be claimed where the employee is shown as the customer.
- 5 Payments must comply with the Construction Industry Tax Deduction Scheme.
- 6 Payments to personnel must go through payroll to ensure the Inland Revenue legislation is complied with. Self-employed people who can prove that they are registered with the Inland Revenue are excluded and can be paid direct. *Self employed people must sign a statement agreeing that they will declare all payments from the school to the Inland Revenue.*
- 7 All invoices to go to the Finance Assistant or Finance Manager in the first instance
- 8 Finance Manager to cross reference invoice with commitment and rubber stamp the invoice with details of official order number etc completed
- 9 If no official order and no prior dispensation for purchasing without an order number, finance office to return invoice to relevant member of staff. ***A senior member of staff may be required to be informed and to deal with the issue.***
- 10 Invoice, with rubber stamp to be passed to relevant person to certify goods received as per the invoice. Certification must be by signature, not initialled. Invoice returned to finance office.
- 11 The Finance Manager or Finance Assistant to check prices of invoice with original commitment, queries to be made to the supplier as soon as possible.
- 12 Enter relevant items into inventory or in asset register.
- 13 Invoices to be processed on a regular basis by authorised person, with careful account made to VAT, delivery costs, prompt payment discounts and other discounts. Rubber stamp to be certified by a signature certifying the process has been completed.
- 14 Separate approved person to authorise payments, signature to certify action.
- 15 Cheque signatories/BACs authorisers to check invoices before signing cheques/authorising BACs payments. Signature to certify action.
- 16 Paid invoices to be filed with the order in order number. A search can easily be done against supplier to track goods.

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5.18 Proforma – Declaration of Self-employed person

Name of School

Declaration of Self-employed Person

Name:

Address:

NI Number:

I declare that I am registered with the Inland Revenue as being self-employed. I agree that it will be my responsibility to inform the Inland Revenue of any payment that I receive from the above school.

Signed:

Date:

5.19 Credit Notes

Credit notes should be processed like negative invoices, their value being set off against the invoice it was raised against wherever possible. The AH (Finance) will record the credit notes on the system to ensure a correct division of duty between the ordering of the goods and the usual person entering credits on the system.

5.20 Fuel and Water Invoices

- Meter readings must be recorded on a monthly basis.
- The actual meter reading should be checked against the invoiced reading.
- If there is a discrepancy between the readings inform the supplier of the correct reading, this must be investigated and the Assistant Head for Finances advised.
- No more than two consecutive estimated invoices will be accepted.

Details regarding VAT are covered in Section 8

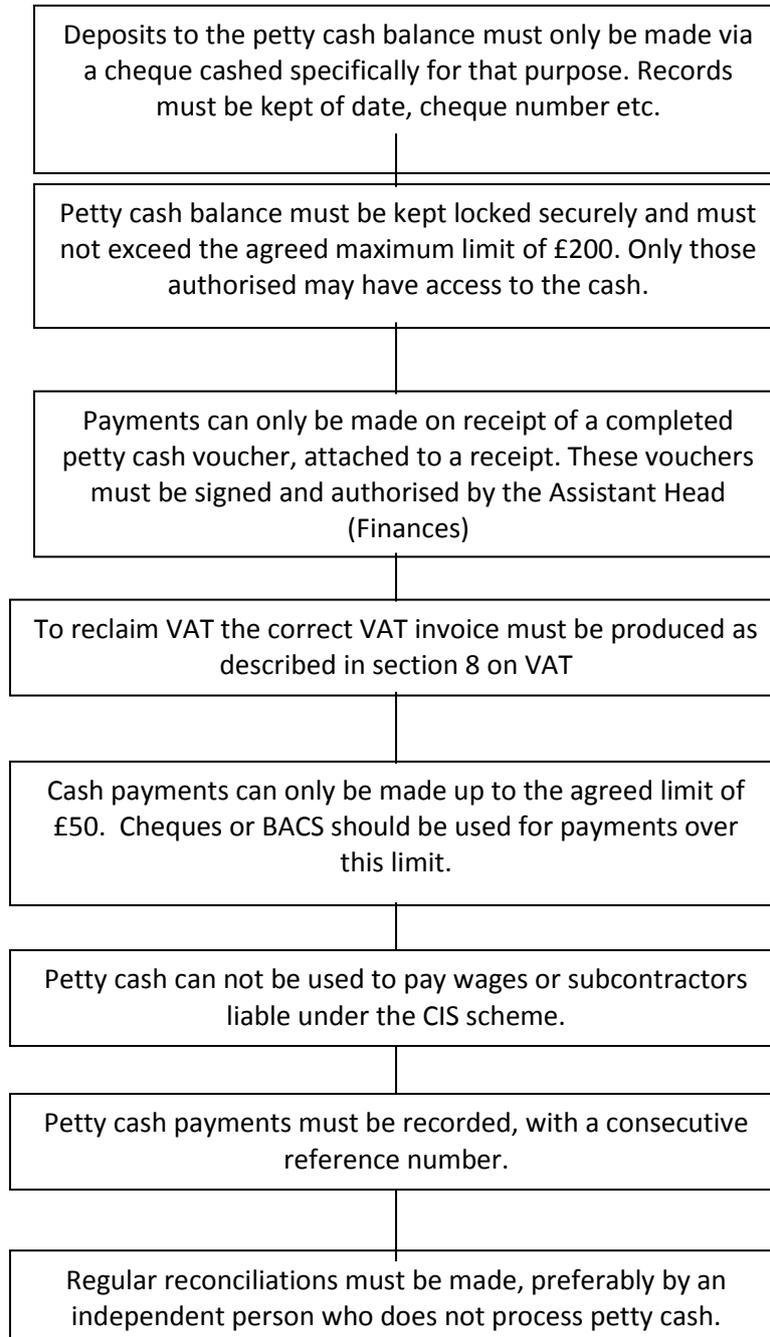
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Part 6

Petty Cash Procedures

Expenditure of small amounts for which an order has not been raised or an invoice not received.

Governors should annually review and agree the cash balance to be held and the limit for each individual transaction.



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Part 7 Income

It is the responsibility of the governors and the school to collect any income owed to them promptly and to pay such income into the bank account on a regular basis.

Types of income with an indication where VAT may be included:

- Catering income
- Telephone call (VAT)
- Reprographic (VAT)
- Lettings (VAT)
- Educational visits
- Examination fees
- Tuition fees
- Sales of books to students
- Sale of uniform
- Unofficial fund contributions
- Sale of equipment and scrap (VAT)

Income is collected either as cash, cheque or directly paid into the bank via Parent Mail or Parent Pay or via a direct payment.

7.1 Invoicing

Income will be collected through the school invoicing system. Invoices will be issued on a monthly basis at the end of the month in which the expense has been incurred.

The Governors should approve levels of charging for lettings, payments due and collection of bad debts annually.

- Customers are informed of cost of service / supply and payment due dates in writing, prior to supply of service. Letting costs are confirmed via the return of the signed booking form,
- Currently no deposit is sought to secure a letting; this is at the discretion of the Governing Body and is reviewed annually.
- Invoice should show:
 - An identifying number and date (run consecutively)
 - Date supplied
 - School's name and address and where applicable, VAT number.
 - The customer's name and address
 - The type of supply, i.e. sale, rental etc.
 - Description to identify goods or services supplied and dates supplied.
 - Quantity and amount payable (excluding VAT) for each description
 - Total amount payable (excluding VAT)
 - Rate of any cash discount offered
 - Date invoice due
 - Rate and amount of VAT charged

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7.2 Invoice Recording

The transaction will show as a creditor in the finance system and when payment is made, it will reduce the credit balance. Any outstanding income will be chased on a monthly basis by a different person to the one who raised the invoice.

7.3 Example of Invoice

School Headed Paper

Date

Customer's Name

Customer's Address

INVOICE NO. WoodfieldWoodfield

Narrative detailing type of supply and description of goods, ie

X Photocopies @ £X per copy supplied xx/xx/xx	£X
VAT @ 17.5%	£X
In total	£X

Please make cheques payable to: *Name of School Bank Account*

VAT Registration No: *(enter Education Authority or School registration number if the school is VAT registered.)*

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7.4 Proforma – Letters Chasing Unpaid Invoices

First Reminder

School Headed Paper

Dear Sir/Madam

Invoice No **dated** **for £.....**

The above account is overdue, and I should be grateful if you would arrange settlement no later than to avoid further, more formal action being taken on behalf of the school.

If payment has been despatched within the last three working days then please disregard this letter.

Yours faithfully

Headteacher

Final Reminder

School Headed Paper

Dear Sir/Madam

Letter before action - County Court Proceedings

Invoice No..... **dated** **for £.....**

Payment has not been received for the above invoice, nor any valid reason as to why payment is being withheld.

Under these circumstances I must advise you that if settlement is not received by..... then action will be taken to issue you with a County Court Summons in order to secure recovery of the overdue sum.

When taking such action the school will claim not only the amount of the debt, but also Court costs, and statutory interest at the rate of 15% per annum as from

I trust that such action will not be necessary and that the school will receive your cheque, payment in full, by return of post.

Yours faithfully

Headteacher

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7.5 Issuing Receipts

- A receipt should be printed on request for all income received.
- Receipts should satisfy the following criteria:
 - a duplicate copy is retained by the school
 - the name of the school is clearly shown on the receipt
 - receipts are sequentially numbered and none are missing. Damaged ones are to be retained in the book.
- If receipt books are issued to staff, they must be clearly identifiable with a prefix. A record of who has been issued with a book should be maintained.

7.6 Income Paid by Cheque

- Record payment of income on the finance system.
- If payment is in response to an invoice – record against the invoice, checking the amount is correct. Indicate date received, cheque number and account paid into and invoice number.
- Chase any outstanding amount.
- Payment will be made into the bank on at least a weekly basis.

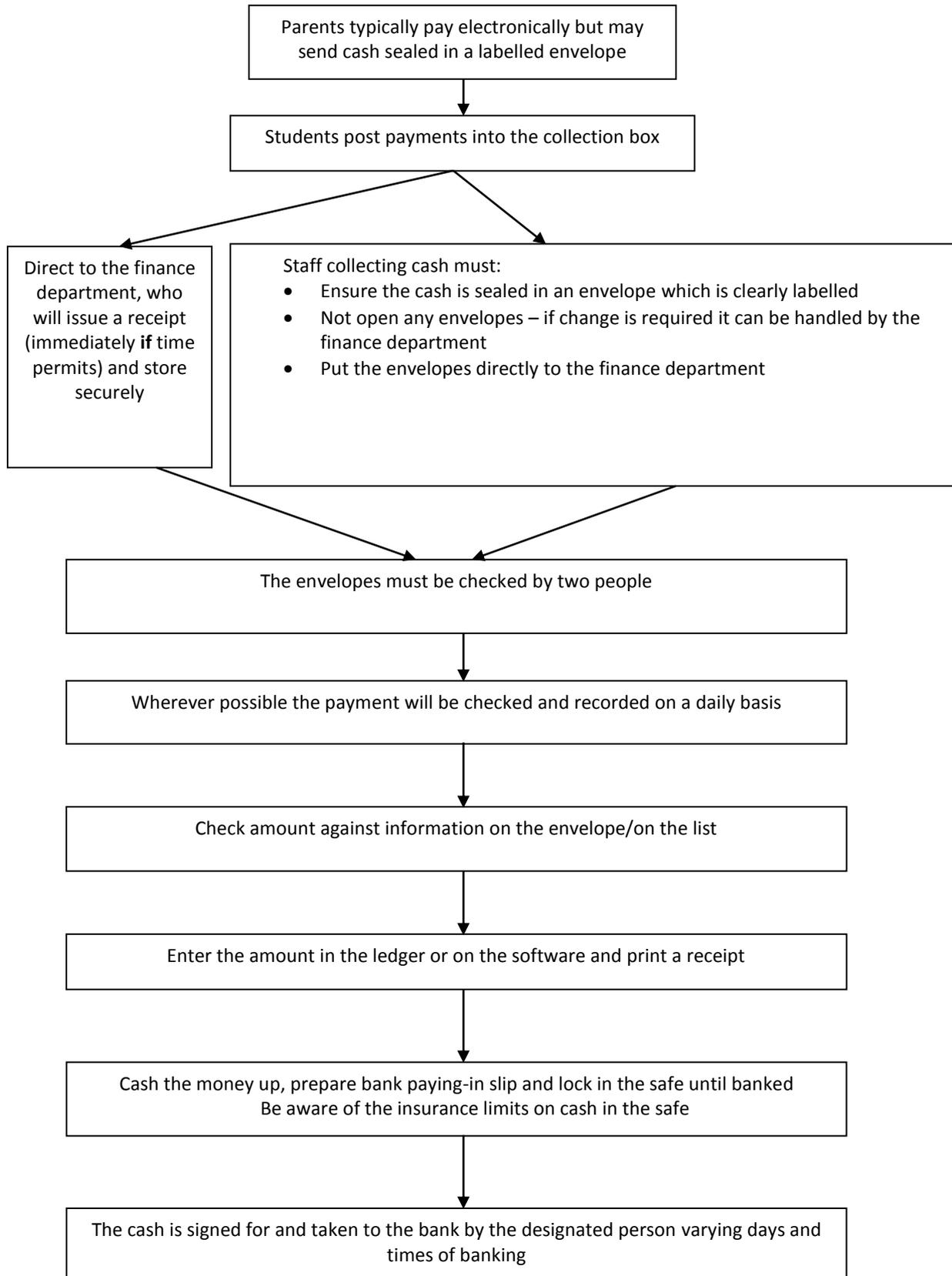
7.7 Cash Handling

Cash handled by staff, other than those in the finance office, must be kept secure and passed to the finance office as soon as possible.

- Cash must be banked intact; money received in the school cannot be used to cash a personal cheque
- All cash received must be recorded on the software.
- A bankage slip is completed for all monies collected and taken to the bank on at least a weekly basis by the Assistant Head for Finances or Assistant Site Manager. If there is a discrepancy, then the finance system will be altered accordingly and denoted.
- Insurance limits are always adhered to.

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7.8 Procedure for Cash Collection from Students



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Part 8

VAT

The notes in this section are for guidance only. Any queries will be pursued through the Customs and Excise direct or with Clement Keys, the academy auditors.

Woodfield is responsible for any penalty imposed on them for failing to comply with VAT Regulations.

VAT Regulations are subject to frequent change, if unsure of the VAT position the school should contact Customs and Excise National Advice Centre 0845 010 9000, or visit their website: www.hmce.gov.uk.

8.1 Types of VAT

Business Rate Any continuing activity which is mainly concerned with making supplies to other persons for a consideration.	Standard Rate VAT is charged. Current standard rate is 20%
	Zero Rate Items subject to VAT, but currently taxable at 0%
	Exempt VAT is not chargeable
	Reduced Rate VAT is charged. Current reduced rate is 5%
Non-business Activities essentially a recreation or hobby	Outside the scope Items/activities fall outside the scope and no VAT is charged

- Input Tax is the VAT incurred on purchases made by the school (expenditure)
- Output Tax is the VAT charged on supplies made by the school (income)

8.2 VAT Reimbursements

The Assistant Head for Finance will reclaim VAT payments made from their delegated budget on a monthly basis via HM Revenue and Customs.

- Re-charging outside agencies for reprographics, telephone usage etc usually needs to include VAT
- Certain sports hall lettings, which are not regular, are subject to VAT
- The school does not hold a school fund account to avoid the opportunity of claiming VAT being missed. All transactions are therefore recorded on the school finance system.
- Staff cannot avoid paying VAT by purchasing personal items through the school (nor should they benefit from suppliers' discounts)

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- Stationery and goods to be sold in class to students for use in school usually need not include VAT
- Stationery to be sold from the school shop to students for use in school includes VAT
- Vending machines outside the dining area include VAT
- Staff duty meals avoid VAT up to the duty meal price limit
- Other staff meals include VAT

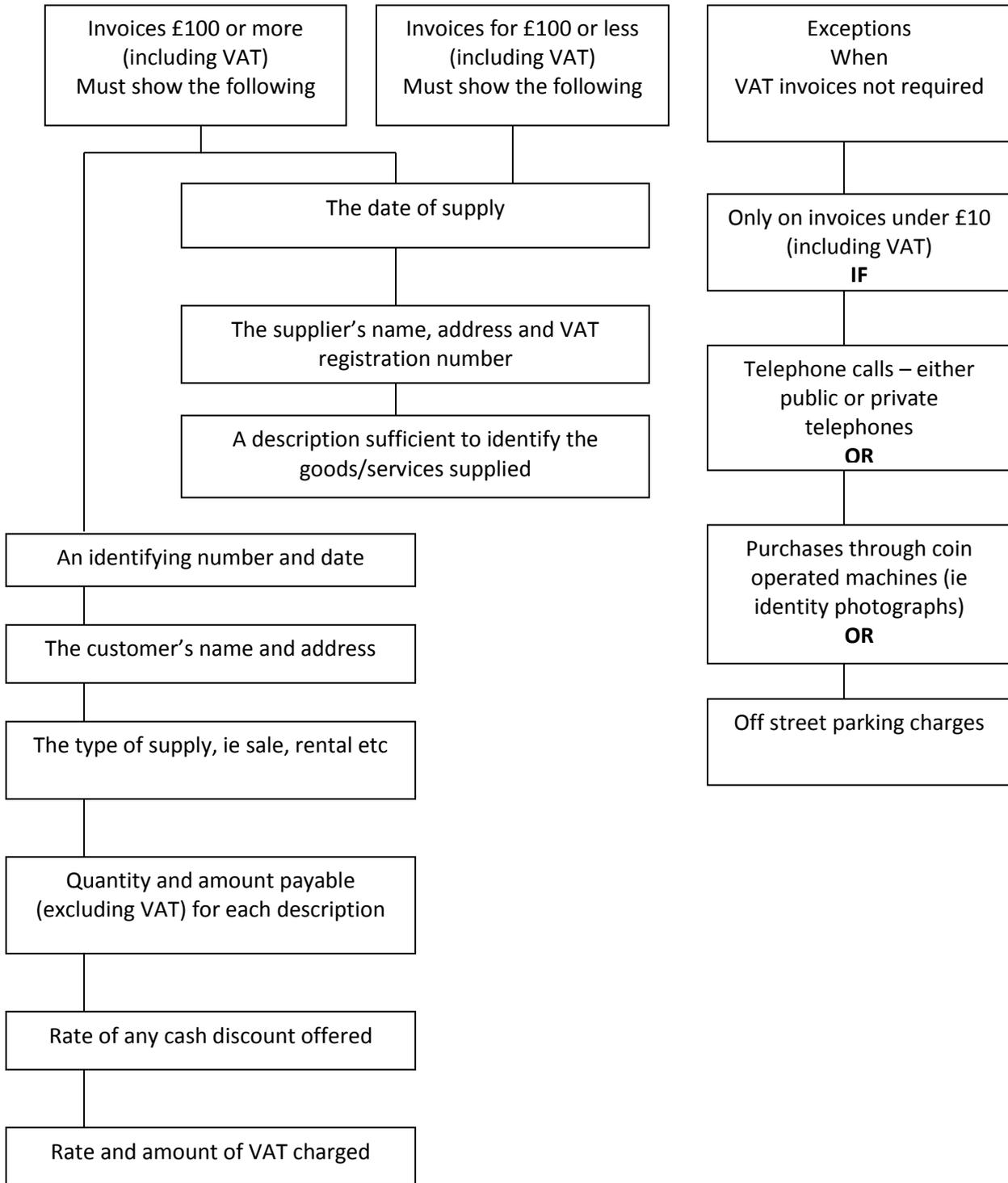
VAT can only be reclaimed provided:

- The goods or services are for the use of the school
- A valid VAT invoice is obtained
- Invoices obtained by staff on behalf of the school must show the customer as the school
- If the invoice was paid by a credit card in the name of a member of staff and the valid VAT invoice only shows the customer as the school, VAT can be re-claimed
- If the invoice was paid by a credit card in the name of a member of staff and the valid VAT invoice only shows the customer as the member of staff, VAT cannot be re-claimed
- Petty cash expenditure must provide a valid VAT invoice which can be reclaimed by entering onto the finance system
- Details required on VAT invoices vary according to cost and type of purchases as described in the following section

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8.3 Valid VAT Invoice Details Required



8.4 VAT – Eligible Transactions (VAT Avoidance)

The Academy does not operate a school fund account.

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8.5 Climate Change Levy (CCL)

Foundation, Aided and Voluntary Controlled Schools can apply for exemption from the CCL from their suppliers. This means that reduced VAT of 5% can be claimed from your gas and electricity suppliers. Other categories of schools will continue to be liable for CCL.

8.6 Calculating VAT

Tax is normally calculated at the appropriate percentage of a price that has first been decided without VAT, and the VAT invoice will show these separate amounts. However, sometimes VAT has to be calculated from a price in which it is already included. To do this, you need the VAT fraction.

For example:

If you sell something at ...	and the VAT rate is...	then the amount of VAT is...
£2.35	20%	£0.39

However, £0.39 is not 20% of £2.35. It is 1/6 of £2.35.

This is how it is worked out:

$$\frac{\text{Rate of tax}}{100 + \text{rate of tax}}$$

So, with VAT at 20% the VAT fraction is:

$$\frac{20}{120} = \frac{1}{6}$$

The VAT fraction varies according to the rate of tax chargeable. For example:

Rate of Tax:	5%	8%	10%	12.5%	15%	25%
VAT Fraction:	$\frac{1}{21}$	$\frac{2}{27}$	$\frac{1}{11}$	$\frac{1}{9}$	$\frac{3}{23}$	$\frac{1}{5}$

8.7 Discounts

The following rules apply if you are offered discounts.

(a) Unconditional discounts

If...	And...	Then...
you are offered an unconditional discount	you pay the discounted amount	the tax value is based on the discounted amount

(b) Discounts for prompt payment

If...	Then...	But...
you are offered a discount on condition that you pay within a specified time	the tax value is based on the discounted amount even if you do not take up your offer	if the terms allow you to pay by instalments, the tax value is based on the amount you actually pay

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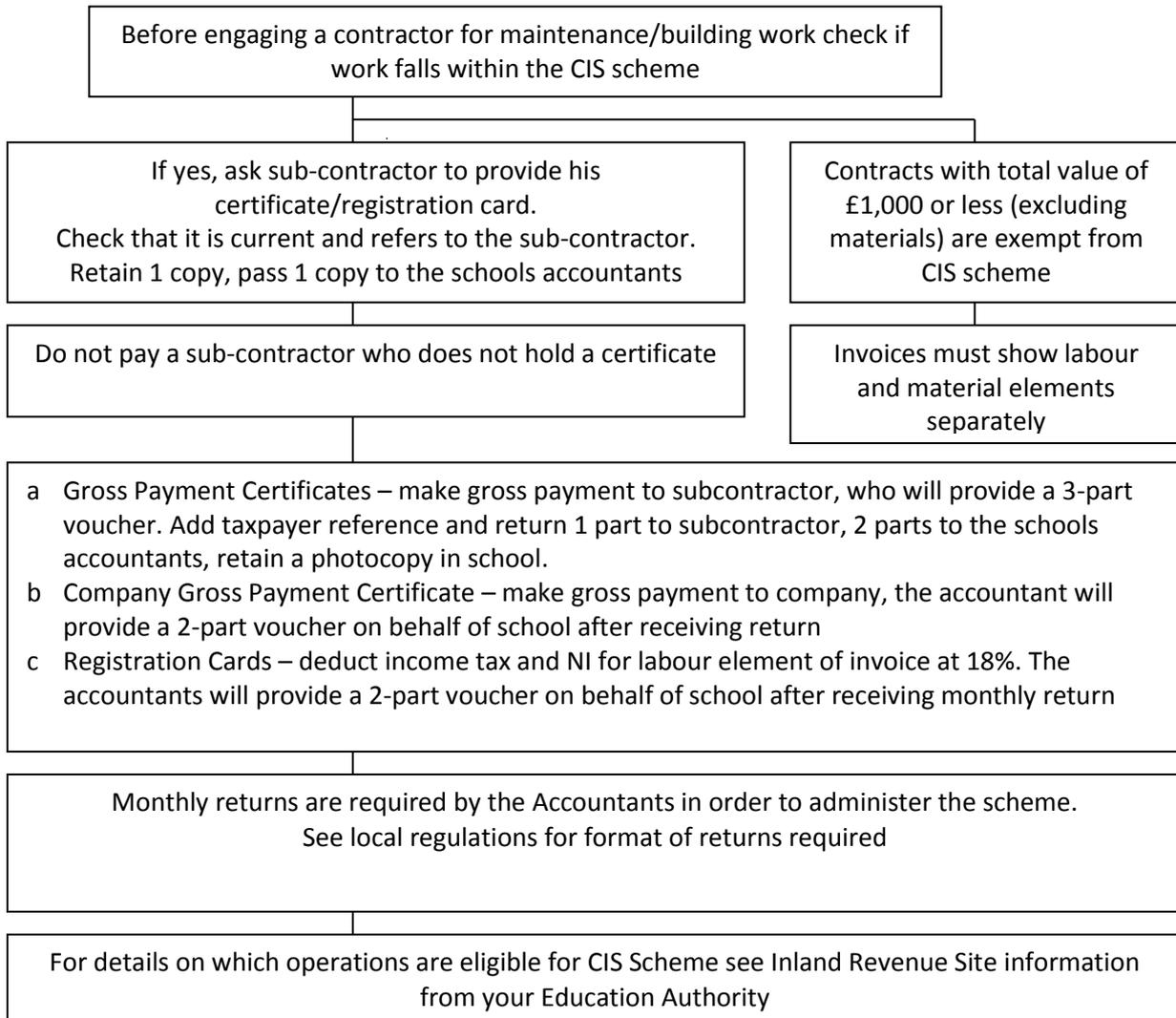
Part 9 Construction Industry Tax Deduction Scheme

The notes in this section are for guidance only. Any queries will be pursued through Customs and Excise direct or with the schools accountants.

This scheme is for the collection of tax from contractors working in the construction industry.

The Academy is responsible for accounting all tax deductions and the submission of annual returns relating to payments to sub-contractors to the Inland Revenue. The Academy is the contractor.

9.1 Procedures to follow if your school is classified as contractor



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Part 10 School Meals

The administration for the collection of income relating to school meals is carried out by Class Catering. The monies are banked directly by Class Catering staff into their account. Any discrepancies are reported to school staff who follow this up directly with the parent.

10.1 Eligibility for Free School Meals (FSM)

- Parent(s) or guardian(s) (or the child him/herself) are in receipt of Income Support or an Income Based Jobseeker's Allowance (NB Contribution Based Jobseeker's Allowance does not give entitlement). The receipt of other benefits does not qualify the student for free school meals

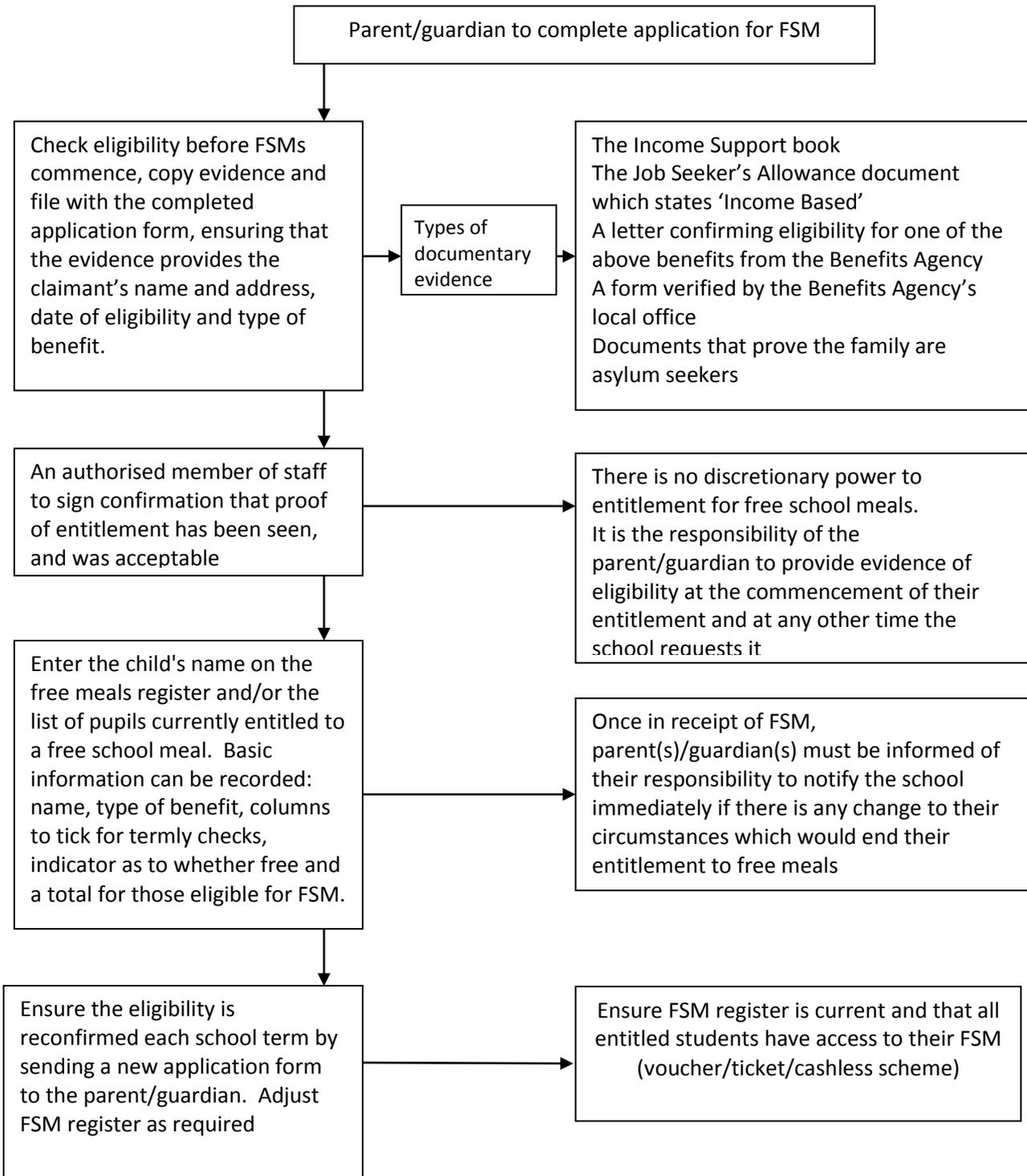
- Parent(s) or guardian(s) (or the child him/herself) are in receipt of Child Tax Credit, but are not entitled to a Working Tax Credit, and whose annual income (as assessed by the Inland Revenue) does not exceed £16,040 (this figure is likely to be reviewed annually)

- The Immigration and Asylum Act 1999 (Schedule 14) places a legal obligation on the school to provide meals for asylum seekers whose applications are outstanding with the Home Office. On production of the relevant documentation, children who are part of a family seeking asylum are entitled to a free meal. As their status may change quickly in some cases, it is necessary to check their entitlement regularly, at least termly

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10.2 Managing the FSM System



Packed Lunch Deliveries

- Inform catering company in advance, as per contract, number of meals required for school trips.
- Check delivery of meals against order and delivery note, annotate discrepancies
- Inform catering company of any discrepancies
- Verify invoices from catering company with schools figures before authorising payment

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Part 11 Inventories

The purpose of inventories is to enable identification and establishment of ownership of equipment, identify missing items following burglary or other theft and support claims when items are destroyed by fire. The school inventory is maintained, detailing significant items, new equipment purchased and equipment disposed of.

The auditor will check that inventories are accurate and up to date.

The purpose of inventories is to:

- Enable identification and establish ownership of equipment
- Identify missing items following burglary or other theft
- Support a claim when items are destroyed by fire
- Any items taken off site are recorded in a signing out log.

11.1 Equipment to be entered on an Inventory

Items that are valuable, unusual or likely to attract thieves should be entered in inventories. Also items over the value of £250.00 are entered onto the inventory.

The following list is a broad indication of items that should be on the inventories:

- ICT hardware and software to include servers (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, collating machinery, comb binders, laminators etc
- Office equipment – fax machines, shredders.
- Furniture
- AVA equipment – TVs, video/DVD players, coomers, projectors, OHPs, cameras, Speakers, Microphones etc
- Cleaning equipment – vacuum cleaners, polishers etc
- Catering equipment – ovens, fridges, dishwashers, washing machines, food processors etc.,
- Premises and gardening equipment – window cleaning machinery, leaf blowers, hedge cutters, chain saws.
- Technology equipment – sewing machines, microwaves, power tools, craft machinery, electrical equipment.
- Premises equipment – lawn mowers, power tools, generators etc
- Other equipment – musical instruments, PE equipment etc
- Mini buses

11.2 Inventory Information to be Recorded

The inventory maintained electronically and records the following information as a minimum.

- Date of acquisition
- Description of equipment, including serial number or other unique identifying feature
- Cost, order number and supplier's name
- Location

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- Annual check that equipment is still available
- Details of disposal/write-offs.
- Inventory items temporarily removed from the premises are recorded in a Loans Book

11.3 Security of Equipment

- All electrical equipment, ICT, audio visual equipment and easily movable items should be visibly security marked, identifying school name, immediately they are purchased
- All new equipment should be entered into the relevant inventory immediately it is purchased
- Equipment is securely stored when not in use
- A physical count of items on inventories is undertaken annually, by someone other than the person who maintains the inventory
- Discrepancies must be investigated
- Obsolete or damaged equipment must be written off, by an authorised signatory and reported to the Governing Body each term.
- Significant discrepancies must be reported to the Headteacher and governors
- The division of duty will show a different person maintaining the record to the person checking the record and reporting to governors.

11.4 Disposing of Surplus Equipment/Stock

- Proper arrangements must be made for disposal of items of equipment or stocks that are surplus to requirements or obsolete
- Arrangements should be made with the objective of obtaining the best price in accordance with the EFA guidelines and with regard to the terms of the Sales of Goods Act
- If chemical stocks are to be disposed of, the disposal must comply with COSHH etc
- Where possible the school will attempt to get revenue from the sale of items.
- If the items have no resale value, or having been offered they have not been sold, they may be offered initially to staff and if still not sold then disposed of as scrap or destroyed.
- It is important that a record of the means and price of disposal is kept

11.5 Loan Book

A sample loan book log is given below.

LOAN BOOK					
Inventory book no. & page no.	Description of item	Date borrowed	Staff name	Permission agreed by	Date returned / signed

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Part 12 Payroll

Clear roles and responsibilities for authorising payroll details must be approved by the Governing Body on an annual basis.

Payroll details must be kept accurately, confidentially and securely.

Currently the payroll for Woodfield Academy is administered by Worcestershire County Council.

The choice of payroll provider should be based on best value, both on cost and the standard of service.

12.1 Agreement between School and Payroll Provider

To ensure an effective service the following details must be clarified with the payroll provider:

- Payments by cheque or BACs transfer
- Monthly (or weekly) payments
- Cut-off dates for submission of information
- Dates salaries are paid into staff bank accounts
- Dates for pension and Inland Revenue payments to be made
- Preparation of end of year returns (Inland Revenue etc)
- Who can authorise new staff to be included in payroll
- Who can authorise changes to payroll
- Who can authorise overtime payments, extra hours, casual hours
- Who can access payroll data
- Reports provided by payroll provider
- Agreed forms to provide information required by payroll
- Back-up provision
- Indemnification in the event of loss or corrupted data

12.2 Changes to Payroll Information

New Staff Appointments

- Systems are in place to ensure that details of new members of staff is sent promptly to payroll
- Salary scale and point, full time equivalence etc. is confirmed to payroll and detailed on the letter of appointment
- The payroll provider deals with P45 or P46's.
- Bank details are advised to payroll
- Authorisation of the appointment is given by the Assistant Head for Finance and all calculations and paperwork checked before the Headteacher signs it off.
- A staff member cannot set up or approve their own appointment

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Contract/Payroll Changes

- Systems are in place to ensure that details of contract/payroll changes are sent promptly to payroll
- Salary scale and point, full time equivalence etc is clarified in the letter confirming changes to contract and personnel are advised of these changes so that they can amend the contract and pay.
- The Assistant Head for Finances checks the calculations and documents prior to the Headteacher signing off.
- A staff member cannot approve their own appointment

Adjustments to Normal Payroll Disimbursements

- Time sheets, casual hour sheets or other supporting records are checked to ensure they are reasonable and are challenged with the staff member if they seem excessive.
- Reference can be made to the expenses policy or governor expenses policy
- Time sheets and other pay related documents are signed by two members of the SLT
- Travel expenses paid through payroll must be verified and the visit / course must be on the school calendar.
- Parking charges should where possible be supported by a parking ticket
- A staff member cannot approve their own payments

Calculating Payroll Disbursements

Worcester County Council requires the school to provide these calculations as we do not buy into the HR services function. It is good practise to calculate extra staff costs as part of the expenditure commitment process and the budget it set to include costs centres for mileage and overtime etc.

- To assess the basic pay for casual hours worked, a multiplication based on time worked (in sessions, days, hours and even minutes) and the agreed rate of pay for the individual (see below)
- The daily rate for supply teachers is usually based on 1/195 of their annual salary, as 195 is the number of days the Teachers' Conditions of Service define as annual working days
- Actual basic pay for a supply teacher is based on the proportion of the school day they worked, multiplied by their daily rate
- The actual amount paid to a supply teacher for 1 hour's work will vary from school to school, depending on the length of the school's day
- Under the Teachers' Conditions of Service the use of 195 as the working days denominator means that the teacher receives a pro-rata element of holiday pay.
- Supply teachers claim their time on a monthly basis and are paid in arrears.

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12.3 Staff Payments

- All payments are made via payroll
- In exceptional circumstances a cheque may be written, after consultation with payroll regarding NI, tax etc. for example, if a person has not been paid the correct amount.
- Under no circumstances should staff be paid from petty cash or by other cash held within the school
- Records must be retained and the transaction recorded on the finance system immediately.
- All payroll payments to staff, whether casual or otherwise, must be declared for Inland Revenue purposes

Part 13 School Fund – Unofficial Accounts

- 13.1** The academy does not hold any unofficial school fund accounts. However, provision is made within the school budget for the division between unofficial and official funds.

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Part 14 Remission and Charging Policy - see 14.8

Woodfield Governing Body has a policy in respect of charging and remission arrangements and this is reviewed annually.

This policy is made available to parents/guardians upon request and is a point of reference to all staff dealing with the legitimacy of charging parents for trips and services.

- Academies are required to provide free education for their registered students, provided it takes place wholly or mainly during school hours
- School hours are those when a school is actually in session, not including mid-day break
- The main exception is that a charge may be made for individual musical tuition, except where it is within the requirements of the National Curriculum
- Under certain circumstances a third party may charge parents direct for activities organised in school hours
- Charging is permitted for education provided out of school hours, unless it is within the requirements of the National Curriculum or to fulfil statutory duties relating to religious education when only charges for lodging or residential trips can be made
- Governors can choose to remit charges in whole or part – full details are stipulated in the policy.
- Charges must be remitted for board and lodgings to students whose parents are in receipt of income support, job seekers allowance (income based), employment and support allowance (income related), support under part VI of the Asylum Act 199, guaranteed element of state pension or child tax credit provided the parent is not entitled to working tax credit and have an annual income that does not exceed £16,190 and provided that the activity takes place during the school hours or is covered by the criteria relating to national curriculum or religious provision
- Voluntary contributions may be requested for any activity provided it is clear that there is no obligation to contribute and that there will be no differentiations between those who contribute and those who do not.

14.1 Charging for Musical Instrument Tuition

- Parental agreement must be obtained before students are given tuition
- No charges will be made if the tuition takes place within school time if the activity is provided to fulfil the requirements of:
 - The National Curriculum
 - Statutory duties relating to religious education

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14.2 Charging for Board and Lodging

- It may be charged for whether or not the visit takes place within school time and whether or not the activity is provided to fulfil the requirements of:
 - The National Curriculum
 - Statutory duties relating to religious education
- Charges for board and lodging must not exceed the actual cost to the pupil - i.e. they must not include an element representing part of the cost of staff accompanying the visit. This could be covered by voluntary contributions
- Governors must, as a statutory minimum, remit any charges for board and lodging for students whose parents are in receipt of income support, job seekers allowance (income based), employment and support allowance (income related), support under part VI of the Asylum Act 199, guaranteed element of state pension or child tax credit provided the parent is not entitled to working tax credit and have an annual income that does not exceed £16,190 and provided that the activity takes place during school hours, or if it is out of hours except if the activity is provided to fulfil the requirements of:
 - The National Curriculum
 - Statutory duties relating to religious education
- Governors may consider whether to remit charges in other circumstances

14.3 Charging for Optional Activities

- Charges will be made for those activities which take place either wholly or mainly outside school hours
- Are not required to fulfil the national curriculum or religious education
- Participation is based on individual choice, with parental agreement to pay for the provision
- Charges can cover:
 - Travel
 - Board and lodging
 - Materials, books, instruments and other equipment
 - Staff costs
 - Entrance fees
 - Insurance
- The charge can be based on the total cost of the activity divided equally by the number of participants. It can include a subsidy for those whose parents will not, or cannot, pay the charge. The cost cannot exceed the total cost of the activity
- Costs of staff can only be included if:
 - They are employed by the Academy specifically for this activity
 - They are employed by the Academy to provide instrumental music tuition
 - They are staff already employed by the Academy and have been given a separate contract for this activity

14.4 Charging for VAT on School Journeys

Customs and Excise have stated that schools can no longer recoup the VAT element of journeys in the UK or abroad identified in invoices unless the school is making 'substantial and direct cash subsidies' for each student.

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14.5 Charging for Cost of Ingredients, Materials etc.

- The school must bear the costs of ingredients, materials and equipment required for practical subjects as this forms part of the educational resources
- Parents may make a voluntary contribution towards these costs
- The school may make a charge for these items if the parents agree, in advance, that they wish to own the finished product i.e. a cookery class.
- All students must be treated the same, whether their parents contribute or not. This is made clear in the school charging policy.

14.6 Charging for Transport During School Hours

- If the academy provides transport for students during school hours (ie transporting students on a split school site or to an activity provided by the school), no charge can be made to parents
- If a student uses transport not provided by the school to travel from home to an activity sanctioned by the school but not provided by them, the parents may be required to cover the cost (ie travel to work experience)

14.7 Charging for Damaged or Lost Items

- The school may charge parents for the cost to replace items broken, damaged or lost if it is due to student behaviour
- Parents cannot be taken to court for failure to pay such charges

14.8 School Remission and Charging Policy

The school charging and remissions policy and other supplementary finance policies are retained with this policy and signed annually by the Chair of Governors following review either at either the Finance or Audit Committee.

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Part 15

Acronyms

AAT	Association of Accounting Technicians
ACAS	Advisory, Conciliation and Arbitration Service
ACE	Advisory Centre for Education
ACS	Average Class Size
AMP	Asset Management Plan
APT&C	Administrative, Professional, Technical and Clerical, National Service Conditions
AQA	Assessment and Qualification Alliance
ASB	Aggregated Schools Budget
AT	Attainment Target
ATL	Association of Teachers and Lecturers
AV	Audio Visual
AVCE	Advanced Vocational Certificate of Education/Vocational A level
AWPU	Age Weighted Pupil Units
Becta	British Education Communications and Technology Agency
CAD	Computer Aided Design
CBDS	Common Basic Data Set
CEP	Career Entry Profile
CERA	Capital Expenditure from the Revenue Account
CCT	Compulsory Competitive Tendering
CFR	Consistent Financial Reporting
CIPFA	Chartered Institute of Public Finance Accountants
CIT	Construction Industry Tax
COP	Code of Practice
COSHH	Control of Substances Hazardous to Health
CPS	Common Pay Spine (School Teachers' Pay and Conditions)
DfE	Department for Education
DoE	Department of the Environment
EA	Education Authority
EAD	English as an Additional Language
EAZ	Education Action Zone
EBD	Emotional and Behavioural Difficulties
EDP	Education Development Plan
EFS	Education Financial Services
ELSS	English Literacy Support Service
EMAG	Ethnic Minority Achievement Grant
EWO	Education Welfare Officer
FoE	Forms of Entry
FTE	Full Time Equivalent
GAG	General Annual Grant
H&S	Health and Safety
HMI	Her Majesty's Inspector of Schools
HR	Human Resources
ICT	Information and Communication Technology
IEP	Individual Education Plan
IIP	Investors In People
IMS	Information Management System
INSET	In-Service Education of Staff (TED Days)
IT	Information Technology
ITT	Initial Teacher Training

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KS1	Pupils aged 5-7
KS2	Pupils aged 7-11
KS3	Pupils aged 11-14
KS4	Pupils aged 14-16
KSWPU	Key Stage Weighted Pupil Unit
LBA	Local Bank Account
LSC	Learning and Skills Council
MLD	Moderate Learning Difficulty
NAHT	National Association of Headteachers
NASUWT	National Association of Schoolmasters and Union of Women Teachers
NCC	National Curriculum Council
NCET	National Council for Educational Technology
NFER	National Foundation for Educational Research
NFF	National Funding Formula
NI	National Insurance
NOR	Numbers On Roll
NPQH	National Professional Qualification for Headship
NQTs	Newly Qualified Teachers
NUT	National Union of Teachers
NVQs	National Vocational Qualifications
OCR	Oxford, Cambridge and RSA
Ofsted	Office for Standards in Education, a national schools' inspection service
PAN	Published Admission Number
PANDA	Performance and Assessment Data
PAT	Professional Association of Teachers
PDP	Professional Development Portfolio
PMLD	Profound and Multiple Learning Difficulties
PRC	Premature Retirement Compensation
PRP	Performance Related Pay
PRU	Pupil Referral Unit
PSF	PS Financials (Academy Finance Package)
PTA	Parent/Teacher Association
PTE	Part Time Equivalent
QCA	Qualifications and Curriculum Authority
QTS	Qualified Teacher Status
RI	Registered Inspector of an Ofsted inspection team
ROA	Records of Achievement
SACRE	Standing Advisory Council on Religious Education
SATS	Standardised Assessment Tasks
SC	Service Conditions
SCP	Spinal Column Point, point on salary scale
SCDC	School Curriculum Development Council
SDC	<i>Staff Development Co-ordinator</i>
SDP	School Improvement Plan
SEN	Special Educational Needs
SIMS	Schools Information and Management System
SIP	School Improvement Partner
SIS	Strategic Information Service
SLA	Service Level Agreement
SLD	Severe Learning Difficulty
SSSU	Schools and Student Support Unit

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STB	Summary Trial Balance
TEC	Training and Enterprise Council
TEFL	Teaching English as a Foreign Language
TES	Times Educational Supplement
TTA	Teacher Training Agency
UCAS	Universities and Colleges Admission Service
UNISON	Combined union of public service employees formed from NUPE, NALGO and COHSE
UOR	Unit of Resource
UPS	Upper Pay Spine (School Teachers' Pay and Conditions)
VA	Voluntarily Aided
VC	Voluntarily Controlled

Part 16 School Finance Terms

Activity Led Funding	Funding based on costing the number of staff etc needed to run particular activities in schools.
Admission Arrangements	Arrangements made by admission authorities after consultation with one another, where applicable, for the admission of pupils to schools.
Audit Commission	Organisation established by Government to monitor the use of Local Authority funds.
Basic Need	Need to provide new mainstream school places in areas of population growth.
Benchmarking	Indication of a standard that is easily recognisable and can be used in comparison for individual schools.
Best Value	A set of principles to promote value for money and service efficiency.
Capitation	Budget for resources.
Capital Expenditure	Spending on building projects and large items of equipment.
Catchment Area	Area from which a school takes its pupils.
Contingency Money	Money set aside for unexpected costs.
Contracted In	Staff who pay a higher rate of National Insurance as they are not in a superannuation scheme.
Contracted Out	Staff who pay a lower rate of National Insurance as they are in a superannuation scheme.
Delegated Funding	Funding allocated to the school through the formula.
Devolved Funding	Funding that has been allocated for a specific purpose that can only be spent on that purpose against the code provided.

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Feeder School	A school which transfers pupils to another school, eg a First school "feeding" a Middle school.
Finance Manual	This manual sets out the audit requirements and accounting procedures. It is full of useful information and should be the first point of reference for any finance officer.
Formula Funding	Schools receive their funding by means of a formula to ensure equal treatment of all schools.
Incremental Drift	Process by which individuals move through their salary scale until they reach top of scale.
January Count	(PLASC) An enumeration form completed on the third Thursday in January stating the total number of pupils on roll.
Journal	Transaction moving expenditure around by debiting one cost centre and crediting another.
Keeping Your Balance	Audit Commission or Ofsted Questionnaire completed before an Ofsted inspections
Management Allowance	An additional sum of money paid as a supplement to a teacher's basic salary, generally in recognition of additional duties or special responsibilities with in the school.
Open Enrolment	Parental choice of school.
Outturn Statement	Issued annually, this contains the budget allocations and actual expenditure for each school in the previous financial year. It is published to meet the requirements of Section 42.
Planned Places	Alternative to KSWPUs in special schools, the bulk of each special school's funding is normally determined by the numbers and type of places which it is planned should be available at the school that year, whether or not these places are occupied.
PLASC	An enumeration form completed on the third Thursday in January stating the total number of pupils on roll.
Section 151	Section 151 of the Local Government Act 1972 that requires local authorities to ensure the probity of public funds.
Service Conditions	The pay and conditions of service for an individual.
Service Return	Weekly or monthly return to the pay section at county hall giving details of time worked by each individual over previous week/month and of absences.
Staff Cover Scheme	Scheme to cushion the school against the effects of long-term sickness.

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Standing Orders	Orders made by the County Council for the regulation of their proceedings and business.
Statement	Statement of SEN, a written description of a child's educational needs required to be made by an LEA.
Summary Trial Balance	Statement printed at the end of the month that has to balance before the period can be closed.
Vertical Grouping	Classes formed with children of different ages.
Virement	An authorised transfer of a surplus to balance a deficit under another budget heading.

Part 17 **Appendices**

Signed by Chair of Governors on 27th May 2016