



Woodfield Primary School



(08) School Finance Procedures

To be read alongside
Academy Trust Handbook

Date	September 2021
Written by	Woodfield Primary School
Adopted by Audit & Risk Committee	6 th July 2021
Review Date	September 2022

1 Introduction

- 1.1 The purpose of this manual is to ensure that the school maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Children, Schools and Families (DFE).
- 1.2 The school must comply with the principles of financial control outlined in the Academy Trust Handbook published by the DFE. This manual expands on that and provides detailed information on the school's accounting procedures and system manual which should be read by all staff involved with financial systems.

2 Organisation

- 2.1 The school has defined the responsibilities of each person involved in the administration of school finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

3 The Board of Governors

- 3.1 The Local Board of Governors (LGB) has overall responsibility for the administration of the school's finances. The LGB meets at least three times per year but more frequent meetings can be arranged if necessary. The main responsibilities of the Board of Governors are prescribed in the Funding Agreement between the school and the DFE and in the scheme of government. The main responsibilities include:
 - ensuring that the grant from the DFE is used only for the purposes intended;
 - ensuring that funds from sponsors are received according to the academy's Funding Agreement, and are used only for the purposes intended;
 - approval of the annual budget
 - appointment of the Head Teacher, Deputy Head Teacher, Assistant Head Teacher and Business Manager/Assistant Head (must have a 50% quorum)
 - the initial review and authorisation of the annual budget;
 - the regular monitoring of actual expenditure and income against budget;
 - ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DFE guidance issued to academies; authorising orders and the award of contracts up to £50,000 (see thresholds below)
 - reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls.
 - monitoring and amending the budget as directed by the Chief Financial Officer of the Trust
 - ensuring all financial policies are up to date
 - ensuring the building is kept in secure and good order and to ensure all Health and Safety Legislation is upheld
 - to ensure the school provides a broad and balanced curriculum in line with the requirements of the funding agreement
 - to ensure that religious education and collective worship are provided in accordance with the funding agreement
 - to consider all policies relating to the curriculum
 - give consideration to the review of the SIP/DEP
 - to review pupil progress

4 Thresholds

4.1 The current Thresholds are as follows:

Up to £5,000	Head Teacher Approval	No quotations required
Over £5,000 up to £10,000	Head Teacher Approval	3 written quotes
Over £10,000 up to £25,000	LGB Approval	3 written quotations
Over £25,000 up to £50,000	LGB Approval	Competitive Tender
Over £50,000	Board of Trustees Approval	Competitive Tender
Leasing	Board of Trustees Approval	Dependant on value may require Competitive Tender

5 Audit & Risk Committee

5.1 The Audit & Risk committee is a committee of the LGB.

5.2 The main responsibilities of Audit & Risk Committee are detailed in the written terms of reference which have been authorised by The LGB. The main responsibilities include:

6 Human Resources

- authorising changes to the school staffing establishment
- appointments of staff
- carry out pay-grading reviews and authorise

7 Finance

- Develop annual budget plan
- Monitor budget against the plan including expenditure virements, income/expenditure and cash flow
- Ensure compliance with Trust standards and policies
- Ensure compliance with the Trust Scheme of Delegation
- Prepare reports for the Trust Board within a common framework
- Monitor/evaluate contracts (Large contracts may be led by the Trust)
- Ensure that Pupil Premium is allocated to meet the needs of the targeted groups
- Ensure that PE/Sports Funding is allocated in line with guidance

8 The Head Teacher

8.1 Within the framework of the School Improvement Plan and School Developing Excellence Plan as approved by The Local Governing Body the Head Teacher has overall executive responsibility for the school's activities including financial activities. Much of the financial responsibility has been delegated to the Assistant Head but the Head Teacher still retains responsibility for (and in their absence the Deputy Head Teacher):

- appointing all teaching staff with the exception of Deputy Head Teacher and Assistant Head Teacher
- appointing all non-teaching staff with the exception of the Assistant Head/School Business Manager
- authorising expenditure within the budget limit of £10,000 for a single transaction (quotes may be required)
- authorising non order invoices in conjunction with the Assistant Head
- signing BACS payments in conjunction with the Assistant Head (or other authorised signatories if the Head Teacher were not to be available) following authorisation of order invoices by the Assistant Head
- signing orders up to £10,000

9 The Assistant Head

9.1 The Assistant Head works in close collaboration with the Head Teacher through whom she is responsible to the Local Governing Body. The main responsibilities of the Assistant Head are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system (currently Access);

- the management of the school's financial position at a strategic and operational level within the framework for financial control determined by The Local Governing Body;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- the preparation of monthly management accounts;
- signing BACS payments in conjunction with the Head Teacher (or other authorised signatories if the Head Teacher were not to be available)
- ensuring forms and returns are sent to the DFE in line with the timetable in the DFE guidance.
- ensuring forms and returns are sent to the Trust in line with requirements laid out by the Chief Financial Officer.

10 The Responsible Officer/Auditors

10.1 The Responsible Officer (RO) is appointed by The Trust and provides governors with an independent oversight of the school's financial affairs. The main duties of the RO are to provide The Local Governing Body with independent assurance that:

- the financial responsibilities of The Local Governing Body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

10.2 The Responsible Officer will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Local Governing Body. A report of the findings from each visit will be presented to the Local Governing Body. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the DFE Guidance.

11 Other Staff

11.1 Other members of staff, primarily the Assistant Head, the Attendance Officer and the Administrative Assistants, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures.

12 Gifts

12.1 Staff may receive gifts 3 times a year from the same parent or child. If a staff member was to receive more than 3 gifts a year from a single parent or child, they should declare it to the Head Teacher or Assistant Head. Any member of staff receiving a single gift over £50 or monetary gifts more than 3 times a year they would need to declare it to the Head Teacher or Assistant Head.

13 Register of Interests

13.1 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all school governors and staff are required to declare any financial interests they have in companies or individuals from which the school may purchase goods or services. The register is open to public inspection.

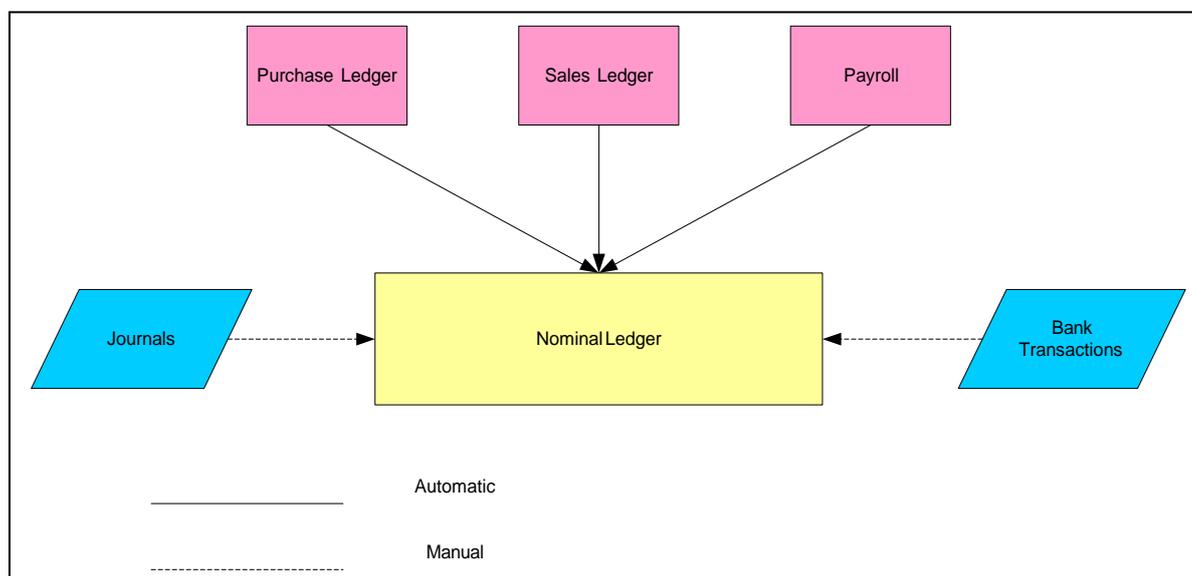
13.2 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the school. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a trustee or a member of staff by that person.

13.3 The existence of a register of business interests does not, of course, detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by

The Board of Governors or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting.

14 Accounting System

14.1 All the financial transactions of the school must be recorded on the Access accounting system. The Access system is operated at a school level by the Assistant Head and other supporting staff and at a Trust central level by the Chief Finance Officer and their supporting staff and consists of:



15 System Access

15.1 Entry to the Access system is password restricted and the Assistant Head is responsible for implementing a system which ensures that passwords are issued to users.

15.2 The Assistant Head is responsible for the collection and passing of all relevant payroll data to RMBC by the agreed time-scale on the Manage HR Portal and the checking of monthly payroll BACS before payments go into staff bank accounts.

16 Back-up Procedures

16.1 The Assistant Head is responsible for ensuring that there is effective back up procedures for the system. The main server is automatically backed up daily and a copy of this back up is available through the current ICT provider (Impelling).

17 Transaction Processing

17.1 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual.

17.2 All journal entries must be supported by relevant documents and authorised prior to being input to the accounting system.

17.3 Bank transactions should be input by the Assistant Head and the input should be checked, and signed to evidence this check, by the Head Teacher or Deputy Head Teacher.

17.4 Detailed information on the operation of the Access system can be found in the user manuals.

18 Transaction Reports

18.1 The Assistant Head will obtain and review system reports to ensure that only approved transactions are posted to the accounting system

19 Reconciliations

- 19.1 The Assistant Head is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account;
 - purchase ledger control account;
 - payroll control account;
 - all suspense accounts and
 - bank balance per the nominal ledger to the bank statement – Note this is carried out at Trust level
- 19.2 Any unusual or long outstanding reconciling items must be brought to the attention of the Head Teacher and Trust Chief Finance Officer. The Head Teacher will review and sign reconciliations as evidence of this review.

20 Financial planning

- 20.1 The school prepares both medium term and short-term financial plans. (3 year forecast)
- 20.2 The medium term financial plan is prepared as part of the improvement planning process. The improvement plan indicates how the school's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 20.3 The improvement plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.
- 20.4 The improvement planning process and the budgetary process are described in more detail below.

21 School Improvement Plan

- 21.1 The improvement plan is concerned with the future aims and objectives of the school and how they are to be achieved; that includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 21.2 The form and content of the improvement plan are matters for the school to decide but due regard should be given to the matters included within the guidance to Academy Trust Handbook issued by the DFE.
- 21.3 Each year the Head Teacher will propose a planning cycle and timetable to the Local Governing Body which allows for:
- A review of past activities, aims and objectives - "did we get it right?"
 - Definition or redefinition of aims and objectives – "are the aims still relevant?"
 - Development of the plan and associated budgets – "how do we go forward?"
 - implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
 - Feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 21.4 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Head Teacher.
- 21.5 The completed improvement plan will include detailed objectives for the coming academic year. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can be measured.
- 21.6 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a subject leader. The responsible leader should monitor performance against the defined success criteria throughout the year and report to the Head Teacher on a quarterly basis. The Head Teacher will report to The Local Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

22 Annual Budget

- 22.1 The Assistant Head is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Trust Chief Financial Officer and then by the Local Governing Body.
- 22.2 The approved budget must be submitted to the DFE by the Chief Financial Officer of the Trust who is also responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 22.3 The annual budget will reflect the best estimate of the resources available to the school for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the improvement plan objectives and the budgeted utilisation of resources.
- 22.4 The budgetary planning process will incorporate the following elements:
- forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
 - review of other income sources available to the academy to assess likely level of receipts;
 - review of past performance against budgets to promote an understanding of the academy cost base;
 - identification of potential efficiency savings and
 - review of the main expenditure headings in light of the improvement plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

23 Balancing the Budget

- 23.1 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. If the school cannot produce a balanced budget plan, then they should notify the Rose Learning Trust CFO at the earliest opportunity.

24 Finalising the Budget

- 24.1 Once the different options and scenarios have been considered, a draft budget should be prepared by the Head Teacher and Assistant Head for approval by the Local Governing Board. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints. The budget will be seen as a working document which may need revising throughout the year as circumstances change.

25 Monitoring and Review

- 25.1 Periodically, reports will be prepared by the Assistant Head. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Head Teacher and the Local Governing Body.
- 25.2 The reports will include:
- Cumulative trial balance
 - Monthly trial balance
 - Monthly report of all bank accounts showing reconciled and un-reconciled transactions
 - Summary report of creditors and debtors
 - Cumulative profit and loss
 - Monthly profit and loss
 - Balance sheet to month end
 - VAT summary
 - Income / Expenditure summary of all budgets
- 25.3 Any potential overspend against the budget must in the first instance be discussed with the Assistant Head. The accounting system will not allow payments to be made against an overspent budget without the approval of the Assistant Head.

25.4 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. A budget virement of £10,000 or less may be authorised by the Head Teacher and reported to Local Governing Board at the next meeting. Budget virements over £10,000 must be agreed by the Local Governing Board in advance.

26 PAYROLL

26.1 The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

27 Allowances:

27.1 **Mileage Claims** – Allowances have been agreed for employees to claim back mileage costs. Employees are only able to claim if they meet the criteria and the claim is for approved business mileage.

27.2 **Duty Meals** – It is agreed to cover the cost for any employee who supervises the whole of the lunch period. Duty meals are to be ordered via main reception and authorised by the Assistant Head or Head Teacher. This does not include meals from the staffroom menu.

28 Staff Appointments

28.1 The Local Governing Body has approved a personnel establishment for the school. Changes can only be made to this establishment with the express approval in the first instance of the Audit & Risk Committee who must ensure that adequate budgetary provision exists for any establishment changes.

28.2 The Head Teacher has authority to appoint all support staff except the Assistant Head/Business Manager and all Teaching Staff except the Deputy Head Teacher and Assistant Head Teacher, these appointments will be carried out by the LGB in conjunction with the Trust Chief Executive Officer.

28.3 The Assistant Head maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Assistant Head immediately. Annual salary statements are issued for all staff as follows:

- Teaching staff – Autumn Term following Performance Management.
- Support staff – Summer Term following annual increments due 1st April.

28.4 The Payroll function is currently outsourced to a payroll provider. They provide a detailed summary for a journal to be raised. Currently we use RMBC.

28.5 See Payroll procedures **Section 1**

29 Purchasing

29.1 The school seeks to achieve the best value for money from all our purchases. This means they aim to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
- **Accountability**, the academy is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the academy are dealt with on a fair and equitable basis.

See purchasing procedures **Section 2**

30 Forms of Tenders

30.1 There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Assistant Head how best to advertise for suppliers' e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - Additional deliveries by the existing supplier are justified.

See Tendering procedures on **Section 3**

31 Income

31.1 The main sources of income for the school are the grants from the DFE. The receipt of these sums is monitored directly by the Assistant Head who is responsible for ensuring that all grants due to the school are collected.

31.2 The school also obtains income from:

- Pupils/parents, mainly for dinners, trips, after school clubs and events
- the public, mainly for lettings and fundraising
- Other LA's/Schools/Academies for SLE work
- LA, for example SEN funding
- staff sickness insurance payments
- In house school events such as Tuck Shop, Non uniform etc

31.3 See Income procedures on **Section 4**

32 CASH MANAGEMENT

33 Bank Accounts

33.1 Woodfield Primary School no longer has its own current account. From Sep 2021 onward the main current account is a centralised Trust one with the Co-op and there are no school level signatories.

33.2 The school only has a bank account with Yorkshire Bank for a separate charity school breakfast club. Signatories for this account are:

Mrs Kate Hope	Head Teacher
Mrs Nicky Fallon	Deputy Head Teacher
Mrs Jayne Miller	Assistant Head
Miss Michelle Boyes	Attendance Officer

This account is only to be used for income/expenditure relating to the school Greggs Breakfast Club.

34 Investments

34.1 Prior to any investment of funds being made the Assistant Head will seek expert advice and report to the Chief Finance Officer of the Trust, who will consult with the Trustees and the Board of Governors.

35 Deposits

35.1 Particulars of any deposits into the central Trust account must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- the amount of the deposit and
- a reference, such as the number of the receipt or the name of the debtor.

36 Payments and withdrawals

36.1 All cheques and other instruments authorising withdrawal from the breakfast club school bank account must bear the signatures/authorisation of two of the following authorised signatories:

- Head Teacher
- Assistant Head
- Deputy Head Teacher
- Attendance Officer

37 Purchasing Cards

37.1 The Assistant Head and Site Manager hold a purchasing card. Purchases up to the value of £500 can be made without consultation between authorised signatories, a receipt must be requested; the purchasing card authorisation form would be authorised as soon as possible after the purchase had been completed. Consultation must take place for purchases over £500 and the purchasing card authorisation form must be authorised prior to any purchase, a receipt must be requested.

38 Online Banking

38.1 **BACS payments** – The Central Finance Officer where possible will pay a creditor by BACS transfer. These will have been authorised in advance by the Assistant Head and the Head Teacher or in her absence the Deputy Head Teacher.

39 Administration

39.1 The Assistant Head must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis by the Trust. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's cash book
- reconciliations are prepared by the Trust
- reconciliations are subject to an independent monthly review carried out by the Assistant Head and Head Teacher or in her absence the Deputy Head Teacher
- adjustments arising are dealt with promptly

40 Petty Cash Accounts

40.1 The school maintains maximum cash withdrawals of £250. The cash is administered by the Admin Assistant and is kept in the office safe.

40.2 The Assistant Head is authorised to approve individual payments.

40.3 The Head Teacher or Deputy Head Teacher must authorise any petty cash claims submitted by the Assistant Head.

41 Deposits

- 41.1 The only deposits to petty cash should be from cash withdrawn specifically for the purpose. The receipt should be recorded in the petty cash system with the date and amount relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

42 Withdrawals

- 42.1 Any withdrawals will be authorised prior to the withdrawal by Central Trust Team. Withdrawals cannot be carried out at school level.

43 Payments

- 43.1 In the interests of security, petty cash payments will be limited to £30 higher value payments should be made by school credit card directly from the main bank account. Staff expenses including travel, will only be reimbursed via the payroll.

44 Administration

- 44.1 The Admin Assistant is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash checks should be undertaken by the Assistant Head to ensure that the cash balance reconciles to supporting documentation, where possible this will be completed at the end of each month.

45 Physical Security

- 45.1 Petty cash should be held in a locked cash box which is then put in one of the two school safes. The codes for the school safes are only held by the Assistant Head, Attendance Officer and the two school Admin Assistants.

46 Cash Flow Forecasts

- 46.1 The Assistant Head is responsible for preparing cash flow forecasts to ensure that the school has sufficient funds available to pay for day to day operations.

47 FIXED ASSETS

48 Asset register

- 48.1 The Site Manager maintains the school's online assets portal. All items purchased with a value over the academy's capitalisation limit of £1,000 must be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- location
- name of member of staff responsible for the asset

- 48.2 The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system; and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

49 Security of assets

- 49.1 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 49.2 All the items in the register should be permanently and visibly marked as the school's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Local Governing Body. Inventories of school property should be kept up to date and reviewed regularly (one a year). Where items are used by the school but do not belong to it this should be noted.

50 Disposals

- 50.1 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Assistant Head/Head Teacher and, where significant, should be sold following competitive tender. The school must seek the approval of the Trust in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- 50.2 All disposal of any equipment must meet regulations (i.e. disposal of computers).
- 50.3 The school is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested, then the school must repay to the DFE a proportion of the sale proceeds.
- 50.4 All disposals of land must be agreed in advance with the Secretary of State.

51 Loan of Assets

- 51.1 Items of school property must not be removed from school premises without the authority of the Assistant Head/Head Teacher. A record of the loan must be recorded on the asset register.
- 51.2 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the school's auditors.

2. Academy Detailed Procedures

Section 1: PAYROLL

Section 2: PURCHASING

Section 3: TENDERS

Section 4: INCOME

Section 5: CASH & BANK

Section 6: VAT

1 Payroll

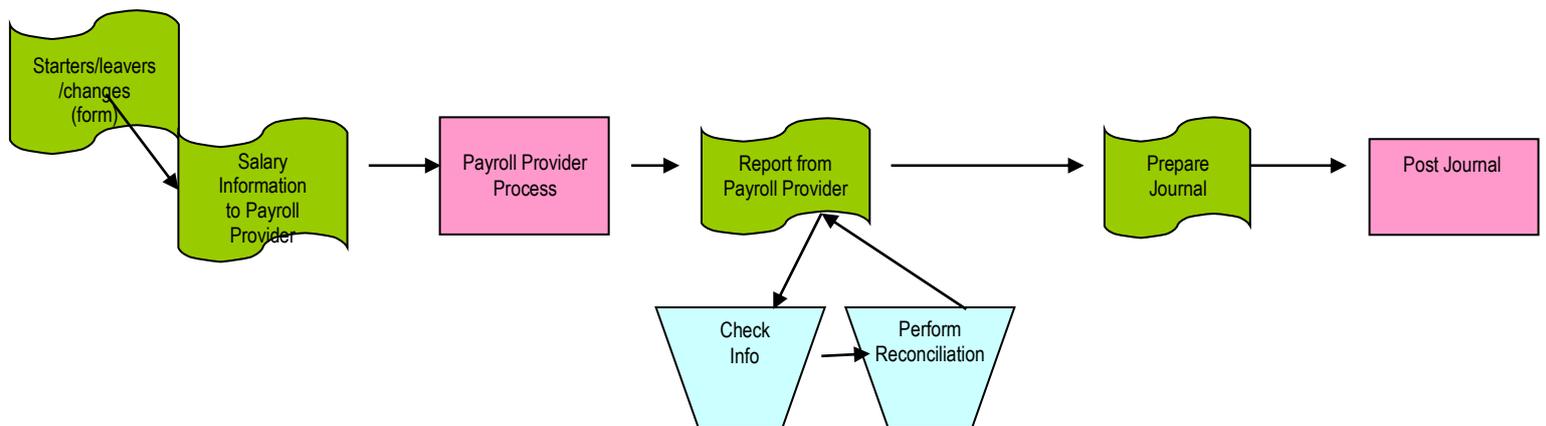
Introduction

Currently the payroll function for the school is outsourced to a payroll provider (RMBC).

Therefore, the school needs to ensure that information is provided to the Payroll provider on time and that sufficient details are given.

Once the payroll provider has processed the salaries for the school it is important that adequate checks are carried out by the school.

Payroll Process



Step	Description	Requirements/Tasks	Who?
Prepare Information			
1	Starter & Leavers	<p>New staff can only be added to the payroll with the express approval of the Head Teacher and notified to the Assistant Head.</p> <p>New staff must complete all relevant payroll documents issued by the Assistant Head. Failure to do this may result in non-payment of salary. In these circumstances, the salary payment may not be made until the next payroll run in the following month.</p> <p>Staff can only be terminated from the payroll with the express approval of the Head Teacher and notified to the Assistant Head.</p> <p>Salary amendments can only be made with the express approval of the Head Teacher and notified to the Assistant Head.</p> <p>Payment for sickness or maternity must be authorised by the Head Teacher in line with the employment contract for the individual.</p> <p>Where leave of absence is discretionary, payment can only be made with the express approval of the Head Teacher and notified to the Assistant Head.</p> <p>Staff who are paid on submission of a timesheet must complete and return their time-sheet on the HR portal to the Assistant Head who must then authorise it on the HR</p>	Assistant Head

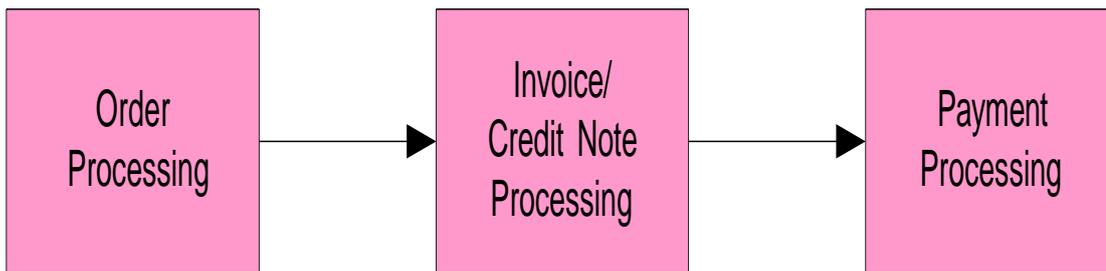
		portal.	
2	Information prepared	<p>Once the Payroll Provider has been notified of all new starters and Leavers, an information pack can be prepared. This should contain any additional information that affects the payroll, (ie) Pay increases, deductions etc.</p> <p>This can then be sent to the Payroll Provider for the monthly processing.</p> <p>The Assistant Head is authorised by the Board of Governors to make all mandatory changes to the payroll without further authority e.g. Tax, NI and pension contribution rates, tax code changes, attachment of earnings etc.</p>	Human Resources
Payroll provider Process			
3	Salary Processing	Once the payroll provider has received all the relevant information from the school they will process the salaries for each employee of the school	Payroll provider (RMBC)
Checking of information			
4	Payroll provider Reports	<p>All salary payments are made by BACS.</p> <p>Payslips are available to all staff on the day salary payment is made into bank/building society accounts. These can be found on the HR portal; each employee will have their unique login.</p> <p>The payroll system automatically calculates the deductions due form payroll to comply with current legislation. The major deductions are for tax, national insurance contributions and pensions.</p>	Assistant Head & The Head Teacher (or Deputy Headteacher)
Updating Accounts System			
5	Preparing Journal	After the payroll has been processed the Assistant Head will reconcile the salary reports. A journal can be prepared ensuring that all staff are coded to their correct account codes and that PAYE/NI contributions are accounted for correctly on the system. The Head Teacher or in her absence the Deputy Head Teachers will authorise the monthly payments related to pay.	Assistant Head / Head Teacher
6	Posting of Journal	The Journal can now be posted onto the system and information filed accordingly. NB the journal can be posted prior to authorisation of the Head Teacher if required e.g. school holidays.	Trust level

Payments

2 Purchases

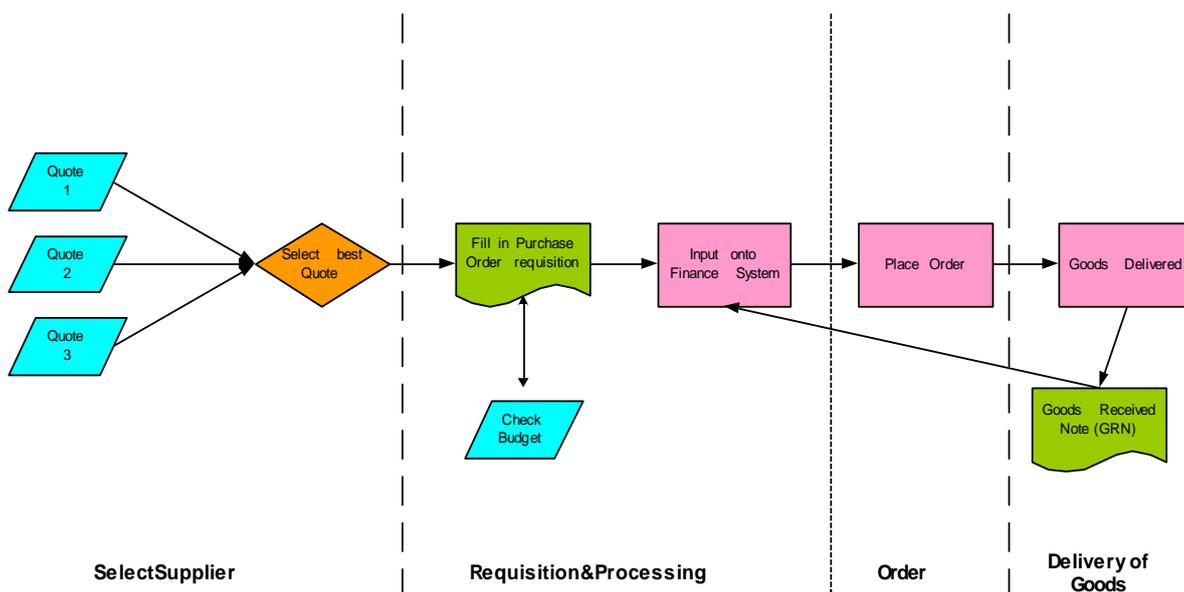
Overview of Processes

There are 3 main processes involved in purchasing, which are outlined in the below diagram:



Each process is described in detail on the following sub-sections, highlighting the tasks and who is responsible for carrying these out.

Ordering Process

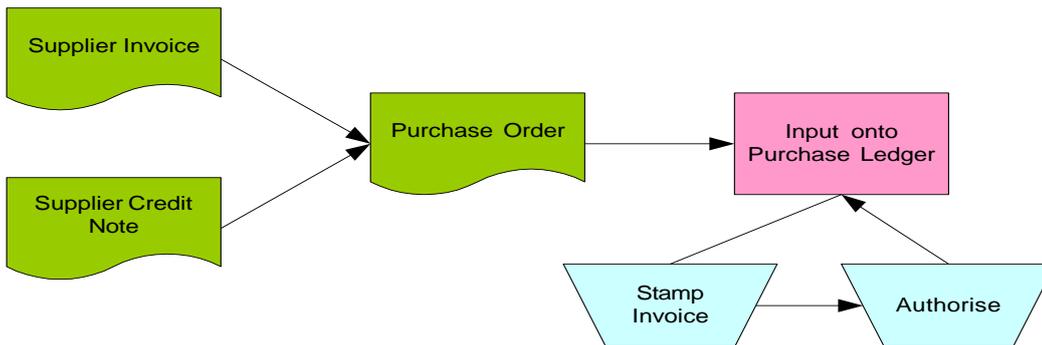


Step	Description	Requirements/Tasks	Who?
Select Supplier			
1a)	Orders up to £5,000 excluding VAT	<p>May be ordered from an approved supplier.</p> <p>Consider how to maximise Value for Money and achieve best outcomes.</p> <p>The Head Teacher can decide how many quotations are required (if any).</p> <p>Approval must be given by the Head Teacher</p>	In conjunction with Head Teacher & Assistant Head
1b)	Orders over £5,000 but less than £10,000 excluding VAT	<p>3 written quotations must be obtained to identify the best source of the goods/services when appropriate. These details should be retained. Telephone quotes are acceptable if witnessed.</p> <p>Consider how to maximise Value for Money and achieve</p>	In conjunction with Head Teacher & Assistant Head

		<p>best outcomes.</p> <p>In some cases, prices can be compared in catalogues and the 'best value' product must be selected</p> <p>NB: Additional orders can be placed within 12 months of the quotation date.</p> <p>Approval must be given by the Head Teacher</p>	
1c)	Orders over £10,000 but up to £25,000 excluding VAT	<p>3 written quotations and authorised prior to proceeding</p> <p>Consider how to maximise Value for Money and achieve best outcomes.</p> <p>NB: Additional orders can be placed within 12 months of the quotation date.</p> <p>Approval must be given by the LGB</p>	LGB
1d)	Orders over £25,000 but up to £50,000 excluding VAT	<p>3 written quotations using the formal request for quotation pack</p> <p>Consider how to maximise Value for Money and achieve best outcomes.</p> <p>Collaboration / Central Team</p> <p>Write a Specification</p> <p>Decide form of Tender</p> <p>If suspension of Financial Regulations required come via LGB to CFO, who reports to Trustees</p> <p>Advertise requirement/Send out ITT to interested suppliers</p> <p>Evaluate tenders using whole life cost</p> <p>Notify all suppliers of your decision – successful or unsuccessful</p> <p>Agree Key Performance Indicators and Service Level Agreement</p> <p>Preferred contractor proposed to and approved by LGB</p>	LGB
1e)	Order over £50,000 excluding VAT	Formal tendering Process – See Section 3 and the Rose Learning Trust Competitive Tender and Procurement Policy.	Trustees Approval
Requisition & Processing			
2	Purchase Order Form	Once the supplier has been selected the purchase order form needs to be completed.	Purchaser
3	Entering onto Finance system	Once the order has been duly authorised the order can be entered onto the accounting system. The Assistant Head will code the items to the relevant nominal codes. The Assistant Head will - ensure the correct supplier has been selected and include any relevant information required.	Assistant Head
4	Budget Availability	<p>The Head Teacher, or Deputy Head Teacher will authorise the printed purchase order form cover sheet.</p> <p>Orders over £10,000 will require 2 signatures, the Head Teacher and Deputy Head Teacher or a member of the LGB</p>	Head Teacher, Deputy Head Teacher or LGB member
Order			
5	Placing the order	The order can then be placed with the supplier by telephone or emailing the purchase order to them. All authorised orders will be filed sequentially.	Assistant Head
Goods Received			

6	Delivery	When the order is delivered goods must be checked to the Good's Received Note (if provided). Goods should also be checked for quality and any sub-standard items must be returned and noted on the GRN. The GRN note should be passed to the Assistant Head. It is noted that not all goods arrive with a GRN.	Admin Team/Staff member receiving goods
7	Purchase Order checked to Goods received note	The purchase order on the system is then checked to the GRN and any discrepancies noted on the suppliers account. The GRN is then filed with the relevant Purchase Order. (If available – note: not all deliveries have GRN)	Assistant Head

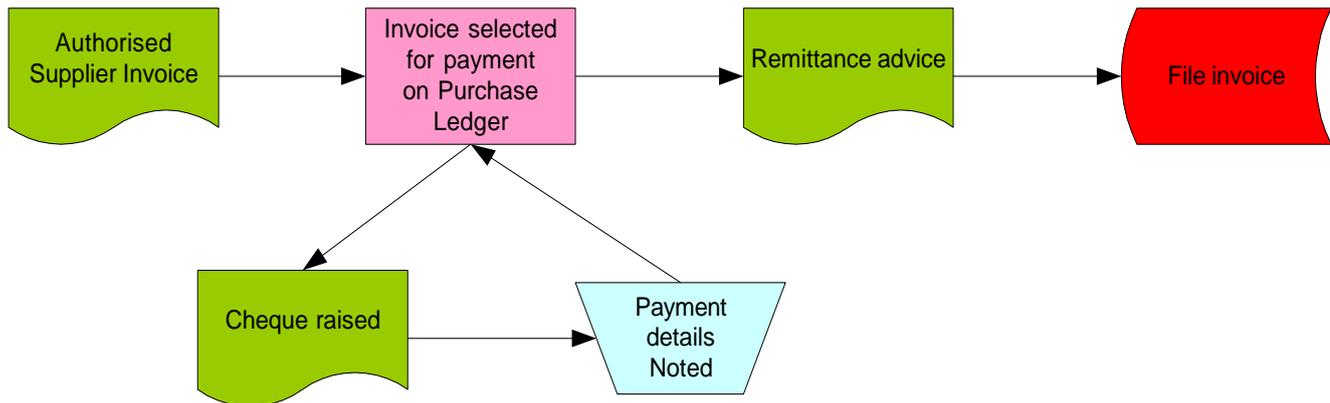
Invoice Processing



Step	Description	Requirements/Tasks	Who?
1	Invoice received	All invoices must be sent to the Assistant Head. When the invoice is received it is matched with the purchase order and checked to ensure we have only been charged for what we have ordered/received. Discrepancies must be discussed.	Assistant Head
2	Authorising Order invoices Authorising non-order invoices	The invoice should be coded by the Assistant Head The invoice should be coded by the Assistant Head and a Purchase Order raised and then authorised by the Head Teacher, Deputy Head Teacher or other authorised signatory. If the invoice exceeds £10,000 two signatures are required in line with thresholds.	Assistant Head
2b			
3	Inputting on to the system	Once the invoice has been matched to the PO it can then be entered onto the purchase ledger system using the invoice function. Ensuring that the correct supplier has been selected and that sufficient information is entered. (i.e.) Invoice number, date of invoice etc.	Assistant Head/Admin Assistant
4		The invoice is now ready for payment.	Assistant Head
5	CREDIT NOTES	If a credit note is received check it against the supplier account and ensure you can tie it back to the original order. Input the credit note onto the system using the credit note function on the Sales Ledger. Check whether the invoice has been paid or if it is pending the receipt of the credit note.	Assistant Head

	<p>If the invoice has been paid ensure that the credit note is taken off the next payment to the supplier. Or request a refund from the supplier.</p> <p>If the invoice has not been paid, when processing for payment ensure that the payment amount is the original invoice less credit note.</p> <p>Credit notes issued but not used against a payment should also be filed in the invoices awaiting payment.</p>	
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Payment of Invoice



Step	Description	Requirements/Tasks	Who?
1	Authorised Invoice	Check that the PO has been authorised by the authorised signatory	Assistant Head
2	Processing	Select the invoices for payment on the purchase ledger system. Ensure that all credit notes relating to the suppliers have been deducted where possible.	Assistant Head
3	BACs Payments	Once input an aged creditor report should be run each week by 12 noon on a Wednesday, dual authorised and sent to the Trust central team to raise a BACs payment – note BACs runs are completed each week centrally on a Thursday.	Assistant Head
4	BACS Payments	Once the BACS payment has been completed the Trust central team will issue the Assistant Head with the authorisation number which should be written on the aged creditor report and kept in school in front of the invoices in the BACs file.	Assistant Head

3 Preparation for Tender

The Rose Learning Trust Competitive Tender and Procurement Policy must be adhered to.

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and
- form of response.

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

- The invitation to tender should state the date and time by which the completed tender document should be received by the academy.
- Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents.
- The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening.
- Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. A minimum of two persons should be present for the opening of tenders, either the Head Teacher, Business Manager plus a member of the LGB. For Building Management tenders, a representative of the LA Traded Services team may also be invited to be present for technical knowledge.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by all people present at the tender opening.

Tendering Procedures

- The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.
- Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.
- Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the LGB highlighting the relevant issues and recommending a decision.
- For contracts under £25,000 the decision and criteria should be reported to the LGB.
- Where required by the conditions attached to a specific grant from the DFE, the department's approval must be obtained before the acceptance of a tender.
- The accepted tender should be the one that is economically most advantageous to the school, after taking into account all relevant factors. All parties should then be informed of the decision.
- For the accepted tender, references will be sought on their financial, competence/ability to fulfil the contract.

4 Income

Introduction

This section outlines the procedures required to process a Sales Order for the supply of goods and services.

Income received for all School Trips and After School Clubs is via Parent Pay and is automatically banked. Money for school fund should be handed into the administrative assistants to record on a spreadsheet ready for banking in the School Fund which is a cost centre within the Trust's bank account.

School Trips/After School Clubs Income via Parent Pay

Step	Description	Requirements/Tasks	Who?
Academy Trip			
1	Gathering of information and provisional booking	The organiser should gather information regarding the proposed trip including costs, availability etc. They should then consult the Head Teacher for authorisation that the trip can take place Once they have gathered the information and the trip is feasible a provisional booking can be made.	Trip Organiser/Admin Assistant
2	Consent Form	A consent form will then need to be sent to the parents of each pupil detailing the itinerary of the trip and the total cost, which parents are asked to make a voluntary contribution.	Trip Organiser/ Admin Assistant
3	Receipt of monies	All payments should be made through Parent Pay.	Admin Assistant
4	Confirm Booking	Once the required number of students has confirmed their attendance and sufficient contributions have been received, the booking should be confirmed with all parties involved. (ie) Coach Hirer's, Venue etc	Admin Assistant
5	Payment Request	The Administrative Assistant should request from the Assistant Head for any payments for the visit at least 5 days prior (earlier if requested by the visit provider) These should be processed as a normal invoice in line with procedures above	Admin Assistant/Assistant Head
6	Payment	Only BACs payment can be issued to the suppliers and authorised accordingly.	Assistant Head
7	Input onto system	Details can be input onto the financial software	Assistant Head
8	Filed	All relevant paperwork will be filed	Assistant Head/Admin. Assistant

Cash & Bank

Introduction

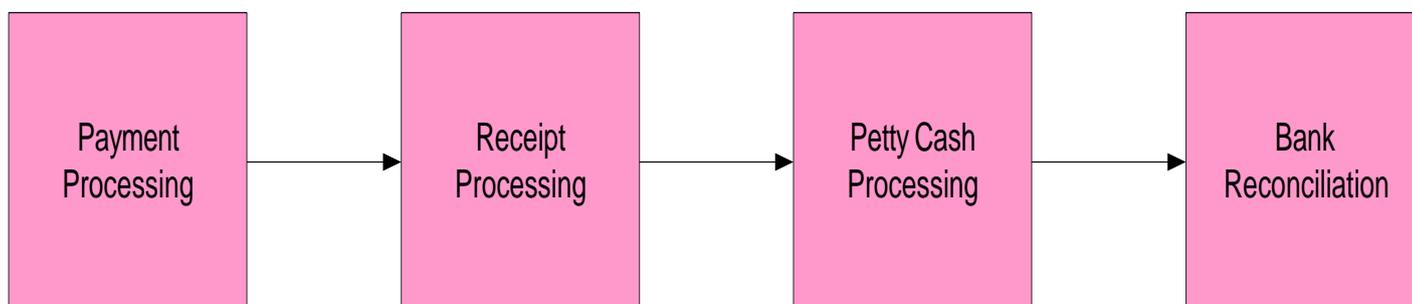
This section outlines the procedures required to process receipts and payments from the Bank and/or Petty Cash.

The admin team are responsible for ensuring all monies are banked on a regular basis and that no cash above the insured limited is kept in the safe. (£2,500)

Bank reconciliations should be carried out at least monthly, with any discrepancies or queries being followed up immediately.

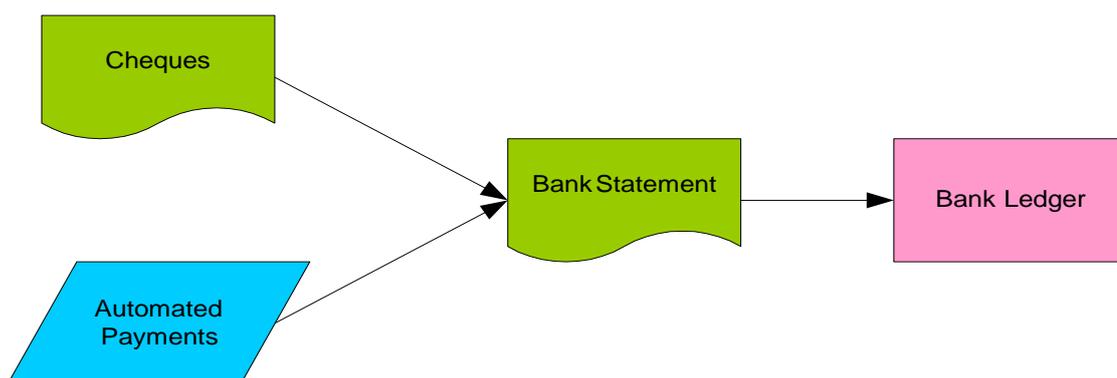
Bank/Cash Processes

There are 4 main processes involved in the Bank/Cash section, which are outlined in the diagram below



Each process is described in detail on the following sub-sections, highlighting the tasks and who is responsible for carrying these out.

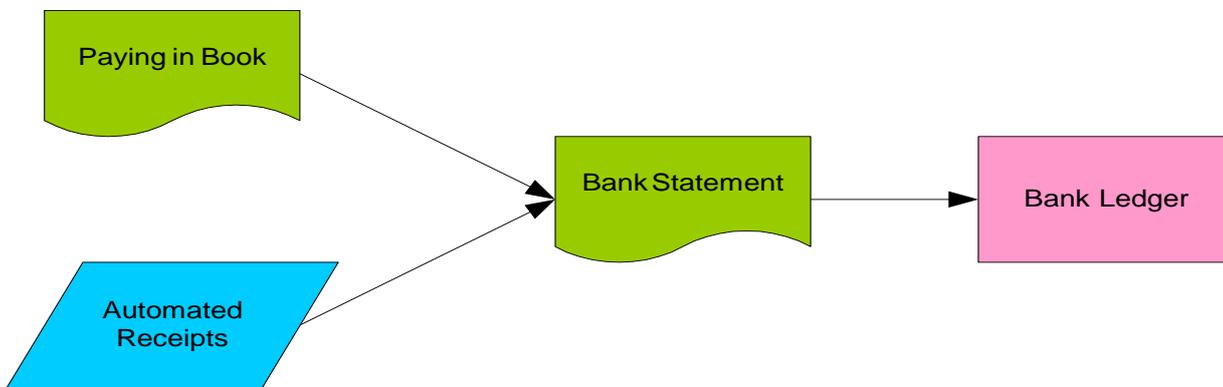
Payment Process



Step	Description	Requirements/Tasks	Who?
1	Payments	Identify the payments on the bank statement highlighting those that have automatically been debited from the account.	Assistant Head
2	Cheques	All Cheque payments should already appear on the system as they would have been allocated to an invoice/supplier.	

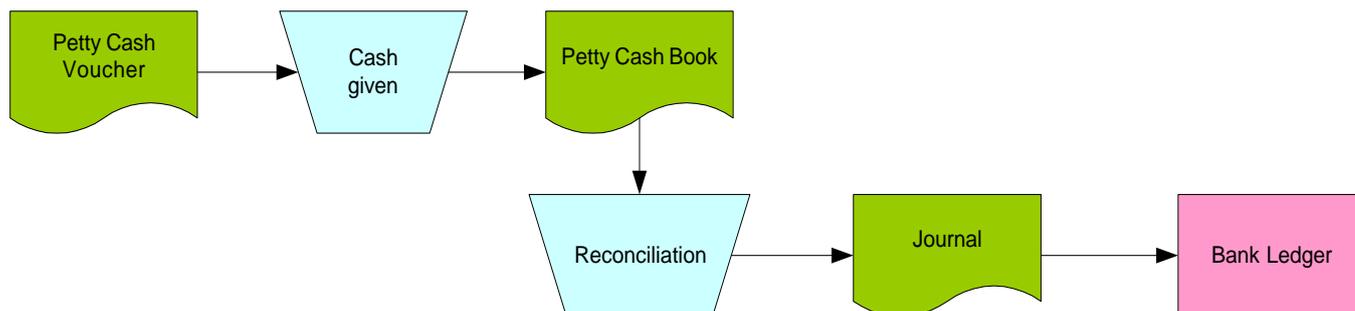
		If any cheques are not on the system you will need to check who the payment was to by contacting the Central Trust Team as only they can issue cheques. Once you have identified the payment and ensured it hasn't been posted incorrectly before (ie wrong cheque number recorded), you can post it onto the system.	Assistant Head
3	Automated Payments	Automated payments will need to be allocated to the correct supplier and posted onto the system. Bank interest payments or maintenance costs will need to be posted direct to the cost code. Either through the bank payment function on the system or by journal.	Assistant Head

Receipt Processing



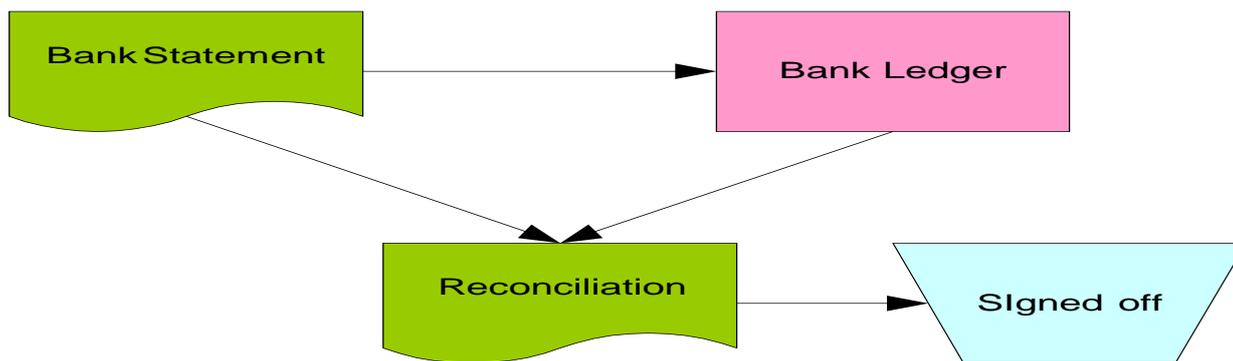
Step	Description	Requirements/Tasks	Who?
1	Receipts	Identify the receipts on the bank statement highlighting those that were banked using the paying in book and deposit record sheet and those that have automatically been credited to the account.	Assistant Head
2	Paying Book	Receipts from customers should already have been allocated on the system against the correct invoice/customer. Any amounts from the paying in book that haven't been entered onto the system need to be investigated. Once you have identified what the receipt is for and that it hasn't already been posted incorrectly, you can enter it onto the system.	Assistant Head
3	Automated Credits	Automated credits to the bank account should be identified and matched to the correct customer. Credits for bank interest should be posted onto the system using the bank receipt function or by a journal.	Assistant Head

Petty Cash Processing



Step	Description	Requirements/Tasks	Who?
1	Petty Cash Voucher	A petty cash voucher should be completed with a detailed description of the expense highlighting the cost department. Receipts should be attached where appropriate. This should be authorised by the Head Teacher/Assistant Head prior to cash being released.	Claimant/Admin Assistant/ Assistant Head
2	Cash	Once the petty cash slip has been completed the claimant will then receive a cash payment and will be requested to sign to confirm receipt of the reimbursement. Detailed records of transaction kept on a spreadsheet. When the cash float of £250 runs low the Assistant Head will request a cheque from the Central Team for the School then the Assistant Head or a relevant signatory will need to visit the nearest bank to withdraw the cash.	Assistant Head Head Teacher or Deputy Headteacher
3	Reconciliation	A periodic reconciliation should be performed confirming the cash balance held is correct. Where possible this will be completed at the end of each month. Any discrepancies should be identified and noted.	Assistant Head/ Head Teacher
5	Journal	Once the reconciliation has been performed a journal can be prepared. Ensure all costs are allocated correctly.	Assistant Head
6	Post Journal	The journal can then be posted onto the system	Assistant Head

Bank Reconciliation



Step	Description	Requirements/Tasks	Who?
1	Bank Statements	Ensure Bank statements have been received and if not then request copies.	Central Trust Function
2	Bank Reconciliation	<p>Going into the bank reconciliation function on the system and select all items that have appeared on the bank statement.</p> <p>Ensure you have a copy of the previous reconciliation to hand, and mark off any items that have cleared subsequently.</p> <p>If this function is not available on the accounting system, run a print out of the banking activity for the period and compare to the statements.</p>	Central Trust Function
3	Identify reconciling Items	<p>Any items appearing on the system but not on the bank statement need to be included on your reconciliation.</p> <p>Items on the bank statement that you have not posted due to lack of information also need to be included on the reconciliation.</p>	Central Trust Function
4	Signed Off	<p>Once the reconciliation has been completed and any old items investigated, the report should be given to the Assistant Head and Head Teacher.</p> <p>They should both review the reconciliations and sign them off.</p>	Central Trust Function Assistant Head and Head Teacher

6 VAT issues

As the School's main source of income relates to education, which is outside the scope of VAT, it has not been registered for VAT purposes.

VAT claims will be submitted by the Assistant Head to the Chief Financial Officer every month who will submit the VAT claim to HMRC.

Agreed Allowances

The Local Governing Body have agreed the following allowances for employees:

Detail	Allowance
Vehicle Usage Mileage Only payable to employees with Business Cover on their insurance, current MOT certificate and current full driving licence.	40p/mile 5p/mile additional passengers
Duty Meal allowance	Any employee who a full school lunchtime supervision may order 1 meal per day from the school kitchen (this is a staff duty meal not a meal from the staffroom menu)