The Rosary Catholic Primary School

Aspire, Believe, Achieve: Together in Christ

FINANCIAL MANAGEMENT POLICY

Policy Approved by:	Finance Committee
Date of Approval:	March 2025
Date of next Review:	March 2026

The Rosary Mission Statement

‘Together, as God’s children,
We realise our dreams,
inspiring and encouraging one another
to reach our true potential,
transforming our world
through our unique gifts.’

Document Owner and Approval

The Executive Head Teacher is the owner of this document and is responsible for ensuring that this policy document is reviewed in line with School's policy review schedule.

A current version of this document is available to all members of staff on the school website

Signature: Date:

Incorporating:

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Aim

To manage the finances in an efficient, controlled and cost-effective manner which will support the school's efforts in raising pupils' achievement.

This policy is implemented in conjunction with the London Borough of Hounslow "Schools Financial Regulations, Mar 2023." and the London Borough of Hounslow "Scheme for Financing Schools, Jul 2024".

Objectives

- To clearly define the areas of responsibility for Governors, Executive Head Teacher, other staff and Local Management Support Limited.

- To provide the necessary arrangements for the control of income and expenditure.

- To identify how the budget is set and the priorities for the financial year are arrived at.

- To ensure value for money in all financial transactions.

- To show a clear relationship between the school's financial priorities and the School's Development Plan.

- To identify the security procedures for cash control, computerised procedures, data storage and documentation.

- To identify the procedures for implementing the LA's Financial Regulations.

Abbreviations Used

LMS Local Management Support Ltd

EHT Executive Head Teacher

HoS – Head of School

AHT Assistant Head Teacher

SBM School Business Manager

SLT Senior Leadership Team

AO Administration Officer

SDP School Development Plan

LA Local Authority

GB Full Governing Body

FC Finance Committee

RMF RM Finance

SM – Site Manager

Responsibilities

The school employs the services of LMS to provide budget support and advice as well as finance data processing support.

Budget Setting

- An initial annual budget will be compiled by the EHT,HoS, SBM, in conjunction with LMS in the spring term each year. The budget plan will consider historical costings, SDP priorities and initiatives and any other known factors.
- The budget will show short-term and long-term planning and identify the factors that will influence them. In particular, these factors will include the school's strategic objectives.
- The relevant parts of these plans will be reflected in the SDP.
- The FC will approve the budget in its draft form as soon as is practicable after its compilation.
- The GB will in the summer term each year approve the budget for submission to the LA.
- The approved budget will be submitted to the LA by 31st May each year.

Budget Management & Monitoring

- LMS Ltd will work with the EHT to monitor as well as support the management of the budget.

- The GB is responsible for the strategic financial management of the school with responsibility for the day-to-day operational management undertaken by the EHT and HoS.
- The FC is responsible for setting and managing the budget with certain specific responsibilities, as detailed below, being delegated to the EHT and HoS:
  - The EHT or HoS is responsible for submitting (by email) the signed (EHT and Chair of Governors) approved school budget plan to the LA and budget monitoring information as requested by the LA.
  - The EHT and HoS have the responsibility for the day-to-day running of the budget
- LMS reconciles the AGRESSO (LA Accounting system) payroll information against the budget plan in a timely manner following receipt of the reports from the LA and in turn reports relevant discrepancies to the EHT. The EHT has a monitoring role and responds to the queries raised or ensures responses are provided by the relevant officers or departments. The budget plan will be updated if appropriate following the resolution of any queries on the payroll.
- The EHT and LMS are responsible for the management of and access to the RM Unify and RMF systems including the management of User access. LMS have System Manager access in their role of the software support team.
- The EHT may vire up to £5000 between budgets without referring to the FC for clearance first. All such virements will be included in a budget plan update to be presented to the subsequent FC meeting for approval along with any other budget changes.
- Virements or expenditure above £5000 which have not been identified in the current approved budget plan may be made with the approval of the Chair of GB in exceptional circumstances. Details of this authorisation will be subsequently shared with other FC members by email and included in an updated budget plan to be shared with the FC at the next meeting unless the final meeting for the academic year has already occurred.
- Expenditure up to £5000 which has not been identified in the current approved budget plan may be exercised by the EHT without prior consultation of the GB / FC. This will also include in a budget plan update to be presented to the next FC meeting for approval.
- The Curriculum budget will be allocated by the EHT in consultation with budget holders. Monitoring information will be supplied by LMS to the EHT as requested
- The Supply staff budgets will be managed by the EHT.
- Each co-ordinator will manage their curriculum area allocation. This will be overseen by the EHT.
- The EHT is responsible for undertaking benchmarking comparisons each year, using the government school benchmarking website and will email the results and any useful observations to the FC for discussion at the next meeting to be minuted as such at least once each financial year.

Related Policies

- The school has a Pay Policy. This will be reviewed annually and will support the staff's annual salary assessment from the GB.

Bank Accounts & Related Procedures

Cheques

- The EHT maintains a list of all bank and building society accounts with authorised signatories for each.
- All BACS payments and cheques from all accounts require two authorisations / signatures at all times and these can be a combination of EHT and/or HoS and one other authorised signatory.
- There are no cash limits other than the known available bank balance (which should always be checked first) for authorising BACS payments or cheques.
- Chequebooks, Bankline Cards and Readers are kept securely in the safe when on school premises.
- Bank statements are reconciled by LMS regularly and verified by the EHT.
- Cheque books and/or pre-printed cheque stationary are kept securely in the strong room/safe.

Procurement Cards

- The school's 1 procurement card is kept in the school safe
- The card may only be used by the card holder
- The card may only be used for online ordering and occasionally for purchasing in store for items which are not available elsewhere or in the case of emergencies.
- All expenditure on the cards must be supported by a complete an authorisation slip, a receipt/invoice and authorisaton by someone other than the card holder.
- The monthly card statement will be reconciled by LMS Ltd and all supporting paperwork and receipts provided to them.

BACS

- Governors have authorised the use of making payments to suppliers by BACS. The service provider for the school's BACS system is NatWest Bankline.
- The use of NatWest Bankline for payments is restricted to staff authorised by the Governing Body and all view only users authorised by the EHT.
- The EHT is the service administrator and is responsible for managing NatWest Bankline.
- The procedures for making payments by BACS conform to existing controls for processing and authorising payments and reflect the principles of segregation of duties.
- All BACS payments require two users' authorisations.
- Invoices approved for payment are entered on to RMF by LMS. LMS then prepare a BACS file ready for importing into Bankline together with a Remittance report detailing the invoices included for payment within the BACS file.
- Payment approvers on Bankline are the HoS, AHT, SMB and AO.
- LMS staff cannot approve payments on NatWest Bankline and do not have access rights to do so.

- A payment approver user must log in to Bankline and upload and then approve the BACS file and sign off the remittance report. A second authorised signatory must then provide a second approval for the BACS payments.
- The payment approvers will check the payments presented to them within NatWest Bankline against the RMF report and the supplier invoices being paid.
- The SBM and LMS can add, edit, and delete (or make inactive) supplier bank account details on RMF. All supplier details must be provided to the school on letter headed paper or stated on an invoice and copies retained on file for both initial set up and any changes. An authorised signatory will cross check sample invoice BACS/bank account details with RMF records and note on the sample invoice that they have been checked.
- Requests for changes to bank details received from suppliers will not be actioned without further verification with the supplier
- A sample check of bank account details will take place once a term by either the EHT or HoS
- To safeguard against fraud the school is set up for dual authorisation for user administration in Bankline in order to ensure that any changes to the set up or authorisation rights are authorised by two people

Other

- LA Control sum reconciliations are undertaken by LMS when reimbursement claims are submitted to the LA at the end of each month.
- Bank statements are reconciled at least once a month during term time by LMS, to RMF records and the reconciliations submitted to the EHT.

Staff Expenses

- All out of pocket expenses will be reimbursed by BACS payment.
- Staff expenses claims must be accompanied by a completed Staff Expenses claim form and must be authorised by an appropriate staff member other than the claimant.

Computer Network & Software Management

- Members of staff with access rights have them at different levels determined by the EHT or staff member responsible and access is password controlled.
- The ICT Technician and EHT are the system managers and have responsibility for managing the security of the system.
- The SBM must ensure that the school has up-to-date Data Protection License.
- The Copyright License Holder is the EHT.
- No data relating to the school should be stored on any mobile data device unless it is secured to the standard detailed in the school's data retention policy, which details this in more depth

Management Reporting Procedures

- The EHT in conjunction with LMS will provide the FC with an up-dated budget plan each term. In addition, a report showing the budget plan against expenditure/income actuals will be provided to members of the FC at timely intervals sometimes electronically in between meetings.
- The FC will provide a financial report back to the GB at one meeting each term.
- The Agenda for the FC will be set and circulated, at least one week prior to the date of the next meeting, to committee members and "posted" on the staff notice board.
- Accurate minutes of the FC meetings will be taken and also "posted" on the staff notice board. Any confidential matters identifiable in the minutes will be redacted or excluded.
- The EHT in conjunction with LMS will provide the LA with any required budget reports, in the format specified by the LA.

Purchasing

The aim when purchasing is to ensure that the school receives value for money, where possible through consortium arrangements.

- Anyone wishing to place an order must **complete** a school order form, available from the school office or the Staff Shared Drive. This should be passed to the EHT or HoS who will authorise the expenditure once the balance of the specified budget has been checked. The authorised purchasing order will then be passed to the SBM who will enter the order onto the system and process it as appropriate.
- The EHT maintains a list of staff authorised by the GB to sign orders.
- A list of staff authorised by the GB to certify invoices for payment is maintained by the EHT.
- Telephone orders can only be placed by the EHT, HoS, AHT, SBM, SM or Admin team members in exceptional circumstances, and must be followed up immediately by written confirmation. No other staff members may place telephone orders
- Delivered items should not be removed from the Admin/ Office area until delivery notes are checked to see who the parcel should go to, even if they are addressed to a member of staff.
- Delivery notes will be checked against the items received by the person who ordered them, then passed to SBM so it can be checked against the order.
- Delivery notes will, once checked, be attached to the order.
- Payment of invoices will be authorised by the EHT, HoS, AHT, SBM or AO and invoices will be promptly paid providing delivery notes and orders have been satisfactorily cross checked.
- When approving BACS or cheque payments the EHT, HoS, AHT, SBM or AO are presented with the relevant computer-generated payment authorisation/remittance slips from RMF.

- The responsibility for orders for large maintenance projects under £5,000 has been delegated to the EHT. Orders over £5,000 will require a minimum of three written quotations and these will be presented to the FC for choice and approval. Details of procurement for contracts above £15,000 should be reported to the GB prior to the commencement of the procurement. Contacts over £75,001 will be subject to a formal tendering process as stipulated in the LA's Financial Regulations.
- The EHT is responsible for ensuring that all contracts are properly dealt with in terms of leasing regulations, former EU procedures, VAT, Construction Industry Tax Deduction Scheme and all other matters included in Financial Regulations, or which may be advised by the LA.
- Value for money and the quality of work, are the key factors which will inform the FC as they make their decision.
- The EHT/HoS will maintain a list of staff authorised by the GB to sign orders.
- The EHT/HoS will maintain a list of staff authorised by the GB to certify invoices for payment.

Register of Business Interests

- The school will retain a Register of Business Interests (RoI), which will record (for staff and governors):
  - Any business interests they or any member of their immediate family have
  - Details of any other educational establishment they govern
  - Any relationship between a staff member and members of the school's GB
- The governors will be invited to declare any new Business interests at each meeting.
- New Governors should complete a form before or at the start of their first meeting.
- All governors should complete a form annually.
- Any school staff involved in the purchasing process or financial decision-making must complete a declaration form.

Audit

- The school's funds and procedures will be audited by the LA.
- Audit certificates for the Unofficial Account (Private Account) are submitted to the LA each year in line with LA Financial Regulations.
- The Chair of GB and Chair of FC will be informed of all audit outcomes immediately and the FC at its next meeting.
- The report and any resulting action plan will be presented to the GB at the next meeting and the resulting Action Plan agreed and implemented.

Insurance

- The school buys into the DfE Risk Protection Arrangements (RPA) to cover all required Buildings, Contents, Risks and Liabilities insurance requirements.

Personnel

- The school's Pay Policy will be reviewed annually at the Autumn Term meeting by the GB and staff will receive a Salary Assessment every September.
- Payroll transactions are reconciled monthly against the budget plan by LMS to ensure accuracy.
- The EHT, HoS or SBM will check and authorise claims for any additional hours worked each month and the SBM will submit them to the Payroll provider for processing. A copy will be retained for school records.

Security of Stocks and Property

- An asset register is maintained detailing items purchased of £500 or more in value. It includes the item details, location, date of acquisition and purchase cost. Items are security-marked.

- The items on the asset register are physically checked once a year by Support Staff and this record is signed by the checker and EHT and retained for audit purposes.
- Items lost, stolen or damaged beyond economic repair must be written off in the inventory. Those items written off with a value in excess of £500 must be reported to the GB at the next GB meeting.
- Access to the school safe is controlled by Admin Team and is securely locked in an alarmed area. It is kept locked unless directly in use.

Income

- The school has a safe with a specified overall cash retention limit of £1,000. Cash is paid into the bank at least once a month.
- The SBM securely retains receipts and other records of income.
- The majority of income is now collected online via the ParentPay system.
- Parents can pay most charges via ParentPay an online pay facility. The cost of trips/dinners/music/club can be paid online. All trips have a payment due date. If

parents pass this date, the school will send out a gentle reminder for payment. The income will be reconciled with bank statements and ParentPay income reports weekly.

- Collections of cash are paid into the bank promptly.
- No personal cheques are cashed in school / by the school.
- Monies deposited in the bank are reconciled to the sums collected.
- The checking of entitlement to free school meals is the responsibility of the AO and recorded on the RM Integris system as well as any manual / other computerised records retained.

Petty Cash

- The School does not hold petty cash

Private / Unofficial Bank Account

- The Private/Unofficial Fund is audited annually and the audit certificate is presented to the FC where its ratification should be minuted in the autumn term each year.
- Two signatures are required on all cheques:, HoS, AHM, SBM or AO
- Bank statements are reconciled by the SBM to school records at least once a term. The statement is signed and dated by the SBM and EHT/HoS to verify it has been reconciled and checked independently.
- All income must be fully accounted for. Invoices/receipts for items of expenditure must be maintained and receipts provided for income received.
- All income and expenditure must be recorded in a clear and transparent format which can easily be checked by the EHT or auditor

Debt Management & Bad Debts

- In line with the latest LBH Scheme for Financing Schools no debts exceeding £1,500 may be written off as irrecoverable without the authorisation of the council
- The GB will retain a record of amounts below £1,500 which they have identified for Write Off.
- The writing off, of any debts will be a standing item for each GB meeting and the school will report (anonymously) any debts that have been written off and details minuted

Other

- The school will ensure that appropriate training takes place to ensure that there are experienced staff to stand in for the SBM and AO should they be unable to work for any significant period of time.

Summary of Financial Authorisation Levels - Appendix 1

Delegated Duty	**Value**	**Delegated Authority** *(complies with LA Financial Regulations at minimum)*
Ordering Goods and Services (raising requisitions)	Up to £4,999	Budget Holder, Signed off by EHT or HoS ***Minimum of two written quotes should be sought if between £1,001 and £4,999***
	£5,001 to £10,000	Budget Holder and Finance Committee ***Minimum of three written quotes should be sought***
	£10,001 to £74,999	Finance Committee ***Minimum of three written quotations should be sought. Details of procurements for contracts above £15,000 should be reported to the Governing Body prior to the commencement of the procurement.***
	Over £75,000	***Full competitive tendering process or a compliant framework should be used. At least 5 Contractors should be invited to tender. Details of the procurement must be reported to and agreed by the Governing Body prior to commencement of the procurement. The FTS has replaced OJEU now we have left the EU.***
School Procurement Card	Up to £3,000	Card Holders: ***School Business Manager***
Signatories for cheques & BACS payment authorisations	Any	Two authorisations from: ***Executive Head Teacher*** ***Head of School*** ***Assistant Head Teacher*** ***School Business Manager*** ***Admin Officer***

Virement of budget provision between budget heads	Up to £10,000	Executive Head Teacher with reporting to the Finance Committee
	£10,001 to £30,000	As above
	Over £30,000	Governing Body
Disposal of assets	Up to £5,000	Finance Committee
	£5,001 to £20,000	As above plus Governing Body
	Over £20,000	As above, plus Hounslow Council approval required for disposal of assets funded with more than £20,000 of grant, or transferred from an LA at nominal consideration
Write-off of bad debts	Up to £1,000	Governing Body
	Over £1,000	As above plus Hounslow Council approval
Raising invoices to collect income	Up to £5,000	School Business Manager
	£5,001 to £10,000	As above plus Executive Head Teacher / Head of School
	£10,001 to £100,000	As above plus Finance Committee
	Over £100,000	Governing Body