

**ASHTON WEST END PRIMARY ACADEMY FINANCIAL
PROCEDURES**

**ASHTON WEST END PRIMARY
ACADEMY**



FINANCIAL PROCEDURE MANUAL

Adopted: Sept 2015

Revised: May 2021

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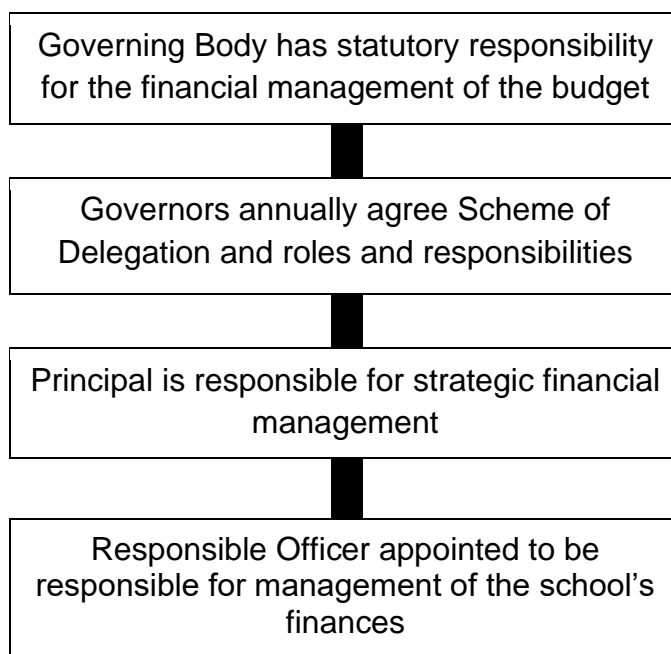
Part 1 Financial Management Information

1. Roles and Responsibilities

1.1 Governors' Responsibilities

- Governing bodies should set and review the terms of reference for all sub-committees
- The governing body should agree annually on the Scheme of Delegation of Financial Powers to the Principal, indicating roles and responsibilities for the leadership team
- All governors, senior staff and finance staff should, on an annual basis, complete a form stating their business interests. These forms constitute the school's Register of Business Interests
- Within their remit, decisions agreed by the governors' finance committee must be minuted
- Governing bodies must approve the school's annual budget, the Chair of Governors must sign the approved plan, a copy of which must be sent to the Education Funding Agency before the end of August each year.
- Governing bodies must review and monitor returns to the EFA, it is good practice that copies of the returns should be signed by the Chair of Finance to acknowledge that the governors have had sight of the returns

1.2 Organisational Structure



Full Governing Body Terms of Reference

In exercising their functions, the governing body shall:

- act with integrity, objectivity and honesty in the best interests of the school; and

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- be open about the decisions they make and the actions they take and be prepared to explain their decisions and actions to interested persons.

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 an overview of the School Development 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
- (subject to any other statutory provision) comply with any trust deed relating to the school; and
- consider any advice given by the Principal.

The governing body shall act as "critical friend" and supporter to the Principal in the performance of his functions and give him or her constructive criticism.

Disqualification

Any relevant person employed to work at the school other than as the Principal, when the subject for consideration is the pay or performance review of any person employed to work at the school.

The role of the Principal

1. The Principal 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.
2. The Principal shall advise the governing body in relation to the establishment and review of the strategic framework, and in particular, shall -
 - a) formulate aims and objectives for the school, for adoption, with or without modification, or rejection 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.

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3. The Principal shall report at least once every school year to the governing body on the progress made towards achieving the aims and objectives set in particular towards meeting specific targets set. This report will form part of the review of the School Development Plan..

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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 of the Principal for the internal organisation, management and q
2. The Principal shall comply with any reasonable direction of the governing body in performing any function delegated to him or her by the governing body.
3. The FGB will delegate the setting of the governing body agendas to the Chair of Governors.

THE PERFORMANCE MANAGEMENT POLICY

1. The governing body must have established a written policy setting out how school teacher appraisal at the school is to be implemented.
2. In this instance "school teacher appraisal" means the system of appraisal of Principal's and other school teachers governed by the Education (School Teacher Performance Management (England) Regulations 2006) © ("the Appraisal Regulations").
3. The governing body shall review the performance management policy every school year.
4. Following such review, the governing body shall, if they see fit, amend the performance management policy.
5. If directed to do so by the governing body, the Principal shall consult all other school teachers at the school about the formulation of a performance management policy or the amendment of the performance management policy.
6. The Principal and the governing body shall implement the policy.
7. 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 inspection of the operation of the school teacher appraisal system;
 - any external adviser appointed in accordance with Appraisal Regulations.

The members of the Governing Body are:

Co-opted Governors:	Susan Jones Bukky Ayoola and Sam Pinner
Staff Governors:	Kimberley Pizuti, Zoe Fallows and Eleanor Beswick.
Parent Governors:	Huma Rasheed, Sigurjon Kristjansson and Nabeel Rehman

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

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

These Terms of Reference were discussed and approved by the Governing Body on 25th March 2020.

Signed Chair of Governors

Date

COMMITTEE TERMS OF REFERENCE NOTES

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. The EFA nominee, parents, teachers and coopted governors. The Principal 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 committee to 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.
9. 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.
10. 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.
11. Any governor may attend meetings of committees.
12. 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.
13. 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 Principal 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.
14. The committee chairs will meet with the chair of governors and Principal at the beginning of each term to plan the work of each committee in relation to the Academy's development plan and other issues.

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FINANCE ,PREMISES AND PAY COMMITTEE – TERMS OF REFERENCE

(Finance, Staffing, Premises, H&S)

The H & S designated governor will report termly to this committee.

Delegated powers

- To consider the financial implications of the priorities in the School Improvement Plan
- To agree the level of delegation to the Principal 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 a report to a scheduled meeting of the governing body termly.
To authorise expenditure requests over **£10,000**.
To exercise virement between Principals of expenditure of the budget up to limit of **£10,000**.
- To authorise emergency works up to a value of **£3,000** 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 be responsible for the premises and the learning environment.
- To deal with matters of school security.
- To oversee Fund Raising, the use of the School Fund and any gifts to the school and to arrange audit of the School Fund.
- To be responsible for the proper recruitment of staff, except in respect of the Principal and deputy Principal, whose recruitment is covered separately by legislation.
- To decide on the salary scale starting point of newly appointed staff.
- 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 establishment of the school.
- To make recommendations to the governing body about the salaries of the Principal and the deputy Principal(s).
- To carry out the staff dismissal procedure.

The purpose of the Finance 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 and how will this affect the budget
- how adequate resources are
- what the lettings policy is and when it needs reviewing.
- the financial implications of the SDP and Post Ofsted Action Plan
- the major expenses that school will be facing over the next 3 - 5 years
- that the school meets H & S requirements
- any bids for additional funding

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- the issues faced in regard to provision with regard to space/layout/decoration/ vandalism etc
- the working conditions for the staff
- the staff we employ and how they are deployed
- the age / gender profile of staff
- the pay policy for all staff
- the effects of supply staff on lessons / the pupils and how we manage this
- which staff have responsibility points

The members of the Finance Committee are:

The members of the Governing Body are:

Co-opted Governors:	Susan Jones Bukky Ayoola and Sam Pinner
Staff Governors:	Kimberley Pizuti and Eleanor Beswick.
Parent Governors:	Sigurjon Kristjansson

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

These Terms of Reference were discussed and approved by the Governing Body on 25th March 2020.

Signed Chair of Governors

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CURRICULUM AND STANDARDS COMMITTEE – TERMS OF REFERENCE

The SEN, Child Protection and Looked After Children designated governors will report termly to this committee.

Delegated powers

- To monitor the progress of the School Improvement Plan regarding curriculum developments.
- To ensure the National Curriculum is delivered to a high standard.
- To make all curriculum decisions other than those which are identified as non-delegable by the Education School Government Regulations currently in force.
- To monitor issues relating to the recruitment of pupils.
- To devise and maintain a policy for educational visits and journeys.
- To deal with Curriculum Complaints and exemptions to National Curriculum.
- To contribute to a Whole School Drugs Policy
- To review and approve relevant non-statutory policies.

The purpose of the Curriculum and Standards Committee is to monitor the curriculum, standards and quality of educational provision. Monitoring, in these terms, means asking questions and making visits, to learn more about the curriculum and its delivery.

It should oversee some staff related matters in the SDP, from staff development and Inset to staff morale and well-being - for support staff as well as teaching staff. The committee will monitor:

- a. The shape of the school day and the curriculum delivery -
 - the time is given to each subject
 - the progress of the literacy and numeracy action plans
 - what behaviour is like at lunchtime/break/in lessons
 - what is the impact of literacy and numeracy on afternoon lessons
 - whether there is a rigid timetable in each class
 - whether boys react differently to girls
 - what policies need reviewing (make up a review cycle for all curriculum policies) and what does it say on the SDP for these subjects?
- b. Standards
 - which subjects do we do better in
 - what we have to do to improve in
 - whether there are curriculum areas where we lack expertise?
 - whether there are curriculum areas where we have great expertise
- c. Resources
 - the role of the subject leaders
 - the time we give them
 - progress towards targets
 - how much money is given to subjects for delivery of the NC

The members of the Curriculum and Standards Committee are:

Co-opted Governors:	Susan Jones and Ben Jones
Staff Governors:	Eleanor Beswick and Zoe Fallows
Parent Governors:	Sigurjon Kristjansson, Huma Rasheed, Nabeel Rehman and Elina Mahmood

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

The quorum will be 50% of committee members, rounded up.
These Terms of Reference were discussed and approved by the Governing Body on 25th March 2020.

Signed Chair of Governors

THE STATUTORY COMMITTEES

Because the statutory committees deal with very serious matters, they should be separate from other committees and constituted precisely as the Regulations and guidance require. Please follow this advice.

PERFORMANCE MANAGEMENT COMMITTEE

Delegated powers

- To monitor the implementation of the Performance Management policy
- To conduct the Principal's performance review in accordance with statutory requirements and set performance objectives.
- To advise the Finance and Pay Committee about the Principal's salary, following the performance review

The purpose of the performance management committee is to:

- conduct the Principal's performance review;
- monitor the policy;
- know the PM procedures for reviewing the Principal's performance;
- ensure all PM governors trained;
- ensure the review Officer understands their role;
- ensure the PM policy works well in school in regard to all other staff.

The members of the Performance Management Committee are:

Co-opted Governors: Susan Jones

Parent Governors: Sigurjon Kristjansson and Huma Rasheed

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

These Terms of Reference were discussed and approved by the Governing Body on the March 25th 2020.

Signed Chair of Governors

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

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- 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 Principal personally, the Principal will always be expected to be the person to initially resolve a complaint.

Terms of Reference

- To review the Principal'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 Principal will only be heard in each other's presence.

The members of the Complaints Committee are:

Co-opted Governors: Ben Jones
Parent Governors: Sigurjon Kristjansson and Huma Rasheed

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

These Terms of Reference were discussed and approved by the Governing Body on the March 25th 2020.

Signed **Chair of Governors**

STAFF DISCIPLINE AND GRIEVANCE COMMITTEE TERMS OF REFERENCE

- 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 Principal 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 members of the Staff Discipline and Grievance Committee are:

Co-opted Governors: Susan Jones
Parent Governors: Sigurjon Kristjansson and Huma Rasheed

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

These Terms of Reference were discussed and approved by the Governing Body on March 25th 2020.

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

Signed Chair of Governors

DISMISSAL APPEALS COMMITTEE TERMS OF REFERENCE

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 Principal**).

Co-opted Governors: Susan Jones
Parent Governors: Sigurjon Kristjansson and Huma Rasheed

These Terms of Reference were discussed and approved by the Governing Body on March 25th, 2020.

Signed Chair of Governors

PUPIL DISCIPLINE COMMITTEE TERMS OF REFERENCE

Quorum: Three governors. The Committee **must consist of three or five members** of the governing body but not the Principal.

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 members of the Pupil Discipline Committee are:

Co-opted Governors: Susan Jones
Parent Governors: Sigurjon Kristjansson and Huma Rasheed

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

These Terms of Reference were discussed and approved by the Governing Body on March 25th 2020.

Signed Chair of Governors

DELEGATION OF PRINCIPAL'S RESPONSIBILITIES

INFORMATION AND COMMUNICATION SYSTEMS

- 1 The designated systems manager shall be responsible for the control of systems and for security and privacy of data.

ACCOUNTING

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- 2 The Principal 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.
- 3 The Principal 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 Principal shall ensure that the financial summary and other financial reports are available for scrutiny by the Finance Committee.

AUDIT

- 4 The Principal shall report on progress towards the conclusion of the Audit in a timely manner to the Finance Committee.
- 5 The Principal shall ensure that all records and documents are available for audit and arrange for the accommodation of the auditors

BUDGET PROCEDURES

- 6 The Principal shall notify the Governing Body of variations in the school budget plan, approved by the Finance Committee.
- 7 The Principal shall submit all required monthly reports to the Governing Body and the EFA Authority promptly

ORDERS FOR GOODS, WORKS AND SERVICES

- 8 Three quotations for orders of above £5,000 to be obtained and approved by the Finance Committee. Orders of £10,000 and over – 3 quotations obtained and approval required by the Full Governing Body.

CONTRACTS

- 9 The Principal/School Business Manager shall be responsible for ensuring that all contracts and agreements conform with the standing orders relating to contracts. Governors may ask periodically if invoices for higher value items are as per the quotation and subsequent order.
- 10 Any three of the following are authorised to open tenders in the presence of each other: (The Chair of Governors has the right to be present)

Chair of Governors
Principal

Chair of Finance
Business Manager

PAYMENTS

- 11 The following members of staff are authorised to receive goods or services:

Principal
Members of Leadership Team
Teaching Staff
Classroom Support Assistants
Site Manager

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- 12 The following members of staff are authorised to certify payments:

Principal
Assistant Principals

School Business Manager in circumstances when 2 or the above 3 are not available.

The Assistant Principals and the Business Manager can sign purchase orders, invoices and payments for any single matter up to £2,000 and in excess of and up to £5,000 only in the absence of the Principal.

(NB: The certifying officer shall not be the person who ordered or received the goods)

- 13 The Principal/School Business Manager shall ensure that invoices, vouchers and other records are retained in a secure way.

SALARIES AND WAGES

- 14 The Principal/School Business Manager shall notify the Payroll of any matters affecting payments to employees
- 15 The following members of staff are authorised to certify pay documents and time records (excluding documents relating to themselves):

Principal
Assistant Principals
Chair of Governors – relating to Principal

INCOME

- 16 The Principal/ School Business Manager shall ensure that all income is accurately accounted for, promptly collected and banked intact
- 17 The Principal shall ensure that procedures are in place for a suitable receipt to be given when cash is handed over from one person to another

BANKING ARRANGEMENTS

- 18 The Principal shall maintain proper records of account in accordance the Academies Financial Handbook

SECURITY OF ASSETS

- 19 The Principal shall maintain an inventory of all items of moveable furniture, equipment, vehicles and plants and ensure such items are security marked where appropriate. The value and depreciation will be recorded and the insurance company will be updated.
- 20 The Principal shall ensure that procedures are in place for the receipt, care, safe custody and issue of resources.
- 21 The Principal shall dispose of unusable or obsolete equipment or materials in accordance with instructions issued by the auditor.

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- 22 The Principal 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.

Reviewed and agreed on 25th March 2020

Signed Chair of Governors

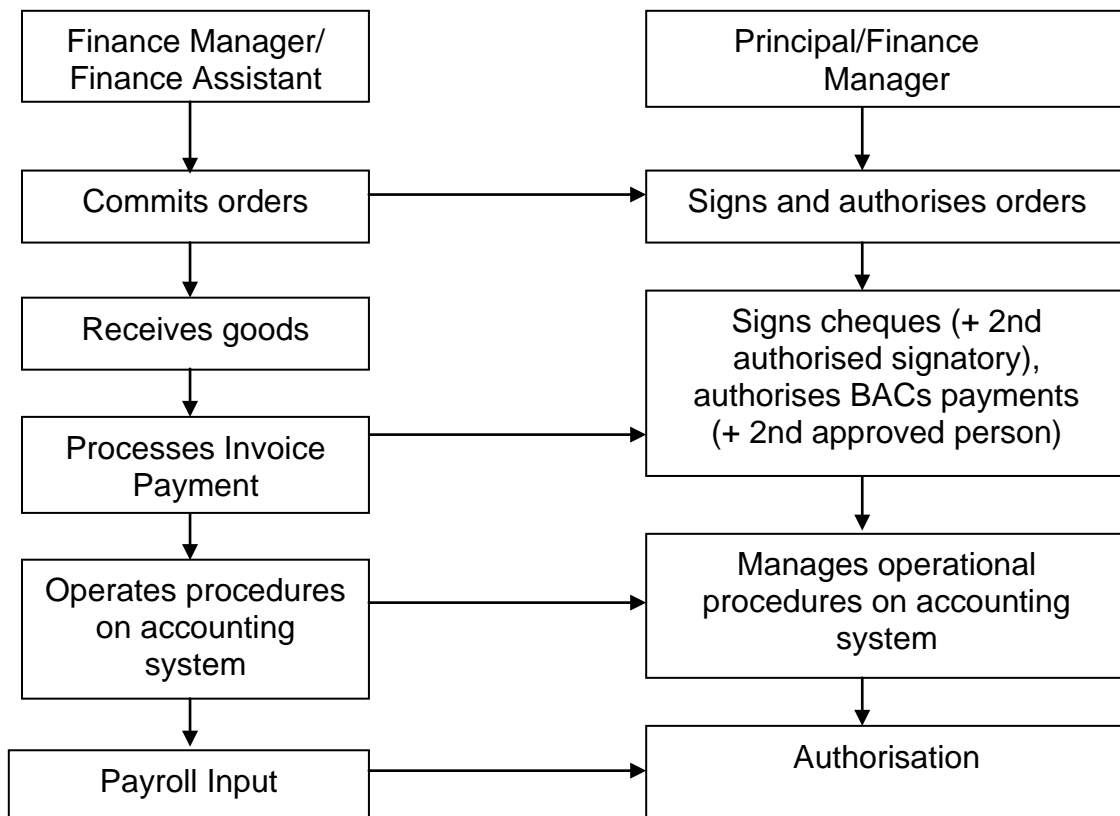
Signed Principal

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

1.5 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 may have no authority to authorise these processes)
- Another person/persons authorise the processes

Possible scenario for segregation of duties



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2. Budget Planning

Schools are required to:

- Produce a budget plan detailing estimates of planned expenditure
- Total planned expenditure must not exceed budgeted income
- Precise format of a budget plan *may be* decided by the Governing Body
- Once the budget plan is approved by the Governing Body it must be submitted to the Education Funding Agency

2.1 The Budgetary Cycle

- Autumn term. Budget is approved by Governing Body
- Each half term. Review of budget
- May. Budget forecast
- Subject leaders' budget plan submitted to Principal
- July. Draft budget presented to Governors
- Sept. Final budget plan is completed
- Autumn term. Audit of accountant for the previous year

2.2 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 Education Funding Agency and then to the DfE to be part of the Common Basic Data Set (CBDS), available on central website for benchmarking purposes
- Provide a small number of standard expenditure and income headings

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

2.3 Budget Management

The budget must 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 ESFA as required
- Reports to full governors' meetings and Finance Committee meetings in format required by the governors, on termly/half termly basis
- (Where applicable) Principal to receive written report.
- Budget holders to receive on request reports on expenditure from the relevant budget
- Principal and School Business Manager monitor expenditure to ensure it is in line with budget plan and that it does not exceed income
- Principal/ School Business Manager to ensure all income and reimbursements are collected promptly
- Principal/ School Business Manager to immediately alert governors of any variances to the budget plan

3. Bank Accounts

3.1 Choosing an Account

- The school is responsible for selecting the banking institution and negotiating the terms and conditions
- The governing body must authorise the opening 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
- Schools must inform the bank, in writing, that their accounts must not become overdrawn
- Schools must ensure there are sufficient funds to cover large payments

There are several options that Governors can choose:

- A current account should be opened to enable invoice payment either by cheques or through BACS payments. This account may pay interest on the balance
- A deposit account can be opened. The account can hold the school's main balance, to attract interest
- 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 project (some education authorities maintain a similar account for schools to maximise their reserves)

3.1 Bank Mandate

- Some Authorities will require only one signatory on cheques, transfers and other payments below a certain limit (approx £250). Best practice would disagree; all cheques should require two signatories for control purposes

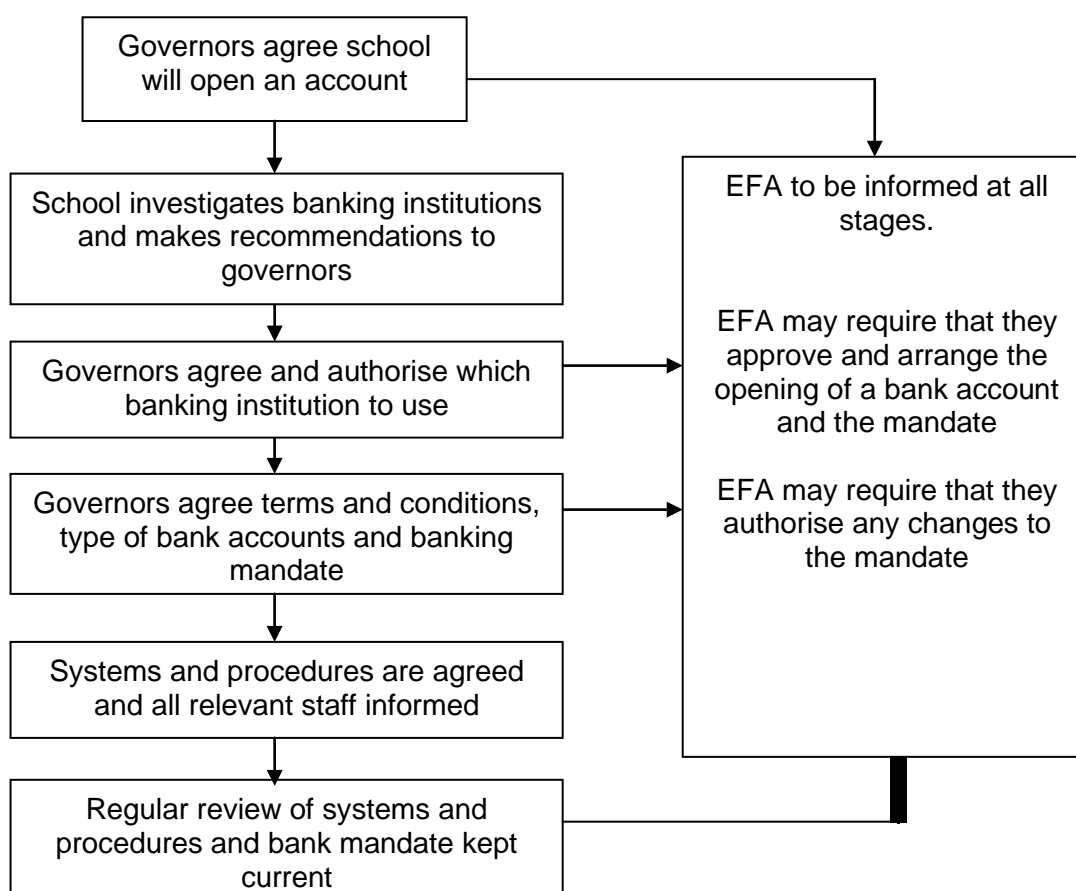
ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- Four to six signatories (depending on size of school) should be registered. (Usually Principal, Business manager, and two other senior staff)
- The bank mandate must be changed when relevant staff leave the employment of the Academy

3.2 Controls of the Bank Account

- There must 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, without a second signatory, who has not been involved in the cheque's preparation and issue
- Similar controls over segregation of duties are applied to BACS and electronic banking

3.3 Flow Chart – Opening a Bank Account



3.4 Cheques

- Banks will supply cheque books (free) or pre-printed cheques to be used in conjunction with the school's financial software. There is a charge for this stationery, but can be cost-effective in saving staff time and written inaccuracies
- All cheque books or pre-printed cheques must be stored securely
- Cancelled cheques must be retained

3.5 Cash Flow

- As school bank accounts cannot overdraw, cash flow can be a problem

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- Regularly check the status of the account
- Be aware of extra, large payments going through, which could cause problems
- Inform the EFA if you anticipate a temporary problem, explaining the reason, and request a further advance
- There is a difference between cash flow and budget expenditure problems

3.6 Direct Debits

Direct debits will save both staff time and the cost of cheque stationary if used for regular payments for services, provided these services are secure (ie rates, leases etc)

- Governors to agree that the school may use direct debit arrangements
- Record each direct debit set up, listing payment details, dates, length to run etc
- VAT can be re-claimed, provided supplier submits a VAT statement
- Reconcile direct debits regularly
- Be aware of direct debit payments due when calculating cash flow

3.7 Debit and Credit Cards

- The governing body should authorise the use of any such cards, taking into account the potential risks
- Charge card accounts must be cleared in full at the end of each month to avoid infringing schools' borrowing restrictions
- Clear, written control systems must be approved by the Governors and those using the cards must be aware of the systems

3.8 Use of debit/credit cards

- The Governors have approved the use of the following charge/credit cards:
Ashton West End Primary Academy
- The following staff are authorised users, and have read and agree to follow the procedures laid down below:

Principal
Academy Business Manager
School Secretary (who places the school orders)

- The School Business Manager 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
 - 2 the spending limit on the card is £2000 (uplifted from £1000 in October 2020)
 - 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

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- 4 cards can only be used in conjunction with the core purpose of the school
- 5 cards must be signed out immediately before use and signed back in immediately after use (or as soon as practicable)

Procedures for the use of debit cards at Ashton West End Primary Academy

The governing body has agreed to implement the use of a debit card. The following procedures have been put in place to control the use of the card.

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

- i) Authorised users – Principal, Business Manager and Assistant Principal in case of the Principal's long term absence.
- ii) Maximum value to use on the cards spending limit will be £1000
- iii) Instructions on the scope of use of the card will be within the terms of reference for the Principal.

The school Business Manager who is not a card signatory shall monitor the signing-out procedure implemented for the issue of the card to authorised staff.

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 should be reconciled to statements by someone other than the cards' signatories. Schools should ensure that charge card transactions are reconciled to the bank statements at least on a monthly basis.

SignedChair of Governors

Date.....

SignedPrincipal

Date

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

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

3.10 Debit/Credit Card Signing In/Out Book

This is kept in the safe along with the debit card, the Principal shall sign the book out, the School Business 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 and can only be issued by *name of card controller*. 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 *name of staff who commits purchases on system*.

COMPANY	EXPENDITURE	TOTAL AMOUNT	DATE	PERSON USING THE CARD	AUTHORISED BY:	DATE AUTHORISED

3.11 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, enter credit on software and allocate to correct heading – ensure an audit trail to confirm all reimbursements etc have been received
- School invoiced income from the EFA must be treated as in the previous point, plus procedures for receipting of invoices as described in section.
- Regularly reconcile all bank accounts and charge/credit card statements. At least monthly. Some schools reconcile on a weekly or even daily basis if they have an on-line banking facility. This also aids cash flow control
- Include in the reconciliation all bank charges, interest and direct debit payments, ensuring they are entered on the financial software
- Reconciliations to be carried out by the School Business Manager
- **Principal is responsible for the authorisation of the reconciliation carried out by the School Business Manager**
- Adjustments must be dealt with promptly, with a clear audit trail

4. Information Management System (IMS)

4.1 Security

- The Information Management System (IMS) in schools is often an integrated programme and database, storing information on students, attendance etc. As such, security must be uniform for all the various programmes within the package. There are implications under the

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

Data Protection Act and The Human Rights Act if schools do not manage their system in a secure manner

- The IMS must be discrete 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
- 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
- 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 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, only give users the access relevant to their post and responsibilities
- Passwords must be individual, not obvious, confidential with a set secure format (the System Manager should keep a confidential list in case of an emergency)
- Passwords must be changed regularly. Packages can often be set to require a password change after a set number of entries to the site, or on a regular basis. Monthly changes are adequate
- The programme should be set to close down after a period of not being used. This is to prevent people accessing your screen in your absence
- A secure drive needs to be given to the finance office to store confidential files and spreadsheets relating to finance and staff costs. Restricted access is required to be set up

4.2

IMS PROTOCOL AND SECURITY

Much of the information held on the (Information Management System) IMS network and database is subject to the Data Protection Act and the Human Rights Act and as such is highly confidential. All staff that have access to the IMS system must read and agree to comply with this protocol. Noncompliance could be a disciplinary matter.

- There are no shared passwords within the office systems. Your individual password must 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
- The password must consist of 6 characters; at least 1 capital, at least 1 number, at least 1 special character
- After 3 months you will be prompted to change your password
- Any used password cannot be used again for 12 months
- If you are unsuccessful in logging on 3 times, your account will be frozen for 15 minutes
- You can change your password at any time if you think it is no longer secure. You must notify the system manager
- No computer must 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

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- 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 Principal, Deputy Principal or the School Administrator will be seen as gross misconduct resulting in formal action.
-

4.3 Back-Up

Back-up tapes should be kept:

- Daily, on a fortnightly rotation
- Weekly, on a monthly rotation
- Monthly on an annual rotation
- End of year
- Stored safely in a fire proof cupboard/safe for at least one financial year
- A total back-up of the previous financial years should stored securely
- Under no circumstances should the back-up tapes be taken home for safe keeping.

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

5. Purchasing

It is best practice to:

- Introduce and review procedures relevant to type and value of purchases
- Maintain a list of approved major and regular suppliers which should be reviewed regularly
- Governors to establish a policy for tendering
- Be aware of Best Value considerations
- Ensure all staff are aware of and comply with the purchasing procedures

5.1 Security of Ordering System

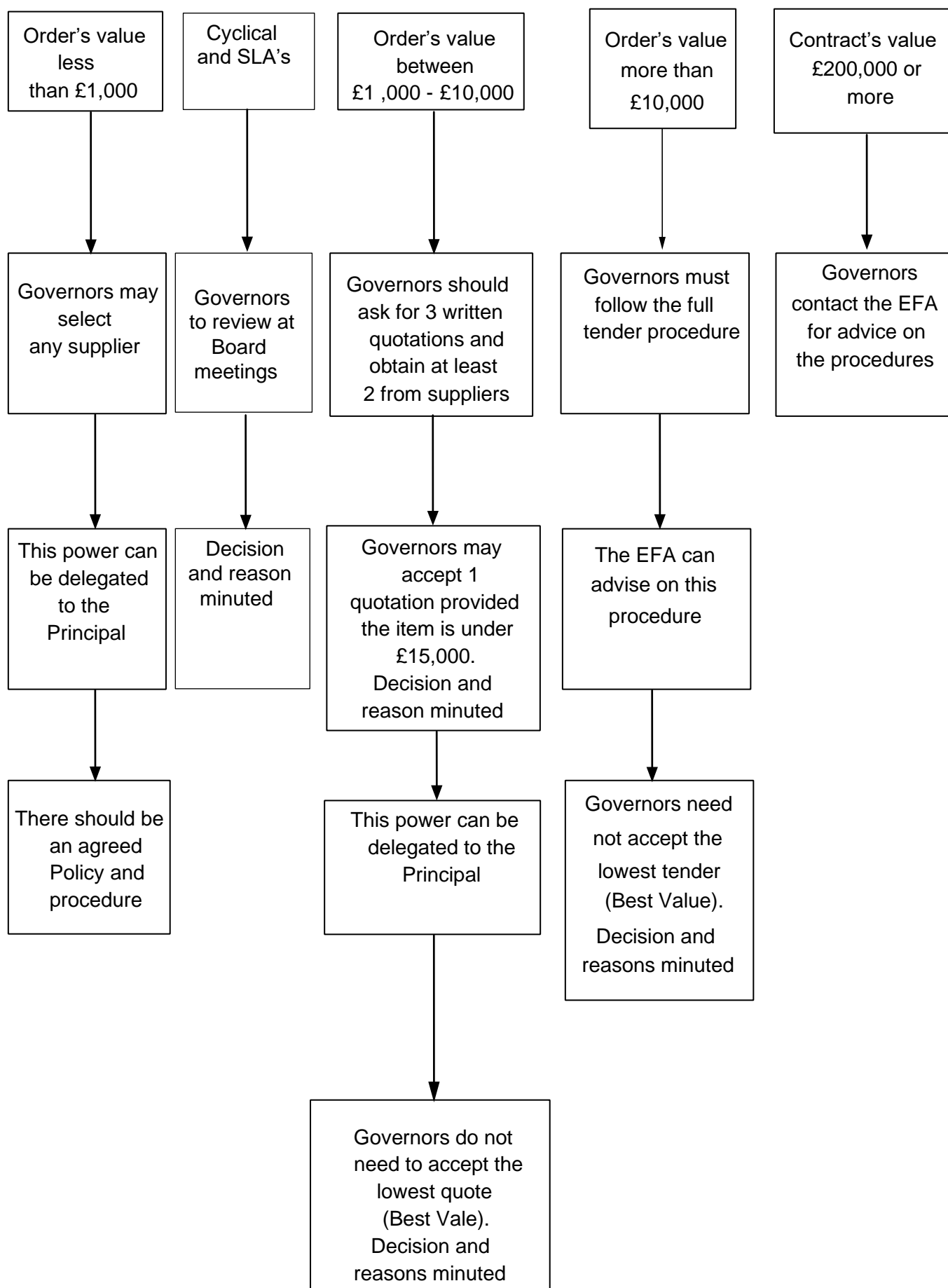
- Official Order stationery locked away securely when not in use
- Limit access to stationery to authorised staff only
- Check serial numbers run consecutively
- Limit access to finance software to authorised staff only
- Official orders must only be used to purchase items for the school
- Limit levels of access to finance software as relevant to the responsibilities of the authorised staff
- Ensure individual, secure passwords are used and changed regularly □
- Ensure segregation of duties is in place and complied with

5.2

Purchasing and Tendering Procedures

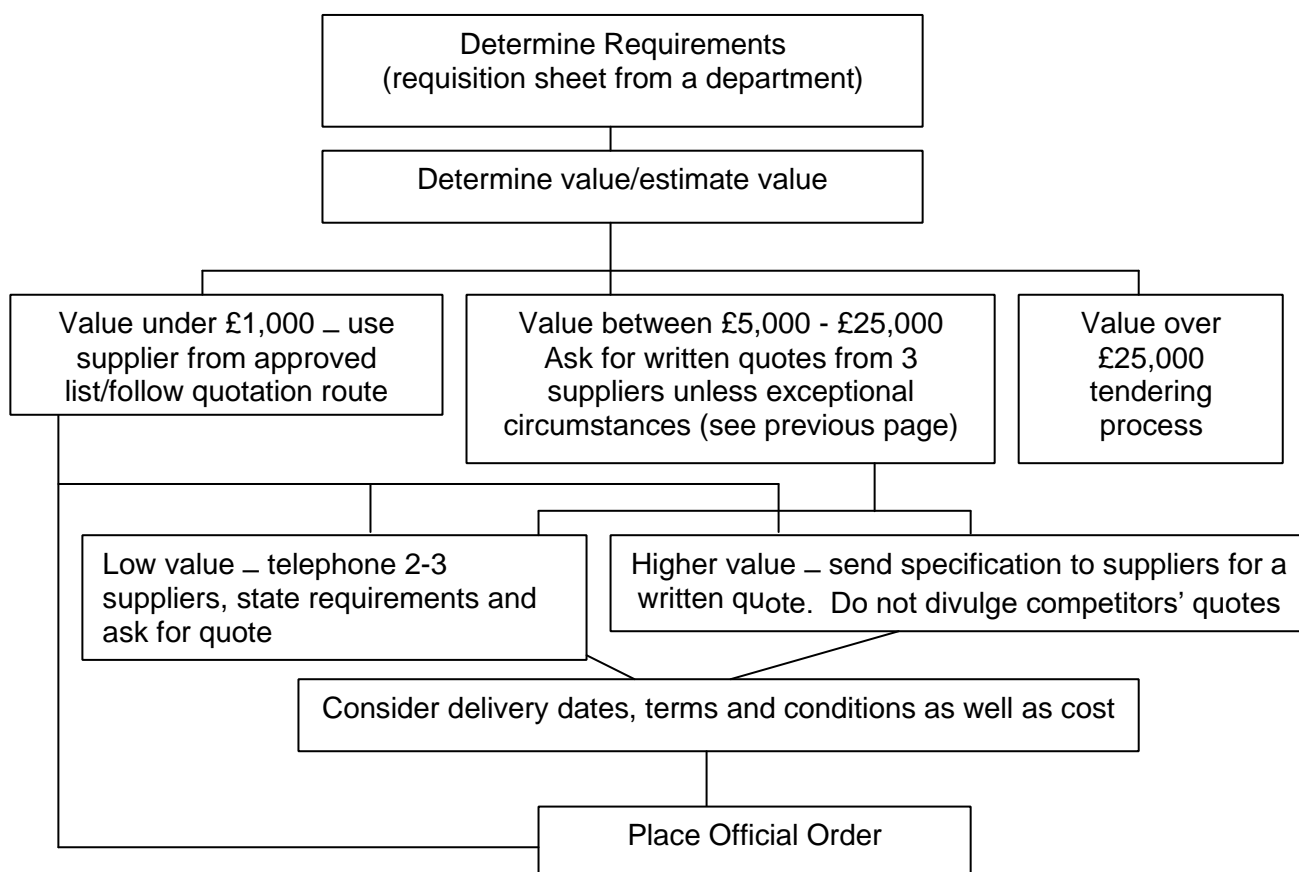
The value of the order dictates the purchasing route that the school needs to take to comply with legislation

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES



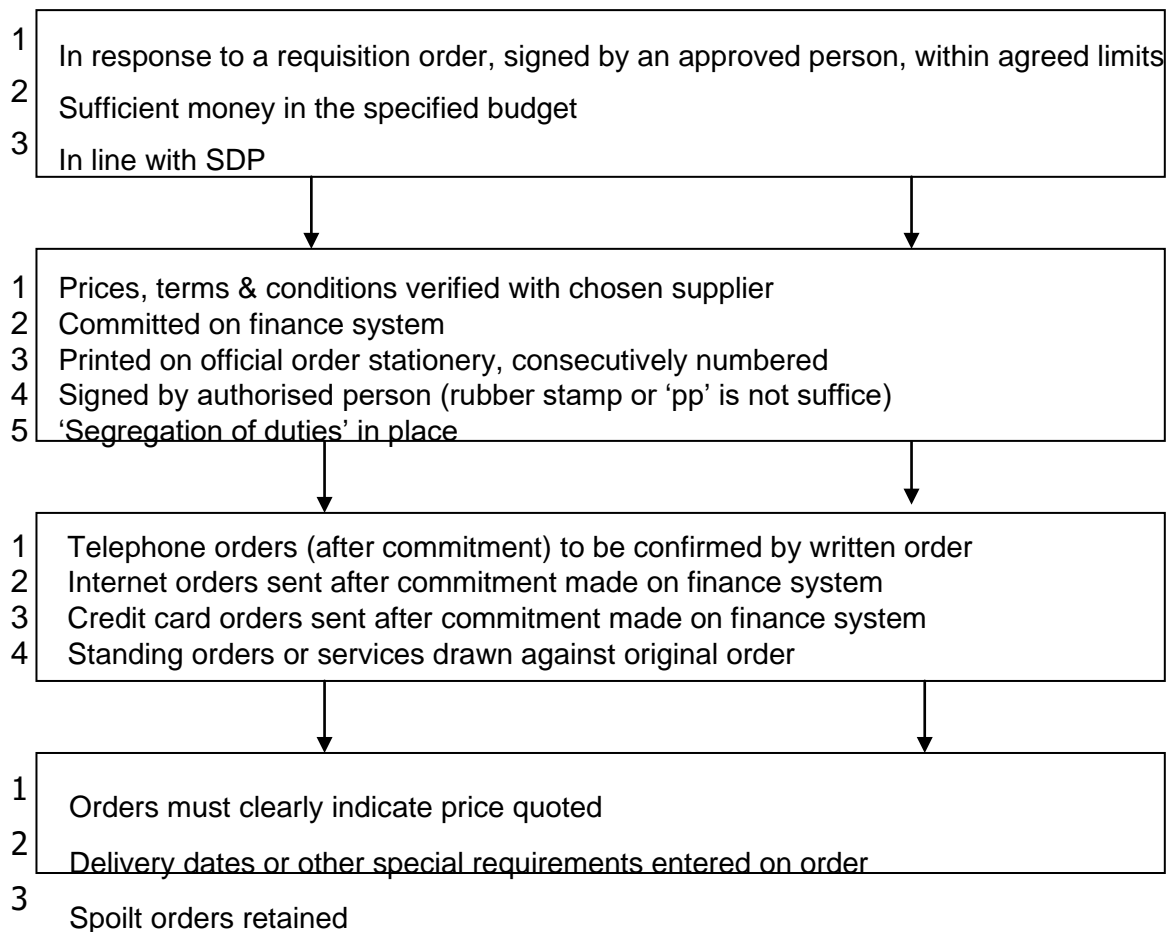
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Various costing routes



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5.3 Ordering



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5.4 Proforma - Requisition Sheet

Ashton West End Academy REQUISITION FORM				
Department/Budget:			Date:	
Name and Address of Supplier:				
Code	Product	Cost per Item	No. of Items	Total Cost
		Total cost:		
Submitted by:		Order sent:		
Authorised by:		Order Number:		

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

5.5

PROCEDURES FOR ORDERING RESOURCES

1. Staff to complete a requisition sheet, 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 curriculum area/budget must approve and sign the requisition form.
5. Approved requisition forms to be passed to the school administration for processing.
6. The school Business Manager will check prices, terms and conditions and delivery date. It is the duty of the school Business Manager 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 Business Manager 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 returned to staff, indicating the date the order was sent and its official order number.
11. Other than exceptional circumstances and with prior agreement from the Principal staff cannot order or purchase items without an official order number.
12. Request for inspection copies must be made via the school Business Manager 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.

5.6 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)

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

5.8 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:

Principal
Members of Leadership Team
Teaching Staff
Classroom Support Assistants
Site Manager
Secretary
Administrator

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 School Business Manager to note the delivery.
- 6 School Business Manager to check for any invoices that are in or attached to parcels.
- 7 School Business Manager 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.
- 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.

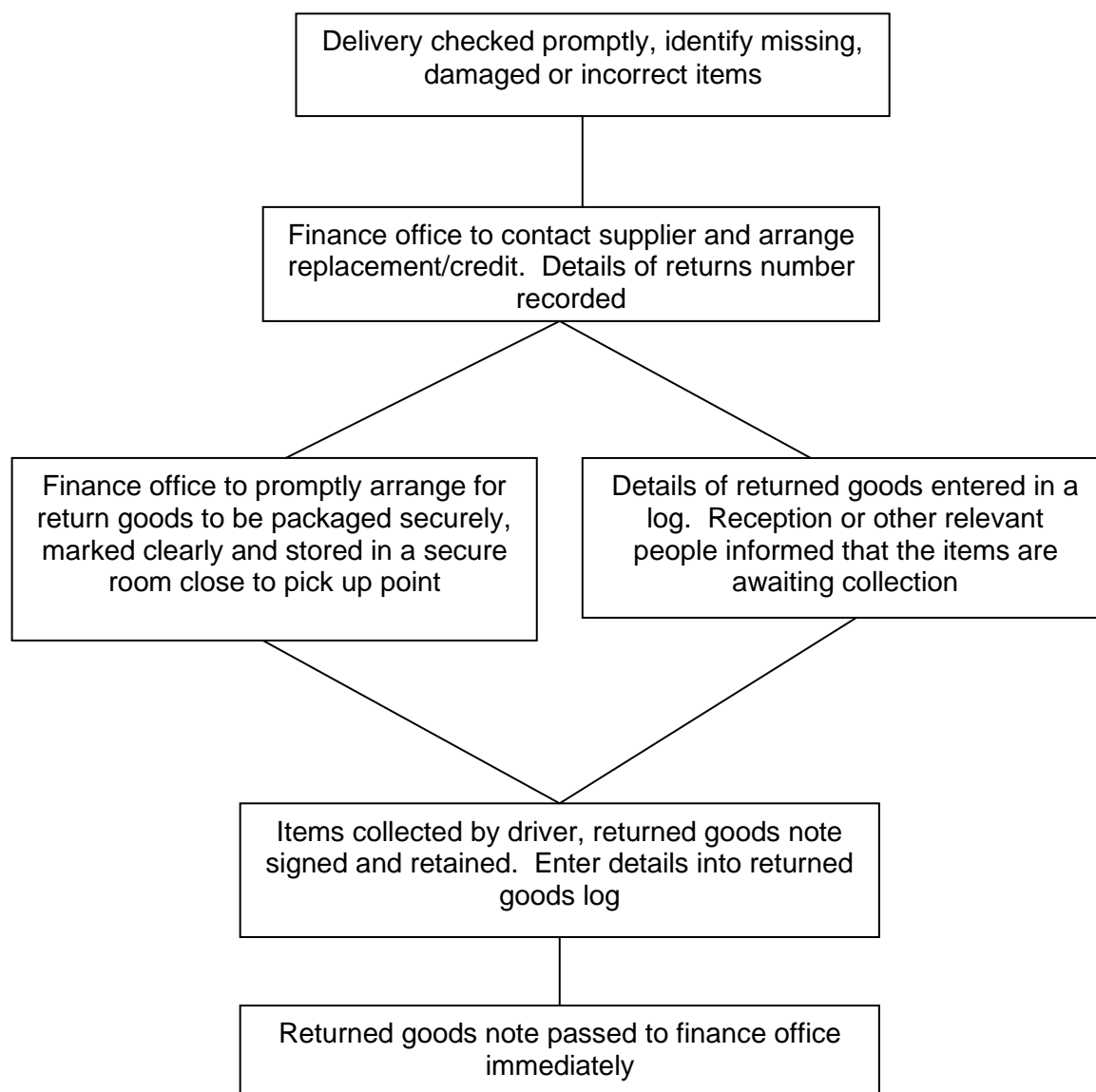
Receipt of Services

- 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 School Business Manager.
- 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.

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5.9 Returned Goods

A guide to the process



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5.10 Proforma - Return Goods Log

(This form is laid out in landscape on the CD to allow room for descriptions etc. It is also available as an Excel spreadsheet, entitled Returned Goods Log)

Ashton West End Primary Academy RETURNED GOODS LOG						
Date Placed in Store	No and Description of Item/s	Supplier's Name	Returned Goods Number	Carrier	Date Collected	Signed

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

5.11 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 School Business Manager immediately.
- 3 The School Business Manager will contact the supplier and arrange for the items to be collected/swapped.
- 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 Business Manager's office. The requisition sheet must be handed to the school administrator to be altered and signed.
- 6 The School Business Manager and the caretaker 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 school Business Manager promptly.
- 9 The School Business Manager will be aware of credit notes due as a result of returned goods and discrepancies.

5.12 Purchase Invoice Processing

- Purchase invoices should be matched against 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
- 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 (refer to 5.5 Ordering Procedures, item 12)
- 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

5.13 Checking Invoices

- Segregation of duties must be adhered to
- 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
- Initials are not sufficient; a full signature should be required
- Details of invoice must be checked against order commitment
- Check VAT details
- Check delivery charges

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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

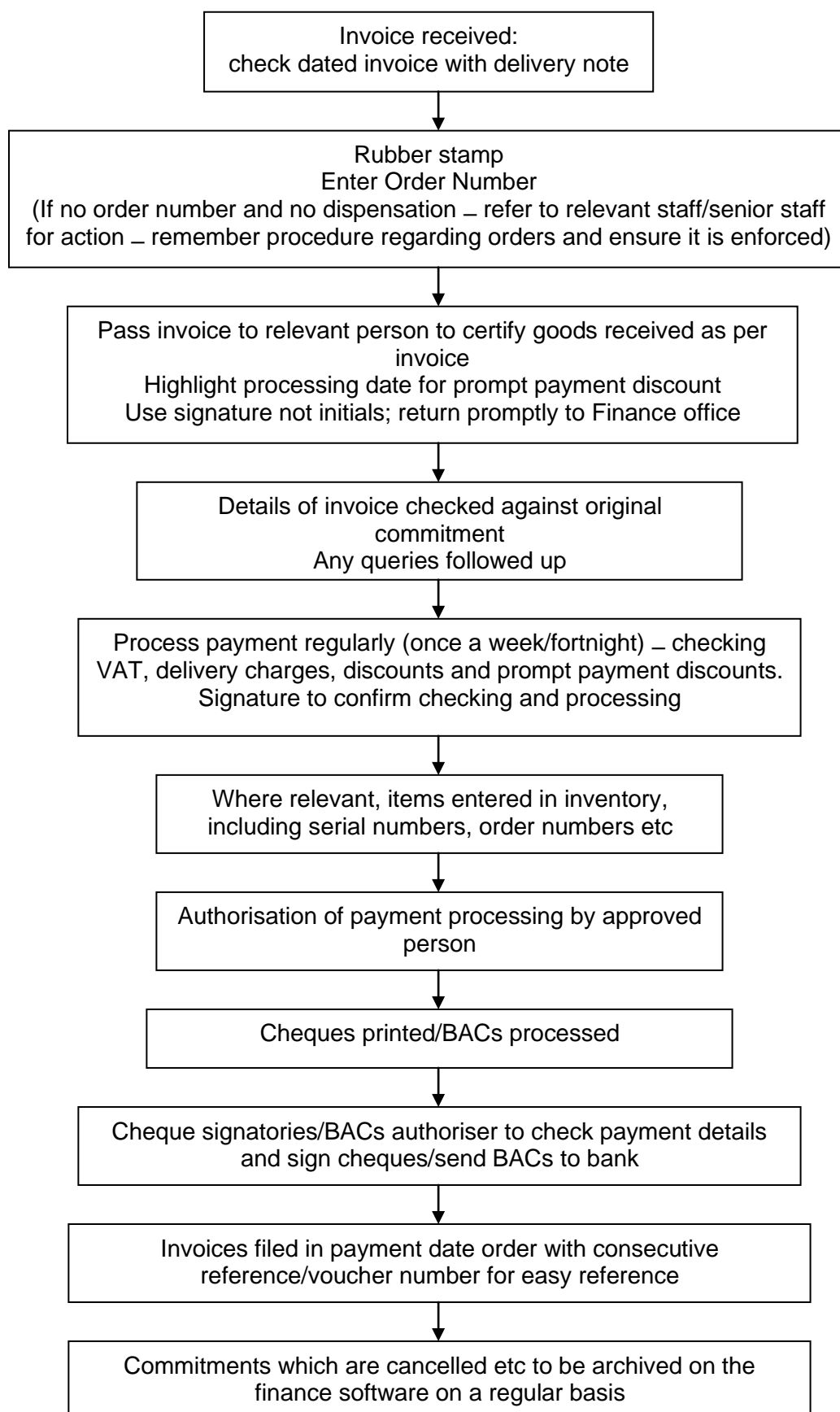
5.14 Paying Invoices

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
- File invoices in date payment order (with consecutive reference/voucher no)

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

5.15 Guide to Purchase Invoice Processing



ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

5.16 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 School Business Manager in the first instance
 - 8 School Business 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 School Business Manager .
 - 11 The School Business Manager 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.
 - 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 in payment date order with consecutive reference/voucher number.
- For detailed information on VAT refer to VAT procedures

5.17 Proforma – Declaration of Self-employed person

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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:

5.18 Credit Notes

Credit notes should be processed like negative invoices, their value being set off against an invoice

5.19 Fuel and Water Invoices

- Meter readings must be recorded on a monthly basis
- Check the actual meter reading against the invoiced reading
- If there is a discrepancy between the readings inform the supplier of the correct reading
- Do not accept more than two consecutive estimated invoices

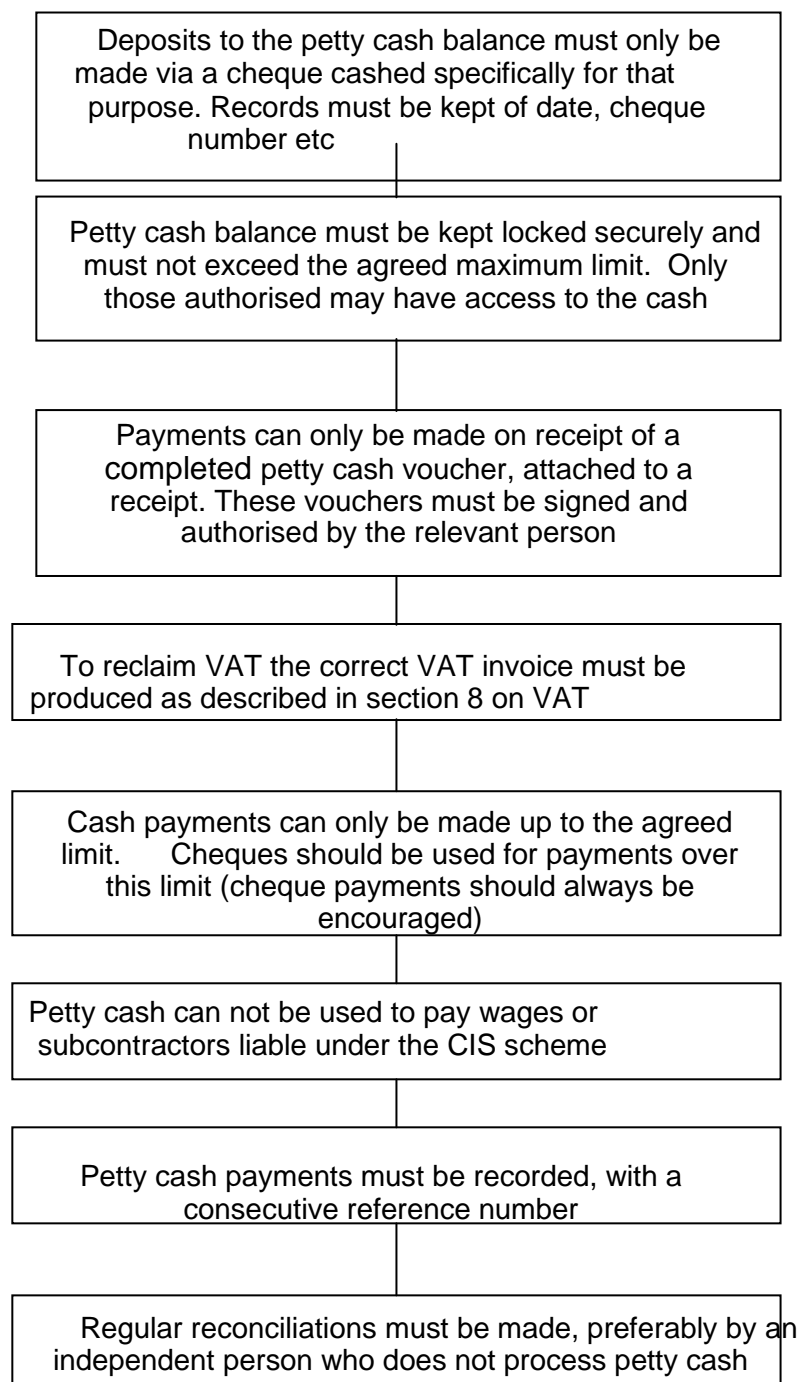
Details regarding VAT are covered in Section 8

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

6. Petty Cash

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.



ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

6.1 PETTY CASH PROCEDURES

- 1 Deposits to the petty cash balance must only be made via a cheque cashed specifically for that purpose. Records must be kept of date, cheque number.
- 2 Petty cash must not exceed the maximum limit and be kept secure. Only those authorised may have access to the cash.
- 3 Payments can only be made on a receipt with a completed petty cash voucher attached which must be signed and authorised by the relevant person.
- 4 A VAT invoice must be produced to reclaim VAT.
- 5 Cash payments can only be made up to the agreed limit (£200). Cheques should be used for payments over this limit.
- 6 Petty cash can not be used to pay wages or subcontractors liable under the CIS scheme.
- 7 Petty cash can not be used to cash personal cheques.
- 8 Petty cash payments must be recorded, with a consecutive reference number.
- 9 Regular reconciliations must be made, preferably by an independent person who does not process petty cash.

Details regarding VAT are covered in Section 8

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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
- 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.

7.1 Invoicing

Income will often be collected through the school invoicing system. This needs to be accurate and current as schools cannot afford to have bad debtors.

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

- Customers informed of cost of service/supply and payment due dates in writing, prior to supply of service
- Invoice issued either prior to supply (lettings) or immediately after supply/service

Invoice should show:

- An identifying number and date (run consecutively)
- Date supplied
- School's name, address and VAT registration number of Education Authority/School (as applicable)
- The customer's name and address
- The type of supply, i.e. sale, rental etc.
- Description to identify goods or services supplied
- Quantity and amount payable (excluding VAT) for each description
- Total amount payable (excluding VAT)
- Rate of any cash discount offered
- Date invoice due (optional)
- Rate and amount of VAT charged

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

7.2 Invoice Recording

It is important that a record of all invoices is kept, indicating date invoiced, date paid and receipt number. This ensures that income is collected promptly and bad debts are dealt with quickly

Invoice Number	Date Invoiced	Customer Name	Amount Due	Date Paid	Date to Bank – slip no

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

7.3 Proforma – Invoice

School Headed Paper

Date

Customer's Name

Customer's Address

INVOICE NO. xxxxxx

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: (*School registration number*)

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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 accept my thanks and ignore this letter.

Yours faithfully

Principal

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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

Principal

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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
- receipts are sequentially numbered
- receipts issued for school fund activities should be identified distinctly from those issued for the delegated budget
- 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
- 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 ☐ Pay into bank promptly

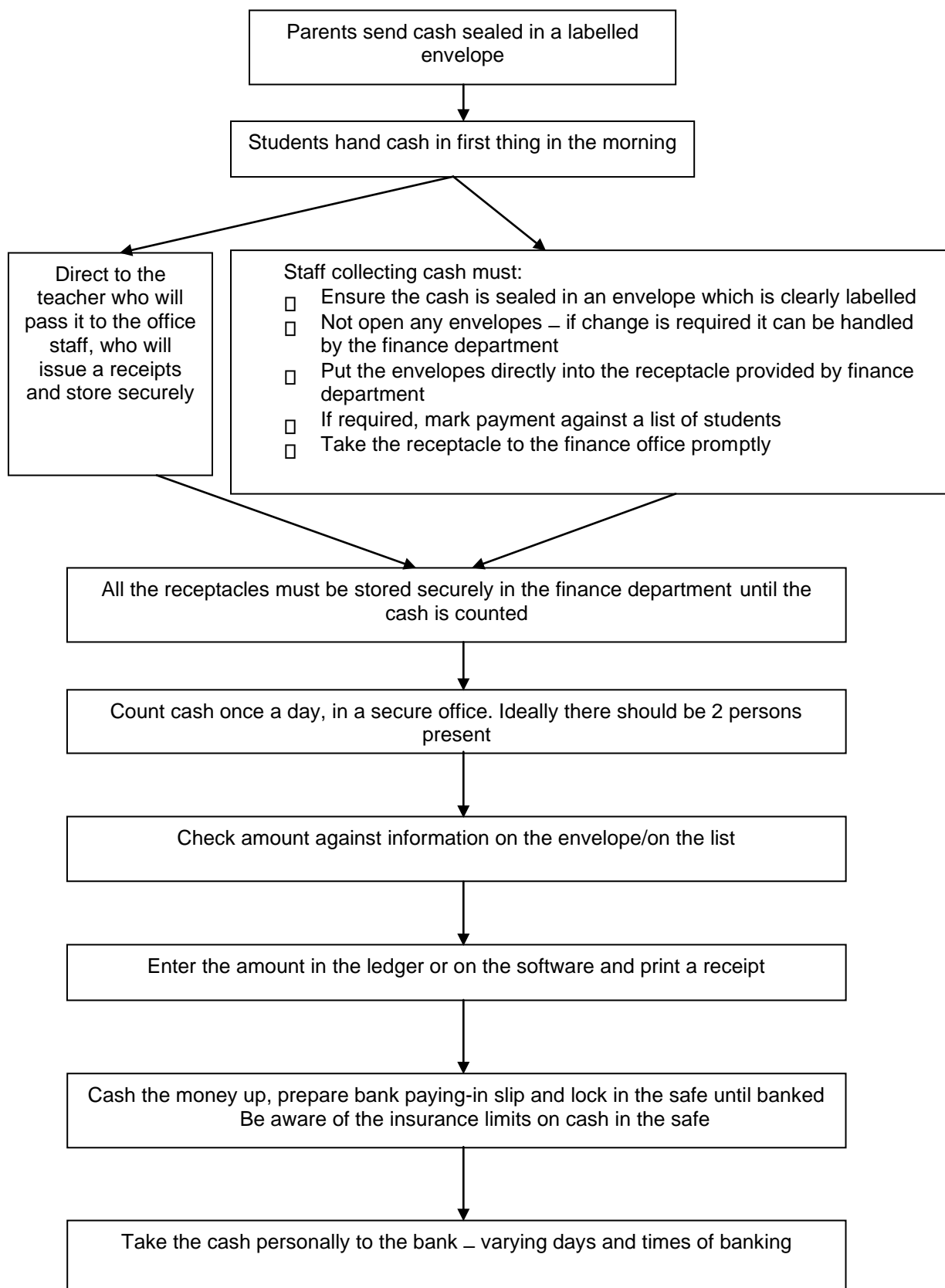
7.7 Cash Handling

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
- Be aware of insurance limits for storing delegated and/or school fund money in the school safe

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

7.8 Procedure for Cash Collection from Pupils



ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

7.9 CASH COLLECTION PROCEDURES

- 1 Parents should send cash sealed in a labelled envelope.
- 2 Students must hand cash in first thing in the morning to designated staff, who must:
 - a Ensure the cash is sealed in an envelope which is clearly labelled
 - b Not open any envelopes – if change is required it can be handled by the school administrator.
 - c Put the envelopes directly into the receptacle.
 - d Ensure that the receptacle is taken to the school administrators office promptly
- 3 All the receptacles must be stored securely in the finance office until the cash is counted.
- 4 Count cash once a day, in a secure office. Ideally there should be 2 persons present to ensure probity.
- 5 Check cash against information on the envelope or on the accompanying list.
- 6 Enter the amount in the ledger or on the software and issue a receipt.
- 7 Cash the money up and prepare a bank paying-in slip. Lock in the safe until banked
- 8 Be aware of the insurance limits on cash in the safe which is:
 - £500 office safe
 - £1000 main safe

All monies to be locked away in the safe.

- 9 Take the cash personally to the bank, on at least a weekly basis.

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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 Business Manager will reclaim VAT payments made from their delegated budget on a quarterly basis via HM Revenue and Customs.

- Re-charging outside agencies for reprographics, telephone usage etc usually needs to include VAT
- School fund pays VAT (avoidable through the official account)
- Staff cannot avoid paying VAT by purchasing personal items through the school (nor should they benefit from suppliers' discounts)
- Stationery and goods to be sold in class to students for use in school usually need not 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

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- Details required on VAT invoices vary according to cost and type of purchases as described in the following section

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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.

10. School Meals

The administration of the school meals system involves:

- Maintaining full and accurate financial records
- Cash collection, banking and security
- Maintaining an accurate and up to date list of pupils who are eligible for free school meals The system must be organised to ensure:
 - Segregation of duties between collection, recording and preparation of banking cash collected
 - Clear audit trail on all monies collected

11 Inventories

Inventories must be maintained, detailing significant items, detailing 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

11.1 Equipment to be entered on an Inventory

Items that are valuable, unusual or likely to attract thieves should be entered in inventories.

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

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, collating machinery, laminators etc
- Office equipment – fax machines, shredders, franking machine etc
- Furniture
- AVA equipment – TVs, video/DVD players, cassette players, projectors, OHPs, cameras, Speakers, Microphones etc
- Cleaning equipment – vacuum cleaners, polishers etc
- Catering equipment – ovens, fridges, dishwashers, washing machines, food processors etc

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- Technology equipment – , microwaves, power tools, craft machinery, electrical equipment, balances etc
- Premises equipment – , etc
- Other equipment – musical instruments, PE equipment etc □ Bicycles, Early Years equipment.

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 after they are purchased
- All new equipment should be entered into the relevant inventory immediately it is purchased
- Equipment should be securely stored when not in use
- A physical count of items on inventories should be 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
- Significant discrepancies must be reported to the Principal and governors
- The person checking inventory book to sign and pass to authorised person to sign and verify inventory books have been checked

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
- If the items have no of the Sales of Goods Act
- If chemical stocks are to be disposed of, the disposal must comply with COSHH etc
- 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

11.6 PROCEDURE FOR MAINTAINING THE INVENTORY BOOKS

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.

- 1 All inventory books will be kept securely locked in the school office
- 2 Items which are valuable, unusual or likely to attract thieves and items over the value of £100 must be entered in the inventory book
- 3 The School Business Manager will enter relevant new equipment in the inventory book and ensure that it is security marked
- 4 Entries must be made in permanent marker, errors crossed out and not altered with correction fluid
- 5 Items hired, loaned, leased or donated to the school must be included
- 6 Staff must have permission to temporarily remove inventory items from the premises. Such loans must be recorded in a Loans Book kept in the School Business Manager.
- 7 Equipment should be securely stored when not in use

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- 8 A physical count of items on inventories will be undertaken annually, by *someone other than the person who maintains the inventory*
- 9 Discrepancies will be investigated
- 10 Obsolete or damaged equipment must be written off, by an authorised signatory
- 11 Significant discrepancies must be reported to the Principal and Governors
- 12 *Person* checking inventory book to sign and pass to *Authorised person* to sign and verify inventory books have been checked
- 13 Proper arrangements will be made for disposal of items of equipment or stocks that are surplus to requirements or obsolete
- 14 If chemical stocks are to be disposed of, the disposal must comply with COSHH etc
- 15 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
- 16 It is important that a record of the means and price of disposal is kept
- 17 An annual stock take of all store cupboards should be made by an independent person to ensure efficient and safe procedures are in place and to identify any discrepancies in stock or storage facilities

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

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.

Schools use a variety of payroll providers:

- Education Authority
- Payroll bureau
- In-house

The choice should be based on best value. A school cannot afford to have an inefficient payroll process, as this can cause huge difficulties to staff and great animosity. It is also the largest budget within the school and therefore needs to be effective.

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

- Details of new members of staff should be sent promptly to payroll
- Salary scale, full time equivalence etc must be confirmed from the letter of appointment
- P45 or P46 included with details
- Bank details included
- Authorisation of appointment by approved person
- A staff member cannot approve their own appointment

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

Contract/Payroll Changes

- Details of contract/payroll changes must be sent promptly to payroll
- Salary scale, full time equivalence etc must be clarified from the letter confirming changes to contract
- Authorisation of appointment by approved person
- A staff member cannot approve their own appointment

Adjustments to Normal Payroll Disimbursements

- Time sheets, casual hour sheets or other supporting records to be prepared and checked to ensure they are reasonable
- Travel expenses paid through payroll must be verified
- Authorisation of disimbursement by approved person
- A staff member cannot approve their own payments

Calculating Payroll Disembursements

Some payroll providers will require the school to provide these calculations. It is good practise to calculate extra staff costs as part of the expenditure commitment process.

- 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
- 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 supply teacher receives a pro-rata element of holiday pay. Therefore the daily cost of a supply teacher will appear higher than that of a salaried teacher, who will be paid during the holidays
- Although supply teachers will claim their time on a weekly basis, it is accepted that they will be paid at the end of each month
- Governors have the discretion to fix session rates for visiting lecturers etc, either as an hourly, half day or whole day rate

12.3 Staff Payments

- Wherever possible all payments should be made by payroll
- In exceptional circumstances a cheque may be written, after consultation with payroll regarding NI, tax etc
- Under no circumstances should staff be paid from petty cash or by other cash held within the school
- Records must be retained
- All payroll payments to staff, whether casual or otherwise, must be declared for Inland Revenue purposes

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

13. School Fund – Unofficial Accounts

The Principal is responsible to the governors for any unofficial school funds and is required to provide them with annual audited accounts.

The EFA has no direct responsibility for the management and use of the school fund, except where they are held on the authority's premises and managed by the authority's employees; they can require that these funds are managed correctly.

13.1 Responsibilities

- Governors have the responsibility to oversee the effective management of the fund
- Principal to provide an annual set of audited accounts
- Principal to provide governors with information regarding items and transactions in the school fund accounts
- Principal to provide governors with details of any proposed major changes to the accounts i.e.:
 - Opening of new accounts
 - Closing of accounts
 - Disposal of balances
 - Major fundraising projects
 - Major purchases
- Principal to ensure that every pupil should benefit from the school fund
- Governors have responsibility for the correct operation of school funds operated in their premises by their staff
- The auditor has the right to access documents relating to the school fund where it is operated by the authority's employees
- EFA need accept no liability for the loss of the school funds

13.2 What are Unofficial School Funds?

- Funds that are not credited with official money from the EFA
- Controlled by the Principal
- PTA controlled funds are not included in this classification
- School funds include:
 - Educational visits
 - Tuck shops
 - Trading accounts (school uniform)
 - Minibus accounts
 - Clubs (sports clubs etc)
 - Book shop
 - Drama productions

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

13.3 Control Procedures

- Roles and responsibilities and procedures must be agreed by the Principal, and reviewed regularly
- Authorisation limits must be set
- Segregation of duties must be operated as per the official fund
- All transactions must be entered either in a manual ledger, on a spreadsheet or, preferably on custom built software
- Receipts for all expenditure are required
- The accounts must be balanced on a regular basis (at least every half term)
- An annual external audit must be carried out by a qualified person, and the audited accounts presented to the governors
- Monies from the official account should not be transferred to the unofficial fund
- The official and unofficial funds should be kept segregated

13.4 Bank Arrangements

- Bank accounts must be opened in the name of the school. No staff should hold a private account containing school funds
- If the school has both current and deposit accounts, a regular sweep of the balances should be arranged to gain maximum advantage from reserves
- If separate accounts are opened for different income ie a trips account and a school tuck shop account, the accounts must be clearly labelled so they can be easily identified. (Less interest will be gained through opening several accounts)
- Two signatories should be required on all cheques
- Cheque signatories should not sign blank cheques. If it is absolutely necessary, the first signatory should ensure the payee's name is entered and should endorse the cheque not to exceed a certain amount. Signing a blank cheque invalidates the control means of double signatories
- Up to four staff should be authorised signatories. These signatories may be the Principal and the School Business Manager and for practical purposes another 2 senior members of staff. If this is the case, the mandate should state that the signatories must be the Principal and/or the School Business Manager and one other. The School Business Manager should not be first signatory on any cheque. The three assistant principals are also authorised signatories.
- Cheques should always be accompanied by a receipt and payment voucher. If the cheque is a pre-payment (for a school trip) it should be accompanied by a narrative or quote indicating the supplier, the date and amount to be paid, and a payment voucher. After the trip a receipt must be attached to the payment voucher and the voucher completed
- Income must be banked regularly
- The insurance on unofficial fund cash kept in the safe or being transported to the bank may be less than it is for the official account
- Bank accounts must be reconciled on a regular (monthly) basis

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

13.5 Income

Staff handling cash income collected from students must adhere to the instructions on cash handling already described in section 7.8

- All income collected must be taken to the finance office as early in the day as possible. It must be deposited with the finance office on the day it is collected
- Cash from the school fund must be clearly labelled and kept in a safe, separate from official fund cash
- If the cash is collected shortly before it is required and cash payment is desirable, the cash must be sent to the finance office to be recorded and receipted, and not retained by the member of staff. It need not be banked. On the day it is required it must be collected by the responsible member of staff, who signs a voucher and who will provide a receipt as soon as possible
- Receipts should be issued for income received. This can be very time consuming if a whole year group is going on a trip. Under these circumstances, with the Principal's agreement, an account of all who have paid, whether by cheque or cash, must be kept and receipts issued if requested
- A trip record card can be issued to students paying for a trip by instalments
- Cash income cannot be used in exchange for staff cheques
- Two members of staff should be present when cash is being counted (in a small school this is not possible, but provision should be made for the cash counting to occur in a 'safe area', uninterrupted)

13.6 Expenditure

- Only staff authorised by the Principal can incur expenditure
- All payments (cash or cheque) must be supported by a receipt, and a completed payment voucher
- If the VAT avoidance scheme is going to be used, then a valid VAT invoice must be available

13.7 School Trips

- Staff should inform the finance office of any impending activity which will involve collection of money from students. This will allow the finance office to plan their time and to ensure that other staff are aware of cash handling procedures
- All activity must be costed
- A list of all payments made by students must be kept either by the finance office or the staff involved
- Be aware of the school's recharging policy
- If cash is required by staff to cover petty cash needs during the trip, they must supply receipts which cover all costs once they return. Any balance must be returned to the finance department
- No school trip should run at a loss. If it has, the loss must be analysed to avoid future mistakes

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- No school trip should run at a large profit. As a broad guideline, anything over £1.50 per student profit should be offered back to parents/guardians

13.8 Proforma – School Trip Payment Record Card

<i>Name of School</i>			
School Trip Payment Record Card			
Student Name:		Trip:	Total Cost:
Date of Payment	Amount	Staff Initials	Balance

13.9 Record Keeping

- Income and expenditure must be shown, identifying cheques and cash payments
- Payments through the bank must be shown and reconciled
- Each activity should be recorded as a budget heading, showing income and expenditure
- At the end of the year a balance sheet identifying total income, expenditure and balance for each budget heading must be shown
- It may be that some of these balances are carried forward within the budget heading and some will be amassed under a general purpose heading
- The balance sheet must show total income and expenditure for the year, the balance and carry forward from the previous year
- Profit and loss should be identified and investigated if causing concern

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

14. Remission and Charging Policy - see 14.8

Governing Bodies are required by law to draw up and review a policy in respect of remission and charges arrangements.

This policy should be made available to parents/guardians.

- Maintained schools must 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 board, lodging or residential trips can be made
- Governors can choose to remit charges in whole or part
- Charges must be remitted for board and lodgings to students whose parents receive income support or family credit, if 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.
 - 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

- 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

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- 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 governors or Education Authority specifically for this activity
 - They are employed by the governors or Education Authority to provide instrumental music tuition
 - They are staff already employed by the governors or Education Authority 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. This means that previous avoidance of VAT is no longer possible.

14.5 Charging for Cost of Ingredients, Materials etc.

- The school must bear the costs of ingredients, materials and equipment required for practical subjects
- 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
- All students must be treated the same, whether their parents contribute or not. This should be made clear on the school policy

14.6 Charging for Transport During School Hours

- If the school or the Education Authority provide transport for students during school hours (ie transporting students on a split school site or to an activity provided by the school or Education Authority), no charge can be made to parents
- If a student uses transport not provided by the school or Education Authority 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

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

14.8 School Remission and Charging Policy

Ashton West End Primary Academy

Charging for School Related Activities Policy

The effect of the Education Reform Act 1988 on charging in schools is set out in DfEE Circular 2/89. LEAs and Governing Bodies have a duty to state a policy on charging with effect from April 1989, and until such a policy is stated, no charges may be levied. This document seeks to fulfil that requirement.

Residential Visits

At this school, all such visits take place wholly outside school hours, and therefore will continue to be funded by parents as before. It is already school policy that no child be excluded on financial grounds alone, and this will continue with remission arrangements for children whose families are on Income Support or who are in receipt of Family Credit in accordance with the requirements of the Act and Circular 2/89.

Day visits at least 50% in school time

In accordance with the requirements of the Act and Circular 2/89, these will be funded by voluntary contributions from parents based on the cost per child. If there are insufficient funds forthcoming by this method then either:

- i) the trip will be cancelled OR
- ii) those contributions collected will be returned and the whole cost met from school sources.

To this end, where proposed visits fall within this category, as part of the information sent out to parents, the following will be included:

Parents are asked to make a voluntary contribution of £... Per child for this, which should be sent to the teacher byday of Failure to make a contribution in respect of a child will not result in differential treatment of that child, but should too few such contributions be received, the visit may have to be cancelled.

It is already school policy that no child be excluded on financial grounds alone, and this will continue with remission arrangements for children whose families are on Income Support or who are in receipt of Family Credit in accordance with the requirements of the Act and Circular 2/89.

Non Residential Visits at least 50% out of School Time

Visits in this category are rare, but examples might be visits to sports events in the evenings or at weekends. These will continue to be funded by parents as before. It is already school policy that no child be excluded on financial grounds alone, and this will continue with remission arrangements for children whose families are on Income Support or who are in receipt of Family Credit in accordance with the requirements of the Act and Circular 2/89.

Instrumental Music Tuition

Activities Arranged by Third Parties

The regulations allow for charging for activities, which are arranged by outside third parties such as a tour operator etc. Where visits fall into this category, a charge will continue to be made. It is already school policy that no child be excluded on financial grounds alone, and this will continue with

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

remission arrangements for children whose families are on Income Support or who are in receipt of Family Credit in accordance with the requirements of the Act and Circular 2/89.

Signed

Principal

Chair of Governors

Date

Review Date

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

15. Management Accounts

In accordance with the guidance as set out by the ESFA, the AFH requires that the monthly management accounts are sent to the chair of the trust every month and to all other trustees not less than six times a year.

The latest management accounts should be presented to each finance committee meeting and (in an appropriately summarised form) to each trust meeting.

As best practice, individual budget holders should also be provided with monthly income and expenditure accounts and/or transaction lists relating to their departments, for reconciliation.

15.1 Income and expenditure report

This should set out:

- budget for the month just ended against actual results for the month, and variance (value and percentage)
- budget for the academic year to date against actual results to date, and variance (value and percentage)
- budget for the full academic year against latest forecast outturn for full year, and variance (value and percentage).

There should be separate income and expenditure accounts for recurrent and capital funds.

Areas to review:

- ensure that a supporting narrative is produced which adequately explains the reasons for any significant variances from the budget
- there is no set amount for salary costs however guidance has suggested that staff costs are generally 70% to 80% of income with anything higher likely to be unsustainable
- supply cover – review levels of sick leave (long and short term), maternity leave and other absences and consider whether action is needed to reduce cover costs
- repairs, renewals and energy costs - consider whether sufficient provision is being made for these potentially significant items
- consider whether private income is being generated as forecast (such as lettings / sales)
- consider where any activities should be extended or reduced in light of latest budget projections
- If a deficit revenue budget is set and there are no sufficient reserves to cover it, per paragraph 2.2.5 of the AFH, the trust must notify the ESFA within 14 days of the deficit revenue budget being set.

15.2 Balance sheet

Areas to review:

- debtors – this figure should represent monies due to the trust but not yet received. Ensure that a separate "aged debtor" analysis of this figure is provided and that appropriate action is being taken to pursue significant overdue amounts
- cash at bank - check that the actual cash at bank physical balance is not overdrawn (academies can not borrow – this includes overdrafts)

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

- creditors and accruals – these should include invoices received and payable by the trust plus commitments made where the invoice has not yet been received. There may be anomalies some months which result in creditors being in excess of 20% of one month's GAG
- net current assets (current assets minus current liabilities) – check that these are positive. A negative balance is indicative of potential cash flow problems

15.3 Cashflow

A cashflow statement is required to demonstrate where the academy's funds are being spent and to identify shortfalls in cash during the year.

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

Part 3 Appendices

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)
CTC	City Technology College
DfES	Department for Education and Skills
DoE	Department of the Environment
EA	Education Authority
EAZ	Education Action Zone
EBD	Emotional and Behavioural Difficulties
EDP	Education Development Plan
EFC	Education Finance Consultant
EFS	Education Financial Services
ELSS	English Literacy Support Service
EMAG	Ethnic Minority Achievement Grant
EP	Educational Psychologist

ASHTON WEST END PRIMARY ACADEMY FINANCIAL PROCEDURES

ESL	English as a Second Language
EWO	Education Welfare Officer
EYCDP	Early Years Childcare Development Plan
FAS	Funding Agency for Schools
FEDA	Further Education Development Agency
FoE	Forms of Entry
FMS	Financial Management System, the software accounts package on SIMS
FTE	Full Time Equivalent
GMBATU	General Municipal Boiler Makers and Technicians Union
GNVQ	General National Vocational Qualifications
GSB	General Schools Budget
H&S	Health and Safety
HIU	Hearing Impaired Unit
HMI	Her Majesty's Inspector of Schools
HMSO	Her Majesty's Stationery Office
HR	Human Resources
ICT	Information and Communication Technology
IEP	Individual Education Plan
IIP	Investors In People
IMS	Information Management Services
INSET	In-Service Education of Staff
ISB	Individual Schools' Budget
ISPSB	Individually Statemented Pupil Support Budget
IT	Information Technology
ITT	Initial Teacher Training
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
LEA	Local Education Authority
LFM	Local Financial Management
LMS	Local Management of Schools
LMSS	Local Management of Special Schools
LSB	Local Schools' Budget
LSC	Learning and Skills Council
MLD	Moderate Learning Difficulty
MOE	More Open Enrolment (formula devised by DfE to calculate school capacity)
NAGM	National Association of Governors and Managers
NAHT	National Association of Principals

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NASUWT	National Association of Schoolmasters and Union of Women Teachers
NCC	National Curriculum Council
NCET	National Council for Educational Technology
NCVQ	National Council for Vocational Qualifications
NFER	National Foundation for Educational Research
NFF	National Funding Formula
NI	National Insurance
NNEB	National Nursery Examination Board (Nursery Nurse Qualifications)
NOR	Numbers On Roll
NPQH	National Professional Qualification for Principalship
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
PDU	Planning and Development Unit
PHU	Physically Handicapped Unit
PICSI	Pre-Inspection Context Social Indicator report
PFI	Private Finance Initiative
PMLD	Profound and Multiple Learning Difficulties
PPA	Pre-school Playgroups Association
PPP	Public Private Partnership
PRC	Premature Retirement Compensation
PRP	Performance Related Pay
PRU	Pupil Referral Unit
PSB	Potential Schools Budget
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
SCS	Staff Cover Scheme
SCP	Spinal Column Point, point on salary scale
SCDC	School Curriculum Development Council

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SCIP	School Curriculum Industry Partnership
SDC	Staff Development Co-ordinator
SDP	School Development Plan
SEN	Special Educational Needs
SHA	Secondary Principals Association
SIMS	Schools Information and Management System
SIS	Strategic Information Service
SLA	Service Level Agreement
SLD	Severe Learning Difficulty
SSA	Standard Spending Assessment
SSR	Service Strategy Regulation
SSSU	Schools and Student Support Unit
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
WJEC	Welsh Joint Educational Committee

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.

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Best Value	A set of principles, replacing CCT 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.
Feeder School	A school which transfers pupils to another school, eg a primary school "feeding" a Secondary school.
Finance Manual	Local Management of Schools Guidance Manual, Finance. This manual sets out the audit requirements and county 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.
Foundation Stage	Provision of education for children aged 3 - end of reception.
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 in secondary schools.
Journal	Transaction moving expenditure around by debiting one cost centre and crediting another.

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Keeping Your Balance	Audit Commission or Ofsted Questionnaire completed before an Ofsted inspections
Objective Code	Unique number used in all financial transactions that identifies the school name, where it is located and what type of school it is.
Open Enrolment	Parental choice of school.
Outturn Statement	A book 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 in secondary schools.
Section 151	Section 151 of the Local Government Act 1972 that requires local authorities to ensure the probity of public funds.
Section F	Section F of the Principal's forms from the Ofsted handbook. This is a form that schools have to fill in prior to an Ofsted inspection, detailing financial and other resources.
September Count	An enumeration form completed on the third Thursday in September stating the total number of pupils on roll in primary schools.
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.
Standard Spending Assessment	Annual amount determined by central government that an LEA can levy on the precept payers.

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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.
Tranche	Termly amount of money paid into the LBA to cover nonstaffing costs.
Unit Of Resource	Aggregated UOR - The funding given for each pupil, required to be distributed by reference to pupil numbers. Main formula UOR - the funding given for each pupil unit as counted for the purposes of the flat rate allocation and the small schools' subsidy.
Vertical Grouping	Classes formed with children of different ages.
Virement	An authorised transfer of a surplus to balance a deficit under another budget heading.

17 Types of Schools

Schools in the maintained sector have varied status. The four main categories are:

Community	Formerly county schools, the LEA employs the school staff, owns the school land and buildings and has primary responsibility for admission arrangements.
Foundation	Many were formerly grant maintained schools: the governing body employs the school staff and has primary responsibility for admission arrangements. The school land and buildings are owned by the governing body or a charitable arrangement.
Voluntary Aided	The governing body employs the school staff and has primary responsibility for admission arrangements. The land and buildings are normally owned by a charitable foundation. The governing body contributes towards the capital costs of the running of the school. Most aided schools are linked to a faith group.
Voluntary Controlled	Almost always church schools, and the land and buildings are often owned by a charitable foundation. The LEA employs the school's staff and has primary responsibility for admission arrangements.

Other status or types of schools are:

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Specialist Schools	Any maintained secondary school can be designated a specialist school
Nursery Schools	
City Technology	These are funded directly by the Government and offer a wide
Colleges (CTCs)	range of vocational qualifications alongside A-levels or equivalents. They are technically independent schools.
City Academies	Publicly funded independent schools. The Academies are owned and run by sponsors, who provide significant capital funds to the school, with the Government providing the balance of capital costs and recurrent funding. They provide free education to secondary age pupils of all abilities.
Pupil Referral Units (PRUs)	Established and maintained by a local Education Authority to provide education for children of compulsory school age who may otherwise not receive suitable education. The focus of the units is getting pupils back into a mainstream school.
Grammar Schools	Select all, or almost all, of their pupils by reference to high academic ability. The current policy on grammar schools states that there will be no new grammar schools and no further selection based on the 11-plus.
Non-Maintained Special Schools	Not-for-profit, charitable schools, part funded by LEAs through placement of special needs pupils.
Independent Schools	Usually funded by fee-paying students and are not maintained by the local authority or central government.