

Paulet High School

Financial Procedures Manual

Version 3.0

August 2010



Paulet High School
A Mathematics and Computing Specialist College

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Document Control

Version	Date	Author	Changes	Status
1.0	January 2007	T Bayliss	First Issue	Approved
2.0	August 2009	T Bayliss	<p>Following reorganisation of the 6th Form the following sections have been updated</p> <p>Pecuniary interests. Secure Storage of Records. Identifying Income Due Receipt of income from machines. Safe Storage of Cash</p> <p>Clarification of scope of the procedures in new section. Updated document retention guidance. Updated Charging and Remissions Policy based on LA template policy. Updated Lettings schedules of charges. Access to Finance Safe no longer includes lunch time cashier.</p>	Approved
3.0	August 2010	T Bayliss	<p>Minimum value above which all furniture, fittings, equipment plant and machinery must be added to the school's asset Inventory reduced from £250 to £100 as required under the LA Financial regulation I1.</p> <p>Requirement to use SCC official receipt book for cash receipts over £10.</p> <p>Inclusion of Financial Regulation restrictions on use of Imprest (petty cash). Now requires use of petty cash voucher for cash disbursements to staff.</p>	Approved

Scope

This Financial Procedures Manual covers Financial Management Operations of the Paulet High School, including those operations of the Stapenhill Post 16 Centre that Paulet Governors have taken responsibility for. It does not include any financial management operations relating to Cleaning or Kitchen activities undertaken by Staff employed by County Catering or Cleaning Services.

Governance

Roles and Responsibilities

The roles and responsibilities of the governing body, its committees and staff relating to financial management and financial decision making are defined in the accompanying document entitled *Statement of Roles and Responsibilities for Financial Management*.

Local Authority Regulations

As a maintained school, Paulet High School is required to follow the regulations and guidelines laid down by the County Treasurer at Staffordshire County Council.

Relevant documents (on which these Financial Procedures are based) are as follows.

- Staffordshire Scheme for Financing Schools
- Standing Orders on Contracts for Schools
- Financial Regulations for Schools
- Deferred Capital Payments Scheme
- Licensed Deficit Scheme
- Guidance on Declaring Pecuniary Interests
- Resource Management Guidance Manual for Schools

These documents are available via the Staffordshire Learning Net. Access to this internet resource is available to all staff and governors. Please contact the School Business Manager to request your access codes.

Financial Scheme of Delegation

The Financial Scheme of Delegation is defined in an accompanying document called *DELEGATION SCHEDULE - FINANCIAL REGULATIONS - Paulet High School 405100*.

Changes to this document must be approved by the governing body (change approval authority is currently delegated to the Finance and Staffing Committee FASCOM).

The Financial Scheme of Delegation is to be reviewed annually by the governing body (re approval authority is currently delegated to the Finance and Staffing Committee FASCOM).

Register of Pecuniary Interests

In accordance with standards of behaviour required of individuals engaged in the application of public funds, governors and senior staff are required to declare any conflicts of interest.

Governors and staff will be required to declare any business interests that may be seen to compromise their impartiality.

A register of business interests for governors and staff is kept. The file containing signed statements of pecuniary interests is available for inspection in the main reception of the school. Governors and staff are asked to update this register at least annually.

In addition, governors attending meetings of the Finance and Staffing Committee will be asked to declare any business interests relevant to the meeting agenda at the beginning of each meeting.

Arrangements for the 6th Form Centre are as follows:

- Separate register of business interests is not kept as the governing body comprises governors of both Paulet High School and Blessed Robert Sutton High School;
- Governors are asked to declare any business interests relevant to the meeting agenda at the beginning of each meeting of the joint governing body..

Maintenance of Accounting Records and Document Retention

The school uses the Local Authority provided Financial Accounting software application known as SAP to record its financial records.

Documents are to be retained for periods as per the associated document *RETENTION GUIDELINES FOR SCHOOLS Version 3: 13th December 2007* published by the Records Management Society Of Great Britain, Local Government Group. NB latest version of this document is 3.1 but changes from v 3 are not relevant.

Secure Storage of Records

All accounting records, including both electronic and paper formats are to be kept secure and access to these records controlled. Access to the SAP Accounting system and the SAP Portal procurement system is restricted by means of user identifiers and passwords. Prime accounting documents, in particular invoices and receipts are to be stored in secure locations, namely the Finance offices occupied by the School Business Manager and the Finance Officer.

Prime accounting documents, primarily invoices and receipts, relating to expenditure on post 16 centre budget headings are to be stored in a secure location within the Stapenhill Post 16 Centre building.

Income

Charging Policy

Charging and Remissions Policy

The school's Charging and Remissions Policy is defined in the document "Charging and Remissions Policy", reference F-CM. This covers charging, voluntary contributions and remission for :-

- Board and Lodging
- Peripatetic musical instrument tuition
- Hire of musical instruments; and
- Other activities where charges are permitted under relevant UK Education Legislation.

This policy also sets the overarching principle for the school letting policy.

Policy for the Stapenhill Post 16 Centre to be agreed with the Blessed Robert Sutton School.

Lettings

The school has a schedule of charges for non directed premises lettings that is reviewed annually by FASCOM governors. It comprises the following associated documents.

- *Charity & Sports Charges*
- *Community Lettings Charges*

All non directed lettings are to be made in accordance with the school's lettings policy. This is defined in the related document Paulet High School Non-Directed Lettings Policy. This policy is based on the Local Authority proforma standard on non directed lettings. In particular, all lettings will be made by means of a formal lettings agreement.

Identifying Income Due

All records of income due that relate to KS3 and KS4 activities are kept on a file maintained in the Finance Office.

All records of income due relating to 6th Form activities are kept on file by the Systems and Office Support Manager at the Stapenhill Post 16 Centre.

For SAP invoices, where school accounts are credited immediately with the value of the invoice, debts are chased by the Local Authority Income Team. The school is not notified when invoices are paid.

Invoices are to be raised within 30 days.

Other income due:

Small Grant claims (< £1,000) claim forms are filed and updated as income received.

Receipt of Income

The school is required to adhere to Local Authority instructions regarding the receipt of income. These are defined in the Financial Regulations for Schools document.

In particular:

- Every person receiving individual cash sums over £10 on behalf of the school should issue an official receipt¹ for the money.
- All debtors are to be asked to make cheques payable to Staffordshire County Council where payable into the school's delegated budget.
- Every transfer of official money from one member of staff to another must be evidenced in the school's records by the signature of the receiving officer. Forms and procedures for collection of cash from pupils and transfer of cash between staff are included in Section C of the Staff Handbook.

Machines located in Paulet High School premises that take money that is due to the school are to be emptied and cash counted by two members of staff, one of whom is either the Finance Manager or the School Business Manager.

¹ Official Staffordshire County Council Receipt Book

Machines located in the Stapenhill Post 16 Centre that take money that is due to the school are to be emptied and cash counted by two members of staff, one of whom is either the Systems and Office Support Manager or the School Business Manager.

Safe Storage of Cash

Cash held in the Paulet High School is to be stored in either the Finance safe or the petty cash tin (kept in secure cabinet).

Cash held at the Stapenhill Post 16 Centre is to be stored in the finance safe.

Access to Cash storage at Paulet High School.

Access to the Finance safe is restricted to the following staff:

- The Headteacher
- The School Business Manager
- The Finance Manager

Access to the petty cash tin is restricted to the following staff:

- The Headteacher
- The School Business Manager
- The Finance Officer

Access to Cash Storage at Stapenhill Post 16 Centre

Access to the Finance safe is restricted to the following staff:

- The Systems and Office Support Manager
- The School Business Manager, Paulet High School

Insurance Limits

The maximum amount of cash to be stored in the Paulet Finance safe to comply with Insurance Limits is £1,000. The School Business Manager must be informed if this limit is exceeded on any occasion.

The maximum amount of cash to be stored in the Paulet petty cash tin to comply with insurance limits is £300. The School Business Manager must be informed if this limit is exceeded on any occasion.

Stapenhill PSC storage insurance limits are identical to those stated for Paulet High School.

Purchasing

Purchasing using the School's Delegated Budget

Local Authority Regulations

The regulations regarding direct purchasing of goods and services by the school from its devolved budget are defined in the following documents (issued by Staffordshire County Council):

- The Scheme for Financing Schools (sections 2.15 to 2.19 inclusive).
- Financial Regulations for Schools (Section H)
- Contract Standing Orders – Feb 2004 -

Authority to commit the school to expenditure is defined in the School's Scheme of Delegation (reviewed annually by the governors' finance and staffing committee, FASCOM).

Quotations and Tenders

Regulations for when tenders or quotation must be sought are defined primarily in the Contract Standing Orders for Schools issued by Staffordshire County Council.

Further guidance on levels of authority can be found in the School's Scheme of Delegation.

Where the quotation/tender process has not been followed (in cases where exceptions are permitted) or the lowest price not accepted, this matter will be reported and minuted at the next meeting of the governors' finance and staffing committee.

Best Value

The school will seek to apply the principles of best value, namely:

- Challenge
- Compare
- Consult
- Compete

These principles are reflected in the Contract Standing Orders and the School's scheme of delegation.

Ordering and Receipt of Goods

Ordering

Under the Staffordshire County Council Financial Regulations for Schools, official written orders must be issued for all works, supplies and services except for supplies of gas, electricity, water, rent, rates, telephones, petty cash disbursements, examination fees and Service Level Agreements entered into with the Authority.

The following procedures will therefore apply for the ordering of goods.

Cost Centre Managers must submit a completed and signed departmental order form to the Finance Officer. This forms the instruction for the Finance Officer to create the order. Cost Centre Managers should ensure that they hold sufficient funds in their budget to cover the cost of the purchase and where relevant, have referred to the school's policy for use of departmental capitations for learning resources before submitting the departmental order form.

The Finance Officer will create an Official Order using the school's purchasing system (known as SAP Portal). In the case of the Stapenhill Post 16 Centre, orders will be created by the Systems and Office Support Manager.

Subject to the value of the order (refer to Scheme of Delegation), this order will be reviewed and authorised by the School Business Manager or the Headteacher.

On authorisation, the order document is either printed and faxed or forwarded by e:mail to the chosen supplier.

Copies of all orders are filed by the Finance Officer in the Orders folder kept in the main reception of the school. Orders raised against Post 16 Centre cost centres are filed in the Centre finance office.

Goods delivered by mail to Reception

All deliveries are to be receipted by the member of staff on duty in the reception. In the case of deliveries out of hours, the School Business Manager or Premises Manager will take receipt of goods.

Contents of packages will not be routinely inspected immediately on delivery. Staff signing for receipt at this point should ensure that packages are correctly addressed to the school and that the correct number of packages are received and signed for. The receipt signature should be noted 'NOT CHECKED' at this point.

Having signed for receipt of a package, a member of staff remains responsible for the security of the package until it is handed on to the Finance Officer or the Systems and Office Support Manager in the case of the Post 16 Centre.

On receipt of the package, the Finance Officer (or Systems and Office Support Manager in the case of the Post 16 Centre) will arrange for the contents of the pack to be checked by the budget holder/ requisitioner against the original order. Any discrepancies with the delivery documentation are passed to the supplier.

For individual items with a value over £100, the Finance Officer (or Systems and Office Support Manager in the case of the Post 16 Centre) must ensure that the school's inventory system is updated immediately with the minimum information (as follows):

- Date of acquisition
- Indicator whether (owned, loaned or leased)
- Description of the item (include make, model, serial number)
- School unique asset identifier applied
- Location (including department/member of staff issued with the item)

The Finance Officer should inform the Premises Manager of the details of the item. The Premises Manager will then ensure that the item is given a unique school inventory reference (an asset identifier sticker will be attached to the equipment) and will update the inventory record. The Systems and Office Support Manager issues the asset reference and maintains the inventory in the case of the Post 16 Centre.

Payment of Invoices

All invoices received from suppliers are to be passed to the Finance Officer (or Systems and Office Support Manager in the case of the Post 16 Centre) for prompt checking (against received goods and services) and entry into the school's finance systems for payment.

On entry into the school's financial systems, a unique document number (generated by the system) and the date are to be written on the invoice to indicate that the invoice has been entered for payment and to avoid duplicate payments.

Order invoices

The Finance Officer (or Systems and Office Support Manager in the case of the Post 16 Centre) will check all invoices received against official order and the goods received notes to ensure that:

- Invoice lines relate to goods and services that have been received. In the case of received goods, receipt and checking of items will have been recorded by the requisitioning officer on the face of the invoice or (a clearly marked copy) which is then returned to the Finance Officer. In the case of received services, the invoice will be signed by the requisitioning officer to indicate that services have been completed satisfactorily before the invoice is entered for approval and payment.
- Invoice pricing reflects the order value. Any significant variations are investigated and will be noted on the invoice document.

The Finance Officer (or Systems and Office Support Manager in the case of the Post 16 Centre) will enter the invoice details via the school's procurement system known as SAP Portal.

If the invoice value line by line agrees (within a tolerance of 5% or £25, whichever is the lesser), the invoice will be automatically released for payment by the County Creditors team. The timing of the payment will automatically take account of the payment terms agreed between the supplier and the County Council.

If there is a discrepancy (greater than the allowable tolerance), the invoice line will automatically be forwarded to the School Business Manager (or the Headteacher) for review and release for payment.

Non order invoices.

These should only be received for supplies of gas, electricity, water, rent, rates, telephones, petty cash disbursements, examination fees.

Invoices for gas, electricity, water, rent, rates and telephones are to be copied to the School Business Manager and Premises Manager (or Systems and Office Support Manager in the case of the Post 16 Centre) who check and confirm that payment is due.

Invoices for examination fees will be checked by the School's Examinations Manager who will check and confirm that payment is due.

All non order invoices entered must be authorised for payment by either the School Business Manager or the Headteacher (depending on the value of the invoice versus the school's Scheme of Delegation). This process is automatically enforced in the school's Finance System known as SAP R3.

Imprest Account

Guidance on the operation of the Imprest system is contained in the SAP ICT Training Manual.

The Finance Officer administers the school's Imprest system.

Reimbursement of the Imprest account is authorised monthly (or as necessary) by the School Business Manager.

Staffordshire County Council's Financial Regulations for Schools (section H1) require that,

'payments out of an imprest account shall be limited to minor items of expenditure², must be supported by a receipted voucher, or otherwise be specifically approved by the County Treasurer, and must relate to transactions properly payable by the School. **Such payments shall not include staff salaries or wages, travel and subsistence expenses**, or those in respect of work carried out under the Construction Industry Tax Deduction Scheme (CITDS). '

Petty cash vouchers are to be used for reimbursements from imprest accounts. These are to be signed by the authorising officer and the member of staff receiving the cash when the reimbursement is made.

There is NO Imprest Account maintained for the Stapenhill Post 16 Centre.

² The suggested limit for individual items purchased from an imprest account is £100. However, schools are required to obtain an official VAT invoice for all purchases in excess of £50 in order to satisfy HM Customs and Excise.

Assets

Up to date inventory of assets is held by the school in the form of a spreadsheet.

Items of equipment with value >£100 are to be added to the inventory by the Premises Manager (or Systems and Office Support Manager in the case of the Post 16 Centre) on notification of receipt (including required details) by the Finance Officer.

Required details are as follows:-

- (a) date of acquisition;
- (b) adequate description of the asset, including any unique identification mark such as a serial number;
- (c) location of the asset (including where off-site);
- (d) details of disposal or write-off (including governors minute reference).

A physical check of the inventory items will be undertaken annually to verify the physical inventory items. Any discrepancies from the recorded inventory will be recorded in the inventory and reported to the governors' Finance and Staffing Committee by the School Business Manager. In the case of the Stapenhill Post 16 Centre, reports will be made to the joint governors of the centre.

Any inventory item taken off site must be notified to the premises manager and recorded in the register of equipment taken off site. Inventory items will generally be identified by existence of an asset identifying tag. Staff in any doubt should consult the School Business Manager.

Any planned disposal or write off of inventory items must be notified to the School Business Manager before it is actioned.

The school's Scheme of Delegation mandates that all disposals and write offs of inventory items must be approved by the governing body. Approval will normally be sought from the Finance and Staffing committee prior to disposal although approval can be given under the Chair of Governor's powers of action between meetings.