

# **Parkinson Lane Community Primary School**

## **Financial Procedures Manual**

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## **1. Framework**

1.1. This manual is intended as a practical tool to support the day to day financial administration of the school.

All of the contents within this Business Practices Manual must be seen as complementary to and an extension of the Calderdale Metropolitan Borough Council (MBC) Fair Funding Framework.

1.2 Best Value Statement 2014/15.

### **Introduction**

The governors and staff of Parkinson Lane CP School are committed to the application of the principles of Best Value to all areas of the work of the school. These are consistent with and reinforce the culture of self-evaluation that is part of the ethos of the school. From 2015 this commitment will take the forms detailed below.

### **Challenge**

The individual pupil progress tracking system developed over recent years will be used to set and monitor individual targets in key subjects for every child from Nursery to Year 6. The children will share in this target-setting and evaluative process. Parents will be advised of and encouraged to support their children's progress through termly reports and meetings with staff. Governors will be apprised of the target setting process and the progress being made through twice yearly presentations by staff.

Staff and Governors will review tracking projections in the light of FFT data predictions with a view to Governors setting aspirational and challenging targets for KS2 attainment. Targets will always be set above Government Floor Targets.

In working to improve the quality of teaching and learning in all areas of the curriculum through the use of our tracking data and more subjective assessments, all staff continue to contribute to the testing of hypotheses for every learning group and curriculum subject , examples include the effectiveness of use of drama or of direct experiential learning. In addition staff and governors focus each year on the development of select areas of the curriculum. During the academic year 2014/15 the focus was on Literacy, Music and PE. During 2015/16 the focus will be on ICT, Humanities, and PSHCE.

In recent years we have placed great emphasis on trying to give our children as wide a range as possible of direct experiences of different types of environment. Trips and visits play an important role in almost all areas of the curriculum. Again this year we tested our holiday arrangements for safe parking of the buses against LA charges. We have 3 minibuses; the third one is used mainly for transporting cycles/luggage as it is a 7 seat only vehicle.

We are committed to a residential trip either abroad or to a major city each year for gifted and talented children to build on the successes of the previous trips to Paris, Amsterdam, Bruges, Edinburgh, and Italy. As for the previous trips, we aim for the 4 day trip to be financed entirely by grants and donations.

All staff will agree with their line management performance targets and will review these with their manager(s) twice yearly. The Governors' Staffing and Finance Committee continues to review issues around the deployment of staff particularly making sure that teachers and

teaching assistants are used in the ways that have the most positive impact on learning as well as maintaining our early achievement of fully implementing the standards associated with workforce remodeling.

The Governing Body is using the new OFSTED framework to challenge our assessments of the quality of everything done in school.

Governors are now questioning whether paying a subscription to the Local Authority is the most effective way of buying governor training and whether governor support is being adequately coordinated.

The school will continue actively to seek external scrutiny of its work and achievements through a rolling programme of formal assessments. This year the school achieved the International Schools Award standard and we await the outcome of assessment against the Financial Management Standard. The school has to date the following awards: Local Leaders for Education, National Leaders for Education, National Support School, Artsmark Gold, International School Award, School Achievement Award, Healthy Schools, Teaching School Status and currently school have an application in for a Free School.

We actively solicit feedback from the colleges that place trainee teachers with us and from the growing number of visitors to the school. We also expect increased feedback from our increasing openness to and visibility in the community as we continue to develop community initiatives such as our drama and dancing performances in other schools and public spaces, our programme of community events and trips and the WEA classes.

### **Compare**

School have recently tendered for building works to be completed in school. This project involved creating an additional classroom with a roof top garden; it would involve building over two floors within the Year 1 area. Tenders were sought for this project through the formal procurement procedure. The highest quote was £463,410.00 and the lowest quote was £378,736.00. The Governors were extremely concerned about these costs and felt that it was not value for money. A decision was made to buy the materials independently and to seek relevant companies to undertake each element of the work. It is hoped that by the school managing the project themselves, the total cost will be much less than those quoted by tender.

We continue to use the internet to seek relevant benchmarks to guide our work on Best Value.

We continue to use informal discussions through governor and head teacher networks, such as the family of schools to make comparisons of different aspects of our performance with those of similar schools.

### **Consult**

All school staff are actively involved in the drafting of the School Improvement Plan and the annual process of completing the OFSTED self-evaluation form. Governors contribute to the section on leadership and governance and the School Council also contributes to relevant areas.

We continue the practice whereby one or more members of the Governing body meet with the School Council at least once every term.

Although no longer a legal requirement, Governors continue to hold an annual meeting and to produce a report to parents. This frank exchange of views on achievements and future plans is valued by parents and about 60 attended the last meeting in October 2015. Staff and governors take an active role in our PTA. This is another means by which our parents are involved in planning and decision-making on a variety of aspects of school life. Parents are also kept informed through highly attractive termly newsletters. Although colour printing has made these more costly to produce, we consider the gains in parental awareness and involvement to fully justify this cost.

In the 2013 all parents were invited to give views on the performance of the school using a questionnaire the results of which can be seen below.

	2009	2011	2013
			
The school premises?	98%	97.3%	90.7%
The teaching?	99%	100%	93.6%
Children's behaviour?	87%	89%	79.7%
Computer facilities?	96%	97%	90.1%
Information for parents/carers?	95%	97%	89.5%
A safe place for the children?	100%	100%	95.5%
A happy place for the children?	98%	100%	93%
Help is there if the children need it?	96%	97%	88.4%
A good education?	99%	100%	94.8%

### **Compete**

We follow Local Authority procedures on procurement and require cost comparisons for purchases where formal competitive tendering is not required.

In line with Calderdale Council guidelines on capital spending we make extensive use of professional advice, particularly on building maintenance and construction projects, in order to ensure we comply with procurement procedures, to secure value for money, to make appropriate use of specialists and to protect ourselves and others from potential litigation.

**Statement examined by our Staffing & Finance Committee on 11 April 2016  
and approved by the Full Governing Body at our meeting on 16 May 2016**

## **2. The Budget Cycle**

2.1. The school financial year runs from the 1<sup>st</sup> April and the school's aim is to have agreed the budget for the year by that date providing all service level agreements have been received from the local authority by January as agreed with the Director of Education. The budget is based on experience of historical costs and knowledge of future requirements and is prepared

in the context of the School Improvement Plan/subject action plans agreed by the governing body and this now also incorporates the additional tools of five year analysis of income and expenditure at the school and also the benchmarking website available to all school's on the DCSF website.

2.2. Each budget holder is responsible for considering their own area/subject and providing detailed figures to the headteacher and senior management team before the setting and agreement of every budget. Expenditure is categorised as that deemed to be essential and that deemed to be desirable if funds are available.

2.3. The office manager is responsible for collating all the information, following consultation with the headteacher, and presenting the budget to the staffing and finance committee who then recommend the budget for approval by the governing body, the office manager also provides extensive notes to help the headteacher, staffing and finance committee and governing body. Office manager is also clerk to governors so is able to make timely adjustments as and when required by governors.

#### 2.4. Timetable for budget holder funding

Budget holders are required to provide initial information to the headteacher by 31<sup>st</sup> January and the headteacher, bursar and office manager meet weekly in January to draft the budget. A revised budget will be presented to the staffing and finance committee at the March meeting, providing all SLAs have been received from the local authority.

Final figures for Income and Standards Funds, or other funds, will be available at this stage. The recommended budget will be presented to the full governing body meeting in April for approval and forward to the local authority by 1<sup>st</sup> May, signed by headteacher and chair of governors.

Once the budget is approved, authorised budget holders are given a statement of their part of the budget and limits of their authority, if relevant, and recorded at any meetings that this takes place.

### **3. Financial Monitoring and Reporting**

3.1. The responsibility for monitoring the financial position of the school is delegated by the full governing body to the staffing and finance committee. The staffing and finance committee meets every quarter to consider the financial position, extra meetings are held should the need arise and these extra meetings are minuted.

3.2. The bursar is responsible for producing financial reports and submitting them to the staffing and finance committee every two months, which are signed by the headteacher and then submitted to the local authority.

3.3. The headteacher is the principal finance officer of the school. It is his role to oversee the work of the office manager and Administration team and to ensure that there is adherence to agreed financial procedures. He will meet regularly with the office manager to discuss issues or concerns of a financial matter. The headteacher will inform the staff of the school of any changes in the financial procedures.

3.4. Bi monthly (6 in total) Bank Account Returns must be submitted to local authority. The reports must be signed by the bursar/office manager/senior administrator and the headteacher.

3.5. After the year end the bursar must finalise the accounts and submit details to local authority who then close their accounts and issue the school's position which must then be agreed by the bursar and headteacher.

#### 4. Income

##### 4.1. Sources of income

###### Advances

The Pupil Premium Formula Allocation and, for example, Standards Fund from local authority are paid directly into our Yorkshire Bank Budget account.

###### Non-grant income

###### Public

SEN payments	BACS payment from local authority
Dinner money	cash/cheque from parents/carers
Educational visits	cash from parents/carers
Sale of assets	cash/cheque from purchaser
Lettings	cheque from organization involved
Insurance claim payments	cheque by post from insurers
Interest (Budget account)	credited directly to Budget account by YB

###### Non-Public

Sale of school clothing	Cash/cheque from parents/carers
Charity collections	cash from parents/carers; staff
Photograph commission	cheque from photographer
Staff events	cash from staff
Development Fund account donations	Cheque/cash from donors
Other donations	cash/cheque from donor
Book Fayres	cash from event organiser
Interest (school fund a/c)	credited directly to school fund a/c by Yorkshire Bank
Extended Activities – Nursery, Breakfast Club and After School Clubs	No charge to date

4.2. Where possible instructions are given that the school prefers payment by

- cash or
- cheque made payable to 'Parkinson Lane Community Primary School' and crossed A/C Payee.

4.3. Various independent recording systems are used to identify who has paid for what for the different types of income.

4.4 Records will be kept for 7 years.

#### 5. Cash Handling

5.1. Cash is defined as any coins, notes or cheques which the school receives as income.

5.2. The office manager, senior administrator or admin assistant counts the cash and passes it to the senior administrator who records the amount of cash received and what it is for in the receipts column of the relevant ledger and keeps the cash and credit slips in a safe within the school until it is taken down to the Yorkshire Bank.

5.3. When requested, receipts are issued by the school office for cash payments made to the school. These are from the relevant duplicate receipt books held in the school admin office.

5.4. Insurance covers the school for up to £1,000 notes and coins and £100,000 in cheques locked in a safe outside of school hours, this includes cash of up to £250.

5.5. In practice the schools normal levels of cash are such that it may be necessary to have two banking per week.

## **6. Banking**

6.1. Two bank accounts are used. A Budget account and a School Fund account both held at Yorkshire Bank, Halifax.

6.2. All notes and coins received are deposited into the relevant bank account.

6.3. All cheques are deposited into the relevant accounts. Yorkshire Bank was chosen because of its very good package for schools and it was recommended by the Authority.

6.4. The headteacher, Deputy Headteacher, one assistant headteacher and office manager are the only authorised signatories on the 2 bank accounts and two signatures are required to authorise any bank payment i.e. cheques.

6.5. Cheque books are stored in the school office safe and the senior administrator holds the key to the safe. Office manager holds a key to the safe also.

## **7. Procedures**

7.1 All dinner money received on a Monday and Friday is counted, noted in the dinner registers on SIMS and totalled together. The amount is then noted on the EC1 form and banked via the normal school banking procedure into the budget account.

## **8. Payments**

### **Petty Cash**

8.1. There is one petty cash float which is administered by the senior administrator and locked in a cash box which is in turn locked in the senior administrator's desk. Separate records are kept within SIMS for petty cash expenditure.

8.2. Requests for petty cash are made to the senior administrator, who attaches a signed request to each receipt.

8.3. The senior administrator issues the amount of cash on the slip in an envelope and enters the details of the transaction onto the FMS Sims system. The person who made the request signs the slip for receipt of the cash. Entry onto SIMS is performed when cash levels are low and a reimbursement is then made.

8.4. Requests for petty cash payments are dealt with daily.

8.5. There is a limit of £50 for a single petty cash request. Any amount over £50 should be paid by cheque unless authorised by the Headteacher.

8.6. The PC imprest is £400 and this is replenished as needed from dinner money collected. Reimbursements are entered onto the FMS Sims system.

8.7. The petty cash is reconciled when the bank account returns are done but the cash in hand is checked daily as claims are paid out and when reimbursements are processed. Any discrepancies are investigated and resolved.

## **9. Non invoice cheque payments**

9.1. For amounts over the petty cash limit, the same procedure is followed as for petty cash payments except that the senior administrator raises a cheque from the FMS Sims system from the Budget account. The details of the transaction are entered onto the FMS Sims system as a purchase order and invoice to be paid and a cheque is issued accordingly.

## **10. Orders**

10.1. Raise order on the FMS Sims system.

Obtain authorisation i.e. signed by one of the authorised signatories

Copy of order is signed and placed in the relevant order file in the office. The original order is then faxed or posted to the supplier.

## **11. Deliveries**

11.1. Deliveries against orders

Note: Nominated persons deal with deliveries - usually the caretaker or maintenance manager. As goods are delivered (or services are provided) the goods need to be checked off against the order or the service needs to be checked that it has been performed correctly.

The delivery note needs to be signed and dated to acknowledge full receipt of the delivery this is not to be the person who raised the order - if there are any problems make a note of them on the delivery note.

In the absence of a delivery note, the order needs to be signed and dated. The delivery note is attached to the invoice in the file.

11.2. Goods on Approval

Goods on approval or inspection copies can arrive completely unsolicited or as a result of a phone call or a representatives visit with a member of staff. School office must be made aware of these requests.

Goods on approval usually arrive with an invoice and the suppliers instructions about how to return the goods if not accepted.

The goods are kept in the admin office and the budget holder is informed of their arrival.

The budget holder must, together with other interested parties if appropriate, inspect the goods in the office and decide whether to accept them or not. If the goods are to be accepted then an order is raised on the FMS Sims system. Any additional orders based on the goods that have been accepted must be placed in the normal way. If the suppliers have their own method for placing orders then their paperwork must be attached to the school's order. If the goods are not accepted then the senior administrator must send them back to the supplier following the supplier's instructions for returning goods. If some of the goods are accepted and some rejected then an order must be raised as above for the goods that have been accepted and sent with the goods that are being returned.

## **12. Invoices**

12.1. On arrival each invoice is checked to the order file and confirmed that the invoice is for the correct amount and the goods (or service) have been received. The delivery note is then attached to the invoice. The invoice is then entered onto the FMS Sims system and stamped with the school invoice stamp and a paid stamp. They are then passed to one of the authorised signatories to be signed and authorised.

### **12.2. Invoice Payments**

Invoice payments are produced on a weekly basis on the FMS Sims system and pre-printed cheques used. They are then passed to two of the authorised signatories for signing and authorising.

The paid invoices are then filed in the cheque paid file in cheque number.

## **13. Tendering**

13.1. The Tendering procedure will be used for any single order over £10,000 in value (before VAT).

13.2. The Headteacher nominates a responsible person to undertake the tendering procedure.

13.3. The responsible person must:-

- Compile a list of at least three prospective suppliers who are to be invited to tender.
- Draw up the specification including precisely what is to be tendered for, in what format and by what date the reply must be returned.
- Send a copy of the specification to each prospective supplier at the same time.
- Deal with any enquiries relating to the tender.
- Ensure that during the course of any such enquiries no comments are made that could be construed as helping one supplier more than another.
- Hold all replies unopened until the closing date for replies.
- Open the replies in the presence of the chair of staffing and finance committee.
- Staffing & finance committee have delegated powers to decide on which tender.
- Meeting to be minuted.
- Retain a copy of the tender specification, all replies and a document making a case for choosing other than the least expensive quote.
- Inform in writing all suppliers that they have been unsuccessful and raise an order

with the successful supplier.

#### **14. Asset Management**

14.1 The school has a substantial inventory of all assets at the school. Control of assets, and asset management are an important part of the school's internal control system.

14.2 A stock take of assets is to be performed at least once a year by the site management team to check on the physical assets control. This will be performed throughout the year, a stock take minimises interference with school programs. The site management team are not involved in the handling or recorded of these assets on purchase. Any adjustments to the records will need the headteacher's authority and any subsequent investigations or discussions fully minuted.

14.4 Any disposals will be recorded at the time of disposal with appropriate comments on the register. This register is maintained by the site manager.

#### **15. Internal Payroll Procedures**

15.1 The school keeps documents and has procedures, which include payroll details and conditions of service, appointments, promotions, terminations, grievance procedures, disciplinary procedures, pension details and any statutory year-end returns.

15.2 Periodic checks will take place from an appropriate officer within the school (someone who has no input into the payroll processing at the school) these records will be saved for future assessments and will include the following check payroll details from the DF34 by the bursar to personnel records checking rates and overtime. This will identify any 'ghost' employees e.g. leavers who have not been taken off the payroll.

15.3 The headteacher ensures that the process of completing, checking and authorising all documents and claims related to appointments, terminations of employment and expenses are not the sole responsibility of one person and are all valid and authorised correctly with the exception of the headteacher's own expenses where the Chair of Governors authorises this.

15.4 Specimen signatures of certifying officers are with the payroll provider and any changes are notified immediately.

15.5 The headteacher also ensures that, where practical, the duties of authorising appointments, making changes to individuals' conditions of service or terminating the employment of staff are separated from those duties of processing claims.

15.6 All payroll transactions are processed through the payroll system.

15.7 Payroll and personnel records are held securely, and in accordance with the Data Protection Act 1998 and Freedom of Information Act 2000.

15.8 Internal controls that exist for payroll at the school include, keeping payroll details e.g. tax file numbers, in a secure, confidential location such as a fire proof safe. Significant payroll related information is in writing e.g. authority to commence and/or cease deductions, the payroll is reconciled and posted every month, any queries variances are followed up at that

time. The school also keeps comprehensive personnel files with documentation permanently attached to all council employees at the school. The school uses the local authority's personnel department and any documentation not housed at school is held with the local authority.

## **Appendix A**

### **Collection of Dinner Money**

#### **Mondays**

Note: Monday is the main day for collection of dinner money.

Class monitors deliver the dinner money (in the plastic wallet provided) to the school office together with the first call diary and dinner money register. The admin assistant records the amount collected for each pupil in the dinner money register. In the admin assistant's absence the senior administrator carries out this task.

Absences, pupils having packed lunches as well as those having a dinner are recorded.

The admin assistant records the amount and the number of meals on the weekly summary sheet.

Once all the registers have been done the admin assistant informs the Kitchen Supervisor how many meals are required for that day.

The collected dinner money is then deposited using the school's banking procedures, together with the late dinner money from the previous week.

#### **Tuesdays to Fridays**

The Monday procedure is repeated with these minor differences

Any dinner money collected is regarded as late money and is recorded on the daily dinner sheets.

The admin assistant keeps any money in the late dinner money container until Friday.

#### **Fridays**

After the normal daily procedure has been completed on Friday the admin assistant puts the late dinner money in the safe for banking with the bulk of the money received on Monday.

The SIMS system for dinner automatically calculates the new balances for each pupil.

Old Balance + money collected - cost of meals eaten = New Balance

The admin assistant then reconciles the new balances in the registers with the information on the weekly summary sheet that is generated by the SIMS system.

### **Educational Visits**

The senior administrator calculates the cost of any trip and any transport and decides if a voluntary contribution is requested from parents. The SA informs parents by letter of the money needed to cover the cost of the visit. The SA collects the donations in the office and keeps it in the safe. The money is paid into the school fund account and cheques drawn for transport etc. A separate record is kept detailing all visits, their costs and profit and loss details etc.

**Note - Visits may run at a loss, as payments from parents/carers are voluntary contributions. Headteacher to agree risk assessment and whether visit goes ahead.**

**Lettings**

The school has an agreed Lettings Policy. This is seldom ever needed due to the school running its own extended activities and therefore usage for other stakeholders is reduced.

Date Reviewed : \_\_\_\_\_16 May 2016\_\_\_\_\_

Approved by ..... Tariq Rafiq (chair of governors)

..... G Ahmed (headteacher)