

Braywood C of E First School



Finance Policy

"Through the nurturing hands of God, we aspire for all our children to become confident, emotionally resilient and compassionate individuals who achieve personal excellence through strength of character and a love of learning"

'For with God, nothing shall be impossible' Luke 1:37

Governors' Committee Responsible	
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1. Introduction

This policy is fully in line with the RBWM guidelines for the management of finances and is regularly amended to ensure that we are complying with the most recent regulations in financial accountability. Braywood is committed to manage our finances effectively to allow the school to achieve our educational goals outlined in our vision.

The Governing Body has a duty to ensure the proper and efficient management of the money at its disposal for the purposes of the school, and in particular that all available finance is targeted appropriately in order to raise educational standards. In relation to this duty, this policy aims to:

- Define the sources and purposes of income received by the school and any restrictions on its expenditure;
- Identify the functions to be carried out in relation to the LA's scheme of financial management to avoid duplication or omission;
- Clarify the individual roles and responsibilities of those concerned with the management of the school's delegated budget and other finances;
- Define the limits of delegated authority;
- Ensure that Governors' statutory responsibility for the monitoring of financial management is carried out effectively;
- Provide a framework for accountability.

This policy statement has been written in conformity with the School Standards and Framework Act 1998 and the LA's published Scheme of Financial Management.

Sources of Income

Income to the school may come from a variety of sources. Although the purpose for which some of these may be used will be pre-determined, the Governing Body should take an overview of all sources in order to plan expenditure and ensure that money is used cost-effectively and for the prioritised educational objectives established in the School Development Plan. Possible sources of income will include:

- School's budget share delegated annually by the LA;
- Other grants;
- Income from lettings;
- Donations from parents and other sources;
- Receipts from fund-raising activities;
- Receipts from sale of assets.

This policy statement applies to the use of income from all sources and its related expenditure.

2. Responsibilities

2.1 Responsibility of the Governing Body

The Governing Body is responsible to the LA for the funds allocated for running the school and accountable to the community for the appropriate use of public and private funds within its control. This responsibility and authority are largely delegated to the Finance Committee and Headteacher, however the Governing Body retains some key functions as part of its overall responsibility. It remains the responsibility of the whole Governing body to:

- Determine the broad priorities for expenditure and ensure that these are clearly identified through a School Development Plan which indicates the intended use of resources to achieve educational goals;
- Ensure that all members of the Governing body are aware of the LA's scheme of financial management and that members of the Finance Committee are familiar with its content;
- Submit an agreed budget plan to the LA each year by the specified date and at other times upon request;
- Establish, maintain and annually review a register of business interests for each member of the Governing Body and the Headteacher;
- Decide after consulting with other staff whether the school should take part in initial teaching training and approve associated financial arrangements;
- Approve the acquisition and policy for use of a school purchasing card taking advice from Bursar Support if appropriate.
- Establish a Finance Committee to:
 - direct and supervise the management of finances and
 - ensure compliance with the requirements of the LA's scheme of financial management in consultation with the Headteacher;
- Delegate to an appropriate committee the financial responsibility for planning expenditure on repairs and maintenance and capital projects;
- Establish and monitor criteria for virement and limits of financial delegation and keep these under review;
- Consider recommendations from the Finance Committee on matters outside of their delegated powers, such as writing off a debt, and take the appropriate action, seeking advice from the LA as required.

The Governing Body delegates all other duties and financial powers to the Finance Committee and Headteacher. The division of responsibility is set out below and may be subject to amendment in discussion with those involved.

2.2 Responsibilities of the Finance Committee

Membership of this committee and terms of reference shall be determined by the Governing Body at the beginning of each year. The Chair of Governors, Headteacher and Finance Governor will be amongst its members. The School Bursar shall be invited to be a co-opted member of this committee and will, in any event, be expected to attend meetings in an advisory capacity.

The duties and powers of the Finance Committee will include, but may not be limited to, the following:

Duties

To advise the Headteacher and Governing Body on all financial matters affecting the school.

Planning

- Every three years to construct and recommend to the Governing Body a business plan which identifies anticipated income and future resource priorities;
- To ensure that the budget plan reflects and supports the Governing Body's policies and prioritised educational objectives as identified in the School Development Plan, taking account of:
 - Required and desired staffing levels;
 - Curriculum aims for the year;
 - Professional development of staff, and
 - Plans for development of the physical resources of the school.
- By mid-May each year to recommend a draft budget for consideration by the Governing Body at the May FGB;
- To ensure that planned expenditure does not exceed the available budget, as adjusted for surpluses from previous year, income receivable, provision for pay or price increases and other contingencies;
- To establish, maintain and regularly review the school's policies on;
 - Letting of school premises and associated charges;
 - Charging and remissions for school activities;
 - Recovery of cost of making good damage or loss of property by pupils, staff and third parties.
- Approve the procedures for use of the school purchasing card to ensure control of risks, security of care, safeguarding of public funds and reduction of opportunities for fraud, taking advice from Bursar Support on these issues.

Monitoring

- To monitor effectively throughout the year the progress of all school income and expenditure, review in-year priorities and make adjustments as necessary within the overall budget provision, calling an emergency meeting of the Governing Body if necessary;
- To ensure that the school abides by the LA's scheme of financial management and standing orders for purchasing, contracting and tendering matters;
- To monitor bids;
- To ensure that adequate insurance cover exists against theft, loss of cash, possible claims, legal expenses, etc.;
- To ensure that audit certificates are provided on an annual basis in respect of voluntary and private funds held by the school and a copy submitted to the LA.
- To ensure that the school's financial procedures are the subject of an external audit in line with legislation, to receive reports following such audits, agree actions to be taken as a result of any recommendations and ensure timely completion.
- Ensure use of School purchasing card follows approved procedure with appropriate safeguards.

Evaluating

- To ensure that maximum effective use is made of all income and other grants and private funds in order to raise pupils' standards of attainment.

Acting as an agent of the LA and on behalf of the Governing Body, in consultation with the Headteacher, the Finance Committee will:

- Oversee expenditure of the delegated formula budget received each year in accordance with the rules and procedures laid down in the LA's scheme of financial management;

- Ensure that financial information and financial records are kept and supplied as required by the LA;
- Ensure that the school follows any regulations and procedures established by the LA when making purchases, entering into contracts, paying staff and bills, collecting income, etc.;
- Allow relevant financial transactions to be audited by the LA and/or Audit Commission;
- Review and approve bank mandates, authorised signatories and the register of certifying officers on an annual basis and submit these to the Chair of Governors for signature.

2.3 Responsibilities of the Headteacher

The Governing Body delegates the day-to-day management of the school's finances and administration of expenditure to the Headteacher who will act in accordance with the LA's scheme of financial management and any policies agreed by the Governing Body.

The Headteacher will be responsible to the Finance Committee for the day-to-day control and disbursement of finances and is expected to:

Planning

- Ensure that the Governing Body and in particular members of the Finance Committee receive the advice and support they require in order to fulfil their statutory responsibilities;
- Develop a rolling programme of expenditure for large items such as ICT;
- Establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- As far as is practicable, ensure the segregation of duties of staff concerned with financial transactions so that at least two people are involved with both receipts and payments.

Monitoring

- Ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including:
- The placing of orders, checking deliveries, authorising payments, etc.;
- Purchasing of goods and services;
- Protection and control of consumable stock such as stationery;
- Maintenance of equipment;
- Safe custody and control of cash and other property belonging to the school.
- Regularly monitor planned expenditure;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;
- Arrange appropriate security measures such as marking of valuable items;
- Provide reports to the Finance Committee as stipulated within policy and at other times on request;
- Ensure monitoring and control systems are publicised to Governors and staff and kept under review.

Evaluation

- Evaluate strengths and identify shortcomings in the school's financial administration and provide reports on these annually to the Finance Committee.

The Governing Body will support the efforts of the Headteacher and staff to implement the policies and may suggest improvements.

2.4 Responsibilities of the School Bursar

The Governing Body delegates the day-to-day management of the school's finances and administration of expenditure to the Headteacher who will act in accordance with the LA's scheme of financial management and any policies agreed by the Governing Body.

The Head Teacher delegates day to day operational management to the School Bursar of financial management, monitoring and reporting. (Including Account payable and Accounts receivable as defined in the Controls checklist). The School Bursar reports to the Headteacher and is responsible for the day-to-day management of the school's finances and administration of expenditure in accordance with the LA's scheme of financial management and any policies agreed by the governing body.

Planning

- Ensure that the Governing Body, and in particular members of the Finance Committee and Headteacher, receive the advice and support they require to fulfil their statutory responsibilities;
- Assist in the development of a three-year budget plan updated annually to monitor surplus balances and plan expenditure to deliver best value;
- Assist the Finance Committee in developing a three-year rolling programme of expenditure linked to SDP and AMP, particularly for large items such as buildings and ICT;
- In conjunction with the Headteacher, establish and maintain an inventory of assets and procedures for disposal of assets in accordance with the LA's financial regulations;
- In conjunction with the Headteacher, as far as is practicable, ensure the segregation of duties of staff concerned with financial transactions so that at least two people are involved with both receipts and payments.

Monitoring and control

- Working with the Headteacher to ensure sound internal control systems and financial management procedures are in place to enable reliable and accurate processing of the school's transactions and activities including: -
- Receipt of income;
- The placing of orders, checking deliveries, authorising payments, etc.;
- Purchasing of goods and services including appropriate verification of use of School purchasing card and adherence to policy and procedures for use of the school purchasing card.
- Protection and control of consumable stock such as stationery;
- Maintenance of equipment;
- Safe custody and control of cash and other property belonging to the school.
- Carry out monthly reconciliation of bank accounts and salary check;
- Carry out any other financial or administrative tasks considered appropriate by the Headteacher;
- Regularly monitor planned income and expenditure and report to Headteacher;
- Ensure reporting formats and procedures comply with any requirements of the LA's scheme of financial management and financial procedures handbook;
- Liaise with the Headteacher to arrange appropriate security measures such as marking of valuable items;
- Provide reports to the Headteacher/Finance Committee as stipulated within policy and at other times on request;
- Produce monthly/ termly monitoring reports for budget holders and report to the Headteacher on any overspend situations;

- With the Headteacher, liaise with external bodies for audit and SFVS purposes.
- Arrange for items to be added to the inventory by an appropriate person.

Evaluation

- Annually review with the Headteacher strengths and shortcomings in the school's financial administration procedures and provide reports on these annually to the Finance Committee with progress made in addressing weaknesses.

The Governing Body will support the efforts of the Headteacher and staff to implement the policies and may suggest improvements.

2.5 Levels of delegation

(See Appendix A for a completed example of this table.)

2.6 Best value

The Governing Body expects that planned expenditure will reflect the principles of best value, taking into account guidance provided in the LA's scheme of financial management. The annual budget plan submitted to the LA will include a statement setting out how these principles are being followed.

Competitive estimates will be obtained for all expenditure as per Appendix C

2.7 Insurance

All monies held in school will be covered by insurance up to an agreed sum. The Headteacher shall ensure that the insured amount is not exceeded, although Governors expect cash to be banked promptly and that it will be rare for this amount of money to be held on the premises.

The Headteacher is expected to liaise annually with the LA and other insurance providers to review insurance arrangements and to make recommendations on appropriate cover to the Resources Committee.

2.8 Monitoring and reporting

The Finance Committee will:

- Ensure that minutes of each meeting are taken and circulated to the full Governing Body. Additional written or verbal reports deemed necessary by the committee or requested by the Governing Body may be presented at Governors' meetings after consultation with the Chair of Governors.

The Headteacher will

- Each half term, provide detailed reports to the Finance Committee under agreed cost headings for the school's budget share, capital and other grants;
- Provide any such other information as the committee requires in order to monitor the budget;
- Ensure that individual budget holders receive such information as they require in order to monitor their budgets;
- Establish and publicise reporting procedures to monitor all planned expenditure and keep these under annual review;

- Review on an annual basis the internal financial control and reporting procedures and arrangements for promoting cost-effectiveness and provide a report to the Finance Committee.
- Report on use of school purchasing card

The School Bursar will:

- Provide monthly reports to the Headteacher and reports to budget holders as determined by the Finance Committee and Headteacher;
- Assist the Headteacher to provide more detailed reports to the Finance Committee each half term under agreed cost headings;
- Recommend with the Headteacher the reallocation of funding to address planned variance during the year;
- Provide any such other information as the Headteacher and Finance Committee requires in order to monitor the budget;
- Ensure that individual budget holders receive such information as they require in order to monitor their budgets;
- With the Headteacher, establish and publicise reporting procedures to monitor all planned expenditure and keep these under annual review;
- Work with the Headteacher to review on an annual basis the internal financial control and reporting procedures and arrangements for promoting cost-effectiveness and provide a report to the Finance Committee.
- Control and monitor use of school purchasing card to ensure correct security, usage and authorisation for purchases. Journal expenditure to correct cost centres or account codes as appropriate and report any misuse of the school purchasing card.

3. Policy review

This policy will be subject to review annually and will take account of any changes in legislation or revisions to the LA's scheme of financial management. The Finance Committee will be responsible for reviewing the policy and making recommendations to the Governing Body.

APPENDIX A

Income Source	Finance Committee	Headteacher	Bursar
Approved annual budget submitted to LA	<p>Not to exceed the grand total.</p> <p>To report to Governing Body any possibility of an over/under spend.</p> <p>No greater than 5% virement between CFR headings outlined in the annual expenditure profile.</p>	<p>Expenditure not to exceed £10,000 on any one item.</p> <p>To report to the Finance Committee any possibility of an over/under spend.</p> <p>May vire between all budget codes excluding Staffing but may not exceed the agreed total allocation for any heading within the budget plan.</p>	<p>Expenditure not to exceed £2,500 on any one item. (See authorisation levels for school).</p> <p>To report to the Headteacher any possibility of an over/under spend</p> <p>May vire between all budget codes excluding Staffing but may not (see authorisation levels for school) exceed £5000 for any heading within the budget plan.</p>
Private School Funds (not earmarked for any other specific application)	Any available sum on any one item.	Up to £500 on any one item.	Up to £500 on any one item
Lettings	<p>Setting annual charging rates.</p> <p>Approving discretionary variations to charges in excess of 20%.</p>	Discretionary variation of charges up to a maximum of 20% of fixed rates.	Discuss with Headteacher any variation of charges in specific situations.
School Purchasing Card	Decide limits for use of purchasing card up to the value of £2000 pcm. Approve policy and procedures for school.	Monitor and report on appropriate use of school purchasing card.	Control, monitor use of school purchasing card and journal expenditure to correct cost centre/account codes.

APPENDIX B

Appendix B shows mandatory authorisation areas marked in Bold and Underlined. Other areas as per school Authorised Signatories forms approved by Chair of Governors.

	Full Governing Body	Finance Committee	Head	School Bursar
<u>Approval of Annual Budget/3Year Plan</u>	✓			
<u>Authorise expenditure over £60,000</u>	With the Director of Finance			
<u>Authorise expenditure up to £60,000</u>	With legal advice			
Authorise expenditure up to £10,000		✓	✓	
Authorise expenditure up to £2,500			✓	✓
<u>Authorise use of School Purchasing Card and procedures. Card issued in the name of Headteacher</u>	✓	✓	✓	
<u>Appointment and salary of all permanent staff</u>			✓	
<u>Appointment and salary of temporary staff</u>			✓	
<u>Appointment and salary of supply staff.</u>	✓		✓	
<u>Appointment and salary of Head Teacher</u>	✓			

APPENDIX C

Purchasing requirements including use of School Purchasing card

Goods valued at over £2,000	3 quotes which may include telephone or internet quotes
Goods valued at over £5,000	3 written quotes

At all times, the principles of best value will apply.