



**FINANCIAL CODE OF PRACTICE**

Name	Financial Code of Practice		
Agreed by	Full Governing Body via Resources Committee		
Date agreed	21.05.25	Review date	May 2026
Signed & dated			

## **CODE OF FINANCIAL PRACTICE MALMESBURY PRIMARY SCHOOL**

This *Code of Practice* is adapted from the model *LA Scheme for Financing Schools 2023*, provided by the London Borough of Tower Hamlets and replaces all previous guidance.

Ratified by the Governing Body, the limits of the delegation and specific requirement (such as '... officers must...') are binding on the Headteacher and staff of the school. Any breeches of such procedures may lead to investigation by the Governors or persons appointed by them. This document will be revised annually to ensure that it is up to date and includes changes in procedures at the school.

### **1. ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY**

#### *1.1. The Governing Body*

##### *1.1.1 The Governing Body is responsible for:*

- Ensuring that any funding from the Local Authority (LA) is only used in accordance with the terms of the Schools' Financial Procedure Manual – 2023.
- Providing such information as the LA may reasonably require to satisfy the LA that the financial management and organisation of the governing body are such to enable it to fill the specified obligations.

##### *1.1.2 The Governing Body carries out its responsibilities in the following ways:*

- sets out delegated financial powers to the Resources Committee and the Headteacher and reviews them annually,
- approves the annual budget, during the summer term, as proposed by the Resource Committee.

##### *1.1.3 Resource Committee reports to the full Governing Body at least once each term.*

#### *1.2 The Resources Committee*

### **MEMBERSHIP**

1.2.1 The Resource Committee shall consist of not less than 3 governors.

1.2.2 The committee may appoint such co-opted, non-voting members as agreed by the governing body member. These members will serve in an advisory capacity.

1.2.3 Other members of the governing body may attend The Resource Committee meetings and may fully participate in discussion, but will not have voting rights.

1.2.4 Only full members of the committee shall have voting rights.

### **QUORUM**

1.2.5 The quorum shall be at least three governors, two of whom must be non staff, and one must be the Head or Deputy Head.

### **CHAIR AND CLERK**

1.2.6 The Chair and Clerk to the committee shall be elected each year, when the Governing Body reviews the membership of its committee structure. The Head may not be elected as Clerk.

## **MEETINGS**

1.2.7 To meet at least termly.

## **STANDING ORDERS**

1.2.8 The agenda for the meeting shall be distributed at least seven days before the meeting.

1.2.9 Where there is an equality of votes for and against a particular resolution the matter will be referred back to the next full meeting of the governing body.

1.2.10 A report of proceedings of meetings of The Resources Committee shall be circulated with the papers of the next full meeting of the governing body.

## **TERMS OF REFERENCE**

1.2.11 Exercise the powers and duties of the governing body in respect of the financial administration of the school except for those items specifically reserved for the governing body and those delegated to the Headteacher.

1.2.12 To receive and examine the first draft of the annual budget from the Headteacher, and to recommend the final draft to the full Governing Body.

1.2.13 To meet at least termly to monitor the progress of actual income and expenditure against each budget heading and the revised forecast during the year, and report accordingly to the Governing Body; to provide an outturn report for each financial year by the end of the autumn term.

1.2.14 To make decisions on virements between budget headings at the request of the Headteacher within the delegated powers given to it by the Governing Body.

1.2.15 Have the power to authorise the write-off of debts in excess of £2500 and shall maintain a complete record of all write-offs (could be delegated partly or wholly to the headteacher).

1.2.16 To receive and, where appropriate, respond to audit reports

1.2.17 To consider the award of contracts in line with proper procedures up to the limits set by the Governing Body, and in conjunction with The Resource Committee where relevant.

1.2.18 To advise on, and monitor, asset management within the parameters set by the LA, and in conjunction with the SBM.

1.2.19 To ensure that there is no opportunity for members of the school staff or Governing Body to benefit financially by being in a position to influence decisions made by the Governing Body, e.g. by ensuring an accurate, up to date record of business interests.

1.2.20 To consider and advise the Governing Body on the financial implications of adopting certain policies, especially those with long-term budget implications.

1.2.21 To provide information and reports to enable the Governing Body to comply with the financial regulations set down by the LA.

1.2.22 To review the effectiveness of the financial systems, procedures and controls operating throughout the school including:

### **1.2.23 BUDGET, MONITORING AND REPORTING**

- Submit annually to the governing body the current letting policy for the school.
- Monitor **all** spending and income received in the school i.e. Local Authority (LA)
- Authorising of ex-gratia payments up to £2500 and shall maintain a complete record of all such payments.
- Delegated /Devolved Budgets and School Private Fund(s).
- Ensure that funding from the LA and other sources is used only in accordance with any conditions attached.
- Agree and sign an annual Best Value Statement.
- Receive and comment on the content of any audit report relating to LA funding, and to monitor the implementation of the agreed action plan.
- Ensure the Register of Business Interests is kept up to date.

### **1.2.24 PAYMENTS**

- Authorising of ex-gratia payments up to £2500.00 and shall maintain a complete record of all such payments

### **1.2.25 CONTRACTS**

- Annually review all on going contracts (Including Local Authority Contracts).
- Review the various leasing agreement schemes and options available to the school.
- Award contracts by tender up to a specified limit.

## **1.2 POLICIES AND CONTROLS**

- Review annually the school's Financial Code of Practice, Scheme of Delegation and the Terms of Reference of The Resource Committee and make recommendation to the full Governing Body.
- Ensure the school has appropriate internal financial controls in place.
- To ensure the school adheres to the policies and procedures as specified by the Department for Education and its Schools Financial Value Standard.
- Ensure that all financial controls are adhered to via regular testing and management checks in order to protect against fraudulent or improper use of public money and assets and enable satisfactory completion of the Schools' Financial Value Statement (SFVS).

### **1.2.27 DECLARATION OF INTEREST**

1.2.28 Where there is a conflict between the interests of any governor and the interests of the governing body, that person must declare the interest and withdraw from the meeting.

If there is any dispute as to whether a person must withdraw from a meeting under the regulations on governing body procedures, the other governors present at the meeting will decide on the matter.

1.2.29 To consider and advise the Governing Body on the financial implications of adopting certain policies, especially those with long-term budget implications.

1.2.30 To provide information and reports to enable the Governing Body to comply with the financial regulations set down by the LA.

1.2.31 To review the Financial Code of Practice each year and make recommendations to the full Governing Body.

1.2.32 To monitor and evaluate the introduction of and ongoing implementation of Schools' Financial Value Statement.

### 1.3 Expenditure Controls

*Limitations (all financial limitations referred to within this document are NET of VAT)*

## **TENDERS AND QUOTES**

1.3.1 The school will seek tenders for orders in excess of £40,000. Regular payments for Service Level Agreements, supply staff, utilities and stock orders are excluded, as they will have undergone market testing at the time of their procurement.

1.3.2 Market testing – the school will obtain 3 written quotes for orders between £5,000 - £40,000 (net). Regular payments for Service Level Agreements, supply staff, utilities and stock orders are excluded, as they will have undergone market testing at the time of their procurement.

### **1.3.3 AUTHORISATION LEVELS**

1.3.4 Authorisations over £20,000 per item are referred to the Governing body.

1.3.5 Authorisations over £10,000 per item are to be referred to the resources Committee.

1.3.6 The Headteacher or Deputy Headteacher, in the Headteacher's absence is able to authorise expenditure for day-to-day goods and services up to £10,000 per order.

1.3.7 Where we have budget holders they may order goods to a maximum value of £500 per order. Any order in excess of £500, (up to a maximum value of £10000) must first be authorised by the Headteacher before the budget holder may proceed to place the order.

## **PAYMENT METHODS**

1.3.8 Staff may order and pay for goods online or purchase them in a retail outlet, on behalf of the school, to a maximum value of £50. Staff are still required to complete an official order form for the goods they have purchased, and on submission of a completed order form and an invoice for the goods, the school will reimburse staff. Any order in excess of £50 must be raised through the school and paid for by Bacs payment or the school credit card.

1.3.9 The School has a credit card The Headteacher is authorised to process payments for goods using the card. All payments may only be made for goods that were ordered and authorised in accordance with the procedures laid down within this document.

Copies of all orders should be provided so that they can be reconciled against the statement.

## **VIREMENTS**

1.3.10 Virements over £30,000 will be authorised by the full Governing Body.

1.3.11 Virements between £10,000 and £30,000 will be authorised Resources Committee who will, in turn, report to full governors through the minutes of The Resource Committee meetings.

1.3.12 The Headteacher, or the Deputy Headteacher in the Headteacher's absence, is able to authorise budget movements between individual budgets up to a limit of £10,000.

1.3.13 When virements are carried out, a Virement Form will be completed by the SBM and countersigned by the Headteacher or chair of The Resources Committee, meetings.

### *1.4 Disposal of Surplus Equipment and Materials*

1.4.1 The Headteacher is able to authorise the disposal of surplus equipment and materials up to a maximum individual disposable item value of £250. Disposals over this amount will be referred to The Resources Committee, which will act in accordance with regulations and procedures laid down by the Secretary of State for Education, the LA and the EEC. All disposals' records will be signed by the Headteacher or the Deputy Headteacher and reported to The Resource Committee at their termly meeting.

## **1.5 Bad Debts**

1.5.1 The Headteacher is able to write off bad debts up to £250. Requests for write offs between £250 and £2500 are to be referred to The Resources Committee for approval. Debts above £2500 to be referred to The Governing Body. Debts over the limit of £5,000 will be referred to the Director of Children's Services LBTH.

### *1.6 The School Business Manager and Office Manager*

1.6.1 The Headteacher is responsible to The Resources Committee for the financial operation of the school. She carries out this responsibility by delegating to the School Business Manager, and the Office Manager the day-to-day management of the school's financial operation and periodic reviews of the financial performance of the school. The Headteacher delegates to the Deputy Headteacher, subject leaders and other staff as appropriate, elements of the budget as budget managers.

1.6.2 The School Business Manager and Office Manager is responsible to the Headteacher for the day to day running of the school's financial operations.

#### **1.6.3 The School Business Manager will:**

- Produce the first draft of the budget for The Resource Committee (April/May)
- Provide budget holders with up-to-date budget information on a regular basis
- Reconcile LBTH<sup>1</sup> reports and bank statements with local records (RM Finance<sup>2</sup>) on a monthly basis

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<sup>1</sup> LBTH ~ London Borough of Tower Hamlets

<sup>2</sup> RM Finance ~ Computer software

- Produce regular monitoring reports for The Resource Committee as required
- Pass relevant financial information from DFE<sup>3</sup>/LBTH to The Resources Committee
- Supervise all financial administration at the school
- Be responsible for ensuring that sound systems of internal control are in place that enable the proper processing of the school's transactions and activities
- Be responsible to the Governing Body for ensuring that LBTH financial regulations or standing orders or DFE financial requirements are implemented
- Manage pre and post-appointment personnel administration
- Process and check all payroll data
- Check all invoices are authorised and within the authorisation limits
- Authorise BACs payments when payments are uploaded on Bankline

#### **1.6.4 The Office Manager will:**

- Be responsible for banking all monies
- Administer and monitor the pupil payment system
- Process all invoices for payments via Bacs or raise cheques on RM Finance.
- Complete statistical returns as required
- Be responsible for reimbursing petty cash on receipt of authorised claim form up to the value of £50 per receipt
- Raise orders on behalf of budget holders
- Be responsible for collecting and banking dinner and other monies

#### **1.7 Budget Managers**

1.7.1 Budget Managers are responsible to the Head for the efficient operation of their delegated budgets and providing reports as required. A list of budget managers is reviewed and approved by The Resource Committee each year in the summer term, as part of the budget setting process.

#### **1.8 Scheme of Delegation**

1.8.1 The Governing Body delegates to the Headteacher, the authority to spend within the agreed budgets. Overspends in excess of £10,000 may only be made with the approval of The Resources Committee.

### **2. FINANCE POLICY**

2.1.1 Aims of the budget and funds to:

- Deliver the best possible resourced curriculum within the school aims
- Maintain the premises to a high standard of health and safety

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<sup>3</sup> DFE ~ Dept for Education

- Provide an attractive environment
- Ensure good staff development and morale

### **3. THE BUDGET CYCLE**

#### **3.1.1 Autumn term - September to January**

- Identify financial requirements for the future curriculum
- Carry out the future staffing analysis
- Identify priorities linked to the school development plan
- Evaluate outturn and consider whether original budget needs to be amended and spending plans altered
- Produced a revised budget for consideration

#### **3.1.2 Spring term – January to March**

- Assess PLASC indicators and consider likely funding levels
- Produced a revised budget for the current year
- Produce a draft budget for the next financial year
- Produce outturn forecasts

#### **3.1.3 Summer term – April to July**

- Approve new budget
- Receive and review previous year end reports – look at success criteria
- Review list of approved budget holders

### **4. BUDGETARY CONTROL**

4.1 The statement of the aims and objectives are found in the School Improvement Plan (SIP) which provides the basis for constructing budget plans.

4.2 The Governing Body have established procedures and timetables for planning the budget to ensure that all relevant factors are considered. The Governing Body meets during the summer term to receive the finalised budget plan for approval.

4.3 The SIP provides estimates of expenditure and income which is sufficiently detailed.

4.4 The Governing Body ensure that the planned expenditure for each financial year does not exceed the available budget, as adjusted for carry over from previous years, income receivable, provisions for pay or price increases or other contingences.

4.5 The Headteacher forwards the budget which has been approved by the Governing Body to LBTH before the final date for submission.

4.6 Where appropriate, the budget is profiled to take account of predicted spending patterns.

4.7 The Headteacher and School Business Manager / Finance Consultant provide The Resource Committee with regular monitoring reports, which have been reconciled to the bank account and RM Finance.

4.8 If relevant, budget holders receive regular update reports from the School Business Manager of the balance in their 'account' and may request interim reports when required.

4.10 Decisions to vire funds from one budget heading to another are taken by the Headteacher or The Resource Committee and must support the school's aims and objectives.

4.11 The Headteacher and the Governing Body assess progress against the objectives in the SIP in the spring meeting.

4.12 The Headteacher periodically consults the staff and the Governing Body to ensure that the financial and management information they receive is relevant, timely, reliable and understandable.

4.13 The Headteacher would report to the Governing Body any proposals for policy changes, which significantly affects the expenditure or income budgets.

4.14 The salaries of the Assistant Head and Deputy Head are reviewed by the Headteacher. The Headteacher's Salary Review Panel meets to review the Head's performance and salary.

## **5. INTERNAL FINANCIAL CONTROLS**

### **5.1 Receipts**

5.1.1 Income and contributions are banked regularly so that no more than £500 in cash is kept in the school safe at any one time.

5.1.2 Income received is counted by the Office Manager in the presence of a second member of staff. Both members of staff sign the bank income sheet to confirm this has taken place.

5.1.3 Receipt of credits and journal transfers are recorded in the local records (paper) by the School Business Manager.

5.1.4 The Office Manager processes the invoices, records the process in RM Finance, and pays via Bacs or raises cheques.

5.1.5 The Office Manager processes petty cash claims and makes payments to the value of £50 following authorisation of payment from Headteacher or SBM.

5.1.6 All invoice payments are reconciled by the Office Manager on RM Finance. All Payroll related payments are reconciled by the SBM.

5.1.7 The financial systems and procedures used in the school are found to be in 'The LBTH School Financial Procedures Manual - 2023.

5.1.8 The school has separated duties as far as is possible.

5.1.9 Any alteration to original documents will be in ink and signed; correcting fluid or eraser will not be used.

5.1.10 All accounting records are filed carefully and comply with the LBTH advice concerning destruction of records.

5.1.11 All financial transactions will be traceable through the local records.

5.1.12 The only staff to have input access to the computer based local records is the Head and School Business Manager, Finance Assistant & Finance Consultant and have the only access to the facility to add new users and passwords

5.1.13 The Head, School Business Manager and Finance consultant meet on a monthly basis to review the budget and cashflow forecasts, to ensure that budget profiles are monitored and assessed.

## **6. INSURANCE**

6.1 The insurance for the school is arranged by the Insurance Manager, Insurance Section at Mulberry Place, LBTH.

6.2 The governors decide on a yearly basis whether to purchase additional insurance for sickness and maternity cover, using data from a balance of risks and long-term staff sickness.

6.3 Any new risk would be notified to the Insurance Manager by the Headteacher.

6.4 The school will not give any indemnity to a third party without the written consent of the insurers, LBTH, DFE or their agents.

6.5 The school will inform the Insurance Manager immediately of any losses or incidents, which give rise to an insurance claim.

6.6 The insurance policy covers the use of school property when off the premises except when visibly left in cars or locked or unlocked or in an unlocked boot.

## **7. COMPUTER SYSTEM**

7.1 The school registration with the Information Commissioner's Office is maintained and up to date.

7.2. RM Finance is a cloud-based system and backed up automatically.

7.3 The school is covered by the LBTH scheme for disaster recovery.

7.4 Access to the office network computer is limited by passwords.

7.5 The Headteacher and School Business Manager are provided with the school office passwords.

7.6 Only authorised software is used in order to prevent the introduction of viruses. All computer systems are protected by an up-to-date anti-virus software.

## **8. PROCUREMENT**

### **8.1 Value for money**

8.1.1 Items are ordered using competitive suppliers or those authorised by the LA.

8.1.2 Purchases between £5,001 - £10,000 (net) per order are made after taking at least two written quotations. Purchases between £10,001 and £40,000 are made after three written quotations. Regular orders for Service Level Agreements, supply staff, utilities and stock orders are excluded.

8.1.3 Purchases over £40,000 (net) per order are subject to the tendering process

8.1.4 If a decision is taken to proceed with a quotation, which was not the lowest, the reasons for the decision will be recorded in the minutes of the governors' meeting.

8.1.5 It is the governors' policy for tendering where purchases are estimated to exceed £40,000(net) and that such tenders will comply with:

- EEC Regulations
- The LBTH procedures for:
- the submission, receipt, opening and recording of tenders when financial or technical evaluation is necessary
- acceptance of the tenders and the form of contract documentation
- cancellation clauses in cases involving corruption or bribery

## **8.2 Ordering Goods and Services**

8.2.1 Written, pre-numbered orders are used for all goods and services except utilities and petty cash purchases.

8.2.2 Only official order forms are used which are available from the Finance and Office Manager.

8.2.3 Orders are not used for individuals to obtain goods for their private use.

8.2.4 Orders cannot be altered after authorisation, unless any amendment is also authorised.

8.2.5 The Headteacher, Deputy Headteacher and budget holders may certify orders.

8.2.6 The budget holder ensures that all orders are appropriate and needed, that there is adequate budgetary provision and that quotes or tenders have been obtained if necessary.

## **8.3 Payments**

8.3.1 The deliveries are checked by a member of the admin team on delivery. The delivery note is marked to confirm that the goods have been received and is attached to the order and invoice.

8.3.2 Payments are made against invoices after goods or services have been received using local records to confirm that:

- Payment has not already been made
- Prices agree with catalogue prices
- VAT is correct
- Invoice is correctly coded and discounts have been taken where available.

8.3.3 The Office Manager prepares the invoice for payment and raises a Bacs payment report and two from the three signatories sign it to authorise the payment. To ensure separation of duties, Office Manager is not an authorised signatory.

8.3.4 Where there is any change in the staff authorised to sign invoices passed for payment a specimen signature will be forwarded LBTH who will instruct the bank accordingly.

8.3.5 No payment is made on photocopied invoice from a supplier, nor on a statement.

## **9. PERSONNEL/PAYROLL**

9.1 All personnel changes are carried out in accordance with the arrangements set out in the pay policy.

9.2 On the instruction of the Headteacher or Deputy Headteacher, the School Business Manager carries out the pre-recruitment checks. The School Business Manager completes and checks all documents relating to appointments, terminations, and other personnel changes. The Headteacher authorises these documents.

9.3 When a member of staff works additional hours, they must submit an overtime form clearly stating the hours for which they are claiming and the reasons why. They must sign the form, which will be countersigned by the headteacher as authorisation to pay. The School Business Manager will then action the instruction and also countersign the form to confirm that it has been actioned for payment.

9.4 Personnel records are held securely in the School Business Manager's office. The RM database contains personnel information, which is interrogated and managed on a day-to-day basis by the School Business Manager.

9.5 All payroll transactions are processed through the payroll system.

9.6 The school's payroll provider sends the school monthly financial reports showing all payments to employees and this data is used to populate RM and budget reports. These are checked by the School Business Manager against school records and queries are raised and resolved with the payroll provider. The School Business Manager will approve the payroll report to verify that it has been checked and is correct.

## **10. THE SECURITY OF STOCK AND OTHER PROPERTY**

10.1 The Headteacher is responsible to the Governing Body for the safe custody and control of cash and other property belonging to the school.

10.2 The Headteacher ensures that stocks are maintained at reasonable levels.

10.3 The Parago Asset Register serves as an inventory of portable items greater than £100 in value. Some items which are less than £100, but are considered a high theft risk i.e. digital cameras, are also included on the asset register. The items are barcoded and marked with the school postcode and name.

10.4 The Asset Register is maintained by the school's IT technician and presented to the Governing Body annually

10.5 The details of all furniture within the school are also held on the Parago System, though not necessarily barcoded.

10.6 Items are only taken off the school site with the permission of the Headteacher. A register of loans is maintained by the SBM.

10.7 Write-offs and disposal of surplus stocks and equipment are done in accordance with LBTH, DFE or EU regulations and authorised by the Head.

- 10.8 The safe is kept locked at all times. Key access is given to Headteacher, School Business Manager and Office Manager.
- 10.9 Staff are provided with their own lockers for secure safekeeping of their personal belongings whilst on the school premises

## **11. INCOME**

- 11.1 The Headteacher is responsible to the Governing Body for accounting for all income due.
- 11.2 The School Business Manager is responsible for identifying sums due to the school and ensuring such sums are collected.
- 11.3 The Office Manager is responsible for ensuring all monies are banked.
- 11.4 Where invoices are required, they are issued promptly.
- 11.5 Money transferred between staff will be signed for and documented.
- 11.6 Cash and cheques are kept locked in a safe environment.
- 11.7 Collections in their entirety are paid into the school bank account.
- 11.8 Income is reconciled on the monthly printouts and bank statements by the School Business Manager and reported to the Headteacher.
- 11.9 Debts will only be written off in accordance with LA or DFE regulations. The school will keep a record of all sums written off.
- 11.10 Receipts are issued on request for cash and cheques

## **12. BANKING ARRANGEMENTS**

### *Disbursement Bank Account.*

- 12.1 This account is used for payments to employees for goods purchased for school use with receipts.
- 12.2 Two signatures are required for Bacs payments. Both signatories must see supporting invoices.
- 12.3 The three signatories are Headteacher, Deputy Headteacher, School Business Manager
- 12.4 The Governing Body have set the limit of £10,000 per order beyond which approval must be sought from the Governing Body

### **12.5 BACS TRANSFERS**

- 12.5.1 The school aims to send Bacs payments wherever suppliers have provided bank account details.
- 12.5.2 Bacs payments ensure payment is sent in an efficient and timely manner.
- 12.5.3 Bacs payments are sent using the online banking system RBS Bankline.

- 12.5.4 Once an invoice has been approved for payment the Office Manager will set up the payment details on Bankline, using an export from the School finance system (RM)
- 12.5.5 The Office Manager will print a list of Bacs payments which will be cross checked against invoices and signed by two Bankline Authorisers.
- 12.5.6 The payments will be sent by one Bankline authoriser, the authoriser will sign the payments as 'confirmed'

<b>Bankline Permission</b>	<b>Delegated Officer</b>
Administrator 1	Office Manager
Authoriser	Headteacher
Authoriser	Deputy Headteacher
Authoriser	School Business Manager

## **12.6 SECURITY MEASURES:**

- 12.6.1 A file is exported from the school finance system (RM) with information to be uploaded onto Bankline, this file will be saved to an area on the computer which can only be accessed by those with Bankline permission
- 12.6.2 Once a file has successfully been uploaded to Bankline it will be saved in a password protected file, only those with Bankline permission will be able to access this file.
- 12.6.3 Payment authorisers must enter a PIN number into a card reader to authorise a Bacs transfer. The cards and card readers will be kept in a locked drawer in the Headteacher's / Deputy Headteacher's office.
- 12.6.4 The invoices and signed list of Bacs payments are filed in the school office
- 12.6.5 The Office Manager will ensure that account information for suppliers is kept up to date to avoid transfers to incorrect accounts.
- 12.6.6 No person will have dual rights on Bankline as an Authoriser and Administrator

## **12.7 CHEQUES PAYMENTS**

- 12.7.1 Where Bacs payments cannot be made to suppliers as bank account details are not provided, then payments will be made by cheque
- 12.7.2 All cheques must be crossed "Account payee only".
- 12.7.3 No cheque is pre-signed.
- 12.7.4 Cheques are kept in a locked cabinet.
- 12.7.5 There is no facility to overdraw.
- 12.7.6 Bank statements are received monthly and are reconciled with the monthly accounts.

12.7.7 Reconciliation is carried out by the School Business Manager and countersigned by the Headteacher

12.8.8 The balance of funds in the account is accruing a rate of interest. The Governing Body do not have any power to invest school budget funds.

12.9.9 No payment or receipt is made through a private bank account.

### **13. PETTY CASH**

13.1 The Governing Body have agreed to a maximum of £500 to be held at school for petty cash from the school budget.

13.2 Only the Headteacher, School Business Manager and Office Manager have access to petty cash.

13.3 Petty cash can only be issued up to a value of £50, a Bacs payment will be made to staff for any reimbursement including authorised higher value purchase.

13.4 The Office Manager will ensure that:

- Petty cash will only be paid when receipts are obtained and a petty cash claim form is completed and signed by the claimer and authorised by a signatory.
- Where appropriate receipts acknowledge VAT paid.
- The cash is kept securely in a locked box in the safe.
- Claim forms can be produced on demand to the Headteacher, auditor or other authorised person.
- Claims for reimbursement supported by claim forms are made regularly.

13.5 Personal cheques are not encashed from petty cash.

13.6 The Office Manager and the School Business Manager will reconcile the expenditure and balance of the petty cash fund at the end of each month

### **14. SCHOOL FUND ACCOUNT & DISBURSEMENT ACCOUNT**

14.1 The School Fund Account is used for donations, parent contributions and expenditure directly for pupils e.g. Summer Fair and school uniforms

14.2 All contributions for after school / child care clubs are paid into the Disbursement Account

14.3 Each school trip is accounted for separately and the organiser is responsible for ensuring that all cash collection, records, documents and claims relating to the trip are given to the Office Admin for processing. For day trips, any shortfall in parental contributions is met from the visits budget.

14.4 The school follows the LBTH guidelines for the safe and efficient system for the custody and control of voluntary funds under the control of the governing body.

**SUMMARY OF RECOMMENDED DELEGATED AUTHORITIES:**

Recommended Delegated Authorities			
Delegated Authority	Budget Transfer/Virements	Enter in to Contract	Debt Write-Off
Governing Body	£30,000 +	£20,000	£2500 to £5000*
Finance Committee	£10,000 to £30,000	£10,000 to £20,000	£250-£2500
Headteacher	Up to £10,000	Up to £10,000	Up to £250
<i>*Debts over £5000 to be referred to Director of Children's Services LBTH.</i>			
Signing Work/Purchase Orders/Invoices			
Governing Body	£20000 +		
Governors' Approval	£10000 to £20000		
Headteacher	Up to £10,000		
Number of Quotes Required			
None	Up to £5000		
2 or more	£5001 to £10,000		
3 or more	£10001 to £40,000		
<i>The school will seek tenders for orders in excess of £40,000</i>			