Finance Policy & Procedures

Sussex Road Primary School

Approved by:	FGB	**Date:**	September 2026
Next review due:	September 2027		

Introduction

The Governors of Sussex Road Primary School are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims, this policy has been drawn up to provide the guiding principles within which all Governors and staff will operate. This policy has been written in accordance with the Local Authority's Scheme for Financing Schools.

This policy adheres to the following principles:

- The responsibilities of the Governing Board, Finance, Resources and Personnel Committee, the Headteacher and staff will be clearly defined, and limits of delegated authority established, where applicable.

Responsibility

Governing Board

The Governing Body is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by: -

- Using both performance data and financial benchmarking to **compare** to similar schools locally and nationally.
- Using the information gained to **challenge** performance and set new targets.
- Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way.

School

The school will maintain sound internal financial controls, based on the LA's Financial Controls to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the school's prioritised educational objectives through its links to the Strategic Development Plan.

The budget will be subject to effective monitoring, allowing the Governors, Headteacher and staff to maintain financial control in line with the Balance Control Mechanism by reviewing the current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that: -

- The Budget Share is spent for the purpose of the school only.
- Purchasing arrangements achieve value for money.
- There are sound procedures for the administration of personnel matters.
- There are sound procedures for the administration of payroll matters.
- Stocks, stores, and assets are recorded and adequately safeguarded against loss or theft.
- All income due is identified and all collections receipted, recorded, and banked promptly.
- The operation of the bank account and the reconciliation of bank balances with FMS are properly controlled.
- The use of all Nat West One Cards are strictly controlled.
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit.
- The school will adhere to current GDPR and Data Protection legislation.
- The school will ensure that adequate numbers of staff are trained in financial administration to ensure continuity of cover.
- A register of Business Interests will be maintained for all Governors and staff members involved in procurement on behalf of the school.

Delegated Responsibility

Governing Board

The Board of Governors of the School has overall responsibility for the management of all the school's finances covering the revenue budget, other budgets delegated or devolved by the LEA and other funds.

The Board of Governors will ensure the annual detailed report of the School's Financial Value Standard (SFVS) is completed and submitted to the Local Authority by the due date. A copy, signed by the Chair of Governors, will be held in school.

Finance, Resources and Personnel Committee

The Board has delegated to the Finance, Resources and Personnel Committee responsibility for the following aspects of financial management:

- Evaluate and recommend the three-year budget plan, which shows clear links to the School's Strategic and Development Plans, reporting to the Board for approval.
- Review the Finance Policy and agree levels of delegation for approval by the Board.
- Review the Charges and Remissions Policy for approval by the Board.
- Review a Pay Policy for approval by the Board.
- Act as the Pay Committee of the Board.
- Evaluate decisions in respect of service agreements and insurance.
- Advise the Board of any consultations to change the LA Scheme for Financing Schools, to allow the school to respond to any consultation.
- Report monitoring and the outturn position to the Board, highlighting any significant variances or other matters of significance.
- Exercise the powers delegated to it in accordance with the School's Scheme of delegation.
- Evaluate and report on Tenders for Contract Services to the Board.
- Keep in-school financial procedures under review.
- Benchmark the school's financial performance and report to the Board.
- Complete the annual SFVS (Schools Financial Values Standard) review with the School Business Manager, for submission to Statutory Finance Team, and ensure required actions are carried out.

The Headteacher

The Headteacher is responsible for implementing the decisions of the Board of Governors and for the operational management of the school. The general administration of financial procedures is delegated to the School Business Manager at the discretion of the Headteacher.

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, all Governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the school may purchase goods or services. The register is open for public inspection.

The register includes all business interests such as directorships, shareholdings, or other appointments of influence within a business or organisation which may have dealings with the school. The disclosures also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

Internal Financial Controls

The internal financial controls operated by the school follow the financial controls set out in the LA's Scheme for Financing Schools.

Financial Links to the School Improvement Plan

The Strategic Development Plan, and any accompanying action plan, should have sufficient scope and depth to identify the financial implications of the measures continued. This is reflected in the school's three-year budget plan.

Monitoring and Virements

The school recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. Once budget are fixed on BPS School Business Manager carries out a monthly internal monitoring procedures, which is reviewed by the Headteacher and available to the Finance, Resources and Personnel Committee via BPS. Committee members are invited to seek clarification on any aspect of the internal monitoring. Until the LEA have approved proposed budgets monitoring completed in the early part of the Financial Year will be based on FMS reports only. A monitoring report is taken to all meetings of the Finance, Resources and Personnel Committee which reports, if required, to the Full Governing Body.

Meetings of the Committee may be either in person or by electronic conferencing facilities as the Committee may determine and all meetings shall be minuted and decisions and recommendations appropriately recorded.

To help deter and detect fraud, the monthly FMS & I&E and Reconciliations reports are checked against the school's reconciled bank statements and emailed to members of the Finance, Resources and Personnel Committee.

Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.

On occasions, virements may need to be carried out. Virements to the approved budget are minuted appropriately and approved in accordance with the School's Scheme of delegation.

Insurance

The school is insured through the Kent County Council (KCC) 'Safe Hands' Scheme with relevant cover, as identified by the schedule received from the LA's Insurance section. The insurance policy covers cash of up to £200 held in a locked cash tin within a locked filing cabinet and up to £3,000 held in the locked safe.

Supply teacher insurance including stress and sickness related absence is purchased through Education Mutual. Maternity and Jury Service cover is provided via the School's Personnel Service – Excepted Items Policy.

Purchasing

All budgets are held by the Headteacher although the school allocates nominal budgets to each phase to facilitate the purchase of resources for each cohort enquiries. The SBM takes responsibility for ensuring funds are available for requested purchases. Where specific income is received by the school i.e., Sports Grant, this is ring fenced, and the lead required to itemise purchases and formally report to the DfE on the impact on pupil outcomes.

All staff are required to adhere to the KCC procedures for purchasing items, detailed in financial control no7, always seeking best value for money. The mandated signatories authorise all orders and invoices prior to payment. The school acknowledges that an FMS order must be raised for all expenditure except in extreme emergency. Staff are not permitted to make any purchases using their own funds.

Where the school purchases expensive items, it will adhere to the procedure for 'Spending the Council's Money' as laid down in the Scheme for Financing Schools
https://www.kent.gov.uk/__data/assets/pdf_file/0017/5534/Spending-the-Councils-Money.pdf

The school will follow the KCC procurement thresholds published June 2024 https://www.kelsi.org.uk/news-and-events/news/primary/new-procurement-thresholds-and-procedures-changes-to-the-scheme-for-financing-schools

All single purchases above the headteacher's delegated powers will be minuted at the appropriate FGB meeting will be minuted at the appropriate committee/Governing Body meeting to ensure that the school is seen to be obtaining value for money at all times.

Leases

The school does not enter into any external Hire Purchase agreements, Finance Agreements or Finance Leases as this constitutes borrowing which is not permitted. The school does however lease photocopiers via KCC for maximum terms of three years. At renewal quotes are gained for at least 3 new like-for-like equipment. Copies of these lease agreements are lodged with School Finance Team annually as part of the closedown process.

All leases will now count in principle as capital, unless the total value of the lease is below the local capitalisation threshold (Currently £10,000). Where a lease counts as capital, it must not be included in the revenue expenditure lines E12 to E25. Instead, it must be included in E30 as direct revenue financing of capital.

Personnel Matters

At the start of every financial year the School Business Manager uses a financial planning tool (BPS) to calculate the salary costs of all members of staff, including increments, where applicable as indicated by the Headteacher. These details are incorporated into the school budget planning process.

Headteacher's Performance Management panel

This panel undertakes an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Board for approval.

The Headteacher undertakes an annual review of all other staff, which is ratified by in accordance with the Governors' Pay Committee.

Details of all salaries are recorded as a confidential item in the minutes.

Supply Staff and Additional Hours

All contracted supply staff are appointed by the Headteacher/Deputy Headteacher or as otherwise directed by the Headteacher.

It is the responsibility of the individual member of staff to notify the School Business Manager of additional or supply hours worked each month. All such hours are agreed in advance, by the Leadership Team. Payment request forms are countersigned by the staff member's line manager and authorised by the Headteacher before being submitted for payment.

Full time Teachers/Leaders cannot be paid overtime under the terms of their contracts. Teachers may be paid to work specific hours outside their normal contracted, for example Recovery/Booster sessions. These hours are not contracted, must be outside normal contracted work hours and will be paid at a specific hourly rate for all teaching staff.

Payroll Matters

The payroll provider for the school is HR Connect which provides payroll services to the specification laid down by the LA.

All staff appointments and amendments are to be made in accordance with the arrangements laid down in the Pay Policy.

No employee may authorise alterations concerning their own contractual and pay conditions.

All monthly payroll data will be reconciled by the School Business Manager, to agree Salary, Income Tax, National Insurance, Superannuation and any other deductions, additional hours or expenses claims. Payroll reconciliation will be completed within 5 working days of the payroll data being received. The Headteacher or designated deputy will sign off the monthly HR Connect ITrent payroll report once it has been checked for accuracy.

Each month the School Business Manager will agree all payments for salaries and other salary related payments as part of the Bank statement reconciliation.

Safeguard of Stocks, Stores and Assets

All staff at the school are responsible for the security of school assets. School assets are recorded on a general asset register linked to the School's FMS accounting package. This register is checked at least annually and certified by the Headteacher or designated deputy.

Items of value are to be held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Disposal of assets, usually through wear and tear, accidental damage or obsolescence is recorded on the register. Asset disposal will be authorised by either the Headteacher or the FRP Committee in accordance with powers listed at the below. Disposal decisions approved by the Committee will be noted by the FGB.

The School does not make ad hoc loans of school assets to staff or pupils

Income

At the School, the Lettings Policy is reviewed and approved every three years by the Board. Letting charges are reviewed annually by the School Business Manager/Headteacher.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, the Full Governing Board will approve up to £1,000. Approval to write off debts over £1,000 is required in writing from the LA Finance Business Partner CYPE. (schoolfunding@kent.gov.uk)

Cash will be receipted, recorded to the system and banked regularly, at least once a term (or sooner if insured limit is reached) without exception.

The school raises invoices using the FMS Accounts receivable package.

School Accounts

School Bank Account
The school operates its bank account in accordance with the regulations in the LA's Scheme for Financing Schools. The school operates a single Nat West current account for the administration of both KCC official funds, and the voluntary School Fund. The school acknowledges that as a Maintained School at no point may the Nat West Corporate Bank account become overdrawn

Bank account signatories are updated immediately there is a change in staffing and details are copied to the Schools Financial Services, as a matter of course.

Suppliers and Invoices are paid via BACS or on rare occasion Cheque ensuring they adhere to all financial controls within the Scheme for Financing Schools.

Bank statements are downloaded and printed out on at least a monthly basis and reconciled immediately in accordance with LA guidelines. The Headteacher or designated deputy signs and dates the bank statement as soon as possible after the reconciliation has been checked.

NatWest, One card

Approved NatWest **one**card/s are held as an additional method of payment in accordance with the LA guidance. The school operates three approved Onecards in accordance with the LA guidance. These cards can be used for purchasing online or occasionally in retail establishments. Orders are always approved in advance by the budget holder/member of SLT and entered on the accounting system in the usual way prior to purchase taking place. The cards are held by the authorised card holders and information enabling purchase by any third party is not shared. Card statements are checked and reconciled monthly and signed by the card holder and 2 authorised signatories.

Staff must not use their own cash, personal debit or credit cards for the purchase of any items for the school.

Personal Reward cards must not be used in conjunction with any school purchase.

The Voluntary Fund

In addition to the LA's official funds, the school seeks contributions from parents in accordance with the LA's School Voluntary Fund Guidance. We recognise these payments as an additional source of income, ensuring pupils can access enrichment and enabling the school to operate the purchase and sale of school uniform. All School Fund transactions pass through the school's main bank account. Separate spreadsheets are maintained to ensure accountability is for all funds received.

The school uses Arbor to facilitate online payment by parents for trips and uniform purchases. Arbor uses Stripe – a secure payment processing platform specifically for the internet. Funds are collated by the companies and deposited into the school's bank account on a weekly basis. The companies provide reports which are processed on receipt and balanced to the FMS as part of the monthly reconciliation.

Petty Cash

The school does not normally hold any petty cash.

Irregularities

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.
Schools must ensure they have:

- An Anti-Fraud, Bribery and Corruption policy
- A Whistleblowing policy
- A Gifts and Hospitality policy (and annually complete the associated register).

All Staff are made aware of these policies and particularly to whom they should report any concerns. As good practice this information is included in the induction process for new school staff and governors.

Data Protection

The school (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying an annual data protection fee to the Information Commissioners Office (ICO).

Information Systems

A password protection procedure is adhered to as laid down in the Cyber Protection and Acceptable Use Policies. Systems are backed up off site daily; virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

Financial Management Systems

The School use the cloud based SIMs FMS.

In addition to the School Business Manager, the School has 2 further member of staff trained in the use of some aspects of the finance software who can carry out basic financial administration procedures. One Administration Officer is currently being trained to fully use the finance software and carry out financial administration procedures.

The School also purchases a support contract through Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required. The School Business Manager is insured against sickness to offset the cost of such additional support required.

Processes and Delegated Powers	
Ordering	Order request signed by the subject leader – or submitted from their school email address. Availability for funds checked by SBM and referral made to Subject Lead, SLT or FRP where funds are unavailable and a virement may be required if the order is to be progressed. Order input FMS by SBM or members of the Administration Team. The school does not operate a system of separate budget holders, and all orders are signed off by a signatory from the Bank Mandate **Signed by SBM to confirm funds available.** **Countersigned by a second approved bank mandate signatory to approve order.**
Invoices	Checked for delivery and arithmetic by SBM or members of the Administration Team. **Authorised by a second approved bank mandate signatory other than the SBM**
ICS compliant cheques	Processed on FMS by SBM or the Administration Assistant **Signed by any two approved bank mandate signatories**
BACS Payments	Processed on FMS by SBM or the Administration Assistant **Signed by any two approved bank mandate signatories**
General Ledger and internal transfers.	Processed on FMS by SBM or Administration Team **Signed by SBM** **Countersigned by a second approved bank mandate signatory**
Reconciliation: - Bank Statement (within 14 days of receipt) One Card Statement (within 14 days of receipt) FMS VAT Returns (Monthly)	Processed on FMS by SBM or the Administration Assistant **Signed by SBM** **Countersigned by a second approved bank mandate signatory**
FMS monthly Reconciliations	Processed on FMS by SBM or the Administration Assistant **Signed by SBM** **Countersigned by a second approved bank mandate signatory** **Monthly copies to members of the Governing FRP Committee**
Salary Reconciliation (asap but within not more than one calendar month of receipt) including additional hours payments	Processed on FMS by SBM or the Administration Assistant **Signed by SBM** **Countersigned by a second approved bank mandate signatory**
Bank Mandate held in school - requires two to sign for all payment methods other than Onecards. Names, and specimen signatures are not published butt are held in school and are available at Audit.	• Headteacher • Deputy Headteacher • Assistant Headteacher • School Business Manager • Curriculum Leader
Access to Online Bank statements	• School Business Manager • Headteacher • Deputy Headteacher • Assistant Headteacher • Administration Officer (Read only)

Scheme of Delegation		
Purchases	Headteacher	Up to £9,999
	The FRP Committee (reported to and noted in FGB minutes)	£10,000 to £24,999
Virements	Headteacher	Up to £9,999
	The FRP Committee (reported to and noted in FGB minutes)	£10,000 and over
Procurement	Headteacher based on BVM research by SBM	Up to £9,999
	FRP Committee Best practice being that one written quotation be obtained and submitted to the Committee for consideration/approval. Reported to and noted in FGB minutes	£10,000 to £24,999
	Board of Governors At least three written quotes are sought, discussed by FRP and the outcome submitted to the FBG for approval.	£25,000 – to £999,999
	Board of Governors At least three competitive tenders sought, and outcome submitted to the FBG for approval.	£1Million
Write off - debts.	The FRP Committee (reported to and noted in FGB minutes)	Up to £1,000
	LA Finance Business Partner (CYPE)	Over £1,000
Write Off - assets	Headteacher ICT equipment will be deemed to depreciate over a 3-year period. ICT technician to provide HT with a printed report of assets to be disposed of for authorisation.	
	FRP Committee SBM/ICT technician to provide committee with a printed report of assets to be disposed of for authorisation (reported to and noted in FGB minutes)	Over £1,000
Nat West One -Credit Cards Names, mandates, and agreement forms are not published, but held in school and are available at Audit.	School Business Manager Head Teacher School Site Manager	£7,000 per month £2,000 per transaction £2,000 per month £750 per transaction £250 per month £75 per transaction **(Purchases pre-approved by SBM and recorded on FMS)**
All one card purchases are recorded on FMS as Orders pending monthly reconciliation of the card statement		
Cash limit on school site based on current insurance cover	Working cash held in locked tin in a locked filing cabinet. Temporary cash held from specific events will be held in the school safe	£200 £3,000
All financial decisions outside of the school's internal limits will be discussed with the FRP to ratify or make recommendations to the FGB. These discussions and decisions will be minuted at the next available meeting.		

Signed Headteacher

Signed Chair of Governors