East Somerset Federation

Bruton
Primary School

Upton Noble
C of E VC Primary

Finance Policy

Approved by the Governing Body of

The East Somerset Federation

Signed: Anna Chubb & Suzanne McCutcheon – Co Chairs of Governors

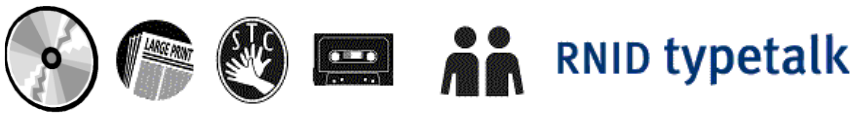
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Schools Funding and Accountancy Team Helpline Telephone – 01823 359771



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INTRODUCTION

The Finance Policy also applies to PRUs and where relevant, the following changes in terminology apply:

Document reference	Replace with PRU reference
School	PRU
Governing Body	Management Board

The Finance Policy has been adapted to reflect the individual needs of the East Somerset Federation schools and includes specific information relating to procedures and tasks performed in the schools.

The Finance Policy is a working document and will be updated to meet any changes, such as staff changes.

The policy will be approved by the Governing Body and will be reviewed at least every two years. Both the approval of the Finance Policy and the date of the future review will be recorded in the Minutes of the Governing Body Meeting.

The Finance Policy is used in conjunction with other Model Policies issued by the LA and in particular:

1. The Financial Management Scheme (FMS)

The Scheme sets out the financial relationship between Somerset Council (SC) and the maintained schools which it funds. (Somerset Council is the Local Authority (LA)). The Scheme contains requirements relating to financial management and associated issues and is binding on both the LA and on schools through their respective Governing Bodies.

2. Guidance documents issued by Education Financial Services for Maintained Schools

This includes:
Guidance – Working with SIMS FMS
Guidance – Budget Planning
Guidance – Reconciliation for Central Payment Schools
Guidance – Financial Management Reports
Guidance – Income
Guidance – Petty Cash for Central Payment Schools

For a full list of documents available - Click here for http://www.supportservicesforeducation.co.uk/

Should you not have access to the resources page on the above website contact efs@somerset.gov.uk to arrange a login to view their resources page.

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SECTION 1 - ORGANISATION AND ACCOUNTABILITY

Responsibilities of the Governing Body

- It is expected that each member of the Governing Body will have completed an induction course for Governors and be aware of policies for schools and The Governors Handbook .
- Responsible for the well being and control of staff (Whole School Pay Policy).
- Responsible for security, custody and control of resources of the school (plant, buildings, materials, cash, stocks). **Refer to the Financial Management Scheme: Section 11.1.3 – Premises Issues, regarding annual property maintenance conditions statement to be submitted to LA**.
- Must comply with responsibility in relation to Health and Safety.
  See chapter of Financial Management Scheme: Section 12 – Health and Safety . Also refer to SC Health and Safety Extranet – Guidance for Schools volume 4.
- May incur expenditure up to the total of the delegated budget share of the school after allowing for the carry forward.
- Ensuring that adequate financial procedures and controls exist to minimise the risk of loss, wastage or misappropriation and also to satisfy official requirements relating to Income Tax, NI, VAT, Construction Industry Tax etc. (Refer Financial Management Scheme: Section 7)
- Governors may delegate any of these powers to a Committee or Executive Executive Headteacher (see futher in this section). **The Governing Body must determine, review and approve the constitution, membership and Terms of Reference (TOR) of any Committee annually.** Committee minutes/reports are submitted regularly and documented in Full Governing Body minutes.
- Appoint a Clerk to the Governing Body (other than a governor or Executive Executive Headteacher) who will attend regular Clerk's briefings and ensure the efficient functioning of the Governing Body.
- Governors have the power to limit the delegated powers of the Executive Executive Headteacher if it is considered to be necessary.
- Register of Business Interests is reviewed annually to ensure it is up to date and current declarations held **from all Governors and all staff with a financial responsibility**. Register to be available in school for scrutiny. Staff and Governors must withdraw from meetings where they or any member of their immediate family has a financial interest in any matter under consideration.
- Responsible for setting the de minimis level for capital expenditure.
- By **no later than 31st May**, Governors must have formally approved the school's budget plan, taking into account such things as current spending, priorities in the School Development Plan (SDP), future commitments, pupil numbers etc. Details of the budget plan must be sent to the Schools Funding and Accounting Team (SFAT), with the assumptions underpinning it.

- Monitor the budget as presented by the Finance Committee ensuring full details of any variances, budget movements, and remedial plans have been documented.

- Responsible for ensuring that school accounts are accurately reflected in the Council Statement of Accounts by making arrangements for compliance with guidance produced by the Local Authority.

- Approving at least three authorised signatories to cover for absence (Head Teacher + 2 others). A Governor can only sign as a second signatory.

- Ensuring that an up-to-date inventory is maintained for items with a replacement cost of £100 or more and an expected life of at least one year with all Council property being security tagged. Ensuring that the inventory is checked against the items at least annually. Discrepancies are reported to Governors to investigate and keep a record of write-offs.

- Nominating an independent person to audit the unofficial fund at least annually.

- Money may only be borrowed with written permission of the Secretary of State. This does not apply to Trustees and Foundations (see Sections 3.2.1, 3.2.2 , 3.2.3 and 3.2.4 of the Financial Management Scheme).

- Approving the write-off of debts.

- Submitting the Schools Financial Value Standard return to the LA annually by 31st March

A Governors Checklist has been compiled (see appendix 7) to assist Governors in identifying where their input is required and to assist in monitoring that the relevant requirements have been attended to.

Responsibilities of the Finance Committee

The Governing Body has delegated to the Finance Committee the following responsibilities:

- The drafting and recommendation to the Governing Body of the annual budget.

- The monitoring of the budget, expenditure and income.

- Ensuring expenditure does not exceed the available budget.

- Authorising, in advance, virements exceeding £XX⋯, a figure agreed by full Governing Body (See Section 3 - Virements). A member of the finance committee or the Chair of Governors is empowered to authorise virements that have been recommended by sub committees by signing the virement form in advance of money being moved. Virements are then reported in the next Finance Report.

- Authorising expenditure not covered by the cost centre headings in the original agreed budget, or incurred due to a change in policy and authorising the funding source for such expenditure. Details to be documented in Committee minutes and presented to Governing Body.

- Approving high level purchases and contracts prior to an order being placed.

- Ensuring that a full financial report is delivered to the Governing Body twice yearly - in the Autumn term and following the end of the financial year.
- Ensuring that a brief report is delivered to the Governing Body at least once every term.
- Maintaining a Charging and Remissions Policy.
- Maintaining a Lettings Policy.
- Writing off or making provision for a bad debt subject to paragraphs 2.1.8 and 2.1.9 of the Financial Management Scheme.
- Maintaining a Tendering Policy.
- Making decisions on the level of buy back of Support Services, whether from SC or an external provider, following consultation with the Chairperson of each Governor's Committee.
- Agree costings for the 3 Year School Development Plan.

Responsibilities of the Executive Headteacher

The Governing Body has delegated the following responsibilities to the Executive Headteacher:

- Leading and managing staff to secure improvement.
- The efficient and effective deployment of staff and resources.
- Accountability to Governors and others, such as parents, pupils, staff and the local community.
- Ensuring all reasonable action is taken to minimise risks.
- By 31 March each year, or within 30 days of the budget share being issued, the Head must prepare estimates of expenditure and income covering the next financial year for consideration and approval by the Governing Body.
- Ensuring that a monthly reconciliation between the School's Accounting System (e.g. SIMS FMS) and the Council's Accounting System is carried out by the last working day of the month following the month of account.
- Submitting a written report to Governors or Finance Committee at least termly on the progress of the budget, explaining variations from expected spend/income and advising on the likely final position.
- Informing the Finance Manager – Schools Funding and Accountancy Team immediately if the school's budget looks as though it will be overspent at the end of the year by 5% or more with a proposed course of action to recover the deficit.
- Authorising virements below a level of £5000.00, a figure agreed by the full Governing Body in advance. (See Section 3 - Virements)

- Reporting virements and journals to the Full Governing Body for their approval.
- Submitting a formal response to the Finance Manager – Schools Funding and Accountancy Team within one month's receipt of an internal audit report. Ensuring that the Governing Body receives details of the final report and the school's responses.
- Responsibility for the identification of all income due, its prompt collection and banking, and the maintenance of complete and accurate records.
- Responsibility for ensuring that Value Added Tax (VAT) is treated correctly on all transactions. Also ensures that the school complies with VAT and other tax regulations and that all relevant finance and administrative staff are aware of them.
- Notifying the SC Insurance Section immediately of all new, anticipated or changed risks requiring insurance. Email: insurance@somerset.gov.uk
- Notifying HR Admin and Payroll as soon as possible of all matters affecting staff payments.
- Authorisation in advance of any staff changes or additional paid hours to be worked by staff, to be notified at the next relevant Governors' meeting.
- Responsibility for controlling access to all data in the school in accordance with the Data Protection Guidelines and Codes of Practice. (See Section 9)
- Submitting a signed copy of the annual leases return to the LA.

Responsibilities of the Deputy Executive Headteacher or Senior Teacher

- Day to day management of the non-staffing budgets.
- Signing of official orders.
- In the absence of the Executive Headteacher, undertakes the responsibilities of the Executive Headteacher and ensures that an authorised person other than themselves, signs orders.

Responsibilities of the Business Manager

- Assisting with the preparation of the school budget, setting expenditure thresholds and profiles.
- Ensuring that on receipt of approved order requisition forms, orders are processed for all planned expenditure except for supplies of public utility services and items purchased through petty cash of not more than £100 in value.
- Ensuring outstanding orders are reviewed regularly, cancelling or following up as necessary.
- Ensuring goods and services received are checked against delivery notes, orders and invoices and ensuring the school is charged only for goods received.
- Ensuring invoices are processed within one week of their receipt.

- Ensures that petty cash is used for approved purposes and that receipts are collected, staff re-imbursed, manual records are kept and transactions are recorded on the School's Accounting System (e.g. SIMS FMS) in a timely manner. Arrange for the reimbursement of the Imprest bank account.

- Ensuring processes are in place for the collection and recording of income due/received. Ensuring all income due is received, recorded and that the income is banked.

- Ensure that effective action is taken to pursue non payment of debts within defined timescales.

- Monitoring the budget, providing information and/or financial reports for the Executive Headteacher, Governors, LA and budget holders as required.

- Maintaining separate official and unofficial funds and ensuring income is allocated to, and payments made from, the appropriate fund, with no mixing of funds.

- Ensuring processes are in place to maintain financial records for Unofficial Funds, that they are audited by an independent person annually, and are reported to the Governing Body for their approval. Ensuring that a certificate of the audit, the audit checklist and supporting information are submitted to the LA.

- Reconciling transactions between the Council's Accounting System and the School's Accounting System by the last working day of the month following the month of account.

- Providing the LA with staff contract changes and submitting payroll forms to ensure that additional staff payments are made promptly.

- Providing financial information as required by the LA.

- Carrying out end of year procedures for closing old year accounts in accordance with the timetable issued by the Schools Funding and Accountancy Team.

- Maintaining an up to date inventory of school equipment.

- Ensuring adequate back ups are maintained of computer based information.

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SECTION 2 - INTERNAL FINANCIAL CONTROLS

Division of Duties

Division of Duties is the involvement of **more than one** member of staff in the undertaking of financial tasks. **This is very important as it ensures that one person is not solely responsible for any given function and helps protect against possible error/fraud and provides cover for staff absence.**

Below is an example of how the division of duties can work in practice to minimise the risks involved:

(1) **Individual staff** complete a requisition form for goods and services required.

(2) **Budget Holder or Head** signs the requisition form, with the appropriate cost centre identified.

(3) Using the requisition form, the **Business Manager** prepares orders on the School's Accounting System, having ensured that the goods/services required are within the budget plan and there are sufficient funds in the cost centre.

(4) **Deputy Head or Senior Teacher** checks the official order against the requisition form before signing the order as correct.

(5) Upon receipt of goods, the **Budget Holder** checks the delivery note, to ensure that the goods listed have been "received" and back to the order to see if any items are outstanding. Checks are evidenced in writing and the delivery note is then passed to the **Business Manager**.

(6) When the invoice is received the **Business Manager** checks the invoice against the delivery note/order and passes to the **Executive Executive Headteacher** who checks the validity before signing for payment.

(6) **Business Manager** processes the invoice against the original order on the School's Accounting System.

(7) **Executive Executive Headteacher** checks and signs the invoice batch header to allow the **Business Manager** to upload the invoice to Somerset Council for payment.

No alterations are made to any invoices. If a change is required, the Business Manager requests an amended invoice from the supplier.

A minimum of two members of staff are required to ensure division of duties.

In small schools where no senior teacher is available it is recommended that the Chair of Govenors conducts a periodic spot check to independently verify the legitimacy of expenditure. Evidence of spot check to be recorded.

Refer to Appendix 3 which details Division of Duties for processes i.e. ordering, invoicing and petty cash including cover for absences. In the school all transactions are traceable through the system from start to finish.

Authorised Signatories

Authorised signatories have been agreed by Governors. A list of personnel authorised to sign orders, invoices, cheques, etc. is detailed in the minutes of the Governors' meeting at which they were agreed.

Reconciliation

Reconciliation is carried out by the Business Manager on a monthly basis, by the last working day of the month following the month of account. The Executive Headteacher checks the computer tabulation sheets for inappropriate transactions and signs to evidence the check.
Form 10 (Reconciliation Balance Summary Form) is checked and signed by the Executive Headteacher and retained by the school **(there is no need for this to be sent to the LA)**.

Records

- Financial and Personnel information needs to be retained for Inland Revenue and HM Revenue and Customs purposes. See Appendix 2 for details. Documents are archived annually by the Business Manager, as appropriate.

- A written log of any instances of fraud, theft **or incidents/irregularities** detected in the last 12 months, **must be kept** in order to identify patterns of misconduct and any weaknesses in the current arrangements which need to be addressed.

- For expenditure including large purchases and contracts, the school should ensure that a formal written contract is in place, explaining the work performed and all outputs expected, the time period covered and rate chargeable. A copy of the contract should be retained by the school.

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SECTION 3 - BUDGETING/FINANCIAL MANAGEMENT AND PLANNING

Funding

The majority of the funds received by school are delegated through the LA via the annual Individual Schools Budget Statement. This allocation is calculated using a formula based on several factors which affect the school's funding. Additional allocations or deductions may be made throughout the year. The school also has the opportunity to raise additional funds (income) e.g. via lettings or PTA organised events.

Preparation of the School Budget

Schools should ensure the priorities within the School Development Plan (SDP) contain accurate financial estimates and form the driving force of the budget with an emphasis on value for money.
The Executive Headteacher is responsible for preparing the budget **linked to the SDP**. Initially, this will be considered by the Finance Committee prior to approval by the full Governing Body.

Any budget surplus or deficit is reviewed and addressed by the Finance Committee **referring back to the SDP**.

If, when setting the budget, a deficit budget is envisaged prior permission must be sought from the Finance Manager, Schools Funding and Accounting before being accepted by Governors. A draft budget plan together with a proposed recovery plan must be submitted to schoolsfunding@somerset.gov.uk for consideration and approval. (See 4.4.1 of Financial Management Scheme)

When looking at the school budget the following should also be considered:

Buildings : Maintenance and repairs

Governing Bodies are responsible for all necessary maintenance and repairs. (refer Section 11 – Premises Issues of the Financial Management Scheme).

The Council can provide services to schools and academies in this respect. Contact Support Services for Education - Property and Ground Services for further details. Email: (Property@somerset.gov.uk or grounds@somerset.gov.uk)

Energy Management

Managing energy usage and rectifying energy waste will assist schools to:

- Reduce bottom line spend
- Minimise Carbon Footprint
- Create better working environment for staff and students

(Refer Section 11.3 and 11.4 Carbon Management and Central Utility Contracts and Bureau Service of the Financial Management Scheme)

Budget Monitoring and Reporting

Regular monitoring of income and expenditure against the agreed budget is central to effective financial management.

After the monthly reconciliation between the School's Accounting System and the Council's Accounting System, budget monitoring reports detailing income and expenditure are produced for the Executive Headteacher and budget holders.

The Executive Headteacher analyses the monthly report to identify any variances/unexpected expenditure and takes appropriate action.

Budget holders receive and review their monthly reports comparing the amount committed/spent against their budgets.

The budget monitoring report is presented regularly (**at least four times a year**) to the Finance Committee**/Governing Body**. The report includes explanatory notes, details of budget movements, estimated outturn at the end of the financial year and any remedial action taken/required, or items requiring further discussion/approval.

If it is anticipated that the school may go into a deficit situation by the end of the financial year, the Executive Headteacher will inform the Finance Manager – Schools Funding and Accounting Team immediately, with a proposed course of action to recover the deficit.

Carry forwards at the end of year will be discussed with the Finance Committee **/Governing Body** to decide how any uncommitted money will be spent **in line with the SDP**.

Virements (Budget Movements)

The Governing Body has agreed that budget virements of up to £5,000 can be actioned, without its prior approval, to allow some flexibility within the everyday running of the school.

The Finance Committee is responsible for authorising, in advance, virements exceeding £5,000 a figure agreed by full Governing Body.
A member of the finance committee or the Chair of Governors is empowered to authorise virements that have been recommended by sub committees by signing the virement form in advance of money being moved. Virements are then reported in the next Finance Report.
(See Section 1 finance committee)

All budget virements are recorded on a virements form by the Business Manager and authorised by the Executive Headteacher in advance of being actioned on the School's Accounting System. They are reported to the Governing Body at the next available opportunity.

Any internal journals (transfer of income or expenditure between Cost Centres) for significant amounts are printed and authorised by the Executive Headteacher. They are reported to the Governing Body at the next available opportunity.

Forward Financial Planning

In light of estimated or known pupil changes, forward budget plans are projected and considered by the Governing Body. **These plans should be linked to the SDP for raising standards and attainment and should be costed to ensure there are sufficient available funds within the budget if implemented.** It is good practice for the school to plan over the medium term i.e. 3 years.

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SECTION 4 - PURCHASING

Schools may contact the Commercial and Procurement Team (CPT) when considering contracts for goods, services and works. This is a chargeable service. If you do not wish to engage their support you should refer to the Buying for Schools general guidance on Gov.UK.

Where the school is engaging in works such as building or decorating and Construction Industry Tax (CIT) applies, the Business Manager must ensure that the supplier is registered under the scheme before accepting them to carry out the work. (See Construction Industry Section below)

Orders/Contracts are only entered into after ensuring that value for money principles have been followed. This includes investigating any available subsidies or discounts for activities, services and goods. Every contract entered into by a school must be made or confirmed in writing.

The de minimis level, above which a purchase is treated as capital expenditure is £25000.00

Governors' approval is required for orders of an individual item exceeding £5000.00 and this should be recorded in the minutes of the meeting.

Limits set should be reviewed regularly by the Governing Body and documented in the minutes.

Contracts

Copies of all contracts entered into are retained by the school to enable compliance with terms and conditions to be monitored.

Any contracts must comply with the Local Governments Acts, Public Contract Regulations 2015 and other legislation governing the expenditure of public funds.

Schools are required to abide by the Council's Contract Standing Orders - B.

Thresholds and procedures are reviewed regularly and further reference should be made to the following when drawing up the School Finance Policy:

- The Financial Management Scheme Section 2.10
- Procurement Policy Note 10/21 – Thresholds and Inclusion of VAT - GOV.UK (www.gov.uk)

The value of a contract is calculated as the amount per annum multiplied by the number of years duration:

- If taking out a 3 year contract at £15,000 per year this would be worth £45,000
- If taking out a 3 year contract at £50,000 per year this would be worth £150,000.

Different processes are required for different types of contracts and for different values.

1. **BEST VALUE FOR MONEY PROCESS**:
   Officers will be required to demonstrate that they have secured best value with a minimum of one written quotation by a supplier.

2. **THREE QUOTE PROCESS**:*****
   - Details of three prospective suppliers and a selection criteria
   - Details of the pre-determined award criteria (In the case of PRUs this may include compliance with Ofsted/Safeguarding requirements)
   - At least **three** competitive quotes and supporting documentation

- Record of assessment of quotes and any correspondence with evidence of best value secured.

In all cases if the required number of quotes cannot be obtained and if the lowest quote is not accepted, the reasons are reported to the Governing Body and recorded in the minutes of the meeting.

*****In the case of PRUs specific providers may have been determined and approved by the Management Board during an annual Quality Assurance Process following the above requirements and recorded in an Alternative Provision Directory. In this case full details of the Quality Assurance Process will be on record.

If a school is unable to obtain three written quotes, a waiver must be obtained. This can be done through the Strategic Manager, Adults and Childrens Finance or the Finance Manager, Schools Funding and Accountancy Team (SFAT). Requests to be forwarded to schoolsfunding@somerset.gov.uk .

3. **TENDER PROCESS**:
    - **Two tender processes are in place for either up to EU Exit Regulations Threshold or over EU Exit Regulations Threshold**
    - Where tenders are sought (See PPN 08/20 November 2020) , the critieria to be used in the selection of the successful tender are established **prior** to advertising or receiving tenders. The Governing Body takes responsibility for the safe receipt, storage and opening of tenders where necessary. (See SC Contract Standing Orders for full process and rules).
    - A record is kept of how and from whom tenders are sought, what tenders are received, who the successful tender is and the reason for not accepting the lowest tender. A Contracts Register is maintained for this purpose.

For **all** purchases **up to £50,000** in value the **BEST VALUE FOR MONEY PROCESS** is to be used.
NB: Evidence to be retained by the school for audit purposes.

Contracts for Goods and Services

- For contracts between **£50,000 and £100,000** in value the **THREE QUOTE PROCESS** is used.
- For contracts from **£100,000** up to the EU Exit Regulations Thresholds the **TENDER PROCESS** must follow the Council's Standing orders and the principles of Public Contract Regulations (Equal Treatment, Non Discrimination, Transparency, Proportionality and Mutual Recognition).
- For contracts over the EU Exit Regulations Thresholds the Tender must comply with the requirements of the Public Contract Regulations Act.

Contracts for Works

- Contracts between **£50,000 and £250,000** in value the **THREE QUOTE PROCESS** is used.
- Contracts from **£250,000** up to the EU Exit Regulations Thresholds the **TENDER PROCESS** must follow the Council's Standing orders and the principles of Public Contract Regulations (Equal Treatment, Non Discrimination, Transparency, Proportionality and Mutual Recognition).
- Contracts over the EU Exit Regulations Trhesholds the Tender must comply with the requirements of the Public Contract Regulations Act.

Also see the SC Contract Standing Orders flow charts for quick guidance.

CONSTRUCTION INDUSTRY SCHEME (CIS)

Somerset Council and Schools operating under our authority are deemed by Inland Revenue to be a Main Contactor which makes all suppliers used "Sub Contractors". **This applies to all payments made via any SC or School bank account.**

- Main Contractors (SC/Schools) must decide if the contract with the sub contractor is one of self-employment or employed, as this will determine how it is treated.
- Main Contractors, such as SC, now 'verify' new sub contractors with HMRC
- HMRC will tell us how to pay the sub contractor (net or gross of tax)

If SC has not previously verified the Sub Contractor, then the information you have obtained from the Sub Contractor (their name, unique taxpayer reference (UTR) and National Insurance number) will need to be given to the Control Team, to verify with HMRC as to how they are to be dealt with.

A copy of each invoice for any payment to a supplier/ *13 vendor that falls under the CIS Tax Scheme needs to be sent to the Control Team, so they can ensure tax is being deducted correctly. Please contact Accountspayable@somerset.gov.uk for detailed information.

Full Guidance is available on Gov.UK or

See appendix 6 for a synopsis of the Construction Industry Scheme (CIS)

Requisition and Ordering

Order requisition forms **must** be completed by staff and signed by the budget holder, who ensures that the expenditure has been included in the budget plan and that there are adequate funds to make the purchase.

On receipt of approved order requisition forms, orders are processed for all planned expenditure except for supplies of public utility services and items purchased through petty cash of not more than £100 in value.

All official orders are printed on controlled stationery and signed by the Deputy Executive Headteacher or another authorised signatory taking account of division of duties.

The authorised signatories are:

1) Executive Headteacher – Mrs Rachael Bisset
2) Head of School – Mr Luke Oakes
3) Business Manager – Mrs Nichola Morris

All official order stationery is kept secure in a locked cabinet. The order stationery control sheet is updated for all orders including order sheets spoilt.

Outstanding orders are reviewed regularly, cancelled or followed up as necessary. If cancelled, a reason is written on the copy order for audit purposes.

Orders are not raised on behalf of, or for the benefit of, private individuals or organisations.

Telephone orders are discouraged and only used in exceptional circumstances. If an order is placed in this way, it is made clear that it is subject to SC terms and conditions and written details are supplied immediately to the Business Manager to enable a confirmation order to be raised on the School's Accounting System and sent to the supplier.

Delivery Notes

All delivery notes are checked upon receipt of goods, to ensure that the goods listed have been "received".

Delivery notes are also checked against the order by budget holders.
Checks are evidenced in writing and the delivery note is then passed to the Business Manager.

Discrepancies are followed up by the Business Manager.

The inventory is updated for items of furniture, equipment etc. of £100 or more.

Payment of Invoices

Where goods are provided by a supplier who is registered for VAT, a valid VAT invoice is obtained.

Payments to individuals (other than some contractors subject to Construction Industry Tax) who supply goods or services to the school (eg tuition, performances etc.) are made via the payroll system.

The Business Manager checks the delivery note to the invoice, to ensure that the school is only charged for goods received. The delivery note is attached to the invoice. Payments are not made from statements or "brought forward balances".

The invoice is then passed to the Executive Headteacher for authorising **prior** to the Business Manager processing on the School's Accounting System. The printed authorisation list is also certified by the Executive Headteacher before the file is transmitted via the Interface to Somerset Council. The invoice is attached to the authorisation list.

Procurement Cards (P-Cards)

Where there are inadequate local facilities for a school to cash cheques, a suitable alternative is for key members of staff to obtain a PCard. See section 2.1.5 of the Financial Management Scheme.

Schools are encouraged to use PCards more and limit their use of Imprest.

A Procurement Card is a quick, simple and easy way to pay for low value purchases. The card is issued by Somerset Council, and its use complies with the Corporate Purchase Card Procedures guidance, which is issued to all cardholders at individual initial briefings. Supplementary guidance that is issued periodically is also adhered to.

Suitable limits are set in line with legitimate school business needs and are reviewed regularly.

Governors have agreed that the school has 2 procurement cards with National Westminster Bank and held by

1) Nicky Morris
2) Catherine Clarkson (Ditcheat Food Supervisor)

The P-Card is **only** used by the **named cardholder** and is kept under their control at all times.

Purchases are only made for authorised goods or services on behalf of the school (Somerset Council).

The school **must** ensure that division of duties is adhered to and that expenditure is authorised by an appropriate person.

Division of duties, for P-Cards can vary from school to school depending on who has been issued with a P-Card, how many have been issued and the size of the school.

Below is an example of how the division of duties can work in practice to minimise the risks involved:-

1. An independent officer checks the invoice against the transaction log (along with appropriate receipts).

2. The designated authorising officer approves the payment of the invoice.

3. The designated authorising officer is usually the budget holder or Executive Headteacher, but is different from the person who has been issued with the P-Card. If the Executive Headteacher is a P-Card holder, then authorisation is made by the Chair of Governors or in their absence the Chair of Finance.

Leases

When considering a lease arrangement, the school only enters into an operating lease arrangement and not a finance lease or hire purchase as the latter are a form of borrowing. Operating leases involve the school paying a rental fee for the hire of an asset for a period of time, and are similar to a rental agreement.

Guidance for checking lease agreements is available from Corporate-Finance@somerset.gov.uk should you have any queries.

The LA requires all maintained schools to complete an annual return at year end detailing any leases that schools have entered into and confirming that they are not finance leases. **The Executive Headteacher ensures that a signed copy of the annual leases return is sent to the LA.**

NB: Due to changes in accounting law it is of vital importance that **ALL** maintained schools submit details of their leases. **NIL returns are required**.

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SECTION 5 - INCOME

Income can be vulnerable and the income collection system should meet the following objectives:

- All income due to the school is identified and collected.
- All income is receipted and banked promptly and completely.
- There is a clearly documented audit trail from receipt through to banking for all transactions.

The school has a Charging and Remissions Policy (See Appendix 5) and a Lettings Policy in place (See Appendices 4.1, 4.2, 4.3 and 4.4). These are adhered to at all times.

Adequate division of duties reduces the risk of error and fraud in dealing with income. The person collecting income is different from the person that records and banks the income with record of officers involved in this process evident. (An example of Division of Duties is listed in Appendix 3.)

Income from Sales on eBay

Schools may auction items on eBay. However they must adhere to the following advice:

- the school should risk assess the sale of all items, for example by making sure they are in good working order, with particular attention to electrical appliances.

- The goods being sold may be liable to output VAT. If you are unsure on the VAT treatment for the goods being sold, please contact the Council's VAT Team for support – VATHelpline@somerset.gov.uk

- Schools are covered for liability under the Products Liability part of SC's insurance. The insurance **does not cover** the cost to the school of refunding the transaction itself, i.e. reimbursing the purchase for a faulty item and postage and packaging, etc.

- c) The school should be aware of eBay's terms of use, in particular the Compensation clause in force at time of use. (Please note Terms and Conditions are subject to changes and updates from time to time)

Raising Invoices

An account is raised by the Business Manager via the school's invoicing system, ensuring the invoice complies with the requirements for a tax invoice, eg SC VAT number, sequentially numbered, etc. An invoice is sent to the customer for goods and services provided.

Collection and Banking of Income

This comprises several stages: (further guidance can be found by referring to SC Cash Handling Policy issued January 2019).

(i) Cash Handling

Cash Handling guidance, as recommended by South West Audit Partnership (SWAP), is adhered to at all times.

SWAP recommend that on school sites where cash is collected and banked locally that the safety of the individual is considered and that clear and up to date guidance is provided for banking:

At all times:

- Do not count cash where the public/visitors can see.
- Prior to banking, keep cash and cheques locked away securely in the safe, out of site of the public/visitors.
- Bank income regularly, so that a minimal amount is kept on the school premises and so that a large amount of cash does not have to be carried to the bank.

In accordance with recommendations from SWAP, individuals undertaking banking are advised to:

- **Think about your personal safety. If attacked, surrender cash.**
- If possible travel by vehicle rather than on foot or by public transport.
- As far as possible vary the times and route taken to the bank, especially on foot.
- Bank only during good daylight hours if possible and avoid quiet streets and alleyways.
- Be aware of what is going on around you. Walk in the centre of the pavement facing the oncoming traffic.
- Never let members of the public know where you are going when you leave the office.
- Take care how you inform your colleagues of your absence but do let your manager know of your departure and expected return time.
- Keep with you a means of communication to let your manager know if you are delayed.
- Do not draw attention to the fact you are carrying cash. A box file or a strong shopping bag or even an inside coat pocket are preferable to a brief case or cash bags.

To ensure that staff are aware of cash handling procedures, SWAP recommend that the school completes the following self assessment:

- Have you provided training in personal safety for your secretary/administrator?
- When banking money, are the day and times varied to avoid a routine becoming known to others?
- When banking money, is the route taken varied to avoid a routine becoming known to others?
- Are amounts kept to a minimum by regular banking?
- Does the person going to the bank inform their manager of departure and expected return time?
- Has the person been given instruction to give up the money if accosted?
- Has the person a means of contact in case of unavoidable delays?

(ii) Recording

Income collected in class is recorded on record sheets. The income is then taken to the Business Manager, who checks and signs for it. All other income received by staff in the School Office is recorded on record/monitoring sheets.

A receipt is issued by the Business Manager for any cash, postal orders and cheques received via the office. If appropriate, termly receipts can be issued, eg swimming, dinner money, trips. In some cases, eg trips, this may be produced as part of the returns slip.

Income is recorded on the School's Accounting System promptly ensuring the correct VAT treatment is applied, and the authorisation slip is printed.

Bank paying in slips and electronic coding slips are completed in full.

(iii) Reconciliation

Reconciliation of income is carried out on a monthly basis by the Business Manager, ensuring that all income banked has been received.

Independent checks are made by the Executive Headteacher to ensure that all income expected has been recorded, banked and received. Evidence of these checks is made in writing.

Debts Policy

Schools should refer to the Financial Management Scheme (see sections 2.1.8 and 2.1.9)

The Business Manager monitors outstanding debts regularly, and pursues bad debts.

Effective action is taken to pursue non payment of debts within defined timescales.

Where money is not recovered, the matter is referred to the Finance Committee, who may write off the debt providing the total amount of debt written off in a financial year does not exceed 1% of the school's delegated budget share for the year.

Subject to the paragraph above, debts due from a single debtor up to a total value of "insert value" (£1,000 or lower) including VAT in any one financial year may be written off, but only on the direct authority of the Governing Body, that is, by resolution at a Governing Body meeting.

Schools please note:
Before referring a debt to the Governing Body for approval to write off, the Director of Finance must be consulted through schoolsfunding@somerset.gov.uk to ensure that there are no other outstanding financial transactions involving the Council and the individual or organisation concerned.

Any debts due from a single debtor of **£1000 including VAT or more** in any financial year may only be written off on the authority of the Director of Children's Services. If this situation is likely to arise, guidance should be sought urgently through schoolsfunding@somerset.gov.uk

Schools must maintain a record of all debts written off showing what attempted recovery action was taken and the justification for non-recovery.

Online Payment Systems

If a school wishes to set up an on-line system for receiving funds, the permission of the Local Authority must be obtained. This can be done through the Service Manager - Education, Inclusion and Schools Finance (schoolsfunding@somerset.gov.uk). The school will need to research the service offered to ensure it is suitable for their requirements and notify SC Cashiers to ensure the income is coded correctly.
The direct debit mandate will need to be signed by an authorised bank signatory via emailing corporate-finance@somerset.gov.uk.

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SECTION 6 - PETTY CASH/IMPREST

Petty cash is a small sum of money, which is held in a separate bank account. When expenditure is incurred, a claim is completed and sent to the LA which charges the school's budget and reimburses the bank account. This is called an imprest system whereby the account is always topped back up to a fixed float / advance of £1305. The school is issued with a chequebook and receives monthly statements of the account transactions.

Where there are inadequate local facilities for a school to cash cheques, a suitable alternative is for key members of staff to obtain a PCard. Schools are encouraged to use PCards more and limit their use of Imprest.

Petty Cash is used to reimburse staff for approved purchases on behalf of the school upon production of a valid receipt for:

- Cash payments too small for an order to be acceptable
- Emergency purchases where immediate settlement is required
- Purchase of postage stamps
- Obtaining greater discounts for settlement by cash/cheque
- Obtaining goods/services from suppliers who do not accept official orders
- Scopay Refunds

Petty Cash is NOT used for:

- Making payment to staff including salaries, travel or expense claims.
- Paying for services such as mobile telephones, fuel or services that may be liable to Construction Industry Tax
- Making payments to individuals (e.g. theatre groups, authors, musicians, self employed) who require cheques to be payable to them personally (except window cleaners and piano tuners who use their own equipment)
- Cashing Personal cheques
- Paying in income (to the Petty Cash account)

Using the Petty Cash Account

Items can be paid for by cheque or cash. If cash is required, a cheque is drawn for the cash.
Both the chequebook and cash (if any) are kept securely in the safe.

The recipient signs for any cash received.

The Governing Body has agreed three signatories. Two of the authorised signatories are required to sign each cheque. **Blank cheques are never signed**.

The authorised signatories are:

1) The Executive Headteacher – Mrs Rachael Bisset
2) Business Manager – Mrs Nichola Morris
3) Head of School – Mr Luke Oakes

Receipts are obtained wherever possible for all items purchased from the Petty Cash account. (If a receipt isn't available, a petty cash voucher is completed instead.)

If VAT is charged on an item, a valid VAT receipt is obtained. (If a VAT receipt cannot be obtained, a petty cash voucher is completed and authorised but no VAT can be reclaimed.)

All receipts and petty cash vouchers are authorised by the Executive Headteacher and promptly entered by the Business Manager onto a cheque/cash control sheet. Details are then entered onto the School's Accounting System either at the time of purchase or on a weekly basis.

All expenditure of more than £100 is approved by the Executive Headteacher before the money can be spent. An order is raised on the School's Accounting System which is signed by an authorised officer, retained at the school and cancelled once the petty cash expenditure has been entered.

A reimbursement claim is completed regularly, at a minimum when approximately half the float has been spent. The claim is checked and authorised by the Executive Headteacher before being submitted for reimbursement.

When the reimbursement is shown on the bank statement, the Business Manager records the reimbursement on the School's Accounting Sytem. Reconciliation of the imprest is completed every time a claim is made, including verification of the cash held in hand. **Evidence of reconciliation must be retained.**

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SECTION 7 - ASSETS

The school has many valuable items in use throughout the site. Some of these items are fixed, but many are portable and therefore may be vulnerable to theft.

Inventory

All items purchased above £100 (together with portable items under £100 e.g. ICT equipment/digital cameras) are recorded in the school inventory upon receipt, giving full details of:

- Value
- Date purchased
- Description
- Serial numbers (where applicable)
- SC Security label number (Security labels are available from Somerset Council's Insurance Section)
- Useful life
- Location within school

The Inventory is checked annually against the asset register by the Executive Headteacher and a Governor, with any discrepancies being investigated. Evidence of the annual check is retained.

A record is maintained of all authorised disposals, including the proceeds of the sale, the date of transaction and the name and address of purchaser, and minuted in Governors meetings.

A booking out system is employed where any goods are taken off site. The system includes the following details:

- Name of borrower
- Item borrowed

- Date borrowed
- Condition of goods when removed
- Date returned
- Condition of goods when returned

Cash/Cheque books

Cash and cheque books are kept in the safe when not in use.

The value of petty cash held within the school is kept to a minimum.

Income collected from pupils is recorded and banked as soon as possible, preferably within two working days, in order to ensure only minimum levels are held on the premises.

Stock

All consumable stock is stored centrally in the stock room. This is locked at all times to avoid the misuse of stock which leads to unnecessary ordering.

A physical check is carried out annually to ensure that stock is kept at a reasonable level.

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SECTION 8 - INSURANCE

The Schools Property Insurance policy covers the Building and Contents in the event of damage to property caused by the following perils:

- Fire
- Lightning
- Explosion
- Aircraft
- Earthquake
- Impact
- Riot
- Civil Commotion
- Storm
- Flood
- Escape of Water
- Theft of Building
- Accidental Damage
- Malicious Damage
- Theft
- Terrosism (covered by a separate terrorism policy)

The cover under this policy also extends to include the additional expenditure (Business Interruption Insurance.) This covers the reasonable additional costs and expenses in order to effectively continue administration and maintain services, this could include increased costs due to the enforced occupation of a temporary premises following an insurance claim.

The cover excludes personal effects of employees, pupils, students and visitors.

Limits and Excesses

- All claims under this policy carry a £200 excess with the exception of loss resulting from fire which carries £1000.
- A limit of £10,000 in any one period of insurance applies to Theft of Building claims.

Computer Equipment Insurance

This is an 'All Risks' insurance to cover loss or damage to Somerset Council Computer Equipment, and related costs for replacement or restoration of data and information. Details of all ICT equipment are recorded in the school inventory. A full and up-to-date inventory of school contents must be kept at all times to substantiate a claim and provide evidence of ownership.

An excess of £100 applies to each and every claim except for:

- Laptop/mobile computers - excess is **£250**

Vehicle Insurance

The school owned minibus/vehicle can be insured through Somerset Council Motor Insurance. Please contact insurance@somerset.gov.uk .
When a vehicle is hired in by the school, the school will either make insurance arrangements through Somerset Council Insurance Section or choose to take the hirer's comprehensive insurance cover.

Motor Insurance Excess:	Own damage £500
	Third Party damage £500
	Windscreen cover £100

Supply Insurance

The school can choose to buy into the Primary/First/Middle/Special Schools' Somerset and South West Mutual (SSWM) administered by the LA.

School Activities Travel Insurance

As from 1st April 2021 SC maintained schools will automatically receive school journey insurance.

The Policy provides travel insurance cover for all insured persons (pupils, teaching and support staff, adult volunteers, helpers and assistants, and other authorised children) of participating schools whilst on organised trips **outside** the designated school boundaries.

If you have any concerns or questions regarding potential Countries of issue to travel to or situations that may occur to effect travel, please refer to Foreign Travel Advice –Gov.uk for information or contact insurance@somerset.gov.uk for advice and assistance.

Lettings (Hirers) Insurance

Lettings insurance, available through Somerset Council, is offered by the school to all hirers of the school premises (other than commercial organisations who should have their own Public Liability cover).

A £100 excess applies to all claims
As of 2018 Schools have no longer been charged for this insurance although schools are required to keep a record of all such hires.

Liability Insurance:

Information regarding the following can be found on the aforementioned SSC insurance link:

- Public Liability Insurance
- Employers Liability Insurance
- Professional Indemnity Insurance
- Officials Indemnity Insurance

Or you can contact insurance@somerset.gov.uk for information.

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SECTION 9 - COMPUTER SYSTEMS/DATA SECURITY

From 25th May 2018, The Data Protection Act (DPA) 1998 has been superceded by The UK General Data Protection Regulation (GDPR) and the Data Protections Act 2018.
Schools can view the guidance for Education offered by the Information Commissioner's Office HERE and should amend their Finance Policy to read UK GDPR/Data Protection Act 2018 instead of DPA 1998.

The School or Trust and Governing Body pay a fee to the Information Commissioner's Office.
The School or Trust are the Data Controller and are responsible for controlling access to all data in the school in accordance with the data protection legislation and to ensure that all staff are aware of their responsibilities/obligations at all times.
The School or Trust will appoint a Data Protection Officer to monitor internal compliance, inform and advise data protection obligations, provide advice regarding Data Protection Impact Assessments (DPIAs) and act as a contact point for data subjects and the Information Commissioner's Office (ICO).

All information relating to personnel is processed in line with the 6 principles of UK GDPR:

- obtained and processed in a lawful, fair and transparent manner
- held only for specified lawful purposes
- adequate, relevant but not excessive for those purposes
- accurate and up to date
- Retained for no longer than is required
- kept securely.

All personnel have the right to a copy of the personal data that the School / Trust is processing. This is a Data Subject Access Request and must be provided within 1 calendar month unless exceptional circumstances apply. Personnel also have the right to have their information rectified, deleted or restricted, unless the School / Trust have responsibilities that override these rights.

Any new use of personal information, including the sharing of personal data with other agencies, should be notified to the Information Commissioners Office (ICO) and the relevant pupils and staff.

Offences against the Data Protection Act 2018 are criminal and individuals will be held personally responsible.

Access/Security

The purpose for controlling access is to ensure that only authorised personnel are able to access information that is relevant to the tasks for which they are responsible. It prevents unauthorised access to information which could result in accidental or deliberate corruption of the data and which might contravene data protection legislation.

- The Executive Headteacher is responsible for the overall control of all systems, with the Deputy covering for absence.
- Access rights are determined, monitored and reviewed regularly by the System Manager.
- Staff will only have the level of permissions required for their role. When staff leave the School / Trust all their permissions and accounts will be archived then deleted.
- All devices (laptops, tablets, memory sticks) that have access to data attached to the network are fully encrypted in line with current guidance from Schools ICT at Somerset Council.
- Computers are not left easily accessible by unauthorised users.
- Computer screens are locked (by password/locking the workstation) if left unattended.
- Any software installed onto the schools network is protected through a virus guard so that any files received from outside sources can be virus checked before being opened.

Cloud Technology

Where cloud technology is used to store personal or confidential data the school ensures that the supplier adheres to data protection legislation.

More information can be found on Gov.UK.

Back Up

Back up is carried out automatically every night and the backed up data is stored remotely.
It is the school's duty to make sure that backup procedures have worked. Further information about backup should be available from the School's ICT support.

Transmission of Data

The transmission of personal or confidential data must always be over secure channels and the school ensures that any methods used, including email, do not lead to breaches of data protection legislation.

Computer Printouts

Each month, details of expenditure as recorded on the Council's Accounting System relating to the School's budget are downloaded and printed. These printouts are stored in a lockable cabinet as they contain personal information relating to staff employed at the school.

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SECTION 10 - PERSONNEL/PAYROLL

Regulations

The school is aware that there are a number of areas where Inland Revenue regulations affect or determine the way payments are made. In particular, these relate to individuals who are self-employed and where individuals/companies are subject to Construction Industry Tax Scheme.

Controls are in place to ensure appointments are cleared through the Disclosure and Barring Service (DBS). Also, controls are in place to ensure that additional checks are made where required for a staff member's eligibility to work in the UK and their suitability to work with children.

Payroll

No employee can certify payroll expenditure from which he or she might personally benefit.

The Chair of Governors signs any amendments to the Executive Headteacher's contract.

Links with SIMS FMS

Contract information held within SIMS.net Personnel feeds through to SIMS FMS providing salary and on-cost projections. The Business Manager ensures that SIMS.net Personnel is kept up to date with any contract changes and also with salary, Superannuation and National Insurance changes.

Pay Policy

The school has a separate Pay Policy which is reviewed annually by the Executive Headteacher and Personnel Committee.

Whistleblowing Policy

The School has a separate Whistleblowing Policy, the implementation of which is reviewed and communicated to staff regularly. Further information can be found on the following sites:

Guidance and Code of practice for employers
Whistleblowing for employees
SC Whistleblowing Policy

Contact details for HR & OD services

Southwest Internal Audit Partnership

NSPCC whistleblowing helpline

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SECTION 11 - UNOFFICIAL/VOLUNTARY FUNDS

Unofficial funds are monies that do not belong to Somerset Council but for which employees of SC are accountable during the course of their employment. The funds arise from contributions or donations other than from the Local Authority (LA). Consequently it does not hold any official monies of the LA.

All staff involved with Unofficial School Funds must ensure that their actions comply with The Financial Management Scheme (Section 2.8). It is the responsibility of the Governing Body and Executive Headteacher to provide an overview of the Unofficial Fund and ensure the day-to-day administration and operation of the Fund is carried out with as much care and diligence as the school's delegated budget (Official Funds).

Purpose of the Unofficial Fund

The purpose of an Unofficial School Fund is to hold the proceeds of fund raising events and donations made by individuals or organisations and spend them for the benefit of the pupils.

The Unofficial Funds comprise:

- General donations i.e. funds donated for the general benefit of the school
- Specific donations i.e. funds donated with contingent terms
- Fund raising activities
- Charity collections
- Book Club income
- After-school activities (tennis/cricket etc)
- School trips
- School photograph income

The Unofficial Funds are spent on:

- To enhance teaching and learning for the benefit of all in our federation
- To support the fabric of the premises
- To ensure no member of the school community is discriminated against due to means

Management of the Unofficial Fund

The funds are controlled by the Governors of a school maintained by the LA.

The Executive Headteacher ensures that governors are informed that the school holds unofficial funds and are aware of their purpose.

The Executive Headteacher ensures that proper accounts are maintained of all receipts and payments concerning unofficial funds.

The Executive Headteacher is responsible for approval of all expenditure from the account.

Reports are made to the Unofficial Fund's Finance Committee concerning the balances and activities of the funds at least quarterly and this committee monitors performance closely.

Separation of Funds

This fund is kept completely separate from the Official Fund. It has independent records and has its own bank account accruing interest. The two funds are never involved in the same transaction/activity. (It is recognised that some transactions can go through either official or unofficial funds, but the income and related expenditure always go through the same fund.)

Accounting Procedures and Records

The Unofficial Funds are managed with as much care and diligence as the school's delegated budget (Official Funds) and therefore accounting procedures must adhere to other sections in this Finance Policy, Section 4 – Purchasing and Section 5 – Income. Proper accounts are kept of receipts and payments relating to unofficial funds.

(i) Income

As soon as money is received, it is sent to Nicky Morris the Federation Business Manager for recording and for banking at the earliest opportunity. Receipts are issued using a numbered, duplicate receipt book. Where money is being collected in instalments from pupils, this is recorded on Scopay finance system.

All cash income is paid into the bank in full and is withdrawn as a cash cheque when it is required, no matter how short the time between banking the cash and drawing the cheque.

(ii) Authorised Expenditure

Any money paid out is by cheque.

All cheques are signed by a minimum of two authorised signatories. Blank cheques are never signed or issued.

The Governing Body has agreed three signatories:

1) Executive Headteacher – Mrs Rachael Bisset
2) Business Manager – Mrs Nicky Morris
3) Head of School – Mr Luke Oakes

Wherever possible, an invoice or a signed receipt covers all payments. If no receipt has been obtained, a payment voucher, authorised by the Executive Headteacher covers all reimbursements of payments made.

Copies of paid invoices are retained for all purchases to ensure that the records are comprehensive.

All payment vouchers are numbered, dated and filed.

(iii) Reconciliations

Regular reconciliations of the bank statements to the accounting records are completed Nicky Morris the Federation Business Manager and independently checked by the Executive Headteacher. Evidence of these checks is made in writing.

Auditing of Accounts

The Governing Body appoints an auditor who is independent of the school and is not involved or related to anyone involved in the running of the funds. (It is not normally necessary for the auditor to be a registered auditor or qualified accountant.)

The accounts are audited at the end of each academic year (i.e. 31st August).

Auditors are entitled to seek and to obtain any information and explanations required from members of the staff concerned with the operation of the fund and all records are made available to them.

If a cost is incurred in obtaining the audit, this is met from the fund.

The Executive Headteacher ensures that the accounts are prepared annually, audited and presents the audited accounts, the auditor's certificate, the audit checklist and a written report on the accounts to the Governing Body as early as possible in the Autumn Term.

The LA requires all schools to complete an Unofficial Funds Audit Checklist and an Annual Audit Certificate for their Unofficial School Fund (**or a nil return if they do not have one**).
Once accepted by the Governing Body, the Executive Headteacher ensures that a signed copy of the Year-End Statement of Accounts, showing details of income and expenditure, for all Unofficial Funds is sent to the LA along with the Annual Audit certificate and the Unofficial Funds Audit Checklist.

Insurance

The Governing body ensures that the fund is covered by insurance including fidelity guarantee insurance.

Charity Commission Registration

- Schools' unofficial funds would normally be required to register as charities with the Charity Commission if they are established for exclusively charitable purposes and if their total income exceeds £5,000 per annum.
- Becoming a charity will allow the fund to be eligible for various tax reliefs and may also help in obtaining grants from other charities which can make grants only for charitable purposes.
- Where the school fund has charitable status, the Governors will normally be the trustees of the charity.

See Charity Commission Website https://www.gov.uk/government/organisations/charity-commission

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SECTION 12 – CHARGING FOR SCHOOL ACTIVITIES

The 1996 Education Act requires all schools to have a policy on charging and remissions for school activities. No charges can be made unless the governing body of the school has drawn up a Charging and Remissions Policy. The policy must be made available to parents and must be kept under regular review. (A Model Charging and Remissions policy is available – See appendix 5)

The SC model policy has been used as a basis for the school's own policy, and was completed / amended to suit the school's own individual arrangements.

The following guidance has been taken into account in the school's Charging and Remissions Policy:

Guidance on Charging

In general, all education provided during school hours is free, though music tuition can be an exception to this (see below).

(i) Residential School Visits

Schools cannot charge if 50% or more of the time spent on the activity is in school hours or if the activity is part of the national curriculum. If a charge is made the cost must not exceed the actual cost; ie the school must not make a profit.
However, schools may charge for the cost of board and lodgings during overnight school trips. The charge must not be more than the accommodation actually costs and parents who are in receipt of certain benefits are not required to pay. *(See Remission of Charges below.)*

(ii) Music Tuition

Charges can be made when the tuition is not an essential part of:

- the National Curriculum
- a public examination syllabus
- first access to the Key Stage 2 instrumental and vocal tuition, Wider Opportunities programme

(iii) Examinations

No charge can be made for entering pupils for public examinations that are on the National Curriculum.

However, an examination entry fee may be charged to parents if:

- the pupil wasn't prepared for the examination at the school
- the examination isn't on the National Curriculum, but the school arranges for the pupil to take it
- a pupil fails without good reason to complete the requirements of any public examination where the governing body or local authority (LA) originally paid or agreed to pay the entry fee

Schools can also charge for:

- re-sits for public examinations where no further preparation has been provided by the school
- costs of non-prescribed examinations where no further preparation has been provided by the school

(iv) Breakages And Replacements

Schools can charge for breakages and replacements as a result of damages caused wilfully or negligently by pupils.

(v) Extra-Curricular Activities And School Clubs

School can charge for extra-curricular activities and school clubs. The charge cannot exceed the actual cost of the provision.

Voluntary Contributions

Schools can ask parents for a voluntary contribution towards the cost of:

- any activity which takes place during school hours
- school equipment and
- school funds generally

In the example of an activity, if it cannot be funded without voluntary contributions, the school must make this clear to the parents at the outset. The contribution is voluntary and pupils of parents who can't, or don't want to, contribute must not be excluded from the activity. If insufficient voluntary contributions are raised then the activity can be cancelled.

Remission of Charges

When a school informs parents about a school visit, they should make it clear that parents who can prove they are in receipt of the following benefits will be exempt from paying the cost of board and lodging:

- Universal Credit in prescribed circumstances - if you apply on or after 1 April 2018 your household income must be less than £7,400 a year (after tax and not including any benefits you get)
- Income Support
- Income Based Jobseekers Allowance
- support under part VI of the Immigration and Asylum Act 1999
- Child Tax Credit (provided they do not also receive Working Tax Credit and have an annual income, assessed by the Inland Revenue, that does not exceed £16,190.)
- Guaranteed State Pension Credit
- Working Tax Credit run-on - paid for 4 weeks after you stop qualifying for Working Tax Credit
- An income related employment and support allowance that was introduced on 27 October 2008.

Further information on charging for school activities can be found on the DfE website -

https://www.gov.uk/government/publications/charging-for-school-activities

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APPENDIX 1

REGISTER OF BUSINESS INTERESTS

The Governing Body of the East Somerset Federation has agreed that the governors and staff involved in financial decision making should "declare any links they have with companies or organisations from which the school may wish to buy goods or services. It is important for anyone involved in spending money to demonstrate that they do not benefit personally from decisions that they make".

The Governing Body has defined a "business interest" as:
(i) a situation where the person concerned, their family (immediate and other relatives) or close friends have a connection with a potential supplier, or where there is a business connection, i.e. common directorships /partnerships.
(ii) in relation to Pay and Performance, an interest in the pay or appraisal of someone working at the school in cases where the governor or staff member is also paid to work at the school.

Nil returns are required.

Name	Name of company or organisation	Nature of business or interest	Date of declaration form

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Appendix 1.1

DECLARATION OF INTEREST FORM

I, (insert full name) ……. a Governor / Member of Staff at

…….. School give notice to the Governing Body

that I **have / have not** (indicate as appropriate) direct or indirect pecuniary interests that I am obliged to declare.
Details below:

Business Interests or other positions of influence or potential conflict of interest e.g. employment, relationship, sponsorship or public office

Name of business / organisation	Nature of business / organisation	Nature of interest	Date of appointment/ acquisition	Date of cessation of appointment/ acquisition

I understand that it is my responsibility to declare the nature of any business or personal interest, direct or indirect, of myself, partner / spouse / relatives / close friends in any contract, proposed contract or other matter in connection with the school and when present at a meeting where the contract or other matter comes under consideration to withdraw during the discussion and not vote in respect of it.

I also understand that it can be a criminal offence to:

- Omit information which should be included on this form;
- Provide information which is false or misleading;
- Fail to notify the governors or head teacher of any subsequent change in circumstances which might render this declaration invalid or out of date.

I certify that I have declared all beneficial interests which I or the members of my immediate family have with businesses or other organisations which may have dealings with the school. I also undertake to inform the school of any change in these interests.

Signed: …… Role: …… Date: ……

APPENDIX 2

RETENTION OF RECORDS

Documentation, files and records are retained to act as a record and support for actions taken and to assist future reviews of policy. They are also retained to satisfy the requirements of Internal Audit, External Audit, HM Revenue and Customs and the Inland Revenue. This section identifies the minimum period of time that records should be retained to satisfy all these requirements.

Financial Regulations require the retention of certain records for specified periods. If in doubt, a minimum of six years should be applied. Specific regulations are as follows.

COMPUTER TABULATIONS	6 years plus current year
SIMS DATA	6 years plus current year
COPY ORDERS	6 years plus current year
DELIVERY NOTES, CREDITOR INVOICES, CREDIT AND DEBIT NOTES	6 years plus current year
RECEIPT BOOKS	6 years plus current year
PETTY CASH BOOK	6 years plus current year
BANK STATEMENT, CHEQUE BOOK STUBS (including analysed cheques)	6 years plus current year
CASH RECORDS AND TILL ROLLS	6 years plus current year
DEBTOR ACCOUNTS	6 years plus current year (providing debt has been collected)
INVENTORY RECORDS	6 years plus current year
TIMESHEETS	6 years plus current year
EMPLOYEES' RECORDS, PERSONNEL ACCIDENT REPORT	7 years following cessation of contract
TENDERS (schedule of limited/opened)	6 years plus current year after settlement of final account
TENDERS (schedule of price approvals, other correspondence)	6 years plus current year after settlement of final account
CONTRACT DOCUMENTATION, FINAL ACCOUNTS AND SUPPORT EVIDENCE	6 years plus current year after settlement of final account
OTHER SITE DOCUMENTS eg DIARIES	6 years plus current year (providing sufficient documentation is held confirming exact dates of work etc.)

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APPENDIX 3

DIVISION OF DUTIES CHART (Example)

	Head	Deputy Head	Teachers	Business Manager/ Assistant	Teaching Assistant	Caretaker
A. ORDERING						
Complete requisition form	☐	☐	☐	☐	☐	☐
Authorise requisition form (budget holders)	☐	☐	☐	☐		☐
Process order on School Accounting System		(☐)		☐		
Authorise order on School Accounting System		(☐)		☐		
Sign paper copy of order	(☐)	☐				
Check delivery note to goods received	☐	☐	☐	☐	☐	☐
Check delivery note to order		(☐)		☐		
B. INVOICE PAYMENTS						
Check invoice to delivery note/order (where applicable)	☐			☐		
Sign invoice to authorise payment	☐ (counter sign)	(☐)				
Process invoice on School Accounting System		(☐)		☐		
Authorise invoice on School Accounting System		(☐)		☐		
Authorise invoice batch header (including checking against invoices attached)	☐	(☐)				
Upload batch to SC/print cheques		(☐)		☐		
Check payments on tab	☐	(☐)				
C. PROCUREMENT CARD						
Cardholders and recording transactions	☐			☐		
Checking of transaction log		☐				
Approval of payment of invoice – (if cardholder is HT, **Chair of Governors**)	☐					
Process payment of invoice on School Accounting System				☐		

	Head	Deputy Head	Teachers	Business Manager/ Assistant	Teaching Assistant	Caretaker
D. PETTY CASH						
Sign cheques (2 signatures)	☐	☐	☐			
Issue cash (which should be signed for)		(☐)		☐		
Reimburse staff with cash or cheque		(☐)		☐		
Sign receipts/vouchers to authorise	(☐)	☐				
Record expenditure in manual records				☐		
Record expenditure on School Accounting System and produce reimbursement claim		(☐)		☐		
Sign reimbursement claim (including checking against the supporting receipts/vouchers)	☐	(☐)				
Balance petty cash		(☐)		☐		
Check petty cash balance form (including counting any cash in hand)	(☐)	☐				
E. INCOME						
Raise invoices/request's income and keep records of all income due		(☐)		☐		
Collect income, count and record manually				☐	☐	
Issue receipts				☐	☐	
Record on School Accounting System		(☐)		☐		
Complete paying-in book		(☐)		☐		
Bank income		(☐)			☐	☐
Spot check income received against records of income due	☐	(☐)				
Check income collected to amount banked and amount on SC Accounting System.	☐	(☐)				

	Head	Deputy Head	Teachers	Business Manager/ Assistant	Teaching Assistant	Caretaker
F. BUDGET MANAGEMENT						
Undertake reconciliation process				☐		
Detailed checks of staff payments				☐		
Allocate income if required	☐			☐		
(budget virement)						
Complete Form 10 or Local Payments Forms				☐		
Sign and Check Form 10 or Local Payments Forms	☐	(☐)				
Complete Form 11 if applicable				☐		
Sign SC Accounting System Tabs/Balancing figure	☐	(☐)				
Production of financial reports				☐		
Review monthly reports	☐	(☐)				
Complete any budget movements required – virement form Authorise Action	☐	(☐)		☐		
G. PERSONNEL/PAYROLL						
Complete payroll forms for contract changes, supply, etc.		(☐)		☐		
Authorise payroll forms **– Chair of Governors to authorise Executive Headteacher's**	☐	(☐)				
Update SIMS.net Personnel for contract changes		(☐)		☐		
Check staff variances on School Accounting System				☐		
Check staff payments on Council Accounting System tabs		☐				
Monitor staff budgets	☐	(☐)		☐		

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APPENDIX 4.1

LETTINGS POLICY

This sets out the arrangements for the use of the school premises by groups, individuals or organisations.

It should be read in conjunction with the LA's advice and guidance on Lettings and Lettings Insurance. Refer to websites for information on extended schools via SLP or DfE. (See links under Insurance Section.)

All hirers of the school premises will be made aware of the hire costs, terms and conditions, including insurance requirements, **before** the hire and the agreement is signed (see Appendix 4.2 and Appendix 4.3). Fees should be charged in advance; only in exceptional circumstances should invoices be raised after the event.

Hire charges, where set, will be reviewed annually by the Executive Headteacher and Governors. The charges will cover any costs incurred, i.e. heat and lighting, caretaker and insurance. Current charges are as follows:

- Caretaker costs are based on the current rates issued by Somerset Council's HR Admin and Payroll Section based on the number of rooms hired.
- An element for heating and lighting is added based on advice from Somerset Council's Energy Management Team.

Charges to children and youth groups may be subsidised if funds are available for this purpose. This is to be agreed on individual circumstances by the Executive Headteacher and Governors.

There is currently no charge for the use of the premises by the PTA.

NB: Exceptions to income being paid into official funds:

- In VA schools the Governors are entitled to any income over and above costs incurred (Financial Management Scheme 5.2.1).
- Where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

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APPENDIX 4.2

SOMERSET COUNCIL
LETTINGS OF COUNCIL PREMISES
HIRERS' LIABILITY INSURANCE

The Council requires that any individual or organisation hiring Somerset Council schools and other premises on a casual basis has insurance for their own legal liability to third parties arising from their use of the premises.

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APPENDIX 4.3

HIRE OF EDUCATIONAL ESTABLISHMENTS

CONDITIONS OF HIRE

1. In these conditions,

(a) "the Authority" means the Somerset Council;

(b) "the Establishment" means the school premises;

(c) "the Facilities" means the premises and/or equipment forming part of or belonging to the establishment which the Hirer has identified on his/her application form;

(d) "the Hirer" has the meaning defined at Clause 2 below;

(e) "the Hire Period" is the period or periods of hire set out in the application form and agreed by the Executive Headteacher;

(f) "the Responsible Body" means the establishment's Governing Body, its management committee or any other body charged with responsibility for the use of its premises by the community;

(g) "User/Users" are those people using the Facilities as members of the Hirer's party.

2. The Hirer

2.1 The Hirer is the person (whether acting as an individual or on behalf of a club or organisation) hiring the Facilities.

2.2 The person signing the application form shall be deemed to be the Hirer and must be over 18 years of age.

2.3 Where the person who signs the form indicates that he or she signs the application form for or on behalf of any club or organisation, that club or organisation shall also be deemed to be the Hirer and shall be jointly and severally liable with the person who signs this agreement for any breach or non-observance of these conditions and that person warrants that he/she is the duly authorised representative of the club or organisation concerned and has the necessary authority to sign this agreement on its behalf.

2.4 Should there be any default of payment by the club or organisation, the person signing the form shall be deemed personally liable.

3. Application for Hire

3.1 All applications for the hire of the Facilities must be in writing, or by e-mail, using the printed form.

3.2 The Facilities will be used solely for the event described on the application form.

3.3 If this booking relates to a regular and continuing booking this one undertaking shall be binding for all occasions when the Facilities are used, but a regular booking shall not create or cause a periodic tenancy in respect of the Facilities.

3.4 The information given by the Hirer in the booking form shall not imply that the Authority considers the Facilities are suitable for the purpose(s) for which they are to be hired or are adequate accommodation for the number of people attending, and the Authority gives no warranty that the Facilities are legally or physically fit for the purpose(s) for which they are hired.

3.5 The Executive Headteacher or his/her representative may enter the Facilities at any time during the Hire Period to ensure that the terms of this agreement are being fulfilled, and the Hirer shall not at any time be entitled to exclusive possession as against the Authority or its duly authorised representative(s).

3.6 The Executive Headteacher, or his/her representative, may refuse admission to any person without giving any reason for doing so and may similarly require any person to leave the premises.

3.7 Authority to accept or decline or postpone a booking shall rest with the Executive Headteacher of the establishment or his/her representative whose decision shall be final.

4. Access to the Facilities

4.1 Provided the Hire Period has been agreed by the Executive Headteacher, the Hirer and the Users will be given access to the Facilities by the School caretaker.

4.2. The authorised personnel or caretaker will be present to unlock the premises at the beginning of the hire and will lock up at the end. He/she will not be available during the period of the hire.

5. Hirer's Responsibilities and the Safety of Users

5.1 The Hirer is responsible for the safe admission and departure of Users to and from the School and Facilities.

5.2 The Hirer must ensure that any necessary Disclosure and Barring Service (DBS) checks have been carried out for those supervising children during the Hire Period.

5.3 The Hirer is responsible for the behaviour and safety of the Users and must ensure that there is appropriate supervision levels at all times during the Hire Period.

5.4 The Hirer is responsible for ensuring that all necessary written permission forms have been obtained from children's parents to enable them to participate.

5.5 The Hirer must ensure that a qualified supervisor is present during all activities of a hazardous nature, ie, karate, trampoline, gymnastics, swimming, judo or where the hiring organisation is a youth group.

5.6 The Hirer will be responsible for the provision of all such information, instruction and supervision as is necessary to ensure the safety of any activity for which the Facilities are used.

5.7 The Hirer is responsible for any special needs or requirements of the Users.

5.8 The Hirer is responsible for the adequacy, suitability and safety of all equipment brought to the Facilities.

5.9 The Hirer shall not use the Facilities in such a way as to cause any nuisance, damage, disturbance, annoyance, inconvenience or interference to the Facilities or adjoining or neighbouring property, or to the owners, occupiers or users of such adjoining or neighbouring property.

5.10 It is the sole responsibility of the Hirer to obtain any necessary licence for the sale of drinks for the performance of plays and similar productions and for the playing of pre-recorded music.

5.11 The Hirer must ensure that there are sufficient stewards to prevent unauthorised persons from entering the Facilities and to ensure that guests are restricted to the Facilities and to the necessary means of access thereto.

5.12 The Hirer must ensure that all equipment is put back after use.

5.13 Any equipment brought to the Facilities must be removed at the end of each Hire Period.

5.14 The Hirer must familiarise himself/herself with the emergency procedures for fire, first aid and accident reporting and carry them out to the best of his/her ability.

5.15 If the alarm system is activated during the Hire Period, due to Users wandering into restricted areas of the building, then the Hirer will be responsible for any call out fee charged to reset the alarm.

5.16 The Hirer must have access to a phone or mobile phone (where there is a signal) at all times in case of an emergency.

5.17 The Hirer and the Users must participate in any evacuation drills or procedures operated by the School.

5.18 The Hirer must adhere to non-smoking legislation and the non-smoking policy of the School.

6. Condition of Facilities

6.1 The Facilities must be left clean and tidy after each Hire Period. If the Facilities are not cleaned to the reasonable satisfaction of the caretaker, the Hirer will be responsible for the cost to have them cleaned.

7. Payment

7.1 In the case of a one-off hire payment will be determined on activity and agreed with the Executive Headteacher in writing.

7.2 If the hire is for a regular let the establishment will invoice the Hirer in advance on a termly basis.

7.3 The Hirer shall be solely responsible for ensuring the agreed hire fee is paid. Failure to pay the agreed fee may result in future bookings being refused and legal action being taken to recover the outstanding debt.

8. Cancellation by the School

8.1 The Executive Headteacher reserves the right to cancel an agreed booking for reasons including but not limited to: -

- The School requires the use of the Facilities;
- The School considers that the Facilities are unfit for use;
- Any reason beyond the School's control.

8.2 Any monies paid in respect of bookings cancelled in accordance with the above Conditions will be refunded to the Hirer. The Authority, the School and the Responsible Body will not be liable for any other expenditure incurred, or loss sustained directly or indirectly by the Hirer or the User, arising from cancellation.

8.3 If the Hirer is in breach of these Conditions of Hire the Executive Headteacher reserves the right to cancel a booking immediately and no refund will be given.

9. Cancellation by the Hirer

9.1 A full refund will be given if the school is told a week in advance.

10. Damage

10.1 Any damage to the Facilities or the School should immediately be reported to the Caretaker.

10.2 If any damage is done to the Facilities, School equipment or any part of the School by the Hirer or the Users, the School may at its discretion carry out the necessary repairs and the Hirer will undertake to pay the cost of such reparation.

11. Insurance

11.1 It is a prerequisite of this Agreement that the Hirer has appropriate insurance cover.

11.2 The Hirer is responsible for arranging appropriate insurance cover.

11.3 The Hirer agrees to provide the Executive Headteacher with a copy of their insurance policy prior to the Hire Period and thereafter upon request.

12. Liability Generally

12.1 Except in the case of death or personal injury caused by the negligence of the School or Somerset Council, neither the Council nor the Governing Body of the School shall be liable to the Hirer in contract, tort, negligence, breach of statutory duty or otherwise for any loss, damage, costs or expenses of any nature incurred by the Hirer.

12.2 The Hirer shall indemnify and keep the Authority indemnified against all losses, claims, demands, actions, proceedings, damages, costs or expenses or any other liability arising in any way from this Agreement and any breach of any of the Hirer's undertakings/agreements contained in this Agreement.

12.3 The Hirer shall not do or permit or suffer to be done by any act, matter or thing which would or might constitute a breach of any statutory requirement affecting the Facilities or which would or might vitiate in whole or in part any insurance effected in respect of the Facilities from time to time.

13. Car Parking

13.1 The parking of vehicles within the School site in the car parking area, by the Hirer and the Users shall be subject to the agreement of the Executive Headteacher and permitted only on condition that:

- They park at their own risk and that they accept responsibility for any damage caused to their vehicles or any injury to any person or the property of the School by the vehicles or the presence of such vehicles at the School.

- The Hirer shall maintain at all time adequate means of access for emergency vehicles.

14. No assignment/sub-contracting

14.1 The Hirer shall not be entitled to assign the benefit of, delegate the burden of, or sub-contract all or any of its rights and obligations under, these Conditions of Hire.

15. Variation

15.1 The Responsible Body reserves the right to vary these Conditions of Hire at any time or to make special arrangements in any particular case. The varied conditions of hire will not be effective until a copy is given to the Hirer.

APPENDIX 4.4

APPLICATION FOR HIRE

I hereby apply for the use of the facilities detailed below:

Club/Organisation:
……

Accommodation required:
……

Equipment/Furniture required:
……

Equipment, etc to be brought onto premises by Hirer (if any): ……

Heating required: Yes/No ……

Insurance: please attach a copy of your own Public Liability Insurance Policy to this application.
See Appendix 4.3 section 11.3

Qualification of Hirer (if relevant) see Point 5.5 of Hirer's Responsibilities and the Safety of Users:
……

Applicant's Name:
……

Address:
……

……

Telephone No:
……

Treasurer:
……

Address:
……

Telephone No:
……

Date required:
……

Alternative Date:
……

Times: From: …… To: ……

Approximate number of people:
……

I have read and agree to be bound by the Conditions of Hire.

Signed in a personal capacity and on behalf of …….
whose authority I have to bind them by signing this application.

Signed: ……

Date: ……

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Appendix 5

Charging and remissions policies

No charges can be made unless the governing body of the school or local authority has drawn up a charging policy giving details of the optional extras or board and lodging that they intend to charge for, and a remissions policy.

The governing body's policy may be more or less generous than the local authority's, as long as it meets the requirements of the law. A policy statement will take account of each type of activity that can be charged for and explain when charges will be made.

If a charge is to be made for a particular type of activity, for example optional extras, parents need to know how the charge will be worked out and who might qualify for help with the cost (or even get it free). This information should be made available to parents.

The remissions policy must set out any circumstances in which the school or local authority propose to remit (wholly or partly) any charge which would otherwise be payable to them in accordance with their charging policy. For example, a school may decide to provide an Italian language evening class as an optional extra. The governing body may decide to reduce the cost for those children whose parents are in receipt of certain benefits.

For full details of what should be covered in the policy please refer to Gov.uk

A "Model" policy is shown below with examples for content - schools may use this model as a basis for their own policy, ensuring that it is completed/amended to suit their own individual arrangements.

East Somerset Federation

CHARGING AND REMISSIONS POLICY

September 2026

The aim of this policy is to set out what charges may be made for activities, what remissions will be implemented and the circumstances under which voluntary contributions will be requested from parents.

RESIDENTIAL SCHOOL VISITS

We may charge for the cost of board and lodgings during overnight school trips, but the charge will not be more than the accommodation actually costs. Parents who are in receipt of certain benefits will be asked to submit a Financial Support Application for support towards the cost of the trip. Parents should contact the school for further information.

MUSIC TUITION

Charges may be made when the tuition is not an essential part of

- the National Curriculum
- a public examination syllabus
- first access to the Key Stage 2 instrumental and vocal tuition, Wider Opportunities programme

EXAMINATIONS

No charge will be made for entering pupils for public examinations that are on the National Curriculum. However, an examination entry fee may be charged to parents if

- the pupil wasn't prepared for the examination at the school
- the examination isn't on the National Curriculum, but the school arranges for the pupil to take it
- a pupil fails without good reason to complete the requirements of any public examination where the governing body or local authority (LA) originally paid or agreed to pay the entry fee

We may charge for

- re-sits for public examinations where no further preparation has been provided by the school
- costs of non-prescribed examinations where no further preparation has been provided by the school

BREAKAGES AND REPLACEMENTS

We may charge for breakages and replacements as a result of damages caused wilfully or negligently by pupils

EXTRA-CURRICULAR ACTIVITIES AND SCHOOL CLUBS

We may charge for extra-curricular activities and school clubs.

VOLUNTARY CONTRIBUTIONS

We may ask parents for a voluntary contribution towards the cost of

- any activity which takes place during school hours
- school equipment

The contribution is voluntary and pupils of parents who can't, or don't want to, contribute will not be excluded from the activity. Where there are not enough voluntary contributions to make the activity possible, and there are no other ways to get funds, we may cancel the activity.

Date of Policy review _____

Policy approved _____
Chairperson

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Appendix 6

Construction Industry Scheme (CIS)

Under the Construction Industry Scheme (CIS), contractors deduct money from a subcontractor's payments and pass it to HM Revenue and Customs (HMRC).
The deductions count as advance payments towards the subcontractor's tax and National Insurance.
Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from their payments at a higher rate if they're not registered.

Who counts as a contractor or subcontractor

Register as a contractor if either:

- you pay subcontractors for construction work
- your business doesn't do construction work but you spend an average of more than £1 million a year on construction in any 3-year period

Register as a subcontractor if you do construction work for a contractor.

Work covered by CIS

CIS covers most construction work to:

- a permanent or temporary building or structure
- civil engineering work like roads and bridges

For the purpose of CIS, construction work includes:

- preparing the site, eg laying foundations and providing access works
- demolition and dismantling
- building work
- alterations, repairs and decorating
- installing systems for heating, lighting, power, water and ventilation
- cleaning the inside of buildings after construction work

Exceptions

You don't have to register if you only do certain jobs, including:

- architecture and surveying
- scaffolding hire (with no labour)
- carpet fitting
- making materials used in construction including plant and machinery
- delivering materials
- work on construction sites that's clearly not construction, eg running a canteen or site facilities

The CIS guide for contractors and subcontractors has more detail on what is and isn't covered by the scheme.

Rules you must follow

1. You must register for CIS before you take on your first subcontractor.
2. You must check if you should employ the person instead of subcontracting the work. You may get a penalty if they should be an employee instead.
3. Check with HM Revenue and Customs (HMRC) that your subcontractors are registered with CIS.
4. When you pay subcontractors, you'll usually need to make deductions from their payments and pay the money to HMRC. Deductions count as advance payments towards the subcontractor's tax and National Insurance bill.You'll need to file monthly returns and keep full CIS records - you may get a penalty if you do not.
5. You must let HMRC know about any changes to your business.

Deemed contractors
You count as a 'deemed' contractor if your business does not do construction work but you spend an average of more than £1 million a year on construction in any 3-year period. This could apply to:

- housing association or arm's length management organisations (ALMOs)
- local authorities
- government departments

Exceptions for contractors
CIS does not apply if your work is:

- paid for by a charity or trust
- paid for by a governing body or head teacher of a maintained school on behalf of the local education authority
- on the subcontractor's own property and worth less than £1,000 excluding materials - you must call the CIS helpline to get an exemption

CIS also does not apply if you're a deemed contractor paying for:

- work on property (that is not for sale or rent) for your own business use
- a construction contract worth less than £1,000 excluding materials - you must call the CIS helpline to get an exemption

The CIS guide for contractors and subcontractors explains in full what type of work is covered by CIS.

Verify subcontractors
Before you can pay a new subcontractor, you'll need to 'verify' them with HM Revenue and Customs (HMRC).

HMRC will tell you:

- whether they're registered for the Construction Industry Scheme (CIS)
- what rate of deduction to use or if you can pay them without making deductions

You must also verify subcontractors you've used before if you have not included them on a CIS return in the current or last 2 tax years.

What you'll need
Make sure you have:

- your Unique Taxpayer Reference (UTR)
- the reference number for your HMRC accounts office
- your HMRC employer reference

You'll also need your subcontractor's:

- UTR
- National Insurance number if they're a sole trader - you cannot verify temporary numbers, which start with 'TN' or 2 digits
- company name, company UTR and registration number if they're a limited company
- nominated partner details, trading name and partnership UTR if they're a partnership

Make deductions and pay subcontractors
When you pay a subcontractor, you usually make some deductions from their payments.

HM Revenue and Customs (HMRC) will tell you how much to deduct from a subcontractor's payments when you verify them.

You must pay these deductions to HMRC - they count as advance payments towards the subcontractor's tax and National Insurance bill.

If you make deductions, you must give the subcontractor a payment and deduction statement within 14 days of the end of each tax month.

If you're not making payments
If you know you're not going to make any payments to subcontractors for up to 6 months, you can ask for your scheme to be made 'inactive'. HMRC will not send you any returns for that period.
You must file a return when you start paying subcontractors again.

File your monthly returns
You must tell HM Revenue and Customs (HMRC) each month about payments you've made to subcontractors through your monthly return.

You can file returns by using:

- the HMRC CIS online service
- some commercial CIS software

On your return, you must declare that the subcontractors listed are not employees.
You could get a penalty of up to £3,000 if you give the wrong employment status for a subcontractor on your monthly return.
You do not have to file a return for the months when you made no payments to subcontractors, but you must tell HMRC that no return is due.

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GOVERNORS CHECKLIST FOR FINANCE POLICY **Appendix 7**

ITEMS REQUIRING GOVERNOR ATTENTION / INPUT	Date reviewed / approved	Noted in Governing Body minutes	Date decision Implemented / Policy updated	SFVS updated Yes/No
Schools Financial Value Standards (SFVS) Return				
Signed off by Governors				
Agenda item at meetings				
FINANCE POLICY - To be reviewed annually				
The following areas in the finance policy require Governor input				
Appointment of Clerk to Governing Body				
Register of Business interests held in school and reviewed annually or as required with changes.				
Finance Committee in place - Approval of :				
Terms of Reference - including Constitution and membership				
Committee reports reviewed where delegated.				
School Development Plan:				
Approval of rolling School Development Plan including costings for next three years (Updated annually as a minimum)				
Budget				
Approval of Budget Plan and forecasts (For 3 years)				
Financial report - Term 1				
Financial report - Term 2				
Financial report - Term 3				
Prior Approval of virements when exceeds designated level of value.				

Post approval of virements when below designated level of value.				
ITEMS REQUIRING GOVERNOR ATTENTION / INPUT	**Date reviewed / approved**	**Noted in Governing Body minutes**	**Date decision Implemented / Policy updated**	**SFVS updated Yes/No**
Purchases and expenditure				
Agree De minimis level for capital expenditure set				
Authorised signatories approved (at least 3 - Head Teacher and 2 others) for ordering, invoicing and payroll.				
Authorise number of Pcards, holders and limits				
Prior authorisation of high level purchases and contracts exceeding Executive Headteachers delegated value.				
Procurement arrangements in place.				
Reason for NOT obtaining required number of quotes or accepting lowest quote				
Annual review of level of Support Services required - (SSE, SC or external provider)				
Income				
Charging and Remissions Policy in place and up to date?				
Prior approval to Write-off of debts under £1,000 for single debtor				
Unofficial Funds				
Appointment of independent auditor for Unofficial Funds				
Sign off Unofficial Funds Audit				
Insurance				
Adequate Insurance held				
Asset register held				

Inventory record checked annually				
Disposals authorised and full details recorded				
ITEMS REQUIRING GOVERNOR ATTENTION / INPUT	**Date reviewed / approved**	**Noted in Governing Body minutes**	**Date decision Implemented / Policy updated**	**SFVS updated Yes/No**
Building Maintenance				
Asset Management Plan in place				
Annual property maintenance statement to be submitted to LA				
Lettings Policy in place and up to date? (refer to charging policy)				
Health and Safety				
Schools Health and Safety Policy held				
Critical Incident / Business Continuity Plan in place				
Annual returns completed on RAMISlive:				
Fire Safety management				
Asbestos management				
Legionella management				
General health and safety management				
COMMUNICATIONS AND GUIDANCE DOCUMENTS FOR REFERENCE:				
FINANCIAL MANAGEMENT SCHEME				
SCHOOLS FUNDING AND ACCOUNTING TEAM - CIRCULARS				
EDUCATION FINANCIAL SERVICES - PUBLICATIONS AND GUIDANCE				

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