



Wyton on the Hill Primary School
Internal Financial Procedures

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INTRODUCTION

Wyton on the Hill Primary School has adopted the Cambridgeshire County Council's scheme of Financial Management for Schools, which includes contract and financial regulations. All staff with financial responsibilities must abide by them when making financial decisions. Copies of the scheme are kept in the Head teacher's office and electronically on the office computer.

In accordance with the above-named scheme, the Governing Body shall:

- (a) ensure that the allocation of resources promotes the aims and values of the school, as per the School Development Plan.
- (b) safeguard the spending of public money from waste or misuse.
- (c) comply with any statutory obligations or requirements of the Local Authority in the management of school finances.
- (d) annually set a balanced budget, and where this is not possible to apply to the Local Authority for a licensed deficit budget, including submitting a recovery plan. The Local Authority cannot write off a school deficit.

The Headteacher is able to spend up to £5000 without referral to the Resources committee. Expenditure in excess of this amount must be referred to the committee. For items costing less than £2000, one written quote is required. For items costing between £2001 and £30,000, three written quotes are required. The Resources committee will decide which quote to accept using the principles of best practice. All purchases estimated to exceed £30,000 must be put out to tender, unless the expenditure is due to an emergency, or an ESPO approved contractor is used.

Staff with bank account responsibilities must also be familiar with and follow the recommendations of the Cambs. County Council's "School Bank Account Manual." Copies of the manual are kept in the Office and electronically on the office computer.

SECTION 1 **System Security**

- 1 The school operates SIMs net - FMS6 computerised system approved by the Cambridgeshire County Council.
- 2 It is the responsibility of the Headteacher to ensure the confidentiality and security of the system and that a regular and secure backup of the financial system is in place.
- 3 The school's office files, pupil data (SIMS.net) and financial data (FMS6 and dinner money) are backed up daily. It is the responsibility of office staff, Mrs. S Bradley, to ensure files are backed up daily.
- 4 The FMS6 module has access limited to 3 users
 - Sharon Bradley – School Secretary
 - Sarah Walker – Finance Secretary
- 5 It is the responsibility of the User Admin to ensure that each user has a separate user login and password.
- 6 It is the user's responsibility to ensure that
 - no other person knows their password
 - the password is changed regularly

SECTION 2

EXPENDITURE ON GOODS AND SERVICES

- 1 All purchases of goods and services require a purchase order form to be completed so that a commitment can be made on the school's financial system. All orders must only be made with the prior knowledge and approval of the Headteacher and purchase order forms must be signed by the Headteacher.
- 2 Oral (telephone) orders and orders made over the Internet must only be made with the prior knowledge and approval of the Head teacher and should be confirmed immediately afterwards by raising an official order clearly annotated "Purchase Order" and signed by the Headteacher.
- 3 Purchases may only be made for Wyton on the Hill Primary School purposes. Staff and any other organisations are not permitted to use Wyton on the Hill Primary School orders for non-school purchases.
4. The Finance Secretary will pass all purchase orders on to the Head teacher for authorisation. When authorising an order, the Head teacher is responsible for ensuring that the order:
 - is completed correctly
 - complies with Financial Regulations, Contract Regulations and EU directives
 - quotations or tenders have been obtained if necessary
 - is appropriate for School purposes
 - offers the most favourable terms for price delivery and quality for the school
 - can be covered, by the appropriate budget
- 5 The Headteacher must authorise the order form and if the total cost of the order exceeds the Head teacher's authorisation limit the budget holder is responsible for obtaining the governors' authorisation.
- 6 The Finance Secretary will:
 - check that the total cost of the order is within the signatory's limit; ensure that all cost centres within the School's Financial System FMS6 are ticked to 'check spending' so that the system will not allow an order to be processed if it will make the cost centre overspent. If an order is rejected because it will make the cost centre overspent it is the duty of the Finance Secretary to return the order to the Headteacher. It is the responsibility of the Headteacher to adjust the order and authorise any revisions *before* returning to the Finance Secretary.
 - enter the authorised order onto the school's financial system FMS6

- print off purchase order and a copy purchase order
- fax or post purchase order to supplier
- file the order

7 On receipt of the goods ordered, to ensure separation of duties the Finance Secretary will:

- check that the goods delivered agree with the delivery note and that the goods received agree with the original order from the order file
- file the delivery note
- return the order to the order file
- distribute goods to the appropriate member of staff

8 On receipt of the invoice the School Secretary will:

- date stamp the invoice and pass the invoice to the Finance Secretary.
- record any items with a value of £100.00 or above or any items that are considered desirable and portable (with the exception of consumables) onto the school's inventory database.

9 When certifying the invoice for payment it is the Head teacher's responsibility to ensure that payment is only made where goods or services have been received or carried out and examined as to quantity and quality. (Note: in certain limited circumstances e.g. payment of course fees, payment may be required in advance. In these circumstances, if unavoidable, payment may be made provided proper procedures are introduced that ensure that the goods/services paid for are received and are of sufficient quality and if not a refund obtained).

10 On receipt of the invoice the Finance Secretary will:

- check the purchase order and delivery note to ensure goods invoiced have been received and ensure items have not been previously passed for payment
- check off invoice against copy order for correctness of price and quantity .
- check that prices, discounts and other allowances are correct, and that all calculations on the invoice (including VAT) are arithmetically correct.
- If any errors are found the Finance Secretary will contact the supplier for a revised invoice or credit note.
- enter invoice onto FMS6 system, noting the supplier's payment terms.

- file invoice in invoices passed for payment file until payment is due ensuring that the invoice is paid within the supplier's payment terms

11 When payment is due the Finance Secretary will

- record cheque payment on FMS6
- print off remittance advice
- write out cheque to pay invoice ensuring cheque number and amount *agrees* with remittance advice
- pass *cheque*, remittance advice and invoice to the headteacher first or an authorised cheque signatory from the list below if the headteacher is not available for second signature

The Finance Secretary will then ensure that all original background information is attached and filed with the invoice.

Authorised cheque signatories for the school bank account are:

Jo Phillips , Headteacher, Tracey Green, Deputy Headteacher, Sharon Bradley, School Secretary.

12 The second cheque signatory will:

- check that the invoice has been authorised and that the amount agrees with the cheque amount
- check that the cheque number and payee agree with the remittance advice
- if confident that paperwork is in order, sign the cheque
- return signed cheque and all paperwork to the Finance Secretary

15 The Finance Secretary will:

- copy remittance advice and invoice if relating to an official order & attach to relevant purchase order & invoice
- post cheque and remittance advice to supplier
- file copy remittance advice and copy invoice with order paperwork
- file invoice

SECTION 3 PAYROLL

- 1 The school's payroll provider, EPM Ltd is responsible for making payment of all salaries, wages, gratuities, compensation and other emoluments to all current and former employees of the school.
- 2 The Headteacher must ensure that the appointment of all employees is in accordance with the policies of the Governing Body, at the approved grades and rates of pay,
- 3 The rules for determining whether an individual is treated as an employee or as self-employed for tax purposes are complex, and there are severe penalties for failing to deduct tax where it is due. Budget Holders should refer to the detailed guidance available in the HR Policies and Procedures Manual (Part D: Contracts of Employment). EPM Ltd, can advise in cases of doubt.
- 4 No person may authorise any notification to EPM Ltd concerning amendments to his/her own pay.
- 5 It is the duty of the Bursar to keep the Headteacher informed of payroll budget balances and any payments that will take the budget into overspend.
- 6 It is the duty of the School Secretary to ensure that all documents sent to the school's payroll provider should identify clearly to whom they relate, i.e. by showing the name, payroll reference number and/or job title and place of work.
- 7 It is the Head teacher's responsibility to ensure that: -
 - Payments are correct, authorised and accounted for properly
 - Payments are made only to bona-fide employees of the school and to valid beneficiaries of the Pension and Compensation Schemes.
 - Allowances and deductions are authorised, correct and are properly accounted for and the persons in receipt of allowances are eligible for them.
 - Payments are lawful (i.e. within the powers of the County Council).
 - Payments are within budget.
 - The BCR toolkit spreadsheet for salaries for Teachers and Support staff is kept up to date with staff changes and used as a checklist for EPM Ltd reports.

- 8 It is the School Secretary's duty to maintain an independent list to that held by EPM Ltd of people employed by the school and their salaries.

EPM Ltd e-mail monthly payroll verification reports to the school. On receipt of the report the Finance Secretary will

- save the report electronically in the finance payroll folder
- print off the report and pass to the Headteacher to ensure that:
payments are made only to bona-fide employees of the school
- employee fte is correct
- employee scale and point on scale point is correct

The School Secretary will ensure that:

- supply teacher payments agree with supply teacher timesheets
- any overtime or *expenses are* authorised and agree with the form submitted to EPM Ltd. The School Secretary must take a copy of all forms submitted to EPM Ltd.
- all extra hours worked by school employees (both contracted staff and supply) are entered into the appropriate claim form correctly, authorized by the Head teacher and sent electronically to EPM on a monthly basis.
- any deductions are correct e.g., deductions for jury service, *GTC*, etc
- any unpaid leave as per the absence return form has been deducted. It is the duty of the School Secretary to submit a monthly absence form to EPM Ltd any amendments have been authorised by the Headteacher, or if relating to the Headteacher have been authorised by the Chair of Governors,
- query any anomalies with EPM Ltd.

After all checks the Finance Secretary will:

- obtain the Head teacher's signature and authorization and fax the authorised verification report back to EPM Ltd to ensure it reaches EPM Ltd in time for the month's payroll run. A timetable is provided to the school by EPM Ltd for payroll processes
- file the report in the payroll file for relevant month
- journal the payroll payments to relevant cost centres and ledger codes on the school's financial system FMS6 and ensure that the payroll control is reconciled at month end.

Staff Absence

- It is the responsibility of all staff to inform the Headteacher by 7.15am of any

absences.

- It is the responsibility of the Headteacher to inform the School Secretary of any such staff absences.
- It is the responsibility of the School Secretary to record all staff absences in the school staff absence file indicating the date and type of absence.
- It is the responsibility of the School Secretary to compile a monthly absence return, to obtain the Head teacher's authorisation and signature & send to EPM Ltd in accordance with the timetable in order that any adjustments to staff payroll can be made in the month following the return date.
- take a copy of this return for the school's records.

10 Staff Expenses

- It is the Head teacher's responsibility to *ensure* that EPM Ltd are provided with details of all benefits in kind provided or expenses reimbursed to its employees to ensure that income tax and national insurance contributions are collected on all qualifying expenditure.
- Staff travel and expense claim forms are kept in the office and it is the responsibility of staff to claim for any travel expenses they may incur on school business. All receipts must show VAT separately if included and be attached to the claim form. Mileage is paid at the current rate as authorized by Cambridgeshire County Council.
- Before incurring any expenses staff must obtain the budget holder's authorisation, usually the Headteacher. The budget holder must ensure that the budget balance is sufficient to cover the expense before authorising the expense to take place.
- Once the *expense* has been incurred the completed claim form and receipts must be given to the budget holder. The budget holder must check that the claim is correct and in accordance with the requirements of the service and sign the form as authorised. The authorised form must then be given to the Finance Secretary.

On receipt of the claim form the Finance Secretary will check:

- that the form has been authorised by the budget holder
- that the event claimed for has been attended by the claimant
- that the any receipts have VAT shown separately and that they agree with the claim
- that the expense agrees with the commitment on FMS6
- take a copy of the authorised claim form and file in the supply and

- travel claim form file
- send the original form to EPM Ltd

12 Payroll Amendments

It is the Head teacher's responsibility to inform the School Secretary of any matters affecting payroll payments such as appointments, dismissals, resignations, contract amendments, honorarium payments, retirement or any other change of circumstances affecting remuneration.

It is the responsibility of the Head teacher to ensure that EPM Ltd are notified of all information concerning the above matters to ensure that the correct deductions are made for pensions contributions, Income Tax, National Insurance, sickness and maternity pay, and other miscellaneous deductions.

No person may authorise any notification to EPM concerning amendments to his/her own pay.

In the case of amendments to the Finance Secretary's pay or contract it is the responsibility of the Headteacher to inform EPM.

In the case of amendments to the Head teacher's pay or contract it is the responsibility of the Chair of Governor's to inform EPM.

13 Data Protection

It is the responsibility of the Head teacher, the Finance Secretary and the School Secretary to ensure that the school's data protection policy is adhered to on all payroll matters.

SECTION 4 SUNDRY INVOICES AND STAFF REIMBURSEMENT

The school does not hold petty cash and operates a sundry invoice system to reimburse staff for payments made on behalf of the school. It is the responsibility of the Finance Secretary to maintain and record the sundry invoice claims from staff.

It is the Finance Secretary's duty to ensure that payment of salaries or wages to staff, travel expense claims or payments which could be considered as such by the Inland Revenue, e.g. honoraria, are not paid through the sundry invoice system and that all such claims are processed through the school's payroll provider EPM Ltd.

Staff should only use their own money to purchase goods for school if there is no alternative, e.g. purchase of cooking ingredients and consumables for class lessons. It is the duty of the member of staff to obtain a VAT receipt for all goods purchased with the VAT amount clearly identifiable. Where it is not possible to obtain a VAT receipt another form of receipt must be obtained as proof of purchase.

Before purchasing goods for school using personal money, staff must first obtain the permission of the budget holder by completing a purchase requisition form, which must be authorized by the Headteacher. It is the budget holder's responsibility to ascertain that there is no other method to purchase the goods through the school's ordering system and that the budget has sufficient funds to cover the expense. Any unauthorised claim will be returned to the claimant. '

The authorized purchase requisition form should then be passed to the Finance Secretary, who will then check that

- the form is authorised
- the receipts attached agree with the purchase requisition form
- any VAT is clearly identified
- the form is arithmetically correct

It is the Finance Secretary's responsibility to record the claim as a sundry invoice on the FMS6 system ensuring that any VAT is identified. Staff may submit more than one claim during the accounting period and one reimbursement will be made at the end of the accounting period. At the end of the accounting period the Finance Secretary will authorise all sundry invoice staff claims on the FMS6 system and write out a cheque. The Headteacher will sign the cheque as first signatory and pass to a second authorised cheque signatory, usually the School Secretary. The Finance Secretary will ensure that the original claim and receipts are filed in the Sundry invoice file.

SECTION 5 INCOME

To ensure adequate separation of duties within the cash collection and banking process the following activities, as far as is possible, will be carried out by

School Secretary - collecting or receiving money;

School Secretary - recording and banking receipts:

Finance Secretary - reviewing and reconciling receipts to cash banked :

It is the Head teacher's responsibility to ensure that procedures for the collection or invoicing of income due are operating and the School Secretary's responsibility to ensure that the procedures are carried out such that:

- All income due is identified and accounted for properly.
- All monies received are brought into account promptly, correctly, accurately and completely.
- All income collected is held securely, banked promptly and intact.
- VAT is accounted for correctly.

It is the responsibility of the Finance Secretary to ensure that:

- invoices for income due (or credit notes) are raised as soon as the chargeable goods or services are provided.
- invoices left unpaid within 30 days are chased according to the school's Debt Management Policy.

The School Secretary will date stamp and receipt all income received by post, from reception and class boxes (with the exception of dinner money and school defined activity income where only cash received over £10.00 is receipted except for uniform when all income is receipted). The School Secretary will record and bank all monies received and pass on the receipts for cash banked to the Finance Secretary for reviewing and reconciling.

It is the responsibility of Finance Secretary to record all school budget income received in the appropriate manner and to ensure it is entered onto the school's financial system FMS6.

All dinner money must be recorded on the computerised Dinner Money system on an individual basis and a banking ID statement must be printed off for each banking. The School Secretary must regularly check pupil balances and chase any accounts that are in

arrears.

On receipt of self funded activity income the School Secretary must record individual payments on the appropriate record. It is the School Secretary's duty to ensure that all cheques received are recorded and a copy of the list is attached to each banking paying in slip.

It is the responsibility of the School Secretary to prepare income for banking. Income to be banked must be entered onto a banking record form. School dinner money banked must agree, with the dinner money banking ID statement. Cash and cheques recorded on the banking record form must agree with the bank paying in slip.

It is the duty of the Headteacher to ensure that monies banked agree with income collected and carry out regular reconciliations of amounts collected to cash banked as recorded on copy paying-in slips.

Section 6 ASSETS

It is the responsibility of the Headteacher to inform the Site Manager or School Secretary of any items that require security marking. It is the duty of the Site Manager or School Secretary to mark these items with "Wyton on the Hill Primary School, PE28 2JB" in a discrete place and record the marking in the security mark book. (Items on loan from other establishments etc. should not be marked).

Surplus, obsolete or unserviceable equipment must first be offered to other establishments or departments. If it is not required by other parts of the Council, it should be sold at the best price available, in accordance with the Contract Regulations for Schools. The agreed price must be paid before removal of the item.

Where computers are to be disposed of, IT advice must be sought in view of the implications for software licenses and data security.

SECTION 7 BUDGET MONITORING

8.1 Local Authority Reporting

It is the responsibility of the Headteacher to ensure that the Budget setting timetable and year End timetables (including CFR reporting) set by the Local Authority are met by the school. This includes arranging for Governor Budget set meetings to be arranged in order that the budget may be approved. It is the duty of the Headteacher to ensure that the necessary reports are produced in a timely fashion to meet the LA timetables.

It is the responsibility of the Headteacher to ensure that Budget monitoring and reporting are carried out in a timely fashion to meet the timetables outlined in the current Cambridgeshire County Council Corporate Requirements for Bank Account Schools.

The school is required to send the following reports to the Schools Corporate Team on a staggered quarterly electronic financial reporting pattern, that is 4 electronic financial returns submitted to the local authority each financial year on set dates.

BCR- VAT Report

Bank Reconciliation (the school must also fax a copy of the latest bank statement at the time that the electronic reports are sent)

Funding (budget and actual) reconciliation

All these reports are produced direct from the FMS6 Financial System using the Cambridgeshire County Council's Budgeting Control Toolkit (BCR).

It is the duty of the Headteacher to ensure that these reports are compiled and sent to the authority to meet the set timetables.

The Bursar must also produce the reports on a monthly basis within 10 working days of the previous month's end. The Headteacher and Bursar will meet monthly to monitor monthly performance against the budget.

It is the responsibility of the Headteacher to carry out checks to ensure that the reports are reconciled with the latest bank statement and to sign the period end return, VAT submittal form and bank statement to acknowledge sight of the reports.

8.2 Budget Holder Reporting

It is the duty of the Finance Secretary to produce cost centre transaction reports (and *ledger* code transaction listings for cost centres with more than one budget heading e.g. premises) for budget holders on a half termly basis and to ensure that the budget holder understands the report. Budget holders may also request reports on an adhoc basis. It is the responsibility of the budget holder to confirm that all transactions are complete, valid, correct and properly chargeable to the budget. It is also the responsibility of the budget holder to report any anomalies immediately to the Finance Secretary. If the Finance Secretary cannot give an acceptable explanation to the anomaly, it is the duty of the Budget Holder to report the anomaly to the Headteacher. It is the responsibility of the Headteacher to take the necessary action.

8.3 Governor Reporting

It is the responsibility of the Headteacher to ensure that reports for Governor Resources Committee meetings and to the Full Governing Body for Budget Approval are sent to governors at least one week *before* the date of the meeting. The Resources Committee meets once per term to monitor the budget and once at budget set time to approve the budget.

It is the duty of the Head teacher to *ensure* that the reports are produced in a timely fashion to send to governors and are based on the BCR toolkit as in section 8.1 and are either produced direct from the school financial reporting system (FMS6) or agree with the FMS6 report. It is also the duty of the Head teacher to produce notes on the reports to ensure that the reports are clear and easy to understand.

The Head teacher (and Bursar when requested) are required to attend Resources Committee meetings.

For cash and staff security it is the duty of all the above to ensure that banking is carried out in order that no set pattern may be recognised.

School Fund

School Fund will be accounted for separately from the school's delegated budget and held in a separate bank account.

The school fund will be audited annually by an independent auditor and the account submitted to the Governing Body.

The Governing Body will appoint a Treasurer.

The same rigorous standards of monitoring will be applied to the School Fund as the School Budget.

Cheques drawn against the school fund must be signed by 2 of the designated signatories.

Review of Internal Financial Procedures

This set of procedure will be reviewed annually at the first annual meeting of the Resources Committee.