

Financial monitoring

The School Budget

Aim

To use the funds provided by the Devon County Council to the best advantage in educational provision while planning and controlling expenditure so as to keep a margin in hand in a given year to avoid overspending or damaging economies in the event of unforeseen changes to pupil numbers.

Preparation of the Budget

The draft annual budget is based on the funding notified to the school by the LEA in February each year. The Chairman of the Finance and Personnel Committee, in consultation with the Headteacher, prepares the draft budget in the light of the current financial year's expenditure and the requirements of the School's Development Plan. The draft is presented to the Finance and Personnel Committee and any problem areas are brought to attention for resolution.

The Committee will then recommend the agreed draft to the full Governing Body meeting which occurs in the second half of the Spring Term. The Governing Body will approve a final budget at this meeting.

Any changes in funding, of a minor value, will be absorbed into the margin. More significant changes will be presented to the Committee and if necessary Budget variations agreed. All variations to the school's available funds will be presented to the Governing Body in a termly report.

Authorisation and Delegations

In order that the financial management of the school can function efficiently it is necessary to delegate authority for some aspects of the budget to various members of staff, the tables at the end of the policy cover the main delegations for financial management within the school. Other delegations are as follows:

- The Committee can authorise virement from one budget heading into another, providing the overall budget total is not exceeded.
- Commitments which exceed the planned budget total but are within the total funds available, or are known to be becoming available, can be authorised by the Committee but must be reported to the next meeting of the Governing Body.
- The Headteacher can delegate to any member of his staff a portion of any funds in a budget heading for their control and use in specific duties, e.g. Subject Co-ordinators and the SENCo.
- The Headteacher can authorise spending up to £2,000 on planned budget commitments but must seek the approval of the Committee before placing an order of more than £2,000.
- The Headteacher has authority to dispose of, or write off, single item assets with a value of £100 or less. Any such disposal or write off must be reported to the next Staff and Finance Committee meeting.
- A record is kept and updated annually of signatories for authorisation of all payments.

Petty Cash

Petty Cash is a system whereby expenditure can be charged to any one of the School's Cost Centres, where a cheque or cash is required. The total Petty Cash holding is £400 at any one time. The school has a Petty Cash/Imprest cheque book account and we use cheques for larger sums involved. A limited amount of cash (maximum £50) is held at school, plus a supply of postage stamps, purchased from Petty Cash. All expenditure is approved by the Headteacher and recorded in accordance with County guidelines. Reimbursement is made to the appropriate person upon submission of a valid VAT receipt. A regular claim is submitted to County Treasurer together with the appropriate receipts. A bank reconciliation is made at this time.

Best Value

The Headteacher will apply the principles of Best Value (Challenge, Consult and Compare and Compete) to the purchase of all products and services made by the school. This responsibility incorporates the overall duty that the Headteacher has to ensure that products and services purchased comply with Health and Safety policy.

Financial Controls and Procedures

The school will follow the procedures laid down in the County's financial manual. The basic principles will be followed to ensure that:

- All expenditure commitments are recorded in the control and information system.
- As far as possible all orders will be written through the system, urgent orders by telephone or purchases through the internet must be adequately documented and recorded into the system within 24 hours.
- Where possible the processes of requisitioning, ordering, receiving goods and authorising payments should be carried out by different people.
- The Headteacher should approve and sign all reconciliations etc. prepared by the Administrator that return to the County.

Monitoring expenditure

In order to ensure that the school is not exceeding the agreed budgeted expenditure it is necessary to monitor all actual and committed expenses on a regular basis. The table at the end of the policy gives the responsibilities of those involved with budget monitoring and the frequency which the reports should be published.

A formal, half-termly, monitoring report will be produced and sent to members of the Committee. This report will highlight any budget heading that is forecast to be overspent with adequate explanations for this occurrence. The Chairman of the Committee will prepare a termly report for the Governing Body to be presented at the meeting in the second half of the term.

The Governors' annual report to parents will show the result of our actual expenditures for the year compared to the original budget with the necessary commentary on this outturn.

A chart from Devon Finance Services, showing the responsibility for and frequency of budget monitoring duties, is attached to the end of this document.

Income

In addition to the funds provided by the County, the school budget benefits from donations from the PTA and also income from letting the school premises for community organisations. The PTA is an independent organisation which organises events to raise funds for the support of the school, helping to provide equipment which might be beyond the scope of the school budget. The Headteacher is able to request support for specific items and the PTA contributions are paid by cheque to the County Treasurer.

A few local organisations are able to use the school premises at a fee. (See Lettings Policy)

As part of our financial control procedures the School Administrator, who receives all miscellaneous income, will issue official receipts for such monies, if appropriate, or keep a record for reconciliation and audit purposes.

Dinner money

The correct amount of dinner money is collected on Monday or the child's first day at school that week. The money is collected from teachers and recorded in registers and on a weekly sheet. On Fridays, the money received is reconciled with the money due on the dinner registers – showing carry forwards as appropriate. The cash is counted, appropriate banking sheet completed and money sealed into cash collecting bag ready for collection by SAFECAR the following Monday. The money is kept in the safe.

Security

Back-up copies of important computer data are taken according to a daily/weekly rota. Sets of these are kept off the premises. All controlled stationery and any cash which cannot be immediately banked will be placed in the safe.

Donations

All donations will in the first instance be made payable to the PTA.

Standards Funds

These are usually central Government funds (administered by the LEA) which are delegated to the school and are in addition to revenue budget allocated by the LEA. There is flexibility in the way most of these funds can be used whilst others remain ring-fenced to very specific expenses and activities. The specific numbers and types of funds can vary from year to year as can amounts allocated to the school.

Responsibility for the management of Standard Funds may be delegated to the Deputy Headteacher. Once notified of the amounts to be delegated to the school for the financial year a budget will be produced showing how the funds will be used.

This Standards Fund budget will be presented to the Finance and Personnel Committee for approval before presentation to the full Governing Body with the school budget details.

The Chairman of the Committee will report expenditure and forecasts against these Standards Funds each term in a similar manner to those produced for the school budget.

Authority to spend monies allocated to the funds is delegated to the Headteacher and Deputy Headteacher and they will report each term on how the school has spent the funds to comply with the stated purpose and the school's development plan.

The Deputy Headteacher, with the support of a School Administrator, is responsible for recording expenditure against the correct fund and making the appropriate returns.

The School Fund

The aim of the School Fund is to further enhance the quality of children's experiences within the school and community.

The objectives of the School Fund are:

- To raise sums of money to purchase items of equipment and materials to support and enhance the school curriculum and enable a broader range of learning experiences inside and outside the classroom.
- To enable activities within the school to be subsidised and supports children whose families are unable to afford them to join in with these activities.
- To provide funds for initiatives within the school that are organised and run by the children, fostering initiative and responsibility.

The unofficial School Fund is for the school to collect, control, bank and distribute funds to enable additional activities to take place which are outside the main School Budget.

The School fund is administered by a school administrator, but under the control of the Headteacher.

The Chairman of Governors is responsible for the checking that the funds are administered in accordance with the purposes and objectives of the fund and within the guidelines issued by the Authority. Auditors of the School Fund will be appointed by the Governors on an annual basis.

All Governors will receive from the official auditor an annual statement of accounts within three months of the end of the Fund's financial year, which is designated as 31st March.

The Staff and Finance Committee has approved in it's minutes that approval by the Headteacher is sought from the Governors if any one item is to be ordered in excess of £500.

Cheque signatories of at least three persons should be approved by the Governors and minuted.

The school administrator will reconcile the bank statement and the school's account monthly. All invoices and receipts will be kept for a period of six years.

Whenever any monies are collected, they will be banked regularly, only allowing for a maximum of £500 to be in the safe. Security is of paramount importance and money or cheques should never be left unattended, either by staff within their classrooms or in the administrator's office.

Responsible persons and frequency for budget monitoring.

	Governors		Finance Committee		Headteacher		Administrator		Budget Holders	
		Frequency		Frequency		Frequency		Frequency		Frequency
Maintenance of records					S		√	W		
Download of Data					S		√	W		
Reconciliation of Data					S		√	W		
Updates forecasts & resource forecast model					S		√	M		
Monitoring of budget lines/cost centres					C	M			√	M
Maintain forecast of year-end position.					√	O				
Initiates management action*					√					
Prepares formal budget monitoring statement for each fund					√	H	A			
Prepares commentary					√	H	A			A
Presents updated resource forecast model					√	H				
Receives report			√	H						
Initiates management action* /makes recommendations to Governors			√							
Receives report	√	T								
Amend Development Plan (if req)	√									
Outturn report	√	Y			√	Y	A			

Key

Frequency	Functions
O =Ongoing	S = Supervises
W = Weekly	R = Reports
M = Monthly	C= Co-ordinates
H = each half term	√ = does
T = Termly	A =Assists as required
Y= as soon as possible after Year-end	* Acts within delegated powers and if required