



## Our Mission Statement

Granville Sports College is committed to:

- Raising standards of achievement and creating opportunities for all pupils, regardless of needs to develop their full potential and improve their life chances
- Raising the aspirations of the whole school community by creating a culture of continuous learning that celebrates success at all levels
- Developing a school that is the pride of the local area where pupils, parents, staff, governors and wider community feel valued, listened to and welcomed for the diverse contribution they make to our school life

## Financial Regulations and Procedures

Adopted From the DCC – (Vs Nov 14)

Responsible:	Governing Board
Delegated Responsibility	Jo Kingswood (Headteacher)
Start date:	1 <sup>st</sup> April 2016
Review date:	31 <sup>st</sup> March 2018

### Introduction

- \* These Financial Regulations and Procedures set out the duties and responsibilities of all staff and Governors in respect of the financial administration of the School, including the planning and control of the revenue budget and Devolved Formula Capital, the collection of income, and the security of school assets.
- \* The overall responsibility for the expenditure of the School's delegated budget and other school finances is that of the Governing Body. The Head Teacher should provide regular budget monitoring reports to Governors in the format requested by the Governors.
- \* The Head Teacher has responsibility for ensuring that all relevant staff have a copy of these regulations and procedures, understand their requirements and are made aware of any future changes agreed by the Resource Management Committee (RMC).
- \* The Governing Body will appoint a RMC Committee with delegated powers according to the terms of reference agreed at the first meeting of the Governing Body in the Autumn term. Minutes of all RMC Committee meetings will be taken and maintained by the Clerk to the Governors and copies

circulated to all members of the Governing Body in order that they are kept fully informed of all actions and decisions taken by the RMC Committee.

\* These regulations and procedures may only be altered in the light of new legislation/regulations as advised by the Authority or to encompass changes in procedure brought about by new technology. They will be reviewed annually and kept up to date by the RMC Committee.

\* The Governing Body will maintain a register of business interests in accordance with their policies. It is the duty of all Governors of the School to comply and ensure registration.

\* The Governors will operate within the guidelines of the School's Code of Conduct when carrying out their responsibilities. The financial and governance arrangements of the School should be compliant with the Schools Financial Value Standard (SFVS) which must be approved annually by the Chair of Governors.

## **To all staff**

1. In any organisation it is essential to ensure sound financial administration. In schools, the Head Teacher and the Governing Body have a responsibility for ensuring the proper administration of all financial affairs, and determining the accounting systems and records necessary to achieve this.

2. Financial Regulations and Procedures govern the actions of all staff who have an involvement in the spending or collecting of money or any responsibility for the property of the School. Staff should therefore make sure that they are familiar with the contents of this booklet.

3. Financial Regulations and Procedures apply to all employees and transactions of the School. This is the case even where the spending is fully reimbursable by a third party or where it is covered by any other form of income.

4. The Head Teacher has a responsibility to ensure that all school staff familiarise themselves with any changes to these regulations and procedures as they occur. Should any doubt exist on their meaning, the School Business Manager and/or Head Teacher should be consulted in the first instance.

5. These regulations also apply to any trusts or subsidiaries that the School may control or operate, e.g. School Fund, tuck shop.

6. Failure on the part of any member of staff to observe Financial Regulations and Procedures may result in disciplinary action.

7. It is the responsibility of all staff in cases of suspected fraud, misappropriation of funds, materials or equipment, or any other irregularities, to comply with the School's 'Whistle-Blowing Policy/Confidential Reporting Code: and to report immediately to the Head Teacher in the first instance and to the Authority's Assistant Director of Finance (Audit), Audit Services Unit, Corporate Resources Department, in the second instance.

8. It is the responsibility of the Head Teacher/Governing Body to ensure that all cases of suspected fraud, misappropriation of funds (either official or subsidiary) materials or equipment, or any other irregularities are reported immediately to the Authority's Assistant Director of Finance (Audit), Audit Services Unit, Corporate Resources Department.

## **A. GENERAL**

1. The Head Teacher shall be the responsible officer for the proper administration of the financial affairs of the School and all accounting systems, procedures and records of the School and its employees.
2. The RMC Committee should take no decision on any item having financial consequences without first obtaining a financial assessment of the initial cost and any future running costs.
3. The Head Teacher will support these financial regulations with the issue of more detailed instructions to staff from time to time.
4. Any changes to the regulations will be subject to the approval of the Governing Body.
5. The School will comply with all accounting policies and requirements of the Authority.
6. The Head Teacher will report any breach of Financial Regulations to the Governing Body and Authority's Assistant Director of Finance (Audit).

## **B. INCOME/BANKING**

1. The Governing Body is responsible for drawing up a statement of its policy on charging and remissions. This policy should be reviewed annually. The Head Teacher in consultation with the relevant school staff shall undertake an annual review of all scales of charges which is incorporated into the policy on charging and remissions.
2. The Business Manager shall take action to collect all amounts due to the delegated budget. Official receipts must be issued and copies retained in school.
3. The Clerk to the Governors, or nominated officer, will raise invoices for lettings in accordance with the School lettings policy.
4. The Governing Body shall have the discretion to write off individual bad debts after all recovery options have been exhausted and in consultation with the Authority's Director of Legal Services.
5. No sale of goods and services on credit shall be made without the prior approval of the Head Teacher and must be reported to the full Governing Body.
6. No proposals involving the generation of income should be implemented without prior consultation with the Governing Body.
7. The Head Teacher is responsible for ensuring the security, collection and banking of income due to the delegated budget.
8. Income must be banked promptly and intact in accordance with the School's Financial Procedures document.
9. All income shall be recorded at the point of receipt in a form approved by the Head Teacher.
10. Official receipts must be made out for all official income at the time of receiving the income.

11. Under no circumstances shall personal cheques be cashed from income.
12. The level of cash that can be kept in a locked cabinet with the key off site is £250, the limit for our safe is £1000 (check with Insurance section for amounts).
13. All income due to the School should be banked promptly and intact and the details entered into SAP. Two employees will be present to verify all totals which are to be presented to the Bank.
14. Where a cheque is accepted as payment it should have the individual's name and address on the back. Additionally the School cost centre number should be recorded on the back.
15. Where the Authority has arranged for a security firm to collect deposits a receipt should be obtained and retained for the current year plus six previous years.
16. The Security Firm's receipt must be attached to the paying in slip and stored securely.

### **C. EXPENDITURE AND ORDERS FOR WORK, GOODS AND SERVICES**

1. The ordering of goods and services and the payment of accounts, shall be in accordance with these financial procedures and advice from the Business Manager / Head Teacher.
2. Official orders shall be placed for all goods and services except for such items as recurring charges for public utilities, periodic payments, petty cash purchases and any other exception approved by the Governing Body. Orders will be generated by the computerised system (SAP - Orderpoint) at all time.
3. Where an individual item or combination of items forming a scheme or project costs in excess of £10,000 (excluding VAT), the approval of the Governing Body must be sought, prior to any such order being raised and the minute number recorded on the invoice.
4. All orders shall be on an official order and be authorised by the officer agreed by the Governing Body. A record of all approved authorised signatories relating to orders will be maintained by the Head Teacher and reviewed as necessary by the RMC Committee.
5. No expenditure is to be made without proper authority and provision in the budget estimates.
6. The payment of all goods and services shall be made by the Head Teacher, or under arrangements approved or controlled by him/her.
7. Goods will not be paid for in advance of receipt, unless in urgent and exceptional circumstances. The Head Teacher will authorise the payment in these circumstances.
8. Official orders shall not be raised for any personal or private purchases, nor shall personal use be made of any school contracts.
9. If the School is included in the Authority's arranged contracts for grounds maintenance and cleaning services there must be compliance with the terms and conditions of the Authority's contracts in relation to those services.

10. The Head Teacher shall be authorised to approve un-budgeted orders up to £10,000, before Governor's approval is required. Where this occurs a Governor's minute number/date is required before the order is placed. This should be recorded on the order to form an effective Audit trail. (Please see appendix 1; Scheme of Financial Delegation)
11. If raising a paper order then all parts of the order form should be completed, including the actual price of supply.
12. As soon as the order is placed, the commitment must be recorded by the Bursar. When using Order Point, commitments are automatically recorded in SAP including Utility bills, Property Services etc.
13. The Business Manager shall be responsible for the ordering of controlled stationery stock.
14. Where it is necessary to pay for goods and services in advance of receipt, the Head Teacher should approve prior to approval. Wherever possible the schools debit card should be used in these instances (Limits apply - see Imprest section below). Where necessary consult the Authority's School Support Finance Section prior to such payment being made.
15. Expenditure against relevant budgets will be monitored by the Head Teacher, & Business Manager in the first instance and by the RMC Committee in the second instance.

#### **D. PAYING ACCOUNTS**

1. Goods should be received and checked against any delivery note and with original order. When an invoice is received, a check should be made to ensure that:
  - a) The goods which have been supplied or the services rendered are of satisfactory quality and correct quantity.
  - b) The goods and services have not been previously paid for.
  - c) They are in accordance with the contract price or estimate where appropriate.
2. Invoices should not be paid in advance of the satisfactory supply of goods or services other than in exceptional circumstances i.e. pro-forma invoices. Exception from this requirement subject to approval by the Head Teacher / Business Manager who will authorise the payment in these circumstances.
3. If satisfied that the invoice is correct, invoices should be stamped and signed by the Business Manager for invoices to be processed.
4. The invoicing system must not be used for any of the following transactions.
  - a) Salary or travel payments.
  - b) Payments to the private school fund or the Imprest account.
5. Any queries about the invoice should be raised with the firm concerned by the Business Manager. If agreement cannot be reached, the matter should be referred to the Head Teacher who should consult

with School Support Finance, Audit Services or the Authority's Director of Legal Services as appropriate.

6. The following three duties must not be carried out by the same person, however in small schools;
  - ordering of goods and services (Finance Assistant, Heads of Department) •  
Receiving of goods and services
  - Authorising invoices for payment (Head Teacher, Business Manager).
7. No VIM invoices will be process in school. All invoices are to be process through school via orders, delivery and invoices on SAP.
8. The person authorising an invoice for payment is confirming that:
  - a) The goods and services to which the invoice relates have been received or carried out satisfactorily.
  - b) The prices, calculations, discounts, credits and VAT are correct.
  - c) The expenditure has been properly incurred, and is within the relevant estimated provision.
  - d) Appropriate entries have been made in the inventory.
9. A list of those staff approved by the Governors to Approve Orders/invoices for payment will be maintained and retained in the School.
10. No payments will be made through the School's Direct Invoicing system for any personal or private purchase. Personal items should not be delivered to School address.
11. All users of SAP must comply with the Data Protection Act 1998 and the Computer Misuse Act 1990. Access to SAP will always be by passwords that are regularly changed. The Governing Board will approve the delegation and permission. SAP in schools team will be notified of any new starters or leavers.

#### E. SALARIES, WAGES AND PENSIONS

1. The payment of salaries, wages and other emoluments from the delegated School's budget shall be made only by the Authority's Shared Services Centre unless the Governing Board makes a formal decision for alternative payroll provision.
2. Unless the Governing Board formally adopts alternative provision, the Authority Shared Services Centre shall be responsible for the deduction of all pension contributions, trade union subscriptions and other items from employees' salary payments and will arrange for the paying over of such deductions to the relevant bodies.
3. The Head Teacher shall notify the Authority's Shared Services Centre in writing of all appointments, resignations, absences or other changes which may affect the pay or pension of an employee or exemployee of the School. In addition Property Division must be notified of any changes if the employee is employed by a direct services organisation.

4. All salaries, wages and other taxable allowances must be paid centrally through the Authority's payroll section by direct BACS transfer. Payments by cash will not be made.
5. All staff appointments, changes to working hours, salary grades and conditions of service must be approved by the Headteacher / Governors, with the exception of urgent short-term supply appointments.
6. The Head Teacher will authorise all salary documents relating to appointments, resignations, additional supply or payments and absence. Documents relating to appointments, resignations or absence of the Head Teacher shall be authorised by the Chair of Governors.
7. The Head Teacher must notify the Authority's Shared Services Centre of all new school staff on a properly authorised "starters form". In addition, the following documents should be obtained from a new member of staff and sent to the Shared Services Centre:
  - P45 (income tax) - in the event of the employee not having one, a P46 should be completed;
  - Bank credit form.
  - Medical Clearance Form – medical clearance is required before a new employee commences employment.

All new appointments should be made within a specific budget provision as agreed by the Governing Board.

8. The Head Teacher / Business Manager shall ensure that all necessary DBS checks are carried out and maintain a Single Central Record.
9. The Head Teacher should notify the Authority's Shared Services Centre of all variations affecting an employee's pay on a properly authorised adjustments form following Governor's approval.
10. Timesheets or claim forms submitted as the basis for work done should be completed and signed by the member of staff and authorised by the Head Teacher who must evidence the satisfactory completion of the work/journeys for which payments are claimed.
11. All staff absences and temporary variations should be recorded monthly on appropriate form and retained in school, which should be uploaded after authorisation to the SAP system. All periods of sickness should be covered by either a self-certification form (first 7 days) or a medical certificate. A medical certificate is required for all absences exceeding 7 days.
12. The Head Teacher should notify the Authority's Shared Services Centre of any resignations by forwarding a copy of the appropriate resignation letter with the leaver's form.
13. At regular intervals the Head Teacher /Business Manager shall check all variations have been completed correctly.

## F. CONTRACTS

1. All contracts shall be made in accordance with procedures below

2. No member of staff shall authorise work to be undertaken or goods to be supplied which are to be subject of a contract or other legally binding agreement until a document in a form approved by the Authority's Legal Services Division is completed and signed by the contractor.
3. Price increases on any contract shall be subject to prior consultation with the RMC Committee.
4. The Authority's Director of Finance (LA) must be notified in advance of any proposed leasing arrangements or any other arrangements to delay or defer payment for goods or services. Any scheme, however described, which effectively spreads the cost of payments across financial years, is likely to fall into this category. Such arrangements may only be entered into only after obtaining written approval from the Authority's Director of Finance.
4. Disposal of leased and financed assets is subject to the prior approval of the Authority's Director of Finance (LA).
5. Any form of agreement intended to defer payment or provide for payment by instalments must be subject to the prior approval of the Director of Finance.
6. Governors have a statutory responsibility not to take part in the decision making process relating to any contract or agreement in which they, or immediate family members have a business interest. The Head Teacher, in consultation with the Clerk to Governors is responsible for maintaining a register of business interests in respect of all governors and staff who may be in a position to influence financial decisions.

For the purpose of these procedures, the definition of a contract shall be any signed agreement (other than routine orders) for the provision of goods and/or services over a period of time. The School should ensure that the management of contracts is undertaken in accordance with procurement website <http://www.procurementconnection.co.uk>

Any contracts shall be in writing, and shall be referred to the RMC Committee before any binding agreement is made. 1. All contracts shall:

- a) Specify the subject matter, price, contract period, contract specification and terms of payment
- b) Contain a clause permitting cancellation in circumstances of corruption or failure to meet contractual terms.
- c) Require access to the supplier's records under this contract for Internal Audit.
- d) Require compliance with any British Standard specification or code.
- e) Indemnify the School against any claim which may be made in respect of personal injury to any person unless due to negligence by the School and against any claim for damage to property due to negligence of the contractor, and the contractor shall produce evidence of suitable insurance against such claims.
- f) In the event that the contract relates to School data require compliance with the Data Protection Act 1998 and other industry standards including ISO27001.

2. With any proposed contract, quotations shall be obtained from at least three suppliers. Under normal circumstances the School will award the contract to the supplier quoting the lowest price or the Most Economically Advantageous Tender (MEAT). However, there may be times when the lowest price should not be accepted, and any reasons for accepting a higher quote should be reported to the RMC Committee, and be recorded.

3. All contracts shall be subject to the ordering limits as specified in Section C of the Financial Regulations.

## **G. REVENUE BUDGETS**

1. Estimates of income and expenditure will be prepared for the forthcoming financial year, jointly by the Head Teacher and the Business Manager, based on advice provided by the Authority, and considered in detail by the RMC Committee.

2. The format of the estimates will be consistent with the needs of management information for financial control purposes, and the format of the annual accounts as prescribed by the Governing Board.

3. The estimated out-turn figures relating to the current financial year should also be included with the new financial year budget estimates.

4. An annual budget timetable will be set by the Head Teacher and the Business Manager and agreed by the RMC Committee / Governing Board. The timetable must comply with the Authority deadlines.

5. The Governing Board will formally approve the expenditure and income budgets for the financial year, after which the Business Manager will be instructed by the Head Teacher to input the budget split into SAP. A deficit budget plan is not acceptable, unless a 2 or 3 year plan has been agreed with the Authority.

6. The Governors must have a strategy to use excessive surplus balances of the budget share.

7. The Head Teacher will be responsible for the delegation of the authorised budget, and it is his/her responsibility to ensure that budget heads are not substantially overspent or under spent, taking into account the overall budget position.

8. Where it appears that an approved expenditure budget may be exceeded, or income target not realised, such information will be conveyed to the RMC Committee at the earliest opportunity. Recommendations will be made to the Governing Board in regular reports as to remedial action to be taken where appropriate. The Governing Board will determine the financial information which needs to be provided by the Headteacher for monitoring purposes. (This could state that receiving a termly finance governor report provided by school support finance is acceptable.)

9. No expenditure which requires a continuing financial commitment in future years may be incurred without the approval of the Governing Body.

10. Virement of funds between budget heads may only be made in accordance with limits set by Governors and recorded. See Scheme of Financial Delegation – Appendix 1.

11. Any request for virement from Contingency to any other budget head must be referred to the RMC Committee for approval before the virement is completed.

## **H. CAPITAL EXPENDITURE**

1. Capital expenditure generally falls outside the Scheme of Delegation and such expenditure on buildings can only be incurred with the approval of the Portfolio holder with the exception of expenditure through the School's allocation of Devolved Formula Capital.
2. The Governors will be responsible for drawing up expenditure plans for Devolved Formula Capital, taking into account the three year spending deadline. Approval of the Local Authority must be sought for all schemes via a Project Approval Form, unless solely for I.C.T. purchases (which must not include alterations to electrics or the fabric of the building). Approval via a project approval form is also needed when using revenue monies for capital expenditure.
3. The Governors will delegate responsibility to the Head Teacher to spend up to £10,000 from Devolved Formula Capital before approval is sought from the RMC Committee.
4. The Governors can approve expenditure from the delegated budget to meet the cost of capital expenditure on the School premises, subject to Section 2.14 of the Derbyshire Scheme for Financing Schools and the expenditure limits outlined in paragraph 2 above. Where the County Council owns the premises, or the School has voluntary controlled status, the approval of the Council for the proposed works must be obtained.

## **I. INTERNAL AUDIT**

1. The Authority's Assistant Director of Finance (Audit) shall have unrestricted access to all records, personnel and physical properties of the School necessary for the purposes of audit work however and wherever these are held. The Authority's Audit Services Unit shall be entitled to require from any employee of the School such information and explanation as may be thought necessary for that purpose.
2. Officers of the Audit Services Unit are authorised to appraise the adequacy of controls and procedures employed by the school to secure economy, effectiveness and efficiency in the use of resources.
3. It is the responsibility of all staff in cases of suspected fraud, misappropriation of funds, materials or equipment, or any other irregularities, to comply with the School's 'Whistle-Blowing Policy/Confidential Reporting Code or otherwise and report immediately to the Head Teacher and the Authority's Assistant Director of Finance (Audit), Audit Services Unit, Corporate Finance Department.
4. The Head Teacher must consult the Authority's Assistant Director of Finance (Audit), Audit Services Unit, Corporate Resources Department who must review and formally approve any new systems for the maintenance of financial records, software records, or records of assets of the School, or any changes to such systems: all consultations must be concluded prior to such amendments being undertaken.
5. In line with current national and local guidelines Audit Services staff will not be required to hold a current DBS check.

## **J. IMPREST ACCOUNT – see Appendix 2**

1. The Imprest account should only be used for transactions of a nominal value to purchase items which cannot be processed using official ordering procedures and shall be operated in accordance with the instructions of the Head Teacher. The Imprest account shall not be allowed to be overdrawn.
2. Cash floats shall be operated in accordance with the instructions of the Head Teacher.
3. All disbursements from the Imprest account shall be supported by adequate vouchers and records.
4. The Imprest holder shall regularly reconcile and balance the account to the bank statement; reconciliation sheets to be signed and retained by the Imprest holder.
5. All imprest transactions shall be recorded promptly.
6. The Form A shall be completed annually for the Imprest account at 31 March each year which shall be retained and made available for Audit inspection.
7. The Imprest account shall not be used to purchase goods on behalf of the Authority using a personal store/loyalty card.
8. Any requests for further allocations into the Imprest account should be sent directly to the Authority's CAYA Accountancy Section.
9. The School will maintain a bank account with the Authority's approved bank for the purposes of operating the Imprest account. The level of funds to be held shall be determined by the Head Teacher.
10. The signatories on the account shall be approved by the Governing Body.
11. Payments out of the account shall be confined to small amounts where direct payment by the debit card would be inappropriate. Individual transactions should be specifically approved by the Head Teacher and should not exceed; Cash (£200) Internet (£200) Point of sale (£100)
12. Salaries, wages or taxable expenses must **never** be paid through the Imprest account.
13. Vouchers must be obtained for all items of expenditure and transactions must be recorded promptly.
14. Personal store/loyalty card must not be used for goods purchased on behalf of the Authority.
15. Out of Pocket Expenses – Where ever possible the schools debit card should be used for small items of expenditure only. Under exceptional circumstances, and with prior approval, an Out of Pocket expenses claim form can be submitted for reimbursement of expenditure incurred by staff to acquire goods and services for approved School business. Local Authority's Audit Services recommend a limit of £25 for Out of Pocket expenses. Under no circumstances can a member of staff authorise their own Out of Pocket claim form.

## **K. STORES AND INVENTORIES**

1. The Business Manager shall be responsible for the safe custody of stores and inventory items, and the maintenance of records in accordance with advice issued by the Head Teacher.

2. The Head Teacher shall be responsible for ensuring that an evidenced independent check of inventory items is carried out at least once a year.
3. The Head Teacher shall be responsible for ensuring that a stock take of stores is carried out at least once a year.
4. Significant stores discrepancies will be subject to audit scrutiny and investigation by the RMC Committee. Any writing off of obsolete stores and equipment shall be done only with the prior approval of the Governing Body.
5. The disposal of all plant, machinery and equipment shall be the responsibility of the Head Teacher under the guidance of the Governing Body. The inventory should include details of disposal where appropriate, including authorization, signature, date, and method of disposal.
6. The Business Manager will maintain an inventory record using the SAP Finance Inventory module of all items deemed to be portable, desirable or valuable above the limit set out below (2). The form of the inventory will be determined by the Head Teacher in line with LA guidelines but where this is maintained in an electronic format, the SAP Finance Inventory Module must be used, and the following requirements must be observed:
  - a) The inventory must be kept up to date and amendments/additions made promptly.
  - b) The inventory must be checked at least annually by an independent member of staff and the check evidenced.
  - c) Any discrepancies should be brought to the attention of the Head Teacher who must report the discrepancies to the Governing Body to review and authorise.
  - d) Serial numbers or other identifying reference should be quoted wherever possible.
  - e) Where an item is disposed of, the date and method of disposal should be recorded after authorisation by the RMC Committee has been given.
7. Items which need not be included on an inventory are furniture, personal property, consumables and equipment worth less than £100 unless desirable equipment.
8. Whenever there is a change of Head Teacher (who has responsibility for the inventory) the School shall ensure that the inventory is agreed between the outgoing and incoming Head Teachers and the check evidenced.
9. The ICT Co-ordinator or Network Manager will maintain an inventory using the SAP Finance Inventory Module of curriculum software used in school, ensuring that all software is covered by appropriate licences and the software inventory should be subject to independent evidenced checks.
10. Due to the inherent weaknesses and lack of effective audit trail, spreadsheets must not be used as a means of recording the School's inventory.

## **L. INSURANCE**

1. The Governors through the Head Teacher will be responsible for ensuring the School has the necessary insurance cover in line with the policy determined by the Governors/Finance Committee.
2. All staff shall notify the Business Manager / Head Teacher immediately of any loss, liability or damage which may lead to a claim.

## **M. PROPERTY AND ASSETS**

1. All school staff shall be responsible for ensuring the proper physical and logical security of all buildings and other assets under their control.
2. No school assets shall be subject to personal use by staff or students without written authority from the Head Teacher. An up to date register of all assets used outside the School by school staff should be kept.
3. The Head Teacher is responsible for ensuring that suitable arrangements are made for the safe custody of keys to buildings, safes and similar receptacles.
4. To maintain the security of information away from the School, all mobile devices including laptops and USB devices should be encrypted to prevent unauthorised access to the School's data in line with The Data Protection Act 1998.

## **N. VAT**

1. The Head Teacher shall be responsible for ensuring that the School conforms to VAT procedures as issued by the Authority (failure to comply could lead to HM Revenue and Customs claims against the School's budget).
2. The VAT Officer within the Corporate Resources Department shall have right of access to all records appertaining to VAT. The VAT Officer will also, from time to time be required to visit the School in order to confirm that VAT procedures are being adhered to.
3. HM Revenue & Customs inspectors regularly visit the Corporate Resources Department to carry out inspections. They will include schools within their inspection and are legally entitled to inspect schools' records.
4. VAT is a complex area and detailed guidance has been issued elsewhere. Where in doubt, staff should seek guidance from the Authority's Corporate Resources Department.

## **O. TENDERING AND QUOTATIONS**

Each school's maximum tendering threshold is determined by the following formula:

£10,000 plus 1% of a school's budget (to include Schools Block, High Needs Funding (ERS and SEN TA funding), excluding rent and rates).

If the calculation of the above generates a figure of less than £30,000, then that is the maximum tender limit for the school.

If the figure generated is over £30,000, then your maximum tender limit is £30,000, (applies to schools with budget / income streams of over £2,000,000).

Schools can have a lower tender limit if they wish (Not recommended to be lower than £10,000).

Consequently the School's tender limit is £30000

\* Schools are advised that, in operating within this increased upper threshold, they should consider:

\* tendering below this if they feel it is of benefit on a specific scheme; and

\* reviewing their internal authorisation limits regularly as part of the SFVS governance framework.

1. Where the estimated value or amount of a proposed contract exceeds each school's tendering threshold, tenders shall be invited either by selective or open tendering as lay down in D.C.C. Standing Orders. Tenders may be invited for items less than the tendering threshold at the request of the Finance Committee.

Open tendering: tenders shall be invited by giving at least ten days' public notice. The notice shall express the nature of the contract or where appropriate as required by EU Procurement Law.

2. The requirement to go to tender may be waived only by the Governing Body where they are satisfied that there are special circumstances justifying exemption. Such exemptions shall be recorded in the minutes with reason(s) for waiving the tendering requirements. Such as a Sole Trader.

3. Where the estimated value of a proposed contract does not exceed the tendering threshold of £30,000, but does exceed £5,000 alternative written quotations shall be invited by three firms/suppliers considered competent to perform the contract. (It is strongly recommended that where a planned project or purchase is non-routine and not obtained from an approved supplier three written quotations are obtained irrespective of the estimated cost in order to demonstrate best value).

4. The RMC Committee may waive the requirements for quotations below the tender limit where they are satisfied that there are special circumstances justifying exemption. Such exemption shall be recorded in the minutes.

5. An invitation to tender shall state clearly the closing date and time for receipt of tenders and that:

a) The Governing Board does not bind itself to accept the lowest or any tender.

b) No tender will be accepted unless it is enclosed in the special envelope bearing the distinctive label supplied with the tender form, properly sealed and addressed to the Head Teacher and either sent by post or hand delivered to the Head Teacher.

c) Proof of posting will not be accepted as proof of delivery if the tender fails to arrive at the address shown on the tender envelope label for the closing date and time.

6. No tender received after the closing date and time shall be considered (any such tender will be returned to the tenderer unopened by the Head Teacher).

7. Tenders shall be kept securely in the custody of the Head Teacher until the time and date specified for their opening.

8. Tenders shall be opened at one time, which shall be as soon as possible after the closing date and time and only in the presence of three people appointed by the RMC Committee. Those people shall certify a list of tenders received.

### **Acceptance of Tenders**

1. A report shall be put to the RMC Committee if a tender other than the lowest, or payment to be received other than the highest are to be accepted.

2. A list of tenders received identifying the tender accepted shall be reported to the RMC Committee.

### **Alteration of Tenders**

Once opened, tenders shall not be altered except that a tenderer may be given an opportunity to correct an error in calculation. When such an opportunity is given the tenderer shall be given no information about others tenders or the likelihood of his tender being accepted.

### **P. UNOFFICIAL FUNDS**

1. The Governing Body has responsibility for the unofficial funds of the School. The Head Teacher shall report to the Governing Body on the unofficial funds.

2. The Head Teacher shall arrange for a suitable bank account to be opened for any unofficial funds. A minimum of two signatories for the bank account shall be approved and reviewed by the RMC Committee and approved by the Governing Body. The number of bank accounts should be kept to a minimum. Bank accounts must be opened in the name of the School.

3. The Head Teacher is responsible for the maintenance of accurate financial records and banking records of all unofficial funds. The Business Manager will maintain the records on a day-to-day basis.

4. The Governors should appoint an auditor to undertake an annual audit. The auditor should be independent of the operation of the unofficial funds and should carry out such an audit in accordance with advice issued by the Authority's Director of Finance.

5. The Head Teacher shall present annually the accounts of all unofficial funds including the report of the independent auditor, to the Governors for approval.

6. The running of particular activities (e.g. school journeys, tuck shop etc.) should not necessarily fall upon the Business Manager but should be the responsibility of others who must keep suitable records. In the case of educational visits and school journeys, the teacher in charge should keep a simple account of the money received and spent and should present a final statement to the Business Manager, supported by evidence of expenditure (e.g. receipts, invoices etc.)

7. The Business Manager should maintain a cash book in relation to the fund and should record all transactions on the computerised accounting system so that statements of income and expenditure can be generated at any time.

8. All income must be banked intact at least weekly or as the cash in hand exceeds £200.
9. All payments must be supported by vouchers giving full details of the expenditure.
10. All payments should be made by cheque.
11. No payments for overtime to members of staff or for payment of fees to staff for carrying out additional work as part of their normal duties should be paid out of the School fund.
12. The accounts should be prepared to run from 1st September to 31st August each academic year and an annual summarised statement of receipts and payments, supported by the subsidiary records and vouchers, must be submitted for audit as soon as possible after the end of the accounting year.
13. The auditor must be a person who has not otherwise been involved in the management of, or had close connections with, the fund or been involved in the fund raising activities.
14. Under no circumstances must personal cheques be cashed from the School fund.
15. To provide transparency, summary information should be published on the School's website.

#### **Q. TRAVEL AND SUBSISTENCE**

1. The claiming and payment of travel and subsistence expenses is based upon the principle that the journeys and expenses are actually and necessarily incurred to enable members of staff to perform their duties, and are appropriately authorised. All claims must be supported by a bona fide receipt.
2. The completion of claim forms should be checked by the Business Manager and authorised by the Head Teacher. (NB. Staff should never authorise their own claim)
3. Claim forms should be forwarded to the Authority's Shared Services Centre where the payment will be processed.
4. Governors may claim expenses in accordance with the Policy on Paying Governors' Allowances.

#### **R. HOSPITALITY AND GIFTS**

1. Hospitality may only be accepted where it is of minimal value, with no attached conditions, and is secondary to the specific working arrangement. Where hospitality is offered, it shall be reported to the Head Teacher regardless of whether it is accepted. If hospitality is offered to the Head Teacher this should be reported to the Chair of Governors.
2. Gifts of a nominal value with no attached conditions, such as calendars, diaries etc. may be accepted if they are retained within the School.
3. Gifts of more than a nominal value offered to employees by contractors, organisations, firms or individuals should always be declined.
4. Offers of gifts and hospitality that are not accepted should also be recorded.

5. All offers of gifts and hospitality should be recorded in gifts and hospitality register and an independent employee should periodically review the entries made in the register and evidence the review.
6. Where delegated or unofficial funds are used to pay for staff hospitality e.g. to celebrate an Ofsted success or provide a meal on an inset day, the financial value received by each member of staff must be notified to the County Council's Shared Services Centre as a potential 'benefit in kind'.

## **S. RETENTION OF RECORDS**

1. All financial records should be retained in accordance with the Authority's retention guidelines. The majority of financial records should be retained for six years, plus the current year, or back to the previous audit inspection, whichever is the longer period.

Certified, paid invoices must be kept for the current year plus the previous six years in a safe, secure environment which will enable easy location and be available for inspection by HM Revenue and Customs (HMRC).

Schools using SAP will not retain invoices as they are sent to the Local Authority where they are scanned and then destroyed (approved by HMRC). At Granville, all financial records beyond April 2016, will be kept in school as well.

2. Disposal of confidential information and records should be done in a secure manner.
3. The School has "Document Retention" policy for all its financial and non-financial records.

## **T. EXTENDED SERVICES CODES (Currently None – April 16)**

Should the school decide to provide extended or 'wraparound' services these need to be formally agreed and approved in advance by the Governing Board. In addition, a nominated officer should be appointed within the school to manage and coordinate the additional services and ensure that the Governing Body is provided with regular budget monitoring information on the financial position of the services being provided.

To enable the Governing Board to make informed decisions on the effectiveness of any extended or 'wraparound' services provided by the school, an initial projection of income and expenditure plan must be prepared. The plan should include details of all potential 'losses' to the school so that the Governing Board can approve the funding that will be required from the 'mainstream' school budget to support such services. Where the initial funding from the 'mainstream' budget is not sufficient, approval of the Governing Board must be obtained for any additional shortfall in advance.

Costs and income for extended or 'wraparound' services including childcare for Out of Hours and Breakfast clubs etc. wherever possible should be recorded using the extended services codes shown below. It is important that on-going monitoring of income and expenditure of such activities is undertaken so that the Governing Board is fully apprised on the impact of the additional provision on the school's budget. The financial information relating to extended or 'wraparound' services including any identified losses should be reported on a regular basis with the agreed actions and approvals formally recorded within the Governing Body minutes.

If the codes below are not used, internal monitoring of costs incurred against other codes will need to be performed. Transfers of costs between codes can be actioned in school to simplify the monitoring process.

The Codes to be used are as follows:

- Extended Services Employee Costs: 111500 – 111515
- Extended Services Resources: 146150
- Extended Services Income: 231080

## **Appendix 2 - Derbyshire County Council Schools Debit Card Policy**

Derbyshire County Council makes debit cards available for School Imprest Accounts to officers of the School who are signatories for the School for which they work. This policy is intended to provide detailed guidance and assistance in obtaining and using debit cards and describes the responsibilities and restrictions which cardholders must accept before being provided with any such card.

Any attempt by the cardholder to make changes to the Council's terms and conditions of the card or the associated bank account will be reported to the Council by the Bank and may be treated as a disciplinary offence.

### **Obtaining Cards**

- 1) A debit card is only issued for use in conjunction with Imprest Accounts. All cards are issued for the sole purpose of facilitating the carrying out of School business that would ordinarily fall within the approved use of imprests.
- 2) Debit cards are only available to signatories of Imprest bank accounts. Up to a maximum of three cards can be issued against each bank account.
- 3) Debit cards will be provided by Derbyshire County Council's bankers who are Lloyds Bank Plc.
- 4) Debit cards must only be used by the authorised signatory named on the card and must not be used by any other person. Any cardholder allowing the card to be used by another person will be committing a disciplinary offence.
- 5) Staff will be required to sign a declaration form confirming they understand the policies and procedures for use of a debit card before an application can be approved **(This is attached and headed – Derbyshire County Council Schools Debit Card Declaration Form – Appendix 3)**.

### **Use of cards**

Cards can be used for cash withdrawals; on-line and point of sales transactions in accordance with purchasing protocols, financial regulations and this policy document, within the pre-defined limits of the accounts. The following procedures cover these three transaction types and reconciliation requirements.

### **Cash withdrawals:**

- 1) Cards can be used to withdraw cash from any ATM/branch counter; the withdrawal limit is £200 per day.
- 2) Unless in an emergency situation, the withdrawing of cash from ATM's that charge for the transaction is not allowed. Any charges incurred will be deducted from the imprest account.
- 3) A receipt must be obtained and be made available for inspection when required i.e. it should be held with all receipts pertaining to the Imprest account.
- 4) The cardholder must ensure that the correct amount of cash is received at the point of receipt and register any discrepancies with the bank/store immediately, or the following working day if out of normal business hours. The Headteacher should also be informed.
- 5) Any cash balances from withdrawals will need to be returned to the card holder's base as soon as operationally possible with receipts to account for any expenditure. An officer independent to the withdrawal transaction should count the cash, record and sign in the petty cash records and ensure it is securely entered into the cash box/safe etc.

#### **On-line and point of sales transactions:**

- 1) Debit cards must only be used to acquire goods and services for approved School business.
- 2) A receipt must be obtained and be made available for inspection when required i.e. it should be held with all receipts pertaining to the Imprest account. If any purchase contains any charges for VAT a proper VAT receipt or invoice should be obtained.
- 3) Transactions and supporting documents (such as receipts) must be kept for a period of six years plus the current financial year by the relevant department for audit purposes.
- 4) Payments made via debit card are limited to the cleared funds available in the Imprest account.

#### **Reconciliation and inspection:**

- 1) All debit card transactions will appear on the Imprest account's bank statement, the receipts/invoices obtained must be reconciled to the statement, on a monthly basis as a minimum.
- 2) All receipts and the reconciliation schedule must be checked and authorised by a designated person who has not undertaken any debit card transactions that period and countersigned by the School Head or their representative.
- 3) A bank statement will be sent to the School on a monthly basis and designated persons will eventually have access to Lloyd's link, an on-line banking facility to enable viewing of Imprest account statements. **Restrictions**

- 1) Debit cards must **not** be used for any non-school business or personal expenses.
- 2) Only secure sites should be used to make purchases via the internet with a web address beginning HTTPS. If you have any doubt then you should contact your IT service provider.

- 3) Personal loyalty cards/ store cards (Nectar etc.) must not be used in conjunction with School debit cards.
- 4) Card insurance and/or subscriptions for card protection services must not be purchased.
- 5) Debit cards must **not** be used to enter into an on-going (recurring charge) agreement e.g. for subscriptions.
- 6) The only person authorised to use the card is the cardholder. If card details are retained by an online website then the cardholder must be the only person who authorises transactions on that website.
- 7) The card holder shall not make any attempt to change the terms and conditions on which the card is held.

## **Security**

- 1) The card will only ever be used by the person named on the card.
- 2) It is the personal responsibility of the card holder to ensure the card is kept secure at all times and cannot be accessed by any other persons. Reasonable steps should be taken to ensure the card details cannot be viewed or overheard by any other persons.
- 3) It is recommended for security reasons that wherever possible transactions are processed by the cardholder being physically present at the point of sale.
- 4) The card's Security PIN number must be kept secure and not disclosed to anyone else, under any circumstances. No officer at the School/Council will ever ask you for your security PIN details.
- 5) The bank must be notified immediately if the card is lost or stolen or fraudulent use is suspected. Exchequer Services Compliance Team and Audit Services must also be notified immediately in such circumstances - please call 01629 539749 and 01629 538826.
- 6) The cardholder will surrender their card to the School Head or their representative when the cardholder leaves the employment of the School or if circumstances change so that a card is no longer required. The card should then be destroyed by the School Head or their representative who will immediately then notify Exchequer Services Compliance Team promptly.

The cardholder agrees to be held personally liable for any transactions processed through the card until the time when the card is physically surrendered.

- 7) Debit cards must be listed on the Schools inventory records but must not display card and security details.

The administration of debit cards: application, amendments, renewals and cancellations is undertaken by Exchequer Services Compliance Team, Corporate Finance Division. For further assistance please contact the Compliance team on 01629 539749.

## **Fraudulent or misuse of the card**

If the cardholder misuses the card or fraudulently uses the card or permits any other person to use the card, this may result in disciplinary action being taken against the cardholder.

## **Appendix 3 - Derbyshire County Council Schools Debit Card Declaration Form**

I .....consent, to be a debit cardholder on the imprest account held by the Granville Sports College.

I understand and accept that any misuse of the assigned debit card could result in disciplinary proceedings being brought against me. I understand that any misuse of the debit card may be referred to the Police and result in criminal proceedings being brought against me.

I confirm that I have read the Derbyshire County Council School Debit Card Policy and that I will abide by its terms and conditions.

In particular I acknowledge and agree that:

1. I will use the account only to purchase items/services on behalf of the School and not use the account for any personal expenditure.
2. I will only purchase items/services in accordance with the Policy and in accordance with purchasing protocols and Financial Regulations, which I confirm I have read and understood.
3. I will take all reasonable care of the card whilst in my possession to avoid its loss, theft or misuse.
4. I will not disclose to any other person, write down, or make available in any way, the card PIN number.
5. I will only use the card security number for online purchases where a security number is requested and only on a secure HTTPS internet website.
6. I will not make any attempt to change the terms and conditions on which the card is held.
7. I understand that if I use the card contrary to the Debit Card Policy or use the card in a way which is fraudulent, disciplinary and recovery action may be taken against me.
8. I understand that upon discovery of the loss or theft of the card, or any suspected fraud on the Imprest account, I must as soon as possible notify:
  - the issuing bank; and
  - the School Head Teacher (unless they are a cardholder); and
  - Exchequer Services Compliance Team and Audit Services.
9. I understand that I am personally liable for all charges on the account which relate to transactions which have not been conducted in accordance with the Policy; other than those that are of no fault of my own.

10. I accept that I must reimburse the School promptly should I cause the account to incur any unauthorised charges or expenditure and following an investigation and the absence of prompt reimbursement, I authorise the School to recover all unauthorised sums.
11. I agree that if I cease to be employed by the School I will return the card to the School Head or their representative and inform Exchequer Services Compliance Team.

**1) Agreed by Card Holder Authorised by School**

Name: Duncan Jackson

Position: Deputy Headteacher

Date: 1<sup>st</sup> April 2016

Signature:

**2) Agreed by Card Holder Authorised by School**

Name: Richard Tilley

Position: Deputy Headteacher

Date: 1<sup>st</sup> April 2016

Signature:

Signed ..... Jo Kingswood (Head Teacher)

Signed ..... Karen Mitchell (Chair of Governing Board)

# Granville Sports College

## Appendix 1 - Scheme of Delegated Financial Authority

Adherence to these limits is the responsibility of the signatory/ies and attempts to avoid the application of a particular threshold may result in disciplinary proceedings.

Category	Full Governing Board (FGB)	RMC Committee	Head Teacher	Business Manager
1. Recruitment of Permanent or Temporary Staff	Any unbudgeted permanent staff recruitment	Any unbudgeted staff hire over £50k per annum	All staff, if budget agreed as part of structure.	
2. Reorganisations	Any re-organisation between 5 - 10 staff and/ or an increase in direct staff costs, but within the school's budget	Any reorganisation not within the school's budget exceeding £100k	Any re-organisation not within the school's budget up to £50k and/or involving up to 10 staff	Any re-organisation involving up to 5 staff and no increase in direct staff costs.
3. Decision to purchase Supplies (goods), Services and Works except Leases.	Any undelegated budgeted expenditure And: Up to and including £50,000 within one financial year for a one-off item or aggregation of items, if unbudgeted.	Any unbudgeted expenditure for a one-off item over £10,000 and up to £25,000	Any unbudgeted expenditure for a one-off item up to £10,000 in consultation with RMC	As delegated by FGB, or, any budgeted expenditure And; Up to and including £5000 for a one-off item if unbudgeted and within the overall annual budget.

Category	Full Governing Board (FGB)	RMC Committee	Head Teacher	Business Manager
4. Decision to agree to a Lease (Rental) Commitment – equipment (i.e. non-land)	Subject to the prior agreement of the Head of Legal to the terms, operational leases with a total lifetime value £150,000 in budget	Operational leases with a total lifetime value of over £100,000	Operational leases with a total lifetime value above £50,000 and up to £100,000 or any unbudgeted spend.	As delegated by the LGB
5. Virements	All virements over £25,000 but not exceeding £50,000 to be subject to approval by the DCC's Director of Finance.	All budget allocations/virements exceeding £10,000 and up to £25,000.	All budget allocations/virements over £5,000 and up to £10,000	All budget allocations/virements less than £5,000 to be carried out by the Business Manager as part of the day to day management of the school budget.
6. Sign a Contract		Any contract with a maximum value exceeding £100,000 or exceeding a 5 year term	Any contract with a maximum value between £10,000 and up to £100,000 and up to a 5 year term or When the contract is a Deed, involves a TUPE transfer, a Lease, an automatic rollover/renewal, a guarantee or warranty to a third party	Any contract for energy (electricity or gas). Any contract where the maximum value of the contract will be £10,000 except where the contract is a Deed, involves a TUPE transfer, a Lease, an automatic rollover/renewal, a guarantee or warranty to a third party, <b>and</b> is no more than a 3 year term

