



Financial Regulations and Procedures

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1 Introduction

- 1.1 These Financial Regulations and Control Procedures set out the duties and responsibilities of all staff and Governors in respect of the financial administration of Wirksworth Federation of Infant Schools (the Federation), including the planning and control of the revenue budget and Devolved Formula Capital, the collection of income, and the security of school assets.
- 1.2 The Governing Body has overall responsibility for the expenditure of the Federation's delegated budgets and other Federation finances. The Headteacher provides regular budget monitoring reports to Governors.
- 1.3 The Headteacher is responsible for ensuring all relevant staff have a copy of these regulations and are made aware of any future changes agreed.
- 1.4 These regulations and procedures are reviewed annually and amended by the Governing Body in the light of new legislation/regulations as advised by the Local Authority (LA) or to encompass changes in procedure brought about by new technology
- 1.5 The Governing Body maintains a register of business interests and it is the duty of all governors of the Federation to comply and ensure registration.
- 1.6 Governors operate within the guidelines of the approved Code of Conduct when carrying out their responsibilities. The financial and governance arrangements of the Federation are compliant with the Schools Financial Value Standard (SFVS) which is approved annually by the Chair of Governors.

2 Staff responsibilities

- 2.1 In any organisation it is essential to ensure sound financial administration. The Headteacher is responsible for ensuring the proper administration of all financial affairs, and determining the accounting systems and records necessary to achieve this, subject to the direction of the Governing Body.
- 2.2 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 Federation. Staff should therefore make sure that they are familiar with the contents of this document.
- 2.3 Financial regulations and procedures apply to all employees and transactions of the Federation, even where spending is fully reimbursable by a third party or where it is covered by any other form of income.
- 2.4 The Headteacher has a responsibility to ensure that all Federation staff make themselves aware of any changes in these regulations and procedures

as they occur. Should any doubt exist on their meaning, the School Business Officer/Headteacher should be consulted in the first instance and then the LA.

- 2.5 These regulations also apply to any trusts or subsidiaries that the Federation may control or operate, e.g. School Fund.
- 2.6 Failure on the part of any member of staff to observe the Financial Regulations and Procedures may result in disciplinary action.
- 2.7 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 Federation's Confidential Reporting Code: and to report immediately to the Headteacher in the first instance, and then to the Assistant Director of Finance (Audit), Audit Services Unit, Corporate Resources Department.
- 2.8 It is the responsibility of the Headteacher/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 Assistant Director of Finance (Audit), Audit Services Unit, Corporate Resources Dept.

3 General

- 3.1 The Headteacher is the responsible officer for proper administration of the financial affairs of the Federation and all accounting systems, procedures and records of the Federation and its employees.
- 3.2 The Governing Body 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.
- 3.3 The Headteacher will support these financial regulations and procedures with the issue of more detailed instructions to staff as necessary.
- 3.4 Any changes to the regulations and procedures are subject to the approval of the Governing Body.
- 3.5 The Federation will comply with all accounting policies and requirements of the LA.
- 3.6 The Headteacher will report any breach of regulations to the Governing Body and the Authority's Assistant Director of Finance (Audit) in accordance with the Confidential Reporting Code.

4 Income and banking

- 4.1 The Governing Body has approved a statement of its policy on charging and remissions which is reviewed annually. The Headteacher, in consultation with relevant Federation staff, undertakes an annual review of all scales of charges for incorporation into the policy.
- 4.2 The School Business Officer takes action to collect all amounts due to the delegated budget and keeps appropriate records of this.
- 4.3 The Business Officer raises invoices for lettings in accordance with the Federation lettings policy. Charges for the letting of school premises for Community Education use are in accordance with the Lettings Policy.
- 4.4 The Governing Body has discretion to write off individual bad debts after all recovery options have been exhausted and in consultation with the Director of Legal Services.
- 4.5 No sale of goods and services on credit are made without the prior approval of the Headteacher and must be reported to the full Governing Body.
- 4.6 No proposals involving the generation of income will be implemented without prior consultation with the Governing Body.
- 4.7 The Headteacher is responsible for ensuring the security, collection and banking of income due to the delegated budget.
- 4.8 Income is banked promptly and intact in accordance with these procedures.
- 4.9 All income is recorded at the point of receipt in a form approved by the Headteacher.
- 4.10 Receipts for cash payments are issued upon request or when payment exceeds £40.
- 4.11 All income is held securely in a locked cabinet and a maximum of £500 cash held at any one time.
- 4.12 Under no circumstances are personal cheques cashed from income.
- 4.13 All income due to the Federation is banked intact at least weekly and the details entered into SAP. Two employees verify all totals which are to be presented to the bank. Totals must match SAP entries exactly.
- 4.14 When a cheque is accepted as payment it should have the individual's name and address on the back or the child's name to which it refers. Additionally, the school cost centre number should be recorded on the back.

- 4.15 Details of cheques are listed on SAP print-outs and forwarded to the bank along with the cheques.
- 4.16 A receipt is obtained from the bank, which is attached to the paying-in slip counterfoil, stored securely and retained for the current year plus six previous years.

5 Expenditure and orders for work, goods and services

- 5.1 The ordering of goods and services and the payment of accounts will be in accordance with the agreed procedures and advice from the School Business Officer/Headteacher.
- 5.2 Official orders shall be issued for all work, goods and services except for such items as recurring charges for public utilities, periodic payments, petty cash purchases and utility payments, and any other exceptions as approved by the Headteacher. Orders will be generated using the computerised system (SAP - Orderpoint) wherever possible.
- 5.3 Where an individual item or combination of items forming a scheme or project costs in excess of £1,000 (incl non-recoverable VAT), approval of the Governing Body (as appropriate) is sought prior to any such order being raised, and the minute number recorded on the invoice.
- 5.4 All orders are on an official order and are authorised by the officer agreed by the Governing Body. A record of all approved authorising signatories relating to orders is maintained by the Headteacher and reviewed as necessary by the Governing Body.
- 5.5 No expenditure is to be made without proper authority and provision in the budget estimates.
- 5.6 The payment for all goods and services shall be made by the Headteacher or under arrangements approved or controlled by him/her.
- 5.7 Goods and services will not be paid for in advance of receipt, unless in urgent and exceptional circumstances. In these circumstances, the Headteacher will authorise the payment, and all such purchases will be reported to the Governing Body for approval.
- 5.8 Where it is necessary to pay for goods and services in advance of receipt, the Headteacher should authorise prior to approval. Wherever possible the schools debit card should be used in these instances (limits apply, see Imprest section). Where necessary, the LA's School Support Finance Section is consulted prior to making payment.

- 5.9 Official orders must not be raised for any personal or private purchases, or personal use made of any school contracts.
- 5.10 If the school is included in the LA's arranged contracts for grounds maintenance and cleaning services there must be compliance with the terms and conditions of the LA's contracts in relation to those services.
- 5.11 The Head teacher is authorised to approve orders up to £1,000 before Governor's approval is required. Where this occurs, a Governors' minute number is required before the order is placed. This is recorded on the order to form an effective Aufdit trail. The School Business Officer may approve orders up to £250 before approval of the Headteacher.
- 5.12 If raising a paper order, all parts of the order form shall be completed, including the actual price of supply if known, or if not a best estimate.
- 5.13 As soon as an order is placed, the commitment is recorded in SAP Finance by the School Business Officer/Assistant. When using Orderpoint, commitments are automatically recorded. Commitments for other orders, ie Utility bills, Property Services, are using the SAP Finance budget forecasting module.
- 5.14 The School Business Officer is responsible for the ordering of controlled stationery, ie order books.
- 5.15 Expenditure against relevant budgets is, in the first instance, monitored by the Headteacher/School Business Officer, and then by the Governing Body.
- 5.16 Items purchased by either school may be used across the Federation.

6 Paying accounts

- 6.1 Goods are received by the School Business Officer/Assistant and checked against any delivery note and the original order. When an invoice is received, a check is made to ensure that:
- the goods supplied or services rendered are of satisfactory quality and correct quantity
 - the goods/services have not been previously paid for
 - they are in accordance with the contract price or estimate as appropriate.
- 6.2 Invoices should not be paid in advance of the satisfactory supply of goods or services other than in exceptional circumstances. Exception from this requirement is at the discretion of the Headteacher, who will authorise the payment in these circumstances and all such purchases will be reported to the Governing Body for approval.

- 6.3 When satisfied the invoice is correct the School Business Officer/Assistant will stamp the invoice using the approved SAP stamp and send it to Accounts Payable, County Hall, via the Pink Folder, so the invoice can be processed.
- 6.4 The Direct Invoicing system may not be used for any of the following transactions:
- payments to individuals (eg tuition fees)
 - payments to a Derbyshire County Council Property Division
 - salary or travel payments
 - payments to the private school fund or the Imprest account
 - payments to sub-contractors.
- 6.5 Any queries about an invoice should be raised with the firm concerned by the School Business Officer/Assistant. If agreement cannot be reached, the matter should be referred to the Headteacher who should consult with the Governing Body or Audit Services as appropriate.
- 6.6 The following three duties should not be carried out by the same person. However, it is recognised that in small schools i and ii can be the same person:
- i. ordering of goods and services (School Business Officer/Assistant)
 - ii. receiving of goods and services (School Business Officer/Assistant)
 - iii. authorising invoices for payment (Headteacher)
- 6.7 The process for authorising VIM invoices is as follows:
- 1st authorisation - School Business Officer inputs the data
 - 2nd authorisation - Headteacher
 - For all payments over an individual's limits, prior approval from the Governing Body must be sought.
- 6.8 The person authorising an invoice for payment is indicating that:
- the goods/services to which the invoice relates have been received or carried out satisfactorily
 - the prices, calculations, discounts, credits and VAT are correct
 - the expenditure has been properly incurred, and is within the relevant estimated provision
 - appropriate entries have been made in the inventory.
- 6.9 A list of staff approved by the Governing Body to approve orders/invoices for payment will be maintained and retained in the school office.
- 6.10 No payment will be made through the school's Direct Invoicing system for any purchase for personal or private use. Personal items should not be delivered to the school address.

- 6.11 All users of SAP must comply with current Data Protection Legislation and the Computer Misuse Act 1990. User account details are not written down or shared with other school staff. The Governing Body will approve the delegation and permission. SAP in Schools team will be notified of any new starters or leavers .

7 Salaries, wages and pensions

- 7.1 The payment of salaries, wages and other emoluments from the delegated School's budget will be made only by the LA's Shares Services Centre.
- 7.2 The LA Shared Services Centre is 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
- 7.3 The Headteacher will notify the LA Shared Services Centre in writing of all appointments, resignations, absences or other changes which may affect the pay or pension of an employee or ex-employee of the Federation. In addition, the Property Division must be notified of any changes if the employee is employed by a direct services organisation.
- 7.4 All salaries, wages and other taxable allowances must be paid centrally through only by the LA's Shared Services Centre by direct BACS transfer or cheque. Payments by cash will not be made. .
- 7.5 With the exception of urgent short-term supply appointments, all staff appointments, changes to working hours, salary grades and conditions of service must be approved by the Governing Body within a specific budget provision.
- 7.6 The Headteacher authorises all salary documents relating to appointments, resignations, additional supply or payments and absence. Documents relating to appointment, resignation or absence of the Head are authorised by the Chair of the Governing Body.
- 7.7 The Headteacher must notify the LA's Shared Services Centre of all new Federation 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) - or in the absence of a P45, an HMRC Starter Checklist form should be returned
 - Bank credit form
 - Medical Clearance Form - medical clearance is required before a new employee commences employment.
- All new appointments are made within a specific budget provision as agreed by the Governing Body

- 7.8 The Headteacher will ensure all necessary DBS (Disclosure and Barring) checks are carried out and maintain a single central record.
- 7.9 The Headteacher will notify the LA's Shared Services Centre promptly of all variations affecting an employee's pay on a properly authorised adjustments form following Governor approval.
- 7.10 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 Headteacher, who can evidence satisfactory completion of the work for which payments are claimed.
- 7.11 All staff absences and temporary variations should be recorded monthly on a form retained by the 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 medical certificate. Return to work interviews are undertaken for all instances of absence.
- 7.12 The Headteacher will notify the LA's Shared Services Centre of any resignations by forwarding a copy of the appropriate resignation letter with the leaver's form.
- 7.13 At regular intervals, the Headteacher/School Business Officer will check all variations have been completed correctly.

8 Contracts

- 8.1 All contracts shall be made in accordance with procedures below*.
- 8.2 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.
- 8.3 Price increases on any contract shall be subject to prior consultation with the Resouce Committee.
- 8.4 The Authority's Director of Finance & ICT 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

- 8.5 Disposal of leased and financed assets is subject to the prior approval of the Authority's Director of Finance (LA).
- 8.6 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.
- 8.7 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.derbyshire.gov.uk/business/procurement/procurement-connections/default.asp>

<https://www.gov.uk/government/publications/procurement-training-for-Schools>

Any contracts shall be in writing, and shall be referred to the Finance Committee before any binding agreement is made.

- 8.8 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 current data protection legislation and other industry standards..
- 8.9 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 must be reported to the Finance Committee, and be recorded in detail.

- 8.10 All contracts shall be subject to the ordering limits as specified in Section C of these Financial Regulations and Procedures.

9 Revenue budgets

- 9.1 In conjunction with the LA, the Headteacher prepares estimates of income and expenditure for the forthcoming financial year for detailed consideration by the Governing Body. These include the estimated out-turn figures for the current financial year and accord with LA guidance.
- 9.2 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 Body.
- 9.3 The Governing Body will formally approve the expenditure and income budgets for the financial year in accordance with the LA timetable, after which the Schools Business Officer 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 LA.
- 9.4 The Governing Body will have a strategy to use excessive surplus balances of the budget share.
- 9.5 The Headteacher is responsible for the authorised budget and ensuring budget heads are not substantially under or over spent. The Governing Body monitors the budget on a regular basis.
- 9.6 No expenditure which requires a continuing financial commitment in future years may be incurred without the approval of the Governing Body.
- 9.7 Virement of funds between budget heads may only be made in accordance with limits set by Governors to a maximum of £1,000 and must be reported to the Governing Body. Virements exceeding £1,000 require the approval of the Governing Body before they are carried out, and a minute number recorded.
- 9.8 Any request for virement from Contingency to any other budget head must be approved by the Governing Body before the virement is completed.

10 Capital expenditure

- 10.1 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 Federation's allocation of Devolved Formula Capital.
- 10.2 Governors will be responsible for drawing up expenditure plans for Devolved Formula Capital, taking into account the three-year spending deadline. Approval of the LA 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.
- 10.3 The Governing Body delegates responsibility to the Headteacher to spend up to £1,000 from Devolved Formula Capital, before approval is sought from the Governing Body as appropriate.
- 10.4 The Governing Body 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 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. Governors of Voluntary Aided Schools must seek the approval of the Diocese.

11 Internal Audit

- 11.1 The Director of Finance (Assistant Director of Finance (Audit) and RIPA Monitoring Officer) has the right of access to all records (including electronic data) necessary for the purpose of carrying out an effective audit. The Audit Services Unit are entitled to information and explanation from any Federation employee as thought necessary.
- 11.2 Officers of the Audit Services Unit are authorised to appraise the adequacy of controls and procedures employed by the Federation to secure economy, effectiveness and efficiency in the use of resources.
- 11.3 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 Federation's Confidential Reporting Code or otherwise and report immediately to the Headteacher and the Assistant Director of Finance (Audit) and RIPA Monitoring Officer, Audit Services Unit, Corporate Finance Department.

11.4 If amendments to systems for maintaining financial records, software records or inventories are considered, the Headteacher must consult the Assistant Director of Finance (Audit).

12 Imprest account – see also Appendix A

12.1 The Imprest account is only to be used for transactions of a nominal value to purchase items which cannot be processed using official ordering procedures and is operated in accordance with the instructions of the Headteacher. The Imprest account is not allowed to be overdrawn.

12.2 Cash floats are operated in accordance with the instructions of the Headteacher.

12.3 All disbursements from the Imprest account are supported by vouchers, receipts and records.

12.4 The Imprest holder regularly reconciles and balances the account to the bank statement and retains the reconciliation record. The reconciliation is presented to governors each year.

12.5 All Imprest transactions are recorded promptly

12.6 The Form A is completed annually for the Imprest account at 31 August each year and is retained for audit inspection.

12.7 The Imprest account shall not be used to purchase goods on behalf of the Authority using a personal store/loyalty card

12.8 Any requests for further allocations into the Imprest account are sent directly to the LA's CAYA Accountancy Section.

12.9 The schools maintain bank accounts with LA approved Lloyds bank for the purposes of operating the Imprest accounts. The levels of funds held are determined by the Headteacher.

12.10 The signatories on the accounts are approved by the Governing Body.

12.11 Cash Payments out of the account are confined to small amounts where direct payment using the debit card would be inappropriate. Transactions should be specifically approved by the Headteacher and should not exceed £200 in cash, internet or point of sale (LA guidelines for primary schools).

12.12 Salaries, wages or taxable expenses must not be paid through the Imprest account.

- 12.13 Vouchers must be obtained for all items of expenditure and transactions recorded promptly.
- 12.14 Out of pocket expenses. 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 via SAP for reimbursement of expenditure incurred by staff to acquire goods and services for Federation business. LA'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.

13 Stores and inventories

- 13.1 The School Business Officer is responsible for the safe custody of stores and inventory items, and the maintenance of records in accordance with advice issued by the Headteacher.
- 13.2 The Headteacher is responsible for ensuring that an evidenced independent check of inventory items, and a stock take of stores, is carried out at least once a year.
- 13.3 Significant stores discrepancies will be subject to audit scrutiny and investigation by the Governing Body. Any writing off of obsolete stores and equipment is to be done only with the prior approval of the Governing Body.
- 13.4 The School Business Officer maintains an inventory record using the SAP Finance Inventory module of all items deemed to be portable, desirable or valuable. The following requirements are observed:
- the inventory is kept up to date and amendments/additions made promptly
 - the inventory is checked at least annually by an independent member of staff and the check evidenced
 - any discrepancies are brought to the attention of the Headteacher who will report the discrepancies to the Governing Body to review and authorise
 - serial numbers or other identifying references are quoted wherever possible
 - when an item is disposed of, the date and method of disposal is recorded following authorisation by the Governing Body.
- 13.5 Items should be security marked where appropriate.
- 13.6 Furniture, personal property, consumables and equipment worth less than £250 need not be included on the inventory.
- 13.7 The inventory should be checked and evidenced by both the out-going and incoming Headteacher on change of appointment.

- 13.8 The ICT Co-ordinator maintains an inventory of curriculum software held in school, and the subject co-ordinator ensures all software is covered by appropriate licences. The software inventory is subject to evidenced checks independently of the ICT Co-ordinator, and documentary evidence maintained of such checks in a format approved by the Headteacher.
- 13.9 Spreadsheets are not used as a means of recording the Federation's inventory.
- 13.10 The disposal of all plant, machinery and equipment is the responsibility of the Headteacher under the guidance of the Governing Body. The inventory should include details of disposal where appropriate, including authorisation, signature, date, minute number and method of disposal.

14 Insurance

- 14.1 The Governors, through the Headteacher, are responsible for ensuring the school has the necessary insurance cover in line with the policy determined by the Governing Body.
- 14.2 All staff must notify the School Business Officer/Headteacher immediately of any loss, liability or damage which may lead to a claim.

15 Property and assets

- 15.1 All Federation staff are responsible for ensuring the proper physical and logical security of all buildings and other assets under their control.
- 15.2 No Federation assets may be subject to personal use by staff or students without proper authority from the Headteacher. An up to date register of all assets used outside the schools by Federation staff should be kept.
- 15.3 The Headteacher is responsible for ensuring that suitable arrangements are made for the safe custody of keys to buildings, safes and similar receptacles.
- 15.4 To maintain security of information away from the schools, all mobile devices including laptops and USB devices should be encrypted to prevent unauthorised access to the school's data in line with the current data protection legislation.

16 VAT

- 16.1 The Headteacher is responsible for ensuring that the Federation conforms to VAT procedures issued by the LA.
- 16.2 The LA's VAT Officer has right of access to all VAT records and may, from time to time, visit the Federation in order to confirm VAT procedures are being adhered to.
- 16.3 HM Revenue & Customs regularly visit the Authority to carry out inspections, which include schools, and are legally entitled to inspect records.
- 16.4 VAT is a complex area and, if in any doubt, advice will be sought from the Authority's Corporate Resources Department.

17 Tendering and quotations

- 17.1 The 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), EYSFF, Post 16 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 your 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 tender limit is £10,000 + 1% for Wirksworth Infant School and Wirksworth Church of England Infant School

- 17.2 Schools are advised that, in operating within this increased upper threshold, they should consider:
- Setting a generally lower limit at local level
 - Tendering below this if they feel it is of benefit on a specific scheme
 - Reviewing their internal authorisation limits regularly as part of the SFVS governance framework
- During any tendering exercise undertaken by the School, appropriate procedures should be in place to comply with current procurement best practice and statutory obligations.
- 17.3 Where the estimated value or amount of a proposed contract exceeds the tender threshold, tenders must be invited either by selective or open tendering as laid down in DCC Standing Orders. Tenders may be invited for items less than the tendering threshold at the request of the Governing Body.

- 17.4 **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.
- 17.5 **Selective tendering:** tenders will be invited from firms on a:
- standing list: a list of firms considered by *Governors* to be technically competent and financially able to perform contracts of the types and values specified.
 - select list: a list compiled for a specific proposed works after at least four weeks public notice has been published, specifying details of those works and inviting applications.
 - specialist list: a list of firms which *Governors* consider competent to provide specialist goods and services.
- 17.6 The requirement to go to tender will be waived by the *Governing Body* only if they are satisfied there are special circumstances justifying exemption. Such exemptions will be minuted with reason(s) for waiving the tendering requirements.
- 17.7 Where the estimated value of a proposed contract does not exceed the tendering threshold of £12,000, but does exceed £1,000, alternative written quotations will be invited by three firms considered competent to perform the contract. Where a planned project or purchase is non-routine and not obtained from an approved supplier, three written quotations may be obtained irrespective of the estimated cost in order to demonstrate best value.
- 17.8 The *Governing Body* may waive the requirements for quotations if they are satisfied there are special circumstances justifying exemption. Such exemption will be recorded in the minutes
- 17.9 Invitations to tender will clearly state the closing date and time for receipt of tenders and that:
- i) the *Governing Body* is not bound to accept the lowest or any tender
 - ii) no tender will be accepted unless it is enclosed in the special envelope bearing the label supplied with the tender form, properly sealed, addressed to the Headteacher, and either sent by post or hand delivered
 - iii) proof of posting will not be accepted as proof of delivery if the tender fails to arrive at the appropriate address for the closing date and time.
- 17.10 No tender received after the closing date will be considered and should be returned to the tenderer unopened.
- 17.11 Tenders will be kept securely by the Headteacher until the time and date specified for opening.

- 17.12 Tenders will be opened one at a time, as soon as possible after the closing time, in the presence of three people appointed by the Governing Body who will certify a list of tenders received.
- 17.13 If a tender other than the lowest, or payment to be received other than the highest, is to be accepted, a report will be put to the Governing Body.
- 17.14 A list of tenders received, identifying the one accepted, will be reported to the Governing Body.
- 17.15 Once opened, tenders must not be altered other than a tenderer being given an opportunity to correct a calculation error. In this case the tenderer must not be given any information about other tenders or the likelihood of their tender being accepted.

18 Private school fund

- 18.1 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
- 18.2 The Headteacher ensures any necessary bank accounts are opened with a minimum of two signatories 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.
- 18.3 The Head Teacher is responsible for the maintenance of accurate financial records and banking records of all unofficial funds. The Bursar will maintain the records on a day-to-day basis.
- 18.4 The Governors 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.
- 18.5 The Head Teacher shall present annually the accounts of all unofficial funds including the report of the independent auditor, to the Governors for approval.
- 18.6 The running of particular activities (e.g. School journeys, tuck shop etc.) should not necessarily fall upon the Business Assistant 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 Bursar, supported by evidence of expenditure (e.g. receipts, invoices etc.)

- 18.7 The Business Assistant 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.
- 18.8 All income must be banked intact at least weekly or as the cash in hand exceeds £1,000. This is the approved limit for the safe at Wirksworth Church of England Infant School, (ref. DCC Insurance 26.9.18). No cash should be stored at Wirksworth Infant School, where there is no safe.
- 18.9 All payments must be supported by vouchers giving full details of the expenditure.
- 18.10 All payments should be made by cheque.
- 18.11 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.
- 18.12 The accounts are 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.
- 18.13 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.
- 18.14 Under no circumstances must personal cheques be cashed from the School fund.
- 18.15 To provide transparency, summary information is published on the School's website.

19 Travel and subsistence

- 19.1 The claiming and payment of travel and subsistence expenses is based upon the principle that the journeys and expenses are actual and necessary to enable members of staff to perform their duties, and are appropriately authorised. All claims must be supported by a bona fide receipt
- 19.2 Completed claim forms are checked by the School Business Officer and authorised by the Headteacher or Senior Teacher. Headteacher claims are authorised the Chair of the Governing Body. Staff never authorise their own claim.
- 19.3 Claim forms are forwarded to the LA's Shared Services Centre where the payment is processed.

19.4 Governors may claim expenses in accordance with the Policy on Paying Governors Allowances.

20 Hospitality and gifts

20.1 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 must be reported to the Headteacher (or by the Headteacher to the Chair of Governors) regardless of whether it is accepted.

20.2 Gifts of a nominal value such as calendars, diaries etc, may be accepted if they are retained within school.

20.3 Gifts of more than nominal value offered to staff by contractors, organisations, firms or individuals must be declined.

20.4 All offers of gifts and hospitality are recorded in a gifts and hospitality register and entries reviewed periodically by an independent employee. The review will be evidenced.

20.5 If it is suspected that an improper motive may or perceived to exist, ie the giver is seeking to influence decisions or actions, the offer must be reported to the Head Teacher.

20.6 In no circumstances should a monetary gift be accepted and such offers must be reported to the Head Teacher.

20.7 All offers of gifts and hospitality should be recorded in gifts and hospitality register and periodically reviewed by The Governing Body of the entries made in the register and evidence the review.

20.8 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'. The ruling sees an employer to employee benefit in kind as exempt from tax and national insurance if the following conditions are met;

- the cost of providing the benefit does not exceed £50 for each benefit item or averages below £50 per employee if the benefit is provided to a group of employees and it is not possible to work out the exact cost for each individual and the benefit is also
- not provided in recognition of particular services performed by the employee as part of their employment duties (or in anticipation of such services)
- not part of any contractual obligation
- not cash or a cash voucher.

To qualify for the statutory exemption the benefit has to be related to employee welfare and goodwill, not employment service or performance.

Further information can be found at;

<https://schoolsnet.derbyshire.gov.uk/administration-services-and-support/human-resources/school-payroll-hmrc-advice-regarding-p11ds-for-benefits-provided.aspx>

21 Retention of records

- 21.1 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 County Council where they are scanned and then destroyed (approved by HMRC).
- 21.2 Disposal of confidential information and records is carried out in a secure manner in compliance with current data protection legislation.
- 21.3 The School should approve a schedule for the retention of financial and non-financial records. Records held within School should be reviewed annually in accordance with the retention document.

22 Extended Services Codes

- 22.1 The Federation's extended or 'wraparound' services are formally agreed and approved by the *Governing Body*. A nominated officer is appointed within the Federation 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.
- 22.2 To enable the *Governing Body* to make informed decisions on the effectiveness of any extended or 'wraparound' services provided by the Federation, an initial projection of income and expenditure plan must be prepared. The plan should include details of all potential 'losses' to the Federation so that the *Governing Body* 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 Body* must be obtained for any additional shortfall in advance.
- 22.3 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 Statistical Order (SIO) number 5145004. It is important

that on-going monitoring of income and expenditure of such activities is undertaken so that the Governing Body is fully appraised on the impact of the additional provision on the Federation'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.

The Codes to be used are as follows:

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

23 Monitoring and review

- 23.1 The Headteacher monitors and reports to the Governing Body on the effectiveness of these procedures on a regular basis and makes recommendations for further improvements.
- 23.2 The procedures will be reviewed in accordance with the Federation's monitoring and review cycle. The Governing Body may, however, review the procedures earlier than this in response to new regulations or if they receive recommendations on how the procedures might be improved.

Appendix A

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 Councils 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).

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 unless other limits have been agreed in

writing by the Local Authority's Director of Finance and is subject to cleared funds being available in the Imprest account.

- 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 and departmental finance team 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.

Derbyshire County Council Schools Debit Card Declaration Form

Iconsent, to be a debit cardholder on the imprest account held by School.

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:
 - a. the issuing bank; and
 - b. the School Head (unless they are a cardholder); and
 - c. 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.

Agreed by Card Holder	Authorised by School
Name	Name
Position/Title	Position/Title
Date	Date
Signature	Signature