



## **OAKWORTH PRIMARY SCHOOL** **“committed to the safety and welfare of its pupils”**

### **SCHOOL FUND POLICY**

#### **Statement of Intent:**

At Oakworth Primary School we are committed to ensuring effective and efficient use of all funds. Voluntary funds, sometimes known as private funds, are funds (other than the council's or those of the Education & Skills Funding Agency) controlled wholly or in part by an employee by reason of their employment or, in the case of Governing Body members, position given at the Oakworth Primary School. They include monies collected from pupils for Oakworth Primary School activities.

The Audit Commission states that:

“Voluntary funds often provide schools with a substantial additional source of income. Although such funds are not public money, the standards for the guardianship of these need to be as rigorous as those for the administration of the school’s delegated budget; parents, pupils and other benefactors are entitled to receive the same standards of stewardship for the funds to which they have contributed.” – Keeping Your Balance, Audit Commission, October 2000.

This policy has been established to ensure that the school meets all expected standards when handling private funds. All members of staff are required to adhere to the policy when dealing with the private funds of the school.

#### **1. Summary of general requirements**

- 1.1. An appropriate financial and managerial framework is in place.
- 1.2. All private funds are clearly titled, contain the school’s name and do not contain reference to any individual.
- 1.3. A minimum of two signatories are required to sign cheques.
- 1.4. Cheques are never pre-signed.
- 1.5. Bank accounts are reconciled frequently.
- 1.6. All income is receipted and banked promptly.
- 1.7. Appropriate and accurate financial records are maintained, in both hard and electronic copy.
- 1.8. All cash is counted and reconciled in the presence of two people.
- 1.9. Receipts are retained in support of all payments.
- 1.10. Private funds are kept separate from all other school funds.
- 1.11. Private funds are independently audited.
- 1.12. No collected monies are ever paid into personal accounts.
- 1.13. All staff must be made aware of this policy.

#### **2. Roles and responsibilities**

- 2.1. The Governing Body has a responsibility to ensure:
  - A policy is clearly defined and agreed, with minutes taken, for the purpose of managing private funds.
  - They are made fully aware of all private funds and are made aware of any changes to fund arrangements.
  - The fund is administered in accordance with the established procedure.

- The appointment of suitable auditors.
- Audited annual statements are received within three months of the end of the fund's financial year.
- They receive explanations on the administration and conduct of the fund.
- Compliance with the Charity Act 2006.

#### 2.2. The Headteacher:

- Is responsible for the organisation and control of all private funds.
- Must ensure all members of staff dealing with funds are fully aware of procedures.
- Carries out periodical checks such as confirmation of monthly reconciliation.
- Maintains a register of all private funds.
- Recommends to Governing Body members, suitably qualified persons to act as auditors.
- Ensures that all records are retained.
- Provides explanations as required to auditors.
- May delegate some of these duties but remains responsible for their implementation.

#### 2.3. Teaching staff:

- Must keep suitable records in accordance with guidelines when involved in trips, visits and sponsored events.
- Must ensure all income collected is handed to the Data Manager regularly.
- Must not pay expenditure from income collected – should it be necessary for payments to be made, a cheque should be obtained from the Data Manager.

### 3. Income

#### 3.1. The main sources of income to the fund are:

- Voluntary contributions towards the costs of school trips.
- Parental contributions.
- Fund-raising activities.
- One-off donations.
- Interest on deposited money.

3.2. All income must have supporting paperwork. At a minimum, all transactions must have a supporting remittance record of all payments (cash and cheque) received with a copy of the paying-in slip.

3.3. Income is banked on a monthly basis or whenever income reaches £1,000.00, whichever comes sooner.

3.4. Details of all income monies received are entered in the School Fund Cash Book and on the HCSS Financial Accounting software package.

### 4. Expenditure

4.1. Expenditure may be incurred in accordance with the following guidelines:

- Income from the school's fundraising activities and any deposit interest may be used for any expenditure that supports the aims of the fund.
  - Income from parental contributions should be utilised for expenditure on educational resources.
  - Expenditure on visits should be matched by parental contributions. Charges should be levied such that no profit is made.
  - Income from charitable, parental or other donations for named projects may only be used for the named project.
- 4.2. Payments will only be made from the funds when supported by an authorised invoice or voucher.
  - 4.3. Expenditure transactions are processed by Mrs E A Olsson (the "named Administrative Assistant").
  - 4.4. Details of all payments are entered in the School Fund Cash Book and on the HCSS Financial Accounting software package.
  - 4.5. Supporting paperwork is filed in date order.

## 5. Banking arrangements

- 5.1. Bank accounts are to be maintained at Lloyds Bank plc.
- 5.2. All bank accounts must be in the name of the school and not in the name of any individual.
- 5.3. Signing authorities (mandates) should detail that cheque withdrawals require two signatures. Signatories should be of suitable seniority and be reviewed annually. The following four persons are authorised to sign on the account:
  - Headteacher – Mrs J Mayo
  - Assistant Headteacher – Miss D Blott
  - Assistant Headteacher – Miss S Layfield
  - Assistant Headteacher – Mr J Travers
- 5.4. Blank cheques must never be pre-signed.
- 5.5. Cash and cheques should be banked regularly and whenever sums exceed £1,000.
- 5.6. Cash/cheques should be deposited intact by the day of banking with the named Administrative Assistant.
- 5.7. Collections should be verified and receipted by the named Administrative Assistant.
- 5.8. Cash must never be left on an unattended desk or in a locked drawer.
- 5.9. Income should be segregated from official funds and held in a lockable cash box prior to banking.
- 5.10. Personal cheques must not be cashed through private funds and private funds must not be operated through personal bank accounts.
- 5.11. Loans must not be made from private funds unless with the express authorisation of the Chair of the Governing Body.

## 6. Petty cash

- 6.1. The named Administrative Assistant is responsible for administering the petty cash system. The cash is kept in a cash box and stored in a safe in the School Office.
- 6.2. All claims are only reimbursed on production of a valid receipt attached to an authorised petty cash voucher. The limit for an individual claim is £30.00 (Thirty Pounds ONLY). Petty cash can only be claimed if authorised by the relevant budget holder.

- 6.3. The named Administrative Assistant enters the details of the claim onto a petty cash voucher. This voucher records the claimant's name and the analysis of the expenditure. The claimant signs the petty cash voucher as receipt for the money and is countersigned by the named Administrative Assistant.
- 6.4. The named Administrative Assistant enters the details of each transaction into the School Fund Cash Book.
- 6.5. On a monthly basis, the Business Manager raises a cheque to reimburse the School Fund for revenue classed purchases, ie curriculum, premises maintenance purchases and ensures that all relevant transactions are entered on the HCSS Financial Accounting software package. The petty cash book and cheque are passed to the cheque signatories, as proof of the amount to be reimbursed.
- 6.6. The balance in the cash float is regularly checked to the petty cash balance in the School Fund Cash Book by the Business Manager. All receipts are filed in date order.

## **7. Accounting records**

- 7.1. Cash book maintenance:
  - Financial records are maintained to account for all transactions. The cash book highlights all income and expenditure which enables the production of year-end accounts and the preparation of statements.
  - All cash book entries are supported by evidence such as statements of income and paid invoices. These are numbered and cross-referenced in the cash book.
  - The cash book is updated weekly.
- 7.2. Bank and petty cash reconciliations
  - Bank statements are reconciled to the transactions in the cash book and on the HCSS Financial Accounting software on a monthly basis by the Business Manager. All individual items of income and expenditure are matched to the items on the bank statement.
  - If a cheque is not presented within six months, it becomes out-of-date and cancelled. The relevant amount is then deducted from the expenditure side of the cash book.
  - The petty cash float must be reconciled with the School Fund Cash book on a monthly basis and a written record maintained for audit purposes.

## **8. Dissolution of private funds**

- 8.1. The school's private fund will be dissolved if the school closes or amalgamates with another school.
- 8.2. If the school amalgamates, any remaining assets will be given to the school for the benefit of the children in a charitable manner.
- 8.3. If the school closes, any assets will be given to a local children's charity, as chosen by the members of the Governing Body.

## 9. Auditing private funds

- 9.1. Private funds will be audited annually within three months of the end of the financial year and once completed, approved by the Governing Body.
- 9.2. The funds will be audited by an independent person who is not associated with the funds in any other way and who will provide a certificate in accordance with professional standards.
- 9.3. A copy of the audited financial statements should be made available for viewing by parents/carers on request.

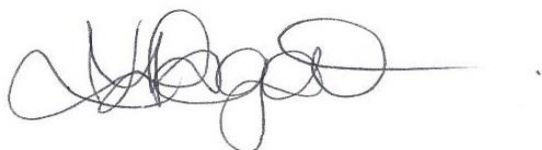
## 10. Monitoring and review

- 10.1. The Business Manager is responsible for monitoring and reviewing the Private Funds Policy.
- 10.2. The policy will be reviewed on a biennial basis.

## 11. Expenditure of a non-educational nature

- 11.1. Any expenditure which cannot be deemed to be educational in nature should be carefully considered before being allocated to the school's private fund.
- 11.2. Non-educational expenditure typically includes gifts for staff members or the provision of refreshments at staff members' leaving events etc.
- 11.3. Non-educational spending can be made from the school private fund as long as this is complementary to the best interests of the school for example, for the purpose of maintaining staff morale.
- 11.4. Any non-educational expenditure is to be made at the discretion of the Headteacher.
- 11.5. Where the Headteacher refuses to exercise this discretion, some expenditure which is not for the purpose of education can be made independently of the official accounts and the private fund. An example of this could be where staff organise collections for the purchase of gifts for fellow staff members.

This policy will be reviewed every two years or earlier, if necessary.



Signed ..... Dated: 13.11.2018  
Chair of Governors