

RUGBY HIGH SCHOOL

Financial Procedures Manual 2010

6/25/2010

This manual should contain written procedures which will comply with DoFE guidelines for all school matters with a financial implication. The manual will also comply with sound internal control and accounting practice for the segregation of duties and the provision of accurate and timely accounting data.

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1) INTRODUCTION

- a) This manual should contain written procedures which will comply with DofE guidelines for all school matters with a financial implication. The manual will also comply with sound internal control and accounting practice for the segregation of duties and the provision of accurate and timely accounting data.
- b) All personnel involved in public and private finance at the school should be aware of the procedures contained. The manual will be reviewed annually by the Business Manager to ensure that it records current practice.
- c) New financial procedures will be prepared in draft by the Business Manager and presented to the Finance Standing Committee for review and approval before being presented for ratification at the main Governors' Meeting.
- d) These procedures are mandatory and effective from the date of issue of this document. Only procedures ratified and approved by the Governing Body may be included in the Financial Procedures Manual.
- e) The school's accounting records for delegated budget funds utilise SIMS FMS computer software. The Voluntary Rugby High School Unofficial Fund details are recorded on 'Rugby High School Unofficial Fund Manager' software.

2) ROLE OF THE GOVERNING BODY

(This document should be read in conjunction with the Governing Body's Terms of Reference.)

The Governing Body, supported by information and advice provided by the Headteacher, decides the strategic direction of the school. The Governing Body is given its powers and duties as an incorporated body. In order to discharge its duties efficiently, specific responsibilities may be delegated to committees which are responsible to, and report back to, the whole Governing Body.

a) Statutory Responsibilities

Governors are required to:

- i) Manage the school budget, consider the annual budget plan, approve the budget, and consider and approve any proposed revisions to the budget plan
- ii) Decide on how to spend the delegated budget depending on any conditions set out in the Local Authority (LA) scheme within the financial year
- iii) Decide whether to delegate their powers to spend the delegated budget to the Headteacher; if so, they should establish the financial limits of delegated authority
- iv) Be consulted by the LA on significant changes to the LA's fair funding formula
- v) Make sure accurate accounts are kept
- vi) *Determine the staff complement and a pay policy for the school (in accordance with School Teachers' Pay and Conditions Document)
- vii) Act as a 'critical friend' to the Headteacher by providing advice, challenge and support
- viii) *Establish a written performance management policy to govern staff appraisal, after making sure that all staff have been consulted.

*Indicates a statutory responsibility discharged by committee.

b) Financial Responsibilities of Governors

Governors have collective responsibility for financial decisions that are made in the context of how the school is run and are answerable to parents and the wider community. Responsibility for the implementation of financial decisions remains with the Headteacher. (See the scheme of delegation and the terms of reference for the Finance and Premises Committee and Headteacher for details of the delegation of some of these responsibilities.)

Governors are responsible for:

- i) Setting financial priorities through the:
- ii) Single Integrated Development Plan (SIDP)
- iii) 3 year financial plan
- iv) Annual budget
- v) Monitoring progress in relation to SIDP targets and reviewing the school's progress in delivering improvement against the five outcomes of the Every Child Matters (Children Act) Agenda.
- vi) Deciding on how the school's delegated budget should be spent, in accordance with the school's SIDP and the statutory curriculum requirements laid down by government
- vii) Approving and monitoring the annual budget
- viii) Ensuring the budget is managed effectively
- ix) Ensuring the school meets all its statutory obligations and, through the Headteacher, complies with the LA's financial regulations or standing orders
- x) Determining virement and expenditure thresholds
- xi) Evaluating the effectiveness of spending decisions
- xii) Ensuring that there is a handbook containing information and a description of financial systems and procedures for all staff with financial management responsibility
- xiii) Establishing formal procedures and a timetable for budget planning
- xiv) Ensuring that only a balanced, sound budget is approved
- xv) Ensuring that financial records are maintained that can provide auditors and inspectors with explanations they consider necessary
- xvi) Responding promptly to recommendations made by auditors or inspectors
- xvii) Monitoring the budget and implementing virements when appropriate
- xviii) Ensuring that the school obtains best value for money when purchasing goods and services
- xix) Establishing a charging policy for the supply of goods and services
- xx) Establishing and maintaining a register of business interests of governors and staff who influence financial decisions (including members of their immediate families). This should be open to examination by governors, staff, parents and the LA
- xxi) Ensuring that financial duties of staff are clearly described to avoid potential conflicts
- xxii) Ensuring in conjunction with the Headteacher that:
 - (1) salary payments are made only to school employees
 - (2) salary payments are made in accordance with appropriate conditions of employment
 - (3) salary payments are made only for services provided to the school
 - (4) appropriate deductions are made (Tax, NIC, Superannuation, Student Loan, Court Order, Salary Sacrifice and the like) and remitted to the appropriate agency

- (5) payroll changes are accurately recorded and promptly processed
- xxiii) Deciding, after careful consideration, whether or not to insure risks not covered by the LA insurance policy held by the school
- xxiv) Authorising the disposal or write-off of stock
- xxv) Approving and setting up a Governors' Expense Scheme to ensure that governors are not out of pocket for the work that they do for the school.

c) Other Responsibilities of Governors

(See the scheme of delegation and the terms of reference for the committees of the Governing Body and Headteacher for details of the delegation of some of these responsibilities.)

Governors are responsible for:

- i) Appointing the Headteacher
- ii) Appointing the Deputy Headteachers
- iii) Dismissing staff
- iv) Drafting and approving all personnel-related policies and procedures.
- v) Agreeing whether the Strategic Director of The Children, Young People and Families Directorate should have advisory rights
- vi) Agreeing and monitoring Curriculum Policy (ensuring that the National Curriculum is taught); deciding which subject options should be taught; and implementing provision for flexibility in the curriculum (including activities outside the school day)
- vii) Approving the following policies:
 - (1) Sex Education Policy
 - (2) Equal Opportunities Policy (including gender, disability rights and racial equality)
 - (3) Behaviour (including anti-bullying) Policy
 - (4) Drugs Education Policy
 - (5) Child Protection Policy
 - (6) Religious Education Policy and Collective Worship Policy
- viii) Ensuring that student attainment targets are realistic but challenging and monitoring pupil achievement against set targets
- ix) Reviewing the use of exclusion and deciding whether or not to confirm all permanent exclusions and fixed-term exclusions where the pupil is either excluded for more than 15 days in total in the term or would lose the opportunity to sit a public examination; reviewing annually the overall pattern and use of exclusions within the school; directing the reinstatement of excluded pupils
- x) Determining the school's Admissions Policy (following consultation)
- xi) Making admissions application decisions (Years 7-9 decisions are delegated to the LA) and appealing against LA directions to admit pupils
- xii) Ensuring that appropriate buildings and personal liability insurance is in place

- xiii) Developing a school buildings strategy and contributing as required to LA Asset Management Planning arrangements
- xiv) Maintaining buildings, including developing a properly funded annual maintenance plan
- xv) Ensuring the security of school premises and equipment and inspecting the premises on a regular basis
- xvi) Drawing up an Asset Management Plan and an Accessibility Plan for the school
- xvii) Instituting a Health and Safety Policy, keeping the policy and its practice under review and making revisions as necessary.
- xviii) Generating proposals to change the school's status/category as a specialist foundation school and publishing them
- xix) Ensuring that the Governing Body complies with the requirements of the Freedom of Information Act to issue a publication scheme and put in place procedures for dealing with requests for information
- xx) Ensuring that parents and other stakeholders have access to accurate and up-to-date information about the school (e.g. through the school prospectus/profile/newsletters/website etc.)
- xxi) Adopting and reviewing Home/School Agreements
- xxii) Drawing up an instrument of government (a constitution) and agreeing any amendments thereafter
- xxiii) Appointing (and removing) the Chair and Vice-chair of the Governing Body
- xxiv) Appointing and dismissing the Clerk to the governors
- xxv) Holding a full Governing Body meeting at least three times in the school year
- xxvi) Recruiting and appointing new governors as vacancies arise; ensuring that elections are held for elected posts (parent and staff governors) and removing governors
- xxvii) Deciding which responsibilities to delegate and to whom; receiving reports from individuals and committees to whom functions have been delegated and considering whether any further action is needed by the Governing Body
- xxviii) Considering forming a federation or joining an existing federation; considering requests from other schools to join a federation of which the school is already a member; deciding to leave a federation
- xxix) Deciding to offer additional activities and what form these should take
- xxx) Deciding to provide/ceasing to provide extended school services.

3) SCHEME OF DELEGATION

Level 1: Full Governing Body

Level 2: A committee of the Governing Body

Level 3: An individual governor, i.e. to the Chairman or in his/her absence the Vice-Chairman or a governor named by them or by the whole Governing Body.

Level 4: Headteacher.

Column blank: action could be undertaken at this level.

Key Function	No.	Task	1	2	3	4
Budgets	1	To approve the formal budget plan each financial year				
	2	To monitor monthly expenditure				
	3	To establish a charging and remissions policy				
	4	To make miscellaneous financial decisions				
	5	To enter into contracts				
	6	To make payments				
Staffing	7	To appoint the Headteacher.				
	8	To appoint the Deputy Headteachers.				
	9	To appoint other teachers				
	10	To appoint non teaching staff				
	11	To agree a pay policy				
	12	To exercise pay discretions				
	13	To establish disciplinary/capability procedures				
	14	To dismiss the Headteacher				
	15	To dismiss other staff				
	16	To suspend the Headteacher				
	17	To suspend staff except the Headteacher				
	18	To end the suspension of the Headteacher				
	19	To end the suspension of staff (except the Headteacher)				
	20	To determine the staff complement				
	21	To agree whether the Strategic Director of the Children, Young People and Families Directorate should have advisory rights				

	22	To determine dismissal payments/early retirement				
Curriculum	23	To ensure that the National Curriculum is taught to all pupils				
	24	To establish a Curriculum Policy				
	25	To implement a Curriculum Policy				
	26	To agree and monitor Curriculum Policy, advising the Governing Body on standards and other matters relating to the school's curriculum, including statutory requirements.				
	27	To monitor standards of teaching				
	28	To decide which subjects should be taught having regard to resources and to implement provision for flexibility in the curriculum (including activities outside the school day)				
	29	To take responsibility for each individual student's education				
	30	To establish and keep up-to-date a written policy on sex education				
	31	To prohibit political indoctrination and ensure a balanced treatment of political issues				
	32	To establish a Charging and Remissions Policy for activities (non-NC-based)				
Performance Management	33	To formulate a Performance Management Policy				
	34	To establish a Performance Management Policy				
	35	To implement the Performance Management Policy				
	36	To review annually the Performance Management Policy				
Target Setting	37	To set and publish targets for pupil achievement				
Discipline/Exclusions	38	To recommend to the Governing Body a Behaviour (including anti-bullying and rewards and sanctions) Policy, monitor its operation and review it regularly				
	39	To review the use of exclusion and to decide whether or not to confirm all				

		permanent exclusions and fixed-term exclusions where the pupil is either excluded for more than 15 days in total in the term or would lose the opportunity to sit a public examination (can be delegated to the chair/vice-chair in cases of emergency)				
	40	To direct reinstatement of excluded pupils (can be delegated to Chair/Vice-chair in cases of urgency)				
Admissions	42	To consult annually before setting an Admissions Policy				
	45	To make admissions application decisions				
	46	To appeal against LA directions to admit pupils				
Religious Education	47	To ensure the provision of Religious Education (RE) in line with the school's basic curriculum				
	48	To make a decision to revert to a previous RE syllabus				
Collective Worship	51	To ensure that all pupils take part in a daily act of collective worship (after consulting the Governing Body)				
	52	To make application to the advisory council, SACRE, concerning the requirements for collective worship (schools without a religious character) to disapply (after consulting the Governing Body)				
	53	To make arrangements for collective worship (schools without a religious character (after consulting the Governing Body)				
Premises and Insurance	55	To arrange buildings and personal liability insurance (after seeking advice from the LA)				
	56	To develop a school buildings strategy and to contribute as required to LA Asset Management Planning arrangements				
	57	To procure and maintain buildings, including developing a properly funded annual maintenance plan				

Health and Safety	58	To implement and review a Health and Safety Policy				
	59	To ensure that health and safety regulations are followed				
School Organisation	60	To publish proposals to change the category of the school				
	61	To publish proposals to alter or discontinue foundation or specialist school status				
	62	To set the times of school sessions and the dates of school terms and holidays				
	63	To ensure that the school meets for 380 sessions in a school year				
	64	To ensure that school lunch nutritional standards are met				
Information For Parents	65	To prepare and publish the school prospectus				
	66	To prepare and publish the school profile				
	67	To ensure the provision of free school meals to those students meeting the criteria				
	68	To adopt and review of Home/School Agreements				
Governing Body Procedures	69	To draw up an instrument of government (approve the constitution) and agree any amendments thereafter				
	70	To appoint (and remove) the Chair and Vice-chair of the Governing Body				
	71	To appoint and dismiss the Clerk to the governors				
	72	To hold a full Governing Body meeting at least three times in the school year				
	73	To recruit and appoint new governors as vacancies arise; to ensure that elections are held for elected posts (parent and staff governors); to remove governors				
	74	To set up a register of governors' business interests and of the business interests of the Headteacher and any member of the school staff (or any member of their				

		immediate family) with budget management responsibility				
	75	To approve and set up a Governors' Expense Scheme				
	76	To discharge duties in respect of pupils with special needs by appointing a responsible person				
	77	To consider whether or not to exercise delegation of functions to individuals or committees; to establish the committees of the Governing Body and their terms of reference; to appoint the chair of any committee if not delegated to the committee itself; to appoint or remove a clerk to each committee; to receive reports from individuals and committees to whom functions have been delegated and to consider whether any further action is needed by the Governing Body; to review the delegation arrangements annually				
Federations	79	To consider forming a federation or joining an existing federation				
	80	To consider requests from other schools to join the federation				
	81	To leave a federation				
Extended Schools	82	To decide to offer additional activities and what form these should take				
	83	To put into place the additional services				
	84	To ensure delivery of the additional services				
	85	To cease providing extended school services				

Approved by the Governing Body on

SignedChairman

4) GOVERNORS' STANDING COMMITTEES

The three standing committees will meet regularly to conduct their business and report to the full governors' meeting.

Each committee will be empowered to co-opt members from outside the Governing Body, either as permanent members or temporary members to assist with specific business

Each committee should have a part to play in monitoring the school's financial arrangements, though the major role in this respect is that of the Finance and Premises Committee.

Each committee should work to a pre-arranged agenda and keep a record of its meetings.

Standing committee meetings should be of not more than 2 hours' duration unless previously agreed by the members (e.g. for meetings involving external visits).

a) PERSONNEL COMMITTEE

Terms of Reference:

- i) To develop, review and oversee the implementation of the Governing Body's personnel policies
- ii) To draft and keep under review the staffing structure in consultation with the Headteacher and the Finance and Premises Committee
- iii) To maintain and implement the Appointments Policy for all staff
- iv) To oversee the appointments of all members of staff other than Headteacher or deputies
- v) To establish appointment panels for staff at senior leadership level
- vi) To ensure that the Governing Body's functions relating to the performance review of the Headteacher are carried out
- vii) To draft, on behalf of the Governing Body, and review annually, in consultation with staff, a whole school pay policy
- viii) To consider and recommend to the Governing Body and review annually, the school performance management policy for all staff
- ix) To keep under review staff work/life balance, working conditions and well-being
- x) To draft and review, in consultation with the Headteacher and staff, a policy on absence management for the approval of the Governing Body
- xi) To agree and monitor a training strategy for teachers, support staff and governors

- xii) To approve applications for early retirement, secondment and leave of absence
- xiii) To make recommendations on personnel-related expenditure to the Finance and Premises Committee
- xiv) To receive and agree recommendations from the Headteacher relating to the pay of all members of staff in line with legal requirements
- xv) To make recommendations to the Finance and Premises Committee concerning Headteacher and Deputy Headteacher pay
- xvi) To ensure that any pecuniary interests are declared at each meeting by everyone present
- xvii) To carry out staff-related tasks as delegated by the Governing Body.

b) QUALITY ASSURANCE COMMITTEE

Terms of Reference:

- i) To ensure that the OfSTED Self-Evaluation Form is regularly updated
- ii) To prepare a schedule for monitoring progress of the school's Single Integrated Development Plan and to ensure that the full Governing Body receives regular progress reports
- iii) To prepare and keep under review a strategy which will enable the full Governing Body to understand how the school is improving against the five outcomes of the Children Act:
- iv) Stay safe
- v) Be healthy
- vi) Enjoy and achieve
- vii) Achieve economic well-being
- viii) Make a positive contribution
- ix) To research and keep under review the opportunities (and challenges) stemming from developing as an Extended School (from a performance and standards perspective)
- x) To recommend to the Governing Body draft curriculum policies including sex education, religious education, collective worship, equal opportunities and drug education
- xi) To monitor the Governing Body's Curriculum Policy
- xii) To ensure provision of RE in line with school's basic curriculum
- xiii) To carry out the Governing Body's responsibilities in relation to target setting
- xiv) To monitor pupil achievement against set targets
- xv) To carry out the Governing Body's responsibilities in relation to children with special educational needs
- xvi) To decide which subject options should be taught having regard to resources and to implement provision for flexibility in the curriculum (including activities outside the school day)

- xvii) To carry out the Governing Body's responsibilities for the school prospectus and to approve the prospectus
- xviii) To make recommendations to the full Governing Body about appropriate mechanisms for fulfilling the Governing Body's accountability to parents (school profile, newsletters, etc.)
- xix) To adopt and review home-school agreements
- xx) To make recommendations to the Governing Body on the adoption of the school Behaviour Policy, including the school Anti-bullying Policy
- xxi) To make recommendations to the Governing Body on the adoption of the school Equal Opportunities and Race Policies and to monitor and review their impact regularly
- xxii) To review, monitor and amend the school's other policies to ensure inclusion (in regard to gender, social disadvantage, race equality and disability)
- xxiii) To review, at least annually, the overall pattern and use of exclusions within the school
- xxiv) To liaise with the Pupil Discipline Committee to review the school's Behaviour and Discipline Policy and to make recommendations on changes to the Governing Body
- xxv) To monitor and review pupil attendance
- xxvi) To make recommendations on matters relating to the role of the school in the community, including public relations
- xxvii) To carry out other pupil- and parent-related tasks as delegated by the Governing Body
- xxviii) To carry out an annual review of the Safeguarding Children Policy and Procedures and report to the Local Authority.
- xxix) To consider and advise the Governing Body on standards and other matters relating to the school's curriculum, including statutory requirements and the school's Curriculum Policy
- xxx) To appoint the governor with responsibility for SEN who will sit on the committee
- xxxi) To consider curricular issues which have implications for finance and personnel decisions and to make recommendations to the relevant committees of the Governing Body
- xxxii) To ensure that any pecuniary interests are declared at each meeting by everyone present

c) FINANCE AND PREMISES COMMITTEE

Terms of reference:

- i) In consultation with the Headteacher, to draft any budget plans for the financial year and to recommend them to the Governing Body for approval
- ii) To establish and maintain an up-to-date 3 year financial plan with particular reference to the school's Single Integrated Development Plan (SIDP)

- iii) To monitor income and expenditure against budgeted plans and report termly to the Governing Body, drawing attention to significant anomalies from the anticipated position
- iv) To make enquiries about any matter that could have significant financial implications for the school to satisfy themselves that all arrangements are appropriate
- v) To make recommendations to the Governing Body regarding decisions due to be taken by the Governing Body that have financial implications in order to ensure economy, efficiency and effective use of resources
- vi) In consultation with the Headteacher, to agree any transfer of funds between budget areas up to £5000; higher amounts only to be approved by the Governing Body
- vii) To monitor all voluntary funds kept on behalf of the Governing Body in accordance with the constitutions and management arrangements of the funds
- viii) To ensure all voluntary funds are properly examined annually for presentation to the Governing Body
- ix) In consultation with the Headteacher, and in accordance with the Procurement of Goods and Services and Purchasing Procedures, to approve contracts to be entered into in excess of £5000 whether for goods, services or works
- x) To recommend to the Governing Body the school's Charges and Remissions Policy and Expenses Policy and to keep those under annual review
- xi) To make recommendations to the Governing Body in respect of the financial implications of service agreements
- xii) To assess different expenditure proposals put forward and recommend priorities to the Governing Body
- xiii) To keep an up-to-date register that lists for each member of the Governing Body, the Headteacher and any member of school staff with budget management responsibility, any business interests held by them or any member of their immediate family
- xiv) To ensure that any pecuniary interests are declared at each meeting by everyone present
- xv) To receive and respond to reports from Auditors
- xvi) To ensure that the financial implications of staffing decisions as recommended by the Personnel Committee are explicitly identified, understood and budgeted for by the Governing Body, for example, the appointment of new staff and re-grading and pay increments to existing staff
- xvii) To ensure that the school's procedures comply with Local Authority requirements including the Scheme for the Financing of Schools, Procurement Code of Practice for Schools, Schools' Financial Standing Orders and Schools' Contract Standing Orders and that they are reviewed periodically

- xviii) To approve the writing-off of irrecoverable debts up to £200 and the disposal of surplus and damaged equipment
- xix) To research and keep under review the opportunities (and challenges) and the financial implications stemming from developing as an Extended School.
- xx) To carry out the Governing Body's responsibilities in relation to Health and Safety, including recommending a draft Health and Safety policy statement to the Governing Body and providing regular reports to the Governing Body on the monitoring of Health & Safety
- xxi) To ensure that suitable risk assessments have been prepared and action taken to minimise risk
- xxii) To carry out the Governing Body's responsibilities in relation to the security of school premises and equipment
- xxiii) To make arrangements for governors to inspect the premises on a regular basis
- xxiv) To establish and keep under review a Building Development Programme.
- xxv) To prepare an annual programme of repairs and maintenance
- xxvi) To oversee premises-related funding bids
- xxvii) To agree the level of maintenance service the school will buy from service providers
- xxviii) To research and contribute to drawing up an Asset Management Plan and an Accessibility Plan for the school
- xxix) To research and keep under review the opportunities (and challenges) stemming from developing as an Extended School (from a resources perspective and following consultation with the Finance and Quality Assurance Committees)
- xxx) To recommend a hiring policy to the Governing Body and to include H & S measures
- xxxi) To approve premises-related expenditure
- xxxii) To ensure that any pecuniary interests are declared at each meeting by everyone present
- xxxiii) To carry out any other premises-related tasks as delegated by the Governing Body.

5) STAFF ROLES

a) THE ROLE OF THE HEADTEACHER

The Headteacher provides vision, leadership and direction for the school and ensures that it is managed and organised to meet its aims and targets, which are established by the Governing Body. The Headteacher is accountable to the Governing Body and has delegated responsibilities which are set out in the terms of reference. This description should be read in conjunction with those terms of reference.

The Headteacher is responsible for:

- i) The internal organisation, management and control of the school
- ii) Creating a productive, disciplined learning environment
- iii) Leading and managing the creation of a Single Integrated Development Plan, which is informed by self-evaluation; underpinned by sound resource planning; includes priorities and targets for ensuring that pupils achieve high standards and make progress; and enables teachers' effectiveness to be increased and school improvement secured
- iv) Implementing the SIDP and monitoring, evaluating and reviewing the plan to secure progress and school improvement
- v) The school's performance
- vi) Setting targets (in consultation with the School Improvement Partner and the Governing Body's Quality Assurance Committee) and reporting on progress in relation to targets at least once a year
- vii) Formulating aims and policies for the Governing Body
- viii) Reporting to the Governing Body on matters associated with delegated responsibilities so that the Governing Body can ascertain that these responsibilities are being met
- ix) Drawing up draft annual budget plans (including a plan for the school's voluntary fund) for approval by the Finance and Premises Committee and Governing Body
- x) Ensuring that the relevant LA financial regulations/standing orders and DofE requirements are implemented
- xi) Ensuring the effective implementation of current financial systems and procedures described in the financial management handbook and establishing sound internal financial controls
- xii) Overseeing the production of regular reconciled budget/financial reports to the Governing Body, LA and DofE as appropriate
- xiii) Ensuring that resources (including staffing) are effectively deployed to support students' learning and that best value is secured. This includes maintaining and building partnerships with other schools and educational establishments to enable a broad and cost-effective curriculum to be delivered.
- xiv) Ensuring that the school complies with legislative requirements

- xv) Obtaining governors' approval for any budget variations
- xvi) Entering into contracts on behalf of the Governing Body and with their approval
- xvii) Considering and responding promptly to recommendations in school audit/inspection reports and advising governors of results and any remedial action to be implemented
- xviii) Overseeing the maintenance of accurate and current inventories of all attractive and portable items
- xix) Ensuring that effective partnerships are developed with parents and other stakeholders
- xx) Ensuring that stakeholders receive up-to-date information about the school and students' progress
- xxi) Ensuring that adequate arrangements are in place to cover for the absence of key personnel
- xxii) Ensuring the adequacy of the school's insurance arrangements
- xxiii) Ensuring that Health and Safety regulations are followed
- xxiv) Representing the school in the community, promoting its interests and protecting its good name.

b) THE ROLE OF THE BUSINESS MANAGER

The Business Manager is a member of the school's Senior Leadership Team. He attends any SLT meeting where there are agenda items with a significant financial dimension in addition to the end of month meeting which has a specific financial focus and at which current expenditure against budgets and projections is reviewed.

The Business Manager is responsible for:

- i) Implementing the finance policies of the school
- ii) In consultation with the Headteacher, preparing an annual budget for the school for submission to the Governing Body
- iii) In consultation with the Headteacher, providing a 3 year financial plan, based on the school's Single Integrated Development Plan
- iv) Monitoring the budget on a day-to-day basis
- v) Financial processing: providing an accountancy service to record all transactions accurately; complying with all relevant orders and the school's scheme of delegation, ensuring the integrity of payments, that income due is collected and that cash and bank accounts are effectively managed
- vi) Checking that the funds delegated by the Local Authority are correct
- vii) Controlling the administration of the payroll in conjunction with the payroll department of the LA, in accordance with regulations and with instructions received from the Headteacher
- viii) Costing new commitments as requested by the Headteacher
- ix) Providing financial information, reports and advice to the Headteacher and Governing Body

- x) Ensuring best value for goods and services and complying with Contract Standing Orders
- xi) Complying with VAT and other Government regulations
- xii) Completing year-end activities to provide outturn reports to the LA, DofE and the Governing Body
- xiii) Acting as Clerk to the Governing Body
- xiv) Acting as Contracts Officer
- xv) Ensuring that there is adequate segregation of duties amongst those staff involved in the financial management of the school.

c) THE ROLE OF THE PREMISES MANAGER

The Premises Manager is responsible for:

- i) The overall management and maintenance of the buildings, facilities, grounds, fabrics and furnishings of the school
- ii) Providing site services and administrative support
- iii) Ensuring the security of the school premises
- iv) Advising the Headteacher and governors on Health and Safety matters
- v) Ensuring that Health and Safety regulations are complied with
- vi) Ensuring efficient use of accommodation
- vii) Controlling the Premises Budget
- viii) Obtaining furniture and equipment (outside of that purchased by Heads of Department from their budgets)
- ix) Advising on and overseeing the development of the site and premises including obtaining best value from suppliers and contractors and supervising contractors, ensuring their compliance with all legislative requirements
- x) Ensuring that appropriate maintenance contracts are in place and that they offer best value
- xi) Controlling the letting of premises
- xii) Line managing caretaking, catering and cleaning staff
- xiii) Assisting the Headteacher and Business Manager with bids for funding
- xiv) Marketing the school and helping to secure local sponsorship

d) THE ROLE OF THE HUMAN RESOURCES MANAGER

The Human Resources Manager is responsible for:

- i) Line managing support staff (apart from cleaning, catering and caretaking staff and those members of the administrative team currently line managed by the Headteacher)
- ii) Administration connected with the management of teaching staff
- iii) Administration of the recruitment of teaching and support staff
- iv) Administration of recruitment contracts
- v) Arranging support staff training in consultation with the Headteacher and Deputy Headteacher with responsibility for Continuous Professional Development

- vi) Obtaining appropriate legal advice on employment matters.

e) THE ROLE OF THE FINANCE ASSISTANT 1

The Finance Assistant is responsible for:

- i) Providing assistance to the Business Manager in dealing with financial and related administrative matters
- ii) Providing cover for duties normally undertaken by other administrative staff and/or the Business Manager in the event of staff absence
- iii) The day-to-day administration of the school's public finances utilising the FMS software including cashbook (cheque requisition; receipts and banking) and petty cash (maintenance of office account; reimbursement of departmental accounts)
- iv) Purchase Administration Management and banking of cash associated with catering. (all cash handling is undertaken with both Finance Assistants present and cross checking)

f) THE ROLE OF THE ADMINISTRATIVE ASSISTANT 2

The Receptionist is responsible for:

- i) The administration of lettings and bookings invoices, receipting and banking payments and chasing any outstanding debts in accordance with the Conditions of the Hiring of Premises out of normal hours.

g) THE ROLE OF THE FINANCE ASSISTANT 2

The Finance Assistant 2 is responsible for:

- i) The organisation, administration and invoicing of pupils' extra-curricular instrumental lessons in accordance with the Instrumental Lessons at Rugby High School Guidelines
- ii) Administering a record of attractive and portable assets above the value of £100 and ensuring its annual review.
- iii) Administering the school's private funds, including voluntary contributions by parents and pupils (Rugby High School Unofficial Fund, charities, etc.) using Rugby High School Unofficial Fund Manager software
- iv) Organising, invoicing, recording and banking payments (into the public account) for village transport for pupils using the FMS computing system
- v) Organising, invoicing, recording and banking payments (into the public account) for Educational Visits and Parental Contributions using the FMS computing system (all cash handling is undertaken with both Finance Assistants present and cross checking).

6) BEST VALUE STATEMENT

The Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the Single Integrated Development Plan. The Governors are committed to achieving Best Value in all decisions made.

In determining best value, the governors will apply the following principles:

Challenge: Is the school's performance high enough? Why and how are services provided? Are those services still needed? Could they be delivered differently? What does the school's self-evaluation tell it about what its stakeholders want?

Monitoring: What is the outcome? Was it as anticipated? If not, why not?

Comparison: How does the school's pupil performance and financial performance compare with all secondary schools? How does it compare with that of other LA secondary schools? How does it compare with that of other similar secondary schools?

Consultation: How has the school sought the views of stakeholders about the services it provides?

Promotion of Fair Competition: through quotations and tenders for major items of equipment: single items in excess of £1,000, multiple items on the same order over £5,000, substantial contracts (over £5,000).

Best Value principles will be applied when making decisions about:

The allocation of resources to promote the aims and values of the school

The targeting of resources to improve standards and the quality of provision

The use of resources to support the various educational needs of all students.

The focus will be on areas where major savings and improvements can be made.

The Governing Body will submit its Best Value Statement with its annual budget plan. The progress of the annual budget plan and the Best Value Statement will be monitored alongside the Single Integrated Development Plan in order to determine the extent of continuous improvement.

7) COMPUTER ACCOUNTING SYSTEM

The Financial Accounting System for the school's delegated budget share utilises the SIMS FMS Software and is run on the school's administration computer network, linked to a central file server. Access rights and the level of access to the FMS system are managed by the Business Manager and controlled by password. Access is limited to the Business Manager, Finance Assistant, Clerical Assistant, Receptionist, Clerical Assistant to the Business Manager and the Part-time Finance Assistant. A separate file server is maintained for the school's administration network to limit further the possibility of access by unauthorised users.

The operating manuals for the finance module are retained in the Business Manager's office.

The voluntary fund transactions are recorded on Rugby High School Unofficial Fund Manager Software, which has single user access rights. These are limited to the Part-time Finance Assistant and the Business Manager and access to the software is only available to them on their designated workstations. The operating manual is kept in the school office.

8) DATA SECURITY

It is the responsibility of the Systems Manager to ensure that the FMS computing system and the Rugby High School Unofficial Fund Manager Software are backed up every day.

There are 2 scheduled backups taken every night:

- a) on a secure network drive in the English Department
- b) on a USB data drive where two devices are used on an alternate basis and one is always stored off-site.

The Systems Manager is responsible for ensuring that data backups are removed from site every evening.

The Systems Manager will check that the backup system is working by making a test reinstatement of data on a half-yearly basis, during the school's Christmas and summer holidays.

9) SUMMARY OF INSURANCE COVER

Insurance cover is arranged on behalf of the Governing Body through the Warwickshire County Council Schools Insurance Service.

The insurance cover will be reviewed at regular intervals which should be at least annually and is monitored by the Finance and Premises Committee to ensure Best Value and that the amount of cover is adequate.

10) BUDGET

a) BUDGET PLANNING

- i) Budgets are completed in order to ascertain if sufficient monies are available for the school to fund the activities that are believed necessary for the school to carry out its SIDP (Single Integrated Development Plan).
- ii) An annual budget and a 3 year budget are required. The annual budget is an absolute requirement as part of the LA's own budgeting arrangements and should be prepared in consideration of the longer-term financial plan, taking into account issues in the SIDP including forecasting of pupil and staffing numbers and longer-term improvement and development plans.
- iii) The initial budget for the new financial year is prepared having regard to input from the individual standing committees, the Business and Estates Manager and zero-based bids from Heads of Departments.
- iv) The annual budget will then be considered by the Finance Standing Committee and then presented to the Governing Body before the start of the financial year for final approval and adoption. (At this stage the budget may still be provisional and awaiting notification of final grant by the DofE: once notification has been received, the final budget can then be presented for approval as previously outlined). The presentation of the budget needs therefore to be clear and it should aid transparency. It should also follow statements laid out in the DofE Consistent Financial Reporting (CFR) format.
- v) The budget will reflect the school's objectives towards the provision of the curriculum including the provision of staff, educational resources and the maintenance and development of the school site and should take account of the priorities identified in the Single Integrated Development Plan (SIDP).
- vi) The process of setting the school budget for the forthcoming year will be based on the funding allocation from the Local Authority (LA) and the Learning and Skills Council (YPLA), and will involve balancing the income and expenditure over all the budget headings appropriate to the school, as detailed in the current Consistent Financial Reporting (CFR) structure designated by the DofE. The allocation of the budget, within CFR requirements, will enable the responsibility for control of separate functions and activities to be delegated to designated persons within the school's scheme of delegation.

vii) Consideration will be given to including a contingency sum in the budget, if feasible, to cope with changes due to the uncertainty of financial projections.

viii) The budget for the forthcoming year will be projected forward on a medium-term basis of at least three years.

b) BUDGET CYCLE – LA and LSC (YPLA)

(a) Note: LA budget year April to March
1. LSC (YPLA) budget year August to July
2. School budget year April to March.

ii) September Pupil Count completed on DofE on-line survey site: data used by LSC (YPLA) to inform the formula-funded calculation for the Sixth Form for the following September.

iii) January School Census Collection: data used by LA to finalise the formula- funded calculation of the Direct School Grant for the forthcoming year.

iv) No in-year adjustments of funding.

December LSC (YPLA) advise Sixth Form funding for the forthcoming year April to March and indicative funding for the following two years
January LA advise Indicative 11 to 15 funding for year April to March and for

(a) two successive years.

March LA advise final budget, incorporating LSC (YPLA) funding, for year April to March.

c) BUDGET CYCLE – SCHOOL

i) The initial budget for the forthcoming financial year will be prepared by the Headteacher and Business Manager during January/February taking account of the curricular aims and objectives of the school and priorities in the SIDP, and having regard to funding bids for educational resources, maintenance of premises and other occupancy costs compiled by Heads of Department.

ii) The budget will be allocated in accordance with the requirements of Consistent Financial Reporting. An effective annual budget is completed as a result of careful examination of what likely income and expenditure will be available to the school.

iii) There are 2 main sources of income:

- (1) The LA Resource Budget (I01 & I03-I04/I14) which is based mainly on the PLASC return produced termly and is based on pupil numbers in January
 - (2) The LSC (YPLA) Post-16 Budget (I02) which is based on pupil numbers in September.
- iv) There are 3 other sources of income:
- (a) Standards Fund (I05)
 - (b) Other Grants (I06-I07)
 - (c) Other Income (I15-I17)
- v) The Expenditure Budget is categorised into 4 sections:
- (1) Staffing: Teaching (E01-E02 & E26), support staff (E03-E07) and other employment costs (E08-E11).
 - (2) Occupancy Costs (E12-E18)
 - (3) Learning Resources (E19-E21)
 - (4) Other Costs (E22-E25 & E27-E30)
- (5) (Numbers in brackets refer to the CFR Expenditure Codes).
- vi) Income will be determined from information on grant funding provided by the LA/LSC (YPLA) and from best estimates of school-generated income based on current and previous year records, having considered the reliability of any income source continuing in the future.
- vii) The budget for staff salaries, which accounts for around 90% of the school's delegated budget, will be based on the current staffing complement, taking account of known and anticipated pay awards, staff changes and the need to deliver a broad and balanced curriculum.
- viii) The budget for recurrent spending on educational resources for curriculum departments will be based on an agreed formula. Heads of Department will submit bids for their estimate of recurrent spending needs and for development spending linked to the SIDP. Central budgets will be allocated for whole-school projects identified by the SIDP.
- ix) The budgets for premises maintenance and other occupancy costs will be prepared having regard to previous experience, anticipated commitments, known future pricing information and priorities identified by the SIDP.
- x) The accumulated costs from all sources will be matched against anticipated income to arrive at a balanced budget. In order to achieve this target it may be necessary to seek cost savings. Where possible a contingency sum will be budgeted to deal with unforeseen circumstances.

xi) The initial budget will be presented to the Finance and Premises Standing Committee for approval at their meeting in March prior to final adoption by the full Governing Body at their meeting later in the same month.

xii) The agreed budget will be submitted to the LA before the beginning of the financial year on 1st April, or as soon as possible thereafter.

11) BUDGET CONTROL AND REVIEW

- a) The Headteacher will have overall responsibility for the control of the budget and this will be exercised under her direction on a day-to-day basis by the Business Manager.
- b) The budget will be allocated to Heads of Department and other budget holders who will be responsible for the routine control and monitoring of their expenditure. They will be assisted in this by the Finance Office staff who will be available to provide information when required.
- c) The process of budget review will be continuous and detailed reports of their spending and outstanding commitments will be produced for budget holders on a half-termly basis, or as required.
- d) Variances will be reported to the Finance and Premises Committee.

12) BUDGET MONITORING AND REPORTING

- a) Overall responsibility for the control of the budget will be delegated to the Headteacher and this will be exercised under her direction on a day-to-day basis by the Business Manager.
- b) The sums of money agreed in the budget will be allocated to Heads of Department and other budget holders and they will be responsible for the routine monitoring of their expenditure and anticipated income. They will be assisted in this by the Business Manager and Finance Office staff who will be available to provide information when required.
- c) The process of budget review will be continuous. Detailed reports of income, spending and outstanding commitments will be provided to individual budget holders on a half-termly basis, or as required. This will enable them to monitor transactions to ensure that they do not exceed the spending budget allocated and to query any discrepancy with the Business Manager. Any concerns about possible future problems of staying within the budget allocated should immediately be raised with the Business Manager.

- d) As part of the continuous monitoring process, financial reports extracted from the SIMS finance package will be monitored by the Business Manager and reported at the monthly Senior Leadership Team (SLT) meeting attended by him. The SIMS finance reports will also form the basis of the detailed periodic reports made to the meetings of the Finance Standing Committee at which any variances to the anticipated budget will be reported and explained. Condensed finance reports will also be tabled for information and comment at meetings of the full Governing Body.

13)BANK ACCOUNTS

- a) The opening, and closing, of any bank account will be authorised by the Governing Body which will set out the arrangements covering the operation of the accounts, including transfers between accounts and cheque signing arrangements. The operation of BACS facilities and, if applicable, school credit cards, electronic and internet banking will be subject to the same level of control.
- b) Bankers will be advised that no account must be allowed to become overdrawn since maintained schools are prohibited by the Scheme for Financing Schools from borrowing in this way.
- c) Separate bank accounts will be maintained for the school's delegated budget, share transactions and its Voluntary Account (Rugby High School Unofficial Fund).
- d) The school current accounts listed below are held at Yorkshire Bank, 7-11 High Street, Coventry:
 - 1) Rugby High School – Annual Maintenance Grant
 - 2) Rugby High School – Rugby High School Unofficial Fund.
 - 3) The school deposit account is held at CCLA Investment Management Ltd., COIF Charity Funds, 80 Cheapside, London, EC2V 6DZ.

14) CASH BOOK PAYMENTS

a) Cheques

There will be segregation of duties between those who can prepare and issue cheques, and cheque signatories. Suitable authorised documentation such as invoices or cheque requisitions will accompany all cheques for signature.

All payments through any bank account will be approved in line with the relevant bank mandates as follows:

(1) Public Funds Account

- (a) For payments not exceeding £5000 – any two signatures from
 - (i) Chairman of Governors
 - (ii) Chairman of Finance Standing Committee
 - (iii) Headteacher
 - (iv) Deputy Head
 - (v) Nominated Assistant Heads
- (b) For payments exceeding £5000 – two signatures, at least one of which must be the Chairman of Governors or the Chairman of the Finance Standing Committee, plus one other as mentioned above.
- (c) For salary payments via BACS, in view of the tight timescale, the Headteacher's signature is required or her nominated deputy in the case of absence plus one other as mentioned above.

(2) Voluntary Account (Rugby High School Unofficial Fund)

- (a) For payments not exceeding £5000 – any two signatures from
 - (i) Chairman of Governors
 - (ii) Chairman of Finance Standing Committee
 - (iii) Headteacher
 - (iv) Deputy Head
 - (v) Nominated Assistant Heads
- (b) For payments exceeding £5000 – two signatures, at least one of which must be the Chairman of Governors or the Chairman of the Finance Standing Committee plus one other as mentioned above.

15)CHEQUE REQUISITIONS

Where a payment has to be made on an immediate basis and the school has no credit account facility with that particular supplier, it may be necessary to make a payment by cheque utilising the cheque requisition procedure.

a) Procedure:

- i) Requestor: Complete cheque requisition form and pass to Head of Department for approval
- ii) Head of Department: Review request and supporting documentation and authorise as a necessary cost which is within their budget. Forward approved form to Business Manager for financial approval together with supporting documentation
- iii) Business Manager: Approve that expenditure is within budget, check Head of Department's signature and relevant supporting documents and arrange for cheque to be raised in accordance with the bank mandate
- iv) Finance Department: Raise cheque, recording the cheque number on the requisition form and either:
 - (1) send cheque and relevant order/paperwork to supplier
 - (2) return paperwork and cheque to requestor for onward transmission
 - (3) in the case of expenses, obtain the requestor's signature as a record of receipt.

Any cheque requisition over budget will be returned to the requestor. Any expenditure over budget will require the prior approval of the Headteacher and will be signed by her in place of the Business Manager for processing as above.

16)CHARGE AND CREDIT CARD OPERATION

a) Introduction

These procedures have been produced to provide guidance on the use of school credit/debit cards. Cards have been issued to staff responsible for making purchases where other forms of payment may not be appropriate e.g. purchasing from suppliers who will not accept school bank account cheques, Internet purchases.

b) Limitations on Use

- i) Under no circumstances may the cards be used for personal purchases.
- ii) No PIN numbers will be issued for these cards in order to prevent them from being used to withdraw cash from an ATM outlet.
- iii) Balances must be paid off in full by the payment date.
- iv) The credit limit on the account will be £5,000.

c) Card Management

- i) The cards will be kept locked in the school safe when not in use.
- ii) The usual paperwork in relation to orders must be completed and the purchase authorised by the relevant budget holder before use. Adequate budgetary provision must be available.
- iii) Credit card statements will be reconciled by one of the Finance Officers.

d) Credit Card Company

- i) Best value principles will be used in determining which card company to apply to for an account.

e) Card Use

- i) The card may be used by:
 - ii) The Headteacher
 - iii) The Business Manager
 - iv) The Deputy Headteacher
- v) All users will be required to sign a credit card use agreement.

f) Ordering Goods: Internet

- i) The rights of the consumer differ from country to country. Users are asked to:
 - ii) Check conditions of trading to determine the legal jurisdiction under which the transaction will take place (UK is preferable).
 - iii) Make sure that the transaction is secure. All transactions with a lock symbol are secure, private and tamper proof. For addresses beginning with HTTPS, all information sent to this site is encrypted, protecting it from interception by unintended recipients.
 - iv) Check that a VAT invoice will be supplied.

g) Supporting Paperwork

- i) A print off of the order or the payment voucher must be kept and submitted with the order form so that payments can be reconciled.

Charge cards currently held are:

Sainsbury's fuel card.

Yorkshire Bank Credit Card

17)RECEIPTS/INCOME

a) Grants

- i) All grants are received by direct credit transfer into the nominated bank account.
- ii) The Business Manager reconciles grants receivable as advised by the LA and is responsible for their receipt.

b) Other Income

- i) The Finance Assistants are responsible for the banking of both cash and cheques. The credits are sent to the bank on a weekly basis via an armoured security service. The individual banking bags are held in the safe pending collection.
- ii) Monies received relating to instrumental lessons, lettings and bus fees are reconciled by the responsible persons. Any outstanding debts are brought to the attention of the Business Manager for collection.
- iii) Catering income will be counted and reconciled with the cashless system computer reports and the cash banked by Finance Assistant 1. Each day's takings will be banked separately.
- iv) Cash and cheques, fundraising for charities, school activities etc. are recorded on the Rugby High School Unofficial Fund Manager Software and banked via the armoured security service.

There is also a facility for paying cheques only direct by post into Yorkshire Bank, Coventry and this is used where necessary.

18)BANK RECONCILIATIONS

The school will arrange for bank and credit card statements to be received on a regular basis, at least monthly for current accounts and quarterly for deposit accounts. The bank statements will be reconciled to the cash book on a monthly basis at least. The reconciliation will be undertaken by a member of staff who is not authorised to sign cheques or authorise the use of charge or credit cards. The reconciliation will be reviewed quarterly by the Headteacher.

19) PETTY CASH

- a) Petty cash accounts are administered by the Finance Assistant 1 and by the budget holders for the Art, Sciences, Technology, Examinations and Administration departments in order to pay small-value expenses relating to their curriculum/departmental needs.
- b) All petty cash accounts are maintained on an imprest system with the float being established at a reasonable level taking into consideration:
 - i) Maintaining minimum levels of cash for security purposes
 - ii) Cash balance maintained in safe overnight must be below level covered by current insurance policy
 - iii) Average weekly value of disbursements from petty cash.
- iv) The only amounts normally received into the petty cash account will be to reimburse payments from the petty cash float. Exceptions will be small amounts of monies received for the sale of items to staff, such as a stamp for private mailing. Any other receipts should go through the main cash book rather than petty cash.
- c) Payments from petty cash should be restricted to one-off items or recurring items up to £25 in value. Individual payments in excess of £25 should be authorised by the Head of Department. All payments will be supported by an invoice or till receipt with VAT number to allow the reclaim of tax where appropriate. Wherever possible purchases of routine items should be made from approved suppliers and processed through the purchase ledger. The purchase of individual items costing more than £25 should be made through the usual purchasing procedure. Travel expenses will only be reimbursed by cheque unless there are exceptional circumstances.
- d) Reconciliation of physical cash-in-hand with petty cash records will be undertaken each time reimbursement is made.

20) GOVERNORS' EXPENSE SCHEME, TRAVEL AND SUBSISTENCE

- a) Travel expenditure for Governors and Staff will be reimbursed by cheque at the end of the month in which the expense was incurred providing a properly approved Personal Expense Claim Form is completed.
- b) The main principles for incurring travel costs are that:
 - i) The journey is absolutely essential and is for the benefit of the school
 - ii) The method of travel utilised is the most cost-effective (this may not be the cheapest mode of travel)
 - iii) All items of expenditure listed on the personal expense claim are supported by a properly approved VAT receipt where appropriate
 - iv) Prior approval of the Chair of Governors, Head of Department or Headteacher must be obtained.
- c) The following reimbursement rates will apply to Governors and all members of staff who incur travel or subsistence expenditure whilst performing duties directly attributable to school business.

i) Public Transport

- (1) Reimbursement will be made for ordinary, second class or any cheaper fare available plus any expenditure incurred for seat reservations in exceptional circumstances.

ii) Taxi

- (1) Where no public transport is available or the business is deemed urgent the fare will be reimbursed. In all other cases the expenditure that would have been incurred for the journey by public transport will be paid.

iii) Mileage Rates

- (1) There is a fixed reimbursement rate of 40p per mile (approved mileage allowance payments) for all school business journeys undertaken within a 50 mile radius of school.
- (2) For journeys with a return mileage greater than 100 miles the mileage rate is reduced to 30p per mile for the excess mileage over 100 miles.
- (3) Reimbursement paid for journeys between home and school will be subject to the deduction of PAYE and NIC.

iv) Subsistence Allowance and Overnight Stay

- (1) Reasonable subsistence costs will be reimbursed only where they are part of the cost of travel necessarily incurred or for necessary attendance at a temporary workplace.
- (2) Payment will only be made to reimburse overnight accommodation and subsistence costs wholly, exclusively and necessarily incurred in the performance of duties of employment. The costs must be agreed by the Headteacher in advance of them being incurred.

v) Reimbursement for Interview Expenses

- (1) Travel expenditure will be reimbursed to interviewees in accordance with the details given in the letter inviting them for interview. The amount to be paid will be at the discretion of the Personnel Standing Committee having regard to the journey involved and in any event will not exceed either:
 - (2) Private Car – 20p per mile for return journeys not exceeding 100 miles with 10p per mile for the excess over 100 miles or
 - (3) Public Transport – ordinary, standard or any cheaper fare available supported by a receipt.
- (4) There will be no reimbursement for taxi fares or subsistence unless specifically sanctioned.

21)PURCHASING

The school will ensure that its purchasing procedures and decisions comply with the WCC Contract Standing Orders (CSOs). The following procedures are based on the council's CSOs and have been agreed with Legal Services.

22)PROCUREMENT OF GOODS AND SERVICES

a) Purpose

The Procurement Procedures have been set up to help personnel involved in all routine or recurring purchases of goods or services to:

- i) get value for money
- ii) keep within the law
- iii) maintain standards of conduct
- iv) be fair to suppliers, and
- v) show the public that those involved are honest.

b) Scope

The Procurement Procedures apply to all contracts from outside suppliers unless otherwise agreed by the Governors, Headteacher or Contracts Officer.

- i) A **contract** is any agreement to provide goods, work or services in exchange for payment. This includes:
 - ii) placing orders of any value
 - iii) loan or leasing arrangements
 - iv) employing outside experts or consultants under contracts for services, and
- v) **Supplier** means any person or organisation providing the goods, work or services.

c) Principle

As a general principle all routine or recurring purchases of goods or services **must** be made by the approved Purchase Requisition procedure set out in the following sections.

It is a general requirement that all necessary paperwork is completed **and** approved before any commitment is given to purchase goods or services.

d) Responsibilities

- i) **The Governing Body** is responsible for ensuring that:
 - (1) the school's Procurement procedures, all relevant UK laws, and financial regulations and budgetary control processes are followed.

- ii) **Governors** should also:
 - (1) obtain legal, financial and other advice where necessary
 - (2) ensure that the school has appropriate systems in place to avoid fraud and corruption
 - (3) keep a list showing those members of staff with responsibility for dealing with purchasing and the extent of their powers, and
 - (4) appoint a Contracts Officer for the school.

- iii) **The Contracts Officer** is responsible for:
 - (1) agreeing with the Headteacher and governors those members of staff in the school who are authorised to agree contracts and the extent of powers of those members of staff and ensuring that a written list is maintained
 - (2) keeping the school's Register of Contracts which will record all contracts valued in excess of £10,000 annually to provide goods, work or services
 - (3) maintaining the staff Register of Interests.

- iv) **Authorised Members of Staff** must:
 - (1) ensure that the Governing Body has given prior approval for any contracts which exceed £5000 and for which they are responsible
 - (2) ensure that they have followed the agreed procedures for letting the contract and that any actions taken are within their powers
 - (3) check that there is enough money in the budget to cover the financial commitment which they are making
 - (4) provide details of the contracts they are responsible for to the Contracts Officer.

- v) **All Staff** must:
 - (1) understand the procedures to be followed when agreeing contracts and ordering goods, work or services for the school
 - (2) declare any interest which could influence their judgement in contracting matters
 - (3) provide details of their interest, their partner's interest, the interest of any immediate members of their family and any changes, to the Contracts Officer to be recorded in the staff Register of Interests.

e) **PURCHASING PROCEDURE**

i) **Purchase Requisitions**

General Requirements

- (1) **All** goods or services to be acquired by the school must be approved by the relevant authority **prior** to the placing of the necessary purchase order. Other than in exceptional

circumstances, which must be agreed by the Contracts Officer in advance, all orders should be in writing, either on the school's official computer-generated order form or its telephone/collection order form. Full permission must be obtained and orders must be signed **before** being placed.

- (2) All requestors should note that, except in an emergency, it will generally take a number of days to process an order after submitting a purchase requisition. It is of fundamental importance that all purchases are processed through the purchase requisition procedure so that each request can be reviewed in an objective manner.

ii) Suppliers

- (1) Identifying Suppliers: The school does not maintain an approved list, but it is the duty of requisitioners to be able to demonstrate best value in their choice of supplier. Using ESPO or County-approved contracts demonstrates that this requirement has been met.
- (2) Evaluating Suppliers: When evaluating suppliers, requisitioners should consider their past performance on similar contracts, their financial situation, technical capacity, experience and expertise and their health and safety record where appropriate.

iii) Obtaining Quotations/Tenders

- (1) The following policy will apply to contracting for the supply of goods and services:
 - (a) For purchases of low-value items below £1000, requisitioners will use their best discretion but must at all times be able to demonstrate best value in their choice of supplier
 - (b) For purchases between £1000 and £5000, comparative pricing will be made. Requisitioners should obtain prices in writing from at least three suppliers and present this information to the Contracts Officer when seeking approval to place the order
 - (c) For purchases over £5000, prior reference must be made to the Finance Standing Committee for approval. The Committee will advise on the appropriate tendering process.
 - (d) Compliance with EU tendering regulations will be ensured where the contract is in excess of the level set by that body.
 - (e) Low-value purchases are deemed to be items costing up to £250, when it would be sufficient to obtain prices from suppliers' catalogues. For higher-value purchases whether of goods or services, individually sourced prices will be necessary.

iv) Selection of Supplier

- (1) The supplier chosen should be the one offering the best value for money solution. In most cases this will be the supplier offering the lowest price.
- (2) In certain circumstances a supplier offering a higher-priced option may be preferred because they offer better value for money. In these situations, a written record should be kept with reasons for not accepting the lowest price.

v) Ordering Goods and Services

(1) Budget Holder/Requisitioner

- (a) complete a Purchase Requisition form with all relevant information
- (b) submit for approval to budget holder, and
- (c) forward approved requisition to Business Manager.
- (d) **in emergency** request telephone/collection order form from Business Manager.

(2) Business Manager

- (a) approve that expenditure is within financial budget constraints
- (b) check approval signatures
- (c) arrange for official order to be raised, or sign telephone/collection order
- (d) record details, as necessary, in Register of Contracts.

(3) Finance Assistant 1

- (a) enter requisition details through SIMS Purchase Ledger system
- (b) check requisition details on SIMS system for accuracy
- (c) authorise and print official two-part order
- (d) record purchase order number on requisition
- (e) return with official order to requisitioner for signature
- (f) despatch signed order to supplier
- (g) enter telephone/collection order onto SIMS and post signed order to supplier

vi) Authorised Signatories

- (1) for contracts up to £1000 the purchase order will be signed by the budget holder
- (2) for contracts between £1000 and £5000 the purchase order will be signed by a member of the Senior Leadership Team who is not the budget holder
- (3) for contracts in excess of £5000, for which prior approval must be given by the Governing Body, the signatory will be either the Headteacher or a governor serving on the Finance and Premises Standing Committee.

23) PAYMENT OF INVOICES

The following procedures apply to the administration process relating to the purchase of goods or services from the approved requisition through to invoice payments:

- a) The Finance Assistant will enter, authorise, print off and despatch the official order direct to the supplier (after obtaining the authorised signature), again on a regular basis. The Finance Assistant will also record the purchase order on the relevant purchase requisition. (These operations should normally be completed within five working days unless otherwise directed.)
- b) Where delivery of an order is made by a carrier, the number of parcels received should be checked against the carrier's sheet before signing. If there is any discrepancy the sheet should be amended and signed accordingly. Deliveries will generally be received by a member of the administration department who should notify the requisitioner of the arrival of the order.
- c) The delivery note must be checked as soon as possible by the requisitioner against actual receipts and any discrepancies identified. Where appropriate a written discrepancy report should be sent to the supplier to record the incident and a copy provided to the Finance Assistant. Delivery notes should be retained by the requisitioner and filed with the original requisition pending matching with the relevant invoice.
- d) Invoices will be entered onto the FMS system and stamped with payment authorisation stamps by the Finance Assistant before being forwarded to the requisitioner of the goods/services to be matched with the relevant delivery notes and purchase requisitions.
 - i) Where there are any discrepancies/damaged goods the invoice should be entered but held pending receipt of the resolution of the problem by
 - (1) Receiving the balance of goods ordered, or
 - (2) The adjusting credit note.
- e) The invoice will only be passed for payment once the relevant goods or credit note has been received.
- f) It is the requisitioner's duty to notify suppliers and resolve any queries with them and to keep the Finance Assistant informed in writing with full details.

- g) The Finance Assistant will authorise the invoice for payment through the FMS Purchase Ledger procedure when it has been fully sanctioned by the requisitioner.
- h) When an invoice becomes due for payment, the Finance Assistant will attach it with all supporting documentation to the proposed payment report. The Business Manager will select a proportion of items shown on the report for additional verification. If these are in order, the Finance Assistant will draw cheques and obtain the necessary signatures. Completed purchase orders will then be filed in numerical order.
- i) Accounts will normally be settled at the end of the month following receipt of the goods unless special payment terms exist eg. settlement discounts or where shorter terms are usual as in the case of utilities.

24)PURCHASING RECONCILIATIONS

- a) The Finance Assistant will be responsible for monthly reconciliation of the Purchase Ledger Control Account.
- b) The Business Manager will be responsible for reviewing this reconciliation on a quarterly basis and obtaining satisfactory answers for items which appear on the reconciliation for more than three months.

25)PAYROLL

The main elements of the payroll system are staff appointments, leavers and contract changes, payroll administration and salary payments.

The school's payroll will be prepared by the Human Resources Department (HRMS) of the LA. The payroll services of the HRMS will be provided as part of the annual services purchased by the school from Warwickshire Education Services.

a) Staff appointments and contract changes

- i) Approval of appointments and changes to contracts will be made in accordance with the arrangements for delegated authority approved by the Governing Body. In particular, a staff member will not be authorised to approve any change to his/her own conditions of employment.

b) Payroll administration

- i) Within the powers delegated by the Governing Body, it will normally rest with the Headteacher to authorise changes to payroll data except where such change is of a trivial nature, for example a change in tax code notified to the school by the Inland Revenue. Changes to the Headteacher's salary should be evidenced by the Chairman of Governors following prior authorisation by the Personnel/Finance and Premises Committees.
- ii) All adjustments to the normal payroll, for example supply teacher payments and overtime, will be paid against claims on the appropriate forms which have been authorised by the relevant head of department. Time sheets and claim forms will be scrutinised by the Business Manager to ensure that they are proper and reasonable. Following calculation of the amounts/hours payable they will be presented to the Headteacher for authorisation.
- iii) Details of personnel changes, provided by the school's HR manager, such as appointments or leavers will be entered by the Business Manager on the appropriate form, provided by HRMS, and authorised by the Headteacher.
- iv) All payments will be made via the HRMS payroll service after deduction of income tax, national insurance and pension contributions and other authorised deductions as appropriate. Advance payments to late starters will be made after the deduction of estimated tax and NIC. Any such payments, which will be minimal, will be recovered via the

payroll in the following month. No payments will be made to casual employees other than via the payroll system.

c) Payments

- i) Salaries will be paid monthly in arrears and payment will be made via BACS direct to the employee's bank account on the last banking day of each month. In exceptional situations where the necessary bank details have not been available, payment may be made by cheque. No cash payments will be made.
- ii) Payroll information will be reconciled by the Business Manager every month, to notified variances and to ensure that only bona fide staff are included. Gross salaries will be entered on a spreadsheet to facilitate exception reporting. Liability for the payment of income tax, national insurance and superannuation contributions will be summarised and paid over by the due dates.
- iii) The Business Manager will present the reconciled information to enable the Headteacher to authorise the payments due to BACS in accordance with the delegated authority approved by the Governors.

26)ASSETS

It is the responsibility of the Senior Leadership Team to control all school assets.

All items in excess of £500 in original cost will be designated a fixed asset and covered by the provisions of this Financial Procedure. In addition items of a lesser value such as desks, other furniture, calculators and other electrical equipment will also be covered by this procedure.

A record will be maintained by departments of all items of fixed assets contained therein and a whole school register is held by the Clerical Assistant to the Business Manager.

a) IT Equipment

- i) It is the responsibility of the IT department to record details of all IT equipment held throughout the school including details of serial numbers, security markings and location. This equipment includes whiteboards and workstations and in particular laptops. Details will be kept to whom the equipment is personally allocated, its whereabouts and in the case of department stocks, e.g. SENCO, a record should be kept of the designated holder along with signed receipts for the equipment.

b) Asset Acquisition

- i) The acquisition of any substantial fixed asset should first be approved by the Governors and is likely to be the subject of a capital bid or formula allocation bid.

c) Asset Disposal

- i) The disposal of any substantial fixed asset can only be approved by the Governing Body in full meeting. Assets will only be disposed of under the following circumstances:
 - (1) They have no financial value and have not been used for at least 12 months.
 - (2) They have been replaced
 - (3) They are a hazard to health or safety
 - (4) They are no longer of use to the school.
- ii) The Senior Leadership Team will prepare a list of items to be disposed of and give the reason for the disposal. The list will be approved by the Headteacher and presented at the next available Governors' meeting for full approval.

- iii) The Senior Leadership Team will arrange to dispose of the assets and obtain the best available price (if any worth is attached to the disposed assets). Where no value is attached then the Senior Leadership Team will arrange for the assets to be disposed of or given free of charge to any charitable organisation/school which may be able to make use of them.

27)INCOME

a) Lettings

- i) Daily control of School Lettings is the responsibility of the Administrative Assistant 2, under the direction of the Premises Manager, who is authorised to negotiate fees within the limits determined from time to time by the Premises Standing Committee.
- b) The following procedure is followed when lettings are taken:
 - i) When an enquiry is received an Application for the Use of Premises Out of Normal Hours Form, Price List and Conditions for the Use of Premises Out of Normal Hours Form are sent to the applicant for completion. All enquiries are recorded and progressed by the Receptionist.
 - ii) Payment is due 14 working days before the booking date. At least 21 days before this the Receptionist raises an invoice and this is sent together with a Confirmation of Hire Form stating the due date for payment.
 - iii) For single lets at short notice an invoice will be raised immediately and the hirer is required to pay the amount due in full prior to the let.
 - iv) For ongoing long-term arrangements, the Premises Manager may agree special charging fees.
 - v) Regular users will be invoiced in advance with payment due 14 days from the date of invoice.
 - vi) Invoices are raised by the Administrative Assistant 2.

c) Instrumental Lessons

- i) The school will make a charge, at a fee to be reviewed and agreed annually by the Governors, for the provision of instrumental tuition. This fee will be to recover the charge set by the County Music Service.
- ii) The Head of Music will arrange the lessons and advise the Clerical Assistant to the Business Manager who will maintain sufficient records to register those who are receiving lessons and enable the charge to be raised.
- iii) Lessons will be invoiced once per academic year, covering three terms and will be paid by standing order.
- iv) Families on Working Tax Credit may apply for financial assistance from the Governing Body.
- v) If the instrumental teacher is absent adjustments will be made but charges will apply if the pupil misses a lesson.
- vi) Half a term's notice is required to cancel lessons.

d) Buses

- i) The school will arrange to provide a bus service, for travel to school, for out of district students, who live in the Daventry area and South Leicestershire villages, subject to there being sufficient demand.
- ii) The school will make a charge, at a fee to be reviewed and agreed annually by the Governors and this fee will be set to recover the costs of providing the service.
- iii) One invoice will be raised in the Autumn term to cover the annual cost and payment by standing order will be encouraged. Consideration will be given to offering a discount for early settlement in full of the annual charge.
- iv) No other concessions will be granted for assistance towards the use by students of this service.

28)DEBTOR CONTROL

- a) It is essential that the school retains strict control of outstanding debtor balances. Ultimate responsibility rests with the Business Manager assuming delegated operational responsibility.
- b) All cash received in respect of lettings and miscellaneous billings will be banked by the respective finance officers.
- c) Invoices are generally payable within 14 days of issue.
- d) The Business Manager will have full authority in respect of both of these actions.
- e) The Business Manager will be responsible for the collection of outstanding accounts after consultation with the respective finance officers. The debtor will be given a further 14 days to remit full payment. Failure to do so will result in withdrawal of facilities pending repayment programmes being put in place and consideration of legal action for the recovery of the outstanding balance.
- f) A report of serious debtor problems will be made to the Finance Standing Committee and if necessary to the Governing Body.

29) RUGBY HIGH SCHOOL UNOFFICIAL FUND

a) Background

This policy outlines the procedures adopted by the Governing Body of Rugby High School on the management and administration of unofficial funds. Unofficial funds are those monies which do not belong to the County Council but which schools are accountable for or have involvement with in the course of raising academic standards.

- i) The unofficial fund exists to receive income from:
 - (1) Annual voluntary contributions requested from parents
 - (2) Ad hoc donations received from supporters of the school
 - (3) Charity funds raised by students
 - (4) Other monies raised by students for specific projects
 - (5) Other monies received which are not attributable to the County Council.

- ii) Expenditure from the unofficial fund will be made:
 - (1) To support the raising of academic standards under guidance from the Governors' Committee established for the purpose
 - (2) In accordance with specific instruction from donors
 - (3) To pay over monies raised for specific purposes
 - (4) Other expenditure approved by the Governors Committee.

b) Summary of General Requirements

- i) The Governing Body has management and administration measures in place to ensure:
- ii) that an appropriate financial and managerial framework is in place,
- iii) that unofficial fund bank accounts are clearly titled, contain the wording 'Rugby High School' and do not contain reference to WCC or any individual,
- iv) that a minimum of two people sign cheques, and that cheques are never pre-signed under any circumstances,
- v) that bank accounts are reconciled frequently to the School Fund Manager (SFM) and never go overdrawn,
- vi) that all income is recorded and banked promptly and in total (i.e. that payments are not made from cash received prior to it being banked)
- vii) that appropriate and accurate financial records are maintained to account for all transactions,
- viii) that all cash is counted and reconciled in the presence of two people
- ix) that receipts/invoices are retained in support of all payments and that accounting records are kept for six years plus the current year,
- x) that unofficial funds are kept completely separate from the school's other official funds,

- xi) that accounts are audited or certified independently,
- xii) that under no circumstances should monies collected, either for official or unofficial funds, ever be paid into personal accounts,
- xiii) that all relevant staff are aware of this policy.

c) Financial and Managerial Framework

As the Governing Body is aware that financial control extends beyond the routine systems for income collection and payment of invoices, the school has adopted the following controls within which transactions take place.

i) Type of Fund

Rugby High School's fund falls within the category of 'large funds' because it has an annual income or expenditure of £10,000 or more or a year-end balance of more than £2,000.

ii) Governors Committee

- (1) The school has a Governors Committee in place who exercise overall management of the funds but take no part in any day to day transactions. Their responsibilities are to:-
 - (a) monitor income and expenditure on at least a quarterly basis,
 - (b) establish authorisation procedures and delegated limits,
 - (c) authorise major expenditure (in excess of £1,000 for a single item or in excess of £5,000 for a series of items on the same order in-principle before it takes place)
 - (d) approve the audited/certified year-end accounts on an annual basis,
 - (e) appoint the Fund Secretary
- (2) Members may canvas the opinion of beneficiaries and/or donors where they feel it necessary before making key decisions.
- (3) When arranging the duties of staff in relation to the activities of the fund, the Governors Committee ensures that no one is able to carry out all aspects of a transaction without authorisation from the person responsible for the activity. Duties are separated to ensure that the responsibilities of one person are automatically checked by another, thus reducing the potential for error or any misuse of funds. The administrator for the fund is not a cheque signatory.

iii) Fund Secretary

The Fund Secretary, appointed by the Governors is responsible for arranging and minuting the meetings of the fund management committee.

iv) Fund Treasurer

The Business Manager acts as the Fund Treasurer with responsibility for managing the fund's finances including banking facilities, cash security and for producing a year-end statement of accounts. The Fund Treasurer

is accountable to the Governors Committee and provides feedback on all financial activities.

The Fund Treasurer is also responsible for ensuring there is an appropriate 'management trail' meaning that each transaction is documented in some way to show the various stages of the accounting process. For example, that there are records of income collected, and a receipt given when requested. Also ensuring that all entries are made in the SFM with the bank paying-in book clearly showing when income is banked.

d) Audited Accounts

The accounts are prepared by the Fund Treasurer and will be verified by an appropriate independent professional annually.

e) Financial Administration

i) Bank Accounts

- (1) The unofficial fund bank account name is 'Rugby High School – School Fund Account'.
- (2) There are at least two signatories to the accounts, i.e. each cheque is signed by two people. The Governing Body acknowledge that it is preferable for there to be a minimum of three signatories with any two to sign and that cheques are never pre-signed by signatories. Those authorised comprise Head, Deputies and an Assistant Head.
- (3) Bank accounts are reconciled frequently (at least monthly) with SFM, and any queries followed up immediately.
- (4) Any deposit accounts and investment accounts relating to the fund will be subject to the same controls as current accounts.

f) Receipts

- i) All income is recorded using School Fund Manager software. Receipts are provided on request.

g) Counting Cash

- i) Where cash needs to be counted and reconciled, two people will be present. If the amount of cash counted exceeds £500, both people must agree and sign the records/banking slip.

h) Banking Arrangements

- i) Income is recorded in SFM and banked promptly. All cash and cheques are recorded. Records are kept to identify those paying by cheque and those paying by cash.

j) Income from Events

- i) Where events such as fetes or functions have an admission charge, pre-numbered tickets or programmes are issued. A record of the number of tickets sold and the cash received is kept which is then

checked and signed by two people. The income is compared to the tickets sold.

k) Personal /Official Funds

- i) Personal money is kept entirely separate from unofficial fund money and under no circumstances are personal cheques cashed via the fund. Official monies are also kept entirely separate from unofficial funds.

l) Donations

- i) Donations are clearly identified in SFM with a description (where required) of what the money can be spent on. This money will only be spent as intended by the donor and the expenditure always made clearly identifiable in the ledger.

m) Expenditure

- i) Payments are made by cheques or creditcard, wherever possible. Where payments have no other option than to be made in cash, full details are kept including receipts, which account for the money spent.
- ii) Where cash is issued, it is signed for by the recipient and the reason recorded. Appropriate authorisation is always obtained before a payment is processed, full details of payments are made available to the cheque signatory when they are requested to sign cheques.

n) Accounting Records

- i) Financial records are maintained to account for all transactions, particularly money paid into the bank. The cashbook highlights all income and expenditure which enables the production of year-end accounts and the preparation of statements on the costs of individual events/trips/sales etc.
- ii) All entries are supported by documentary evidence such as statements of income collected, paid invoices, bank credit reference numbers. SFM is updated regularly.

o) Bank and Petty Cash Reconciliations

- i) Bank statements are reconciled to the transactions in the cashbook on a regular basis, usually monthly. This involves matching all the individual items of income and expenditure to the items on the bank statement and agreeing back to the balance held at the bank at a specific date.
- ii) If a cheque is not presented within six months it becomes out of date and cancelled in due course. The amount is consequently deducted from the expenditure side of the cashbook.
- iii) Regular reviews of current accounts are undertaken on a monthly basis to ensure that excessive balances do not build up and that the funds are never allowed to become overdrawn.

p) **Final Accounts and Auditing Arrangements**

- i) WCC Internal Audit is also responsible for carrying out investigations into suspected fraud and irregularities. This includes investigations into unofficial funds managed or administered by staff. Any suspected irregularity will therefore be reported to the Internal Audit and Risk Manager. The person verifying the unofficial fund accounts should be independent, ideally with a recognised accounting qualification, at the very minimum, Association of Accounting Technician qualified (AAT).

q) **Supporting Documentation and retention of records**

The Governing Body complies with current legislation in that all organisations are required to keep complete accounting records for six years plus the current year.

r) **Income Tax and National Insurance**

Unofficial funds should avoid engaging and employing staff.

s) **VAT Registration**

Normally, the turnover of unofficial funds does not exceed the VAT threshold for registration purposes. In these circumstances, schools do not need to account for VAT. If the taxable turnover is expected to exceed the current VAT threshold of £61,000 the school will seek advice about possible registration.

t) **Gift Aid Scheme**

The Governing Body of Rugby High School is a corporate body with exempt charitable status. (Registered number X53636).

The Gift Aid Scheme enables governors to increase the value of monetary gifts from UK taxpayers by claiming back the basic tax paid by the donor. This will be reclaimed on an annual basis (fiscal year) in accordance with the Gift Aid Scheme rules currently in force.

u) **School Trips**

All school trips should be of an educational nature, to comply with the Education Visits Regulations and will not be accounted for through school funds. All transactions are therefore recorded through the school's financial management system. Cash received for these trips is official money and **will not be** banked into the school's unofficial funds.

v) **Insurance**

WCC general insurance does not cover liability for school funds. The school will therefore make its own arrangements.

30)SCHOOL TRIPS

- a) Before planning any school activity, journey or trip, staff must consult the School Guidelines for Off-Site Activities and ensure that all the necessary details are provided. The proposal form should be submitted to the Headteacher for approval before any trip is publicised to the students.
- b) Once approved, trip monies may be collected and banked in the Rugby Public Funds Account. Sums of money that accrue when pupils are saving for trips are held by the school on behalf of them and come under the responsibility of the Governing Body. Staff are not permitted to operate Bank or Building Society accounts for school purposes.
- c) Finance staff will be responsible for maintaining detailed records of all receipts they make to the Rugby Public Fund and payments will only be made through the Finance Office. The Trip/Activity Costing and Reconciliation form will be completed at the end of the activity to be signed by the Headteacher, with an explanation provided for any major financial variance. All records maintained should be capable of being audited.

31) VALUE ADDED TAX (VAT) AND OTHER TAXATION

a) VAT status

- i) The supply of education by an eligible body for a fee or other form of payment is exempt from VAT. Eligible bodies include schools (Rugby High School) and local authorities (Warwickshire County Council). Schools do not generally make a charge for the education they provide and for the most part education is non-business and outside the scope of VAT.
- ii) The school may be involved in other activities beyond the provision of education which may constitute the supply of goods or services in the course of furtherance of business.
- iii) Since the school's expenditure is funded by the LA, there is no requirement for the school to be separately registered for VAT (from the LA) in relation to its normal educational activities.

b) VAT liability on income related to the provision of education

- i) Charges made by the school for education, for example peripatetic music tuition, will be exempt from VAT.
- ii) The school may charge for goods or services that are closely related to the provision of education. Closely related refers only to goods and services which are for the direct use of the pupil and are necessary for delivering education to the pupil. As an eligible body the school will treat as closely related any accommodation, catering, transport, school trips and field trips it provides.
- iii) The provision of these services is not exempt and is potentially taxable supplies, but as they are closely related to the education provided, and are sold to the pupils at or below cost, they are non-business and are thus outside the scope of VAT.

c) Sales of stationery and materials

- i) The sale of educational materials to students will only be made as part of a course of education. Any such sale will be made at or below cost. In these circumstances the sale will be outside the scope of VAT.

d) Sales of Musical Instruments

- i) The sale of musical instruments to students will only be made provided that the instrument is portable and closely related to the education being provided and the student is receiving education from the LA. The instrument will be ordered and paid for by the school and sold to the parent at or below cost without the addition of VAT. The sale proceeds must be banked in the school's official fund.

e) Catering sales

- i) The provision of catering to students is outside the scope of VAT where it is an incidental part of education and where it is provided at or below cost, otherwise it is standard-rated.
- ii) Catering sales to staff and visitors, other than students or other educational establishments, will be taxable. Only meals provided free of charge will qualify as outside the scope of VAT as non-business income.
- iii) The sale of food and drink from vending machines is part of the provision of catering to students and will be outside the scope of VAT when made in connection with education.

f) Accommodation and lettings

- i) The letting of rooms and facilities will generally be exempt from VAT. The letting of sports facilities will only be exempt when certain conditions are met, the main exemptions being that the let is for a series of ten connected sessions, over a defined time scale and paid for as a whole, or a single let for a continuous period exceeding 24 hours, or the facilities are let for purposes other than sport, such as a political or religious meeting.

g) School trips

- i) School visits, holiday, sporting and recreational courses are included in the definition of education and therefore contributions from parents will be outside the scope of VAT provided that these are charged at or below cost.
- ii) Where the school utilises the services of a travel company, the school will be acting only as agent collecting and holding school journey money on behalf of pupils.

h) Donations and grants from third parties

- i) The receipt of a donation or grant from a third party, including lottery grants, will be outside the scope of VAT provided that the school does not reciprocate by providing something to the donor in return.
- ii) Parental contributions to the voluntary Rugby High School Unofficial Fund will be outside the scope of VAT.

i) Sponsorship received

- i) Sponsorship will be treated as a donation where the sponsor's support is freely given and secures nothing in return. Sponsorship can be in the form of money, goods or services.

j) School photographs

- i) The school will utilise the services of a photographer who sells the photographs directly to the students/parents. In such circumstances, any commission received by the school will be treated as taxable.

k) Telephone income

- i) Income from a payphone or from private telephone calls will be treated as taxable for VAT purposes.

l) Transport from home to school and back

- i) The provision of transport for a charge in a vehicle designed to carry 12 or more passengers from a home collection point to school and back will be a zero-rated supply of transport. The supply of such transport to the school, if purchased from a third party, will also be zero-rated.

32)PAYE TAX SYSTEM

RHS is a foundation school and the Governing Body is therefore the employer. The school pays salaries and related employment costs direct from its local bank account. The school employs the payroll services of the HRMS to calculate the salaries and related employment costs as part of the annual services purchased by the school from Warwickshire Education Services. Even where the administration of the payroll is contracted out to such a service provider, the responsibility for accurate administration between the employer and the Inland Revenue rests solely with the school. Salary records will be kept for a minimum of six years.

- a) The obligation to collect income tax and national insurance contributions will be fulfilled by an effective payroll system. Governors utilise the payroll services of Warwickshire Education Services in order that this will be achieved.
- b) Deductions made under the PAYE system, together with the employer's contributions, will be remitted to the Inland Revenue by the 19th day of the month following their collection.
- c) The school will be responsible for keeping records of all staff showing for each their individual gross pay, tax code, deductions and net pay.
- d) The school is responsible for ensuring that the appropriate end of year returns are made to the Inland Revenue and that the employer's annual statement of deductions certificate is completed and returned by 19th May following the tax year.

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