



# **Lincoln Christ's Hospital School**

## **Financial Handbook**

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## **1. Introduction**

1.1 The purpose of this handbook is to ensure that Lincoln Christ's Hospital School maintains and develops systems of financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

1.2 Lincoln Christ's Hospital School must comply with the principles of financial control outlined in the "Academies Financial Handbook" published by the DfE each year which outlines both statutory and regulatory guidance. This handbook expands on that and provides detailed information on the academy's accounting procedures and systems and as such should be read by all staff involved with financial systems.

## **2. Organisation**

2.1 The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. Detailed roles, responsibilities and delegated authorities are specified within the academy's Scheme of Delegated Authority which has been approved by the Governing body. This document should be read in conjunction with these financial regulations. The financial reporting structure is illustrated below.

### **The Governing Body**

2.2 The governing body has overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the DfE and in the academy's scheme of governance. The main responsibilities include:

- Ensuring that grant from the DfE is used only for the purposes intended.
- Approval of a written Scheme of Delegation of its financial powers and duties to the Finance Committee, Headteacher, Principal Finance Officer and other staff.
- Set and approve budget virement and expenditure thresholds, signatories for cheques, bank forms and DfE returns.
- Ensuring that the grant is used only for the purposes intended.
- Approval and monitoring of the annual budget.
- Approval of the academy's Financial Plan and Development Plan
- Approval and implementation of the academy's Risk Management Plan.

## **The Finance Committee**

2.3 The Finance Committee is a committee of the governing body. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance Committee are detailed in the written terms of reference contained within the Scheme of Delegated Authority. The main responsibilities include:

- The initial review and authorisation of the annual budget.
- The regular monitoring of actual income and expenditure against budget.
- Ensuring that the annual budgets are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies.
- Authorising the award of contracts in accordance with the Scheme of Delegated Authority.
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

## **The Headteacher**

2.4 The Headteacher acts as the chief executive and is the named accounting officer. He has delegated powers and functions in respect of internal organisation, management and control of Lincoln Christ's Hospital School, the implementation of all policies approved by the governing body and for the direction of teaching and the curriculum. Within the framework of the academy development plan as approved by the governing

body, the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Principal Finance Officer but the Headteacher still retains responsibility as detailed within the Scheme of Delegated Authority:

- Approving new staff appointments within the authorised establishment and the dismissal of staff other than Deputy Headteachers.
- Developing a Risk Management Strategy for approval by the full Governing Body. Maintaining and regularly reviewing the Academy's Risk Register.
- Preparing an annual budget plan in consultation with the Principal Finance Officer for consideration by the Finance Committee at least two months before the start of the financial year.
- Establishing sound internal financial controls which are managed on a daily basis.
- Strategic overview to ensure compliance with financial regulations and procedures.
- Leading and managing the creation of a strategic plan (the Academy Development Plan) underpinned by sound resource planning.

The Headteacher's delegated limits are:

- Budget virement of £20,000 or less. The Finance Committee will be provided with a detailed statement of virements approved by the Headteacher.
- Authorising orders and contracts between £1000 and £5000 in discussion with the Principal Finance Officer
- Authorising orders and contracts between £5000 and £25,000 in discussion with the Principal Finance Officer after three quotations have been obtained.
- Signing cheques and BACs payment listing in conjunction with the Principal Finance Officer or other authorised signatories.
- Disposal of assets up to £2,000. The Finance Committee will be provided with a detailed statement of disposals approved by the Headteacher

### **The Principal Finance Officer**

2.5 The Principal Finance Officer (PFO) works in close collaboration with the Headteacher through whom he is responsible to the governors. He is responsible for the strategic leadership and development of the resource and business functions of the academy. The Principal Finance Officer also has direct access to the governors as an observer on the Finance Committee. The responsibilities of the Principal Finance Officer

are detailed within the Scheme of Delegated Authority. The main responsibilities of the Principal Finance Officer are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the academy financial position at a strategic and operational level within the framework for financial control determined by the governing body and Headteacher;
- the maintenance of effective systems of internal control;
- establishing, monitoring and evaluating the effectiveness of all financial systems, policies and procedures, reviewing and refining as necessary;
- monitoring the academy's actual spend against forecast;
- ensuring all financial activities comply with the academy's Financial Regulations and procedures;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- preparation of monthly I & E reports for members of the Finance Committee;
- authorising orders over £1000 in conjunction with the Headteacher;
- ensuring that best value principles are applied to all appropriate purchasing orders
- signing cheques and BACs payment in conjunction with the Headteacher and other authorised signatories;
- ensuring that all cash is safely secured in the school safes or taken to the banks following necessary risk assessments;
- he is responsible for the use of the two debit cards and the 2 school charge cards ( Estate Manager and the Principle Finance Officer)
- providing financial information to the Responsible Officer, Internal Auditors and External Auditors as required;
- responsible for the coach and the two minibuses both their use/ income generation and their service;
- ensuring that all forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

### **The Responsible Officer**

2.6 The Responsible Officer (RO) is appointed by the governing body and provides governors with an oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:

- The financial responsibilities of the governing body are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner.
- Sound systems of internal financial control are being maintained.
- Financial considerations are fully taken into account in reaching decisions.

The RO will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each review will be presented to the Finance Committee and in turn to the full governing body.

### **Other Staff**

2.7 Other members of staff will have some financial responsibilities. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

2.8 Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with Financial Regulations.

2.9 Any member of staff as a budget holder is responsible for checking and certifying statements of income and expenditure against their delegated budget and for reporting any actual or potential overspending to the Headteacher. Any errors or irregularities should be reported to the Headteacher and Principal Finance Officer.

2.10 Budget holders are authorised to receive and check goods.

2.11 A copy should be kept of the specimen initials and specimen signatures of all budget holders.

### **Register of Interests**

2.12 It is important that anyone involved in spending public money is able to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all governors and all staff who are budget holders are required to declare any financial interests they have in companies or individuals from whom the academy may purchase goods or services. This register is open to public inspection and the register of interests for the school governors will be shown on the school website.

2.13 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.

2.14 The register of interests should be presented to the governing body on an annual basis.

2.15 The register of business interests does not detract from the duties of governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, governors and staff should not attend that part of any committee or other meeting

### **3. Accounting System**

3.1 All the financial transactions of the academy must be recorded on the "Resource 32000" accounting system as supplied by "Civica". The academy payroll is contracted out – at the present time this is with "Mouchel". The accounts are audited by "Streets and Co" who tendered for the work over a three year period (2014/2015 to 2016/2017)

#### **System Access**

3.2 Access to Resource 32000 is password restricted and the Principal Finance Officer is responsible for implementing a system which ensures that passwords are changed on a regular basis and not shared.

3.3 Access to the component parts of Resource 32000 can also be restricted and the Principal Finance Officer will set access levels for all members of staff using the system.

### **Back-up Procedures**

3.4 The network manager is responsible for ensuring that there are effective back up procedures for the system.

3.5 A hard copy of the nominal ledger and audit trail are printed each month and stored separately.

### **Transaction Processing**

3.6 All transactions input to the accounting system must be authorised in accordance with the procedures in this manual. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the manual. Bank transactions should be input by the Principal Finance Officer/Finance Assistant and should be checked and signed by the Headteacher.

3.7 Detailed information on the operation of Resource 32,000 can be found in the user guides in the Finance offices.

### **Transaction Reports**

3.8 The Principal Finance Officer will obtain and review system reports to ensure that only regular transactions are posted to the accounting system.

### **Reconciliations**

3.9 The Principal Finance Officer is responsible for ensuring the following are reconciled each month and that any reconciling or balancing amounts are cleared:

- sales ledger control account
- purchase ledger control account
- bank balances per the nominal ledger to the bank statements.
- Payroll control account

3.10 Any unusual or long outstanding reconciling items must be brought to the attention of the Headteacher. The Principal Finance Officer will review and sign all reconciliations as evidence of this review.

## **4. Financial Planning**

### **Annual Budget**

4.1 The Principal Finance Officer is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Headteacher, Finance Committee and the governing body.

4.2 The approved budget must be submitted to the DfE by the required deadline each year and the Principal Finance Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensure that the submission date is met.

4.3 The annual budget will reflect the best estimate available to the academy for the forthcoming year and will detail how these resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

4.4 The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of students to estimate the amount of DfE grant receivable;
- review of other income sources available to the academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the academy cost base;
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost eg pay increases, inflation and other anticipated changes;
- Identification of potential efficiency savings.

### **Balancing the budget**

4.5 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and

expenditure are in balance. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

### **Finalising the Budget**

4.6 Once the different options and scenarios have been considered, a draft budget should be prepared by the Principal Finance Officer for approval by the Headteacher, the Finance Committee and the governing body. A final budget should be approved in the same way at a later stage. The final budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

4.7 The budget should be seen as a working document which may need revising throughout the year as circumstances change. It should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action.

### **Monitoring and review**

4.8 I & E reports should be prepared by the Principal Finance Officer and the Finance Assistant and sent to the Headteacher and members of the Finance Committee on a regular basis. Monthly reports should also be given to each person responsible for a budget.

4.9 Any potential overspend against the budget must in the first instance be discussed between the Principal Finance Officer/Headteacher/Chair of Finance Committee.

4.10 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate.

## **5. Payroll**

### **Staff appointments**

5.1 The governing body has approved a personal establishment for the academy which includes teaching and non-teaching members of staff. Changes can only be made to this establishment with the approval of the Finance Committee in the first instance who must ensure that adequate budgetary provision exists for any establishment changes.

5.2 The Headteacher has the authority to appoint staff within the authorised establishment except for Deputy Headteachers whose appointments must follow consultations with the governors. The Headteacher/Human Resources Manager maintains files for all staff which includes contracts of employment.

### **Payroll Administration**

5.3 The academy payroll is contracted out to Mouchel/SERCO who will keep a backup of each monthly payroll.

5.4 New staff can only be added to the payroll with the approval of the Headteacher and notified to the contractor through the Human Resources Manager. New staff must complete all relevant payroll documents issued by the Human Resources Manager.

5.5 Salary amendments can only be made with the approval of the Headteacher and notified through the Human Resources Manager.

5.6 Staff can only be terminated from the payroll with the approval of the Headteacher and notified through the Human Resources Manager.

5.7 Payment for sickness or maternity must be authorised by the Human Resources Manager in line with the employment contract for the individual. Payment for paternity will follow the guidelines set by the governing body.

5.8 Where leave of absence is discretionary, payment will only be made with the approval of the Headteacher/ member of the Leadership Team and notified to the Human Resources Manager by filling in the appropriate form.

5.9 Staff who are paid by time-sheet/claim for extra duties/claim for mileage allowance must submit their timesheet to the Assistant Headteacher/Line Manager on the last day of the month for verification. These forms must then be passed onto the Human Resources Manager within three days in order for the claims to be processed for the next payroll run.

5.10 The governing body authorise the payroll contractors to make all mandatory changes to the payroll without further authority eg tax, NI, pension contributions, rates, tax code changes etc.

5.11 All staff are paid monthly through the payroll package. A file is created for each employee which records:

- Salary;
- Bank account details
- Taxation status;
- Personal details;
- Any deduction or allowances payable

## **Payments**

5.12 After the payroll has been processed but before payments are made, the contractor will provide a print of salary payments for each individual which will be reviewed by the Human Resources Manager who will then give authority to release payments.

5.13 All salary payments will be made via BACs unless cheques have been authorised by the Principal Finance Officer. Payments will be made on 23 of every month when this is a weekday. If the 23 is at a weekend or is a Bank holiday then payment will be made on the previous working day.

5.14 The Human Resources Manager checks the payroll report to ensure appointments, resignations pay increases etc are accurately reflected in the month's salaries.

5.14 The payroll contractor will notify the Human Resources Manager/Principal Finance Officer of a breakdown for net pay, pension contributions, national insurance etc under the headings of teaching and non-teaching. The finance office will update the nominal ledger at the end of the month

5.15 On an annual basis the Human Resources Manager will check that for each member of staff the gross pay per the payroll system agrees to the contract of employment held on the personnel file of the individual.

5.16 Each member of staff will be issued with an annual salary statement during the Autumn term.

## **6. Purchasing**

Lincoln Christ's Hospital School wants to achieve the best value for money for all purchases. This means that they want to get what they need in the correct quality, quantity and time at the best possible price. A large proportion of those purchases will

be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy.
- Accountability, the academy is publicly accountable for its expenditure and the conduct of its affairs.
- Fairness, that all those dealt with by the academy are dealt with in a fair and equitable basis.

6.1 Budget holders will be informed of the budget available to them before the start of the academic year. It is the responsibility of the budget holder to manage their budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder each month and budget holders must keep their own records of orders placed but not paid for.

6.2 Routine orders up to £1,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of suppliers maintained by the Finance Team. A quote or price must always be obtained before any order is placed; this will be in accordance with the Scheme of Delegated Authority and Tendering Policy. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Principal Finance Officer or Headteacher. Budget holders and the Finance Office should ensure that the best possible price is achieved. If the price is not the lowest price, then this must be agreed with the Principal Finance Officer and documented evidence kept for this decision.

6.3 All orders must be prepared using the order/requisition form available on the network which is approved in line with the Scheme of delegated Authority. Once filled in and signed by the budget holder they must be sent to the Finance Office. Orders will only be processed by the Finance Office if there is adequate budget provision within the department.

6.4 The order will be recorded on the accounting system which automatically allocates a reference number. It will be dispatched either by e-mail, post or fax. The order will be kept in the Finance Office.

6.5 Where necessary an order can be placed using the school debit/charge cards. As the cards are in the name of the school and the Principal Finance Officer, only the person in that post can use them. The confirmation of the order must be down-loaded from the computer and kept with the original order.

6.6 The Finance Office must make appropriate arrangements for the delivery of goods to the academy. Once the goods are received by the academy the Reception Office/Finance Office will notify the department that their goods have arrived. It is the responsibility of the department to that the invoice is:

- Agrees with the order
- Goods/services have been received
- The prices are correct
- Certified for payment

6.8 If any goods are rejected or returned to the supplier because they are not as ordered or are of a sub-standard quality, then the Finance Office should be notified immediately.

6.9 If a budget holder is pursuing a query with a supplier the Finance Office must be informed of the query and periodically kept up to date with progress.

6.10 The Finance Assistant/Principal Finance Officer will input details of payments to be made to the purchase ledger and generate the cheques or BACs payments. The cheques or BACs payments must be signed by two signatories from the list in 8.1 up to £10,000; above £10,000 they must be signed by three signatories from the list in 8.1 at least one of which must be a governor.

6.11 Non-order purchases must have the prior approval of the Principal Finance Officer. They should be kept to a minimum and should only take place when it will affect the smooth running of the budget department. The Catering Manager is authorised to make non-order purchases for standard daily/weekly food supply orders.

6.12 For orders up to £1,000 at least one verbal quotation or price should be obtained

6.13 For orders over £1,000 and up to £5,000 at least three written quotations should be obtained.

6.14 For orders over £5,000 and up to £25000 at least three written quotations should be obtained and in addition best value checks should be undertaken.

6.15 All goods and services with a value over £25,000 but less than £50,000 must be subject to a minimum of 3 written quotations and the approval of the Finance Committee is required before acceptance.

6.16 All goods and services over £50,000, or a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures. Purchases over £172,514, excluding VAT (Supplies and Services) and £4,348,350, excluding VAT (Works) may be subject to EU procurement rules which require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds should be sought at the time of tendering to ensure threshold limits are still current and are applied correctly.

### **Forms of Tender**

6.17 There are three forms of tender procedure: open, restricted and negotiated and the guidance for circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Principal Finance Officer how best to advertise for suppliers eg general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering as it is most conducive to completion and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders may be appropriate where:
  - a) There is a need to maintain a balance between the contract value and administrative costs
  - b) A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements.
  - c) The cost of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This may be appropriate in specific circumstances:
  - a) the above methods have resulted in either no or unacceptable tenders,

- b) only one or very few suppliers are available,
- c) extreme urgency exists,
- d) additional deliveries by the existing supplier are justified.

### **Preparation for Tender**

6.18 Full consideration may be given to:

- objective of project
- overall requirements
- technical skills required
- form of contract.
- after sales service requirements.

6.19 It may be useful after all requirements have been established to rank requirements (eg mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

### **Invitation to Tender**

6.20 If a restricted tender is to be used then an invitation to tender should be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

6.21 An invitation to tender may include the following:

- scope and objectives of the project,
- technical requirements,
- implementation of the project,
- introduction/background to the project,
- terms and conditions of tender,
- form of response.
- deadline for submission.

### **Aspects to Consider**

Financial:

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.

- Care should be taken to ensure that the tender price is the total price and that there are no hidden extra costs.
- Is there scope for negotiation?
- It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

#### Technical/Suitability:

- Qualification of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

#### Other Considerations:

- Pre sales demonstrations
- After sales service

### **Tender Acceptance Procedures**

6.22 The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

### **Tender Opening Procedures**

6.23 All tenders should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of the tenders, either the Headteacher or the Principal Finance Officer, plus a member of the Finance Committee.

6.24 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

6.25 No tender received after the date and time specified for its opening shall be accepted or considered by the academy unless the academy is satisfied that there is sufficient evidence of the tender having been dispatched in time for it to have arrived before the closing date and time, or other exceptional circumstances apply and the tenders have not been opened.

6.26 Late tenders can only be accepted by the Governing Body who will minute the reason for their decision.

### **Tendering Procedures**

6.27 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

6.28 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

6.29 Full records should be kept of all criteria used for evaluation.

6.30 Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

6.31 The two people assigned to evaluate the tenders will have the authority to award orders and contracts up to £50,000.

6.32 The Headteacher, Principal Finance Officer, Chair of Finance + one other member of the Finance Committee have the authority to authorise the award of orders or contracts above £50,000 but less than £250,000.

6.33 Any award of orders or contracts must be reported to the full Governing Body.

6.34 Above £250,000 the full Governing Body should authorise the advertising of tenders and authorise the award of such tenders.

6.35 Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.

6.36 The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

## **7. Income**

7.1 The main source of income for the academy are the grants from the DfE and from Lincolnshire County Council. The receipt of these sums is monitored directly by the Principal Finance Officer who is responsible for ensuring that all grants due to the academy are collected.

7.2 The academy also obtains income from:

- Students, mainly for catering, trips/visits, music tuition
- Coach/minibus hire
- Donations from the Foundation of Christ's Hospital School
- Other donations
- Community use
- Events/functions

7.3 Official pre-numbered academy receipts should be issued for all cash and cheques received. All cash and cheques should be kept in one of the safes in the Finance Department prior to banking.

7.4 No more than £5000 should be kept in each of the safes and this figure should be kept as low as possible at all times.

7.4 Monies collected must be banked in their entirety in the appropriate bank account. The finance office is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Principal Finance Officer.

## **8. Cash Management**

## **Bank Accounts**

8.1 Lincoln Christ's Hospital School has three current accounts, the main school account, the capital account and the school fund account. There are deposit accounts which are all held with Lloyds TSB in which the school can invest funding for a specific period of time in accordance with the investment/reserves policy. There is also a sports fund allocation of funding which is invested separately from all other bank accounts/deposit accounts.

There are seven signatories for the current accounts:

Mrs Kate Wilson	Chair of Governors
Mr Nigel Manders	Chair of Finance Committee and Deputy Chair of Governors
Mrs Diana Scammel	Deputy Chair of Governors
Mr Martin Mckeown	Headteacher
Mr Patrick Heppenstall	Principal Finance Officer
Mr Andrew Jackson	Deputy Headteacher
Mr Phil Scully	Assistant Headteacher

8.2 The Principal Finance Officer has the authority to open deposit accounts within Lloyds up to £300,000 after discussing it with the Headteacher and the Chair of the Finance Committee. Any deposit accounts opened with other banks would have to be ratified by the Chair of Finance and in turn the Chairman's Group.

## **Payments and Withdrawals**

8.3 All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signature of two from the list in 8.1 up to £10,000. Withdrawals over £10,000 must have three signatures at least one of which must be a governor. This is in line with the Scheme of Delegation

8.4 Signatories are not allowed to sign a cheque reimbursing themselves.

## **Deposits**

8.5 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- The amount of the deposit
- A reference, such as the number of the receipt or name of the debtor.

### **Administration**

8.5 The Principal Finance Officer must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the academy's cash book;
- reconciliations are prepared by the Finance Assistant
- reconciliations are subject to a monthly review carried out by the Principal Finance Officer or Headteacher
- adjustments arising are dealt with promptly.

### **Debit Cards**

8.6 The academy has two debit cards which are for the two current accounts and are in the name of the school and the Principal Finance Officer.

8.7 The cards are only to be used by the Principal Finance Officer and are restricted to internet use and where it is not possible to use a cheque or BACs payment.

8.8 The Principal Finance Officer and the Estate Manager hold a school credit/purchasing card, this is subject to the charge card policy/terms and conditions

### **Petty Cash Accounts**

8.8 The academy maintains a maximum cash balance of £250 for the Finance Office cash tin. Petty cash payments will be limited to £150. Higher value payments should be made by cheque from one of the academy accounts. There is also a petty cash tin in the Design and Technology department which has a balance of £100 which is locked away securely.

8.9 The finance office is responsible for entering all transactions into the petty cash records on a regular basis with a regular cash count taking place to ensure that the cash balance reconciles to supporting documentation.

8.10 Petty cash should be held in a locked cash box which is put into one of the safes overnight.

8.11 Cash should be transferred to the bank on a regular basis to enable the greatest amount of interest to be made. All cash should be locked overnight in one of the safes.

## **Investments**

8.12 Investments must only be made in accordance with the investment and reserves policy approved by the governing body.

8.13 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

## **9. Fixed Assets**

9.1 All items purchased with a value over the academy's capitalisation limit of £2,500 must be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- serial number (if available)
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and a % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

## 9.2 The asset register helps:

- ensure that staff take responsibility for the safe custody of assets:
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

### **Security of assets**

9.3 Equipment must be secured by means of physical and other security devices.

9.4 All the items in the register should be permanently and visibly marked as the academy' property and there should be a regular (at least once a year) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and where significant, reported to the Finance Committee. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it they should also be noted.

### **Disposals**

9.5 Asset items which are to be disposed of by sale or destruction must be authorised for disposal in accordance with the Scheme of Delegated Authority.

9.6 The academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

9.7 Disposal of equipment to staff should be discouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

9.8 The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested then the academy must repay to the DfE a proportion of the sale proceeds.

9.9 All assets being considered for disposal will be discussed by the Headteacher and the Principal Finance Officer and options considered to ensure best value is obtained.

### **Loan of Assets**

9.10 Items of academy property must not be removed from academy premises without the authority of the Head of Department. A record of the loan must be recorded on a loan of equipment form and booked back into the academy when it is returned.

9.11 The Head of department will be asked for a copy of a loan of equipment form, should an item of equipment be missing when a fixed asset audit is undertaken.

9.12 If assets are on loan for extended periods or to a single member of staff on a regular basis, the situation may give rise to a “benefit in kind” for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy’s auditors.

## **10 Catering**

10.1 The catering manager is authorised to place orders on the phone. No equipment may be ordered without the approval of the Principal Finance Officer. Equipment should be ordered as outlined in section 6.

10.2 Orders should only be made through authorised suppliers.

10.2 When the goods arrive at the kitchen, a member of staff checks should check that the delivery is correct. The invoices should be passed to the finance office on a weekly basis.

10.3 The reval machines should be emptied of money daily. The canteen staff should print off the sheets from the Impact cashless System. These sheets and the cash should be locked in a cashbox and brought up to the finance office. No cash is to be kept in the kitchen overnight. The cash is securely locked in the finance office safe.

10.4 Requests for catering for events should be made to the Catering Manager .

10.5 No kitchen equipment may be removed from the site without the permission of the Catering Manager and the Principal Finance Officer.

