



FINANCE POLICY

Fairview Community Primary School

Reviewed: May 2025

Review Due: May 2026

Introduction

The Governing Body of Fairview Community Primary School has drawn up this finance policy to establish a framework in which financial issues are managed efficiently and effectively. The financial resources available to the school and the effectiveness with which they are deployed have wide ranging implications for Fairview's improvement agenda.

The school operates a range of bank accounts. Please refer to appendix 1 for details.

Statement of Aims

The governors and staff of Fairview are committed to:

- maintaining a high standard of management of the school's financial resources;
- planning, controlling and reviewing expenditure on a regular basis with the aim of achieving the priorities set out in the School Improvement Plan;
- ensuring the school remains solvent; and
- meeting the requirements of national legislation and operating in accordance with Medway Council's financial regulations and the Schools Financial Value Standard (SFVS).

Principles of Financial Management

To achieve these aims the governing body has adopted a number of principles which governors and staff will work to:

- the responsibilities of the governing body, its committees, the Head Teacher and staff will be clearly defined along with limits of delegated authority;
- the school budget will be planned carefully to achieve the school's priorities;
- expenditure and income will be monitored regularly and where necessary action will be taken to ensure expenditure is contained within the budget available;
- financial data will be analysed and compared to relevant benchmarks to ensure the school provides value for money;
- the school will maintain sound internal financial controls to ensure the reliability and accuracy of its financial records and to mitigate the risk of fraud;
- there will be sound controls over the operation of the school's bank accounts,;
- payroll services will be obtained to ensure staff are paid accurately and on time;
- purchasing arrangements will secure value for money;

- the school's Charging and Remissions policy will be adhered to and any income received will be recorded and banked promptly;
- equipment, stocks and other assets will be recorded and adequately safeguarded against loss or theft;
- risks will be identified and managed and the school will be adequately insured against such risks;
- the school voluntary fund will be administered to the same standards as the school budget;
- financial procedures will be reviewed periodically and any weaknesses that are identified will be addressed; and
- any suspected financial irregularity will be promptly notified to Medway Council's Internal Audit team.

Roles and Responsibilities

The responsibilities of each person or group involved in the administration of the school's finances are set out below.

Best Practice

Fairview prides itself on very good financial management. This includes processes to ensure that public funds and resources are protected and best value principles are adhered to.

Cash payments to the school are discouraged, however where this is unavoidable, a school Administration Officer counts and records monies received. The School Business Manager is responsible for banking monies received. Parents and carers are strongly urged to pay online via Parentmail for educational visits and activities to minimise the amount of cash in school.

All orders are raised by the School Business Manager on an official school order and authorised by either the Head Teacher or Deputy. No member of staff may purchase goods on behalf of the school without prior authorisation from the Head Teacher or Deputy. Deliveries are checked and signed off by the Site Manager against delivery notes and any discrepancies are reported to the School Business Manager. The School Business Manager reconciles invoices to delivery notes (where appropriate) when payment is made.

BACs or bank transfer are now the preferred methods of payment of invoices, and cheques are very rarely used. All online payments require authorisation from two staff members in addition to the School Business Manager – one of which must be either the Headteacher or Deputy Head.

All documents affecting employees' salaries and expenses are authorised by the Headteacher and/or School Business Manager. Documents authorising a new employee to be added to the payroll or to remove a leaver from the payroll must be signed by two certified officers (currently the Headteacher or Deputy and the School Business Manager). Up to date records of all school employees and their pay points are maintained in school to ensure salary payments can be checked for accuracy.

The Governing Body

The governing body has overall responsibility for management of the school's finances including the delegated formula budget, Pupil Premium allocation and other devolved budgets, including the school voluntary fund. In particular the governing body will:

- adopt a finance policy to define its approach to the management of the school's financial affairs and clarify the financial roles and responsibilities of staff and governors;
- agree the membership and terms of reference of the Resources Committee and receive the minutes of Resources Committee meetings;
- define the terms of reference of other committees, including the need to consult with the Resources Committee on any issues which have financial implications where these have not already been budgeted for;
- maintain a register of the pecuniary interests of governors and staff;
- set a budget on an annual basis, and
- ratify the Schools Financial Value Standard return on an annual basis.

The Resources Committee

To ensure it achieves high standards of financial management the governing body has delegated the following responsibilities to the Resources Committee:

- medium term budget planning;
- considering budget options, setting an annual budget for the school and noting the financial position for the two subsequent years;
- authorisation of any virement (i.e. changes to the original budget) up to a limit of £5,000. Any virements which exceed this limit must be referred to the full governing body for approval;
- regular monitoring of the financial position of the school, including taking, (or recommending) action when over/under spends are identified;
- considering and approving tenders for contracted services and major purchases involving expenditure of more than £10,000 up to a value of £50,000. (Fairview will always adhere to current procurement thresholds as advised in government Procurement Policy Notes
https://assets.publishing.service.gov.uk/media/657c4b101c0c2a000d18ce2a/PN-11_23-New-Thresholds.pdf)

Three written quotations will be sought for purchases or contracts with a value above £10,000, and Medway Council's tendering procedures will be followed for purchases or contracts valued at more than £100,000.

- setting and reviewing the Charging and Remissions policy of the school;
- considering whether to write-off debts of between £100 and £1,000;
- considering the school's response to consultations as appropriate;
- regularly reviewing internal financial controls and agreeing an action plan to improve the quality of financial control in the school (a member of the Resources Committee will visit the school at least every 6 months to review the application of the agreed financial controls); and
- reviewing the school's Finance Policy and providing the governing body with recommendations for any changes required.

The Head Teacher

The Head Teacher, with the School Business Manager is responsible for the day-to-day operation of financial procedures in the school and for providing the Resources Committee and governors with the guidance they need to carry out their strategic roles. This will include the following:

- authorising orders, invoices, pay claims and discretionary changes to staff salaries;
- along with the Deputy Head Teacher, being the second signatory on all cheques and online payment authorisations;
- ensuring accurate records of income and expenditure are maintained in the school and that these are reconciled to Medway Council's accounting reports;
- considering whether to write-off debts of up to £100;
- writing off and advising to Resources Committee, obsolete assets up to an individual value of £1,000 (not exceeding £5,000 - £10,000 in any one year – higher value write offs will require approval from the Resources Committee);
- ensuring the school's finance staff receive appropriate training to carry out their duties effectively; and
- authorising expenditure up to £10,000. In line with best practice, any aggregated spend relating to a single contract which exceeds this limit will be referred to Resources committee.

The School Business Manager

The School Business Manager is responsible to the Head Teacher for the day-to-day operation of the school's financial procedures. The duties of the School Business Manager can be summarised as follows:

- providing the Resources Committee with medium term budget plans, annual budget proposals, and regular budget monitoring statements;

- maintaining accurate records of income and expenditure and reconciling these to Medway Council's accounting reports;
- reconciling the school's financial records to bank statements and investigating any discrepancies;
- preparing school orders for the Head Teacher's approval and liaising with suppliers;
- ensuring invoices are checked against copy orders and delivery notes and preparing invoices / cheques for certification (NOTE : in order to achieve an appropriate segregation of duties, the School Business Manager will not normally be the first signatory on cheques, this will normally be a member of the school's administration staff; the School Business Manager is responsible for uploading BACS payments files to the school's online banking system but may not authorise the release of payments by this method);
- preparing income and expenditure schedules and VAT claims for submission to the LA;
- ensuring all income is correctly receipted and banked;
- maintaining an inventory of equipment and authorising, together with the Head Teacher, the disposal of any assets;
- preparing insurance claims;
- administering the school's voluntary fund;
- maintaining sound controls over:
 - ordering and payment processes
 - staffing costs
 - the school's bank accounts
 - the collection and recording of income
 - the school's equipment and assets
 - the school voluntary fund and school journey account; and
 - providing financial information required by the LA.

Code of Conduct

Governors and staff involved in the financial administration of the school, and Clerk to the Governing Body will all approach their duties in a professional way. This will include:

- ensuring the Resources Committee meets at least once each seasonal term, at times linked to deadlines for important financial decisions (e.g. setting the annual budget);

- circulating agenda papers in advance of Resources Committee meetings, ensuring the meetings are quorate and taking minutes;
- ensuring their training requirements are notified to the appropriate governor / member of staff and making a commitment to attend relevant training sessions;
- maintaining the confidentiality of staff salary data and other sensitive information;
- ensuring information is requested / provided using the usual reporting lines and channels of communication within the school;
- treating seriously any suspicion or allegation of fraud or concerns about financial mismanagement. Such issues will be dealt with confidentially in accordance with Medway Council's guidelines on 'whistleblowing';
- reporting any actual, or suspected, cases of fraud to Medway Council's Internal Audit team; and
- Governors are not paid for being a member of Fairview's Governing Body, but may claim reimbursement for any postage, telephone and stationery costs incurred in carrying out their duties. A register of the pecuniary interests of governors and staff will be maintained and will be available for inspection as required.

Appendix 1

Bank Accounts

The School Business Manager is responsible for operating and maintaining up to date financial records for the school's various bank accounts which are as follows:

Account	Purpose
Nat West: Business Current Account	Payment and receipt of all monies relating to the school's delegated budget, standards fund and capital budget.
Nat West: Voluntary Fund Account	Payment and receipt of all monies relating to the school's Voluntary Fund.

Nat West Credit Card

To facilitate on line orders, the school has one credit card account which has an overall credit limit of £6,000. The conditions of the card stipulate that the balance is cleared every month by direct debit from the school bank account. The card is in the name of the School Business Manager and the statement is checked and signed off by the Headteacher every month. The credit card is only accessible by the Headteacher (or in emergencies, the Deputy Head) and must be signed in and out whenever it is to be used.

Voluntary Fund

The school maintains a voluntary fund for the receipt of gifts, donations and voluntary contributions. Funds for educational visits, charity fundraising and music lessons are also paid into this account. The voluntary fund is audited on an annual basis by a qualified accountant and the audited accounts are submitted to the Local Authority annually.