

# Windsor Learning Partnership

## Financial Regulations Manual and Policy

This policy was approved and ratified by the Board of Trustees  
of Windsor Learning Partnership on

Signed \_\_\_\_\_

Date \_\_\_\_\_

## **CONTENTS**

1. Introduction
2. Organisation
3. Accounting system
4. Financial planning
5. Payroll Administration
6. Purchasing
7. Income
8. Cash Management
9. Fixed assets

## **APPENDICES**

1. Scheme of Delegated Financial Authority
2. Charging and Remissions policy
4. Travel, subsistence, hospitality and expenses policy
5. Whistle Blowing Policy – to complete
6. Lettings policy – local school policy
7. ICT Disaster Recovery Plan
8. Anti-Fraud & Corruption policy – to complete
9. Risk Management policy
10. Critical incidents and business continuity policy

## 1. Introduction

The purpose of this manual is to ensure that the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.

It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department of Education.

The Trust must comply with the principles of financial control outlined in the academies guidance published by the EFA. This manual expands on that and provides detailed information on the Trust's accounting procedures and system manual that should be read by all staff involved with financial systems.

This policy applies to all Windsor Learning Partnership Academies, and adherence to its principles is mandatory for all Trustees, Governors and staff.

This policy should be read in conjunction with Appendix 1 – Windsor Learning Partnership School's Scheme of Delegated Financial Authority.

## 2. Organisation and responsibility

The Trust has defined the responsibilities of each person involved in the administration of Trust and Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees, Directors and staff.

It is accepted that in a school within the Trust where the finance function is conducted by only one member of staff, due to the size of the school, the staff member may carry out the duties of both a Business Manager and authorised member of the finance department in line with their scheme of financial delegation. The Trustees understand the need for segregation of duties wherever possible, however the size of some schools within Trust may limit the opportunities for this.

For the purposes of this Policy document the term 'authorised member of the finance department' will be used instead of listing all differing titles currently in place across finance departments within the Trust.

The financial reporting structure is illustrated below:

### The Board of Trustees

The Board of Trustees has overall responsibility for the administration of Windsor Learning Partnership's finances. The main responsibilities of the Trust and local Governing Bodies are prescribed in the Funding Agreement between the school and the EFA and in the school's scheme of government. The main responsibilities include:

- ensuring that grant from the EFA is used only for the purposes intended;
- approval of the annual budget;
- appointment of the Chief Executive Officer
- appointment of the Chief Financial Officer
- the final review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies;
- authorising the award of contracts as per the scheme of delegation;
- authorising changes to the school personnel establishment in line with the school's development plan: and

The Governing Body may appoint local Finance and General Purposes Committees under terms of reference to carry out some of the above duties.

## The Accounting Officer

Within the framework of the school Development Plan as approved by the Trust, the Accounting Officer has overall executive responsibility for the Trusts financial activities. Much of the financial responsibility may be delegated to Business Managers but the Accounting officer still retains responsibility for:

- Acting as Accounting Officer for the Academy
- authorising contracts as per the scheme of delegation in conjunction with the Business Manager
- ensuring forms and returns are sent to the EFA in line with the timetable in the EFA guidance

## The Headteacher

Within the framework of the school Development Plan as approved by the Trust, the Headteacher has overall executive responsibility for the school's activities including financial activities. Some of the financial responsibility may be delegated to the Business Manager but the Headteacher still retains responsibility for:

- approving new staff appointments in line with the school's Development Plan except for any leadership team posts which the Trust have agreed should be approved by them;
- signing cheques and authorising BACS payments in conjunction with the Business Manager or other authorised signatory

## The Business Manager

The Business Manager works in close collaboration with the Accounting Officer through their Headteacher whom, he or she is responsible to the Board of Trustees and Local Governing Body and will report directly to the Governing Body in the absence of the Finance and General Purposes committee.

The main responsibilities of the Business Manager are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the management of the school financial position at a strategic and operational level within the framework for financial control determined by the Trust and Local Governing Body;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the school;
- the preparation of monthly management accounts;
- authorising orders as per the scheme of delegation in conjunction with budget holders
- signing cheques in conjunction with the Headteacher or other authorised signatory: and
- Ensuring information is provided to the Accounting Officer in order to enable submission of returns and forms to the EFA in line with locally agreed timescales.

## The Responsible Officer

The Responsible Officer (RO) is appointed by the Governing Body and provides the Governing Body with an independent oversight of the school'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; and,
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer may undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust and Local Governing Body. A report of the findings from each visit will be presented to the Trust. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the EFA Guidance.

## Other Staff

Other members of staff, this can include but is not limited to the Finance / Administration Officer and budget holders, will have some financial responsibilities which are detailed in the following sections of this manual. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures.

## Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all trustees, school governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the school may purchase goods or services.

The register is open to public inspection.

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 school. The disclosures should 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.

The existence of a register of business interests does not, of course, detract from the duties of trustees, 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, trustees, governors and staff should not attend that part of any committee or other meeting.

## 3. Accounting System

All the financial transactions of the school must be recorded on the Sage Financial accounting system. This system is operated by the Finance Department.

### System Access

Entry to the finance system is password restricted.

### Back-up Procedures

The Business Manager is responsible for ensuring there are effective backup procedures for the Sage Finance System.

### Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the procedures specified 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. All journal entries must be authorised by the Business Manager.

The Business Manager will obtain and review financial reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:

- management accounts summarising expenditure and income against budget at budget holder level.

### Reconciliations

The Business Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- sales ledger control account;

- purchase ledger control account;
- payroll control account;
- bank balance per the nominal ledger to the bank statement.

Any unusual or long outstanding reconciling items must be brought to the attention of the Business Manager. The Business Manager will review and sign all reconciliations as evidence of the review.

#### 4. Financial Planning

The school prepares both medium term and short-term financial plans.

The school development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year.

The development planning process and the budgetary process are described in more detail below.

##### School Development Plan

The school development plan is concerned with the future aims and objectives of the academy and how they are to be achieved; that includes matching the school's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.

The form and content of the school development plan are matters for each academy to decide but due regard should be given to the matters included within the guidance to academies and any annual guidance issued by the EFA.

Each year the Headteacher will agree a planning cycle and timetable with the Governing Body which allows for:

- a review of past activities, aims and objectives - "did we get it right?"
- definition or redefinition of aims and objectives – "are the aims still relevant?"
- development of the plan and associated budgets – "how do we go forward?"
- implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
- feedback into the next planning cycle – "what worked successfully and how can we improve?"

The completed school development plan will include detailed objectives for the coming academic year and outline objectives for the following two years. The plan should also include the objectives and success criteria against which achievement can be measured.

For each objective, the lead responsibility for ensuring progress is made towards the objective will be assigned to a member of the Leadership Team. The responsible leader should monitor performance against the defined success criteria throughout the year. The Headteacher will report to the Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

##### Annual Budget

The Headteacher is responsible to the Finance and General Purposes committee or equivalent organisation within each individual academy for the preparation of the annual budget, which should be balanced. The draft budget is drawn up for presentation to the Finance and General Purposes committee. The draft budget is presented to the Finance and General Purposes committee for review discussion and amendment if appropriate. When agreed by the Finance and general Purposes committee the budget is submitted to the Local Governing Body and the trust for formal review and approval. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

The approved consolidated budget must be submitted to the EFA by 31st July. It is the responsibility of the Accounting Officer to ensure that the annual budget for the Trust is submitted to the EFA by 31 July.

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

The budgetary planning process will incorporate the following elements:

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

### Balancing the Budget

Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding and budget expenditure under GAG will be separately monitored. 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.

### Policy on Reserves

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

### Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Business Manager for approval by the Headteacher, Finance and General Purposes Committee (or similar local organisation), the Governing Body and Trust. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

### Monitoring and Review

Monthly Management Accounts will be prepared by the Business Manager or an authorised member of the finance department'. The reports will detail:

- actual income and expenditure against budget for budget holders

for the governors and management:

- actual income and expenditure against budget
- a month end balance sheet
- a report on capital spend against budgets
- a cash flow forecast

The accounting system will not allow payments to be made against an overspent budget without the approval of the Business Manager.

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. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. Budget virements may be approved as authorised under the scheme of financial delegation.

## Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration; and
- payments.

## Staff Appointments

The Trust and Local Governing Body has approved a HR and payroll bureau for the schools within the Trust. Changes can only be made to this establishment where adequate budgetary provision exists for any establishment changes.

The Headteacher has authority to appoint staff within the authorised establishment/staffing budgets except for members of the Leadership Team whose appointments must follow consultation with the Local Governing Body and Trust. The Headteacher maintains personnel files for all members of staff which include contracts of employment. All personnel changes will be copied in writing to the Business Manager or HR administrator.

## 5. Payroll Administration

The school payroll is administered by the Royal Borough of Windsor and Maidenhead within a service level agreement which will be reviewed every 5 years as a minimum.

## Payments

After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained from RBWM.

The Business Manager or an authorised member of the finance department should carry out a check that adjustments made for new appointments, resignations, pay increases, timesheet payments etc. are correct and sign the payroll reports indicating that this check has been completed. This check should be reviewed and counter signed by an appropriate person within the organisation, such as the Headteacher, Deputy Headteacher or Business Manager. . The Business Manager or other authorised member of the finance department should then authorise release of the payroll via an email to RBWM Payroll department.

The Business Manager or an authorised member of the finance department' should review the finance system each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and that salary payments to date are in line with budget projections.

All salary payments are made by BACS.

## *Payroll Deductions*

The payroll provider will calculate and advise the school of the amounts liable to be paid to HMRC each month. The Business Manager or authorised member of the finance department', will ensure these amounts are paid by the due date.

## 6. Purchasing

The Trust wants to achieve the best value for money from all purchases. A large proportion of purchases will be paid for with public funds and the school needs 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 school;
- *Accountability*, the school is publicly accountable for its expenditure and the conduct of its affairs;
- *Fairness*, that all those dealt with by the school are dealt with on a fair and equitable basis.

### Routine Purchasing

Budget holders will be informed of the budget available to them early in the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Budget Holder Statements will be distributed regularly by the Finance Department. .

Routine purchases can be ordered by budget holders. Three written quotes or price comparisons are required for expenditure exceeding £5,000. A quote or price should always be obtained before any order is placed unless there is a genuine emergency e.g. emergency repairs.

All orders should be made on either the Sage or Dayta Designs Requisitioning system by the Finance Department. The system will automatically check there is adequate budgetary provision existing. Once the budget holder has approved the requisition it will be forwarded to the Business Manager or other authorised signatory for that academy for approval. Once fully approved, an order will be created in Sage. This will then be emailed, faxed or posted to the supplier by the Finance Department .

Any orders not submitted using the Sage / Dayta Designs Requisitioning system should be made, or confirmed, in writing using an official purchase order requisition form, stocks of which are held in the Finance Office. Requisitions must bear the signature of the budget holder and must be forwarded to the Finance Office where the Finance Officer will enter the order onto the Sage / Dayta Designs Requisitioning system, which will automatically check there is adequate budgetary provision existing. Telephone orders should only be made in exceptional circumstances. The budget holder must get approval from the Business Manager in advance.

Due to the nature of the online ordering system, exam invoices will be entered as a non-order invoice. Whilst we aim to ensure every purchase has an approved order, it is not always possible or practicable, and there will always be some non-order invoices to enter. These will include items such as utility bills or goods ordered during the school holidays when Finance Office staff are unavailable to raise orders. It is the opinion of our Auditors that this is acceptable on occasion.

Appropriate arrangements for the delivery of goods to the school must be made. On receipt a detailed check of the goods received against the goods received note (GRN) should be conducted, and a record made of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods and notified to the Finance department without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. All invoices should be sent to the Finance Office.

The invoice will be sent to the budget holder or finance department who must make a detailed check against the order and the GRN before signing and sending it back to the Finance Office. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.

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

When the budget holder has authorised the invoice, the invoice should be sent to the Finance Office. It is the policy of the school to pay invoices promptly, within stated credit terms, after authorisation. The Finance Officer will match the invoice to the purchase order on Sage. Payment runs are made on a regular basis and any cheques and associated paperwork must be authorised by one of the nominated cheque signatories. BACS payments are calculated by the Finance Officer and uploaded and submitted to Lloyds Link by the Finance Officer / Accountant or other authorised member of the Finance department. The final BACS online authorisation will be carried out by an authorised person. .

Cheques will be dispatched to suppliers by the Finance Officer who will then attach the payment details to the invoice and file the invoice in the appropriate file for future audit purposes.

BACS payment remittances are produced automatically by the Sage Finance System and emailed direct to the suppliers.

Each school within the Trust will work within the scheme of Financial Delegation.

Orders over £5,000 but less than £100,000

At least three quotations should be obtained by the Budget Holder for all orders between £5,000 and £100,000 to identify the best source of the goods/services. Records of quotations obtained should be retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced before a purchase decision is made. Orders should be countersigned by the Business Manager / Headteacher.

Orders over £100,000

All goods/services ordered with a value over £100,000 or for a series of contracts which in total exceed £100,000 must be subject to formal tendering procedures. Purchases over £156,442 (threshold from 1/1/2010) excluding VAT may fall under EU procurement rules which require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook. Orders should be countersigned in accordance with the financial delegation of the Trust where the expenditure is included in the budget or minuted as approved by the local Full Governing Body if not in line with the original agreed budget.

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the 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 Business Manager how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practicable. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

*Restricted Tender:* This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- 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 school's requirements,
- the costs 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 is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

*Preparation for Tender*

Full consideration should be given to:

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

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

Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry. An invitation to tender should include the following:

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

### 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 or extra costs.

#### Technical/Suitability

- qualifications 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

#### Financial status of supplier

Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

#### Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the school. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped upon 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

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- For all contracts - Two of the Authorised Signatories and/or a Governor

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.

#### Tendering Procedures

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.

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.

Full records should be kept of all criteria used for evaluation and for contracts over £100,000 a report should be prepared for the Governing Body to report to the board of Trustees, highlighting the relevant issues and recommending a decision.

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

The accepted tender should be the one that is considered to offer best value to the school. All parties should then be informed of the decision.

### Credit Card Policy

The Business Manager or authorised members of staff are permitted to make purchases using a credit card issued by Lloyds strictly on the following basis:

- For use where items may not be ordered through the school's normal procurement arrangements.
- Where sufficient budget is held for the purchase of the items.
- That purchases are limited to items for school only.
- That the use of the card is restricted to the card holder only.
- That cardholders do not exceed the monthly expenditure limit authorised on their card.
- That VAT invoices are obtained for purchases.
- That there is to be no use of ATMs.
- That cash advances are prohibited.
- That staff are responsible for safe custody of cards.
- That staff are responsible for reporting the loss or theft of cards to Lloyds and the school immediately.
- That authorised staff are issued with the bank's User guide.
- That staff sign the card immediately upon receipt.
- That the cards remain the property of the school and must be returned immediately upon request.

Monitoring of expenditure will be carried out on a monthly basis following receipt of the statement, which will be matched to receipts/delivery notes submitted to the Finance department by the cardholders. Lloyds will be reimbursed fully each month by direct debit and the Business Manager or an authorised member of the finance department will journal expenditure monthly to the appropriate department/nominal codes in Sage.

### 7. Income

The main sources of income for schools within the Trust are the grants from the EFA. The receipt of these sums is monitored directly by the Business Manager who is responsible for ensuring that all grants due to the school are collected.

The school also obtains income from:

- additional funding for Nursery tuition
- students, mainly for trips and clubs
- the public, mainly for Theatre, Drama Studio or classroom lettings, sports pitches
- parental contributions.

## ***Trips***

Trip funds are recorded by the Finance Department.

The Trip Organiser will take responsibility for the collection of sums due for each trip. He/she must prepare a record for each student intending to go on the trip showing the amount due. Pupils should make payments to the cashier of Finance department.

The Trip Organiser will liaise with the Finance Department regarding the overall budget for the trip to ensure that no shortfall is intended. In the event of a shortfall, the continuation of the trip will be at the discretion of the Headteacher.

In the event of a surplus following completion of a trip, where practical balances in excess of £30.00 per pupil will be offered as a refund to parents/carers.

## Lettings

The Finance / Admin Officer is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organisation. Each customer will have a sales ledger account established for them on the Sage Finance system which will be used to invoice all lettings.

An application to hire is made to the Finance / Admin officer who will confirm the booking in writing on receipt of a signed booking form agreeing to the schools terms and conditions.

The balance of the hire fee plus any additional charges, (e.g. use of equipment) will be invoiced after the event. Invoices must be paid in accordance with each schools local lettings policy.

The Finance department is responsible for chasing any outstanding amounts owing and no debts over £50 should be written off without the express approval of the Headteacher (the EFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter). Organisations using the facilities should be instructed to send all payments to the Finance Office.

### 1. Custody

All cash and cheques are kept in the Finance Office safe prior to banking. Banking should take place regularly ensuring the sums collected do not exceed the insurance limit on the Finance Office safe. Monies collected must be banked in their entirety in the appropriate bank account.

### 8. Cash Management

#### Bank Accounts

The opening of all accounts must be authorised by the Trust.

#### Deposits

Particulars of any deposit must be recorded:

#### Payments and withdrawals

All cheques and other instruments authorising withdrawal from school bank accounts must bear the signatures of two authorised signatories:

This provision applies to all accounts, public or private, operated by or on behalf of the Trust or schools within the Trust.

#### Administration

The Business Manager must ensure bank statements are received regularly no less than monthly, and that reconciliations are performed at least on a monthly basis.

Reconciliation procedures must ensure that:

- all bank accounts are reconciled to the school's cash book;
- reconciliations are prepared by the Finance Officer

## Petty Cash Accounts

The school may hold petty cash which is to be administered in accordance with the procedure agreed by the local Governing body.

## Private Fund Account

Each school within Windsor Learning Partnership may hold a Private Funds which will exist for the purpose of advancing the education of the pupils by providing and assisting in the provision of facilities for the education of pupils at the school, not normally provided for from restricted GAG funds. This account will require two authorised signatories. Accounts within this fund should be made up to 31 August annually and be audited along with the Trusts statutory accounts.

The levels of financial delegation in regard to the Private fund are as stated in the Scheme of Delegated Financial Authority.

## Cash Flow Forecasts

The Business Manager or authorised member of the finance department is responsible for preparing cash flow forecasts to ensure that the school has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds.

## Investment Policy

The Business Manager or authorised member of the finance department will regularly monitor cash flow and the current account balance to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £50,000 and £500,000 is likely to be maintained and the school will normally seek to avoid its current account going overdrawn. Funds surplus to immediate cash requirements may be transferred into a risk free Lloyds TSB deposit account bearing a higher interest rate, for a fixed period generally no longer than 6 weeks. Periodically (at least annually) the Business Manager / Accountant will review interest rates and compare with other investment opportunities.

Any change in Policy requires the approval of Governors via the Finance and General Purposes Committee or equivalent body within the organisation.

## 9. Fixed assets

The Trust's capitalisation limit shall be £3,000.00 and the Business Manager or an authorised member of the finance department will be responsible for deciding if a purchase should be capitalised and for maintaining the asset register.

### Asset register

All items purchased with a value over the school's capitalisation limit must be entered in an asset register. The asset register should include the following information:

- asset description
- serial number
- date of acquisition
- asset cost
- expected useful economic life
- location
- depreciation
- current book value
- re-sale value if appropriate
- 

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 school's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

### Security of assets

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register should be permanently and visibly marked as the school's property and there should be a regular (at least annual) 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 Local Governing Body. Inventories of school property should be kept up to date and reviewed regularly. Any items used by the school which do not belong to it, should be noted.

### Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal within the following limits:

Items with a residual value over £5000 - Finance and Resources Committee

Items with a residual value under £5000 – Headteacher or Business Manager

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

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.

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

All disposals of land must be agreed in advance with the Secretary of State.

#### Loan of Assets

Items of school property must not be removed from school premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in to the school when it is returned.

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 school's auditors.

#### Depreciation of Assets

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The expected useful life of assets is defined as follows:

- Leasehold Land 125 years
- Freehold buildings 50 years
- Furniture and Equipment 10 years
- Computer and related equipment 3 years
- Vehicles 5 years
- Plant and machinery 10 years

Signed: \_\_\_\_\_  
Chair of Board of Trustees

Date: \_\_\_\_\_

Date of Review: \_\_\_\_\_