Sheriffhales Primary School and Preschool

FINANCIAL PROCEDURES AND FINANCE POLICY

See also Charges and Remissions Policy Document

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FOREWORD

This document has been designed to show clearly how finance is managed in school and assist staff in the processes to be followed for the purchase and payment of goods within prescribed audit guidelines.

All staff should adhere to the procedures to ensure that expenditure does not exceed budgetary allocations.

Although the instructions may appear a little complicated, in practice, they are not. Everyone follows the same system, which facilitates accurate budget monitoring and enables quick identification of any areas that may give rise to concern.

Budget holders are responsible for ensuring that they manage their budget within the allocation given. In order to assist budget holders keep track on spending.

Budgetary information is presented on a regular basis to the Finance and General Personnel Committee or representative of the Governing Body.

Gifts

Parents, children and the wider community are often very generous and like to show their appreciation to school or to particular teachers. It is lovely to be appreciated and we would not wish to offend by over-managing this aspect of school life. Staff must ensure that the Head Teacher is made aware of any large or unusually generous gifts, and the reason as to why they are given. Please be aware that gifts to individuals over a reasonable and typical value (determined by the economic climate at the time) will be refused.
The school has occasionally benefitted from a monetary gift to School Fund from a member of the community. This is always a marvellous help and a really considerate action. If you wish to do this, you can also suggest an area on which you would like the school to spend your gift.

Fundraising

Fundraising is done through a variety of ways. The PTFA are highly active in this area and put on chargeable events and source fundraising initiatives with groups and organisations. The PTFA have their own set of accounts and banking as a registered charity. The money is then offered to school for various projects and improvements already approved by the PTFA, or funds may be requested from the PTFA by the school for identified use.
School also raises funds through smaller events such as Children in Need day. Money goes into the School Fund Account. Often, we share or donate funds raised in school with / to others such as Save the Children, NSPCC, Comic Relief etc.
Where possible we support and facilitate pupil led fundraising to support their Spiritual, Moral, Social and Cultural development. These monies are split between the charity or cause chosen by the pupils and School Fund by negotiation with the Head Teacher.

School Fund

The school fund is a separate set of accounts to the school budget. It has its own bank account, cheque book, statement, and has its own set of accounts each year audited through a qualified accountant.

The account is used for various activities within school, including the collection of money for school trips, school visits, school uniform, fundraising and grants.

All income is received via Arbor. This is an online payment service for parents to pay for trips and visits rather than send their child in to school with cash.

The School Fund is reconciled on a half-termly basis and signed by Head teacher or Office Manager. The Office Coordinator performs the input of all income and expenditure.

Trips Money

Trip money is collected via Arbor. This is a web-based payment system, which enables all parents/carers to pay for trips and visits online using debit or credit card. The trips / visits are set up on Arbor by the office staff, each trip is allocated a bank account and the office staff are able to monitor payments from parents / carers via the system along with consent forms.

There are times when the school has no option but to receive cash, however these are minimal. Should the school need to accept cash all income received is passed through to the Office who in turn will complete a receipt through School Fund and pass it on to the Office Manager. The school is actively promoted as a cashless school.

Government Procurement Card (GPC)

The Shropshire Government Procurement Card (GPC) is a NatWest MasterCard, which will enable buyers to purchase and pay for goods in a timely and cost-effective manner.
The aim of the card is to reduce time spent on administrative work associated with sending a purchase order, receipting goods and processing invoices. The GPC is ideally suited for purchases that produce high volumes of low value invoices. It is particularly useful for offsite purchases, booking hotel accommodation and internet purchases and will improve reporting and control over purchasing procedures.

GPC Internal Procedures

Step 1: OM is the cardholder and will make the purchases and record all transactions onto the log sheet. Each transaction has an order number, this appears as PC/HJH/financial year/001 etc in sequential order (eg. PCHJH2324001).

Step 2: A purchase order is completed before each purchase, a vat receipt is obtained and when purchasing using the internet confirmation of the order must be requested at the time the order is placed, this should include confirmation of dispatch.

Step 3: The GPC card has a credit card limit of £5,000 with a £1500 per transaction limit.

Step 4: When the goods arrive, the cardholder will be notified, the delivery notes or invoices – are then clipped to the original order, delivery details are then noted on the Transaction Log and the school accounting system.

Step 5: The procurement card statement is produced by NatWest. The OM will then ensure that the balance on the log sheet coincides with the balance on the statement.

Step 6: Once reconciliation is complete, the School Office Manager will submit the Statement and Transaction Log to the Headteacher for authorisation. The authority follow up on the card transactions once they have been reviewed by the SOM.

Absence

Should the OM be on long term absence around the period reconciliation, responsibility will pass to the Administrative Assistant for the purchasing and administration of the GPC. The Headteacher will then authorise the transactions. In the absence of the Headteacher, authorisation of any GPC transactions will be requested of a member of the Finance team at Shropshire Council.

Enterprise Resource Planning Accounting System

The School subscribe to the Shropshire financial accounting system Enterprise Resource Planning (ERP). This covers the following areas of finance:

- Purchase Orders
- Purchase Invoices
- Electronic payment for goods
- Budget Monitoring
- Sales Ledger transactions
- Reporting

All goods purchased via the system will be set against a budget code.

Budget Holder Responsibility

The school do not delegate a capitation budget to all members of the teaching staff. All Materials Purchased are controlled by the OM and fall under one accounting code. The OM along with the Admin team ensure the following:

- all goods are ordered via the ERP system by way of completing a Goods Requisition Form *(see Appendix A)*

- budget expenditure does not exceed the budget allocation.

- confirm by signing a **Budget Holder Authorisation form** that they accept responsibility for their order. *(see Appendix A1)*

  The signed voucher is kept by the OM as evidence for audit purposes.

- Where day –to-day responsibility for the purchase of goods has been assigned to another member of staff, the budget holder must sign the relevant section on the Budget Holder Voucher confirming this is the case. In addition, the member of staff with delegated responsibility must also sign the document accepting responsibility.

- Records are kept of all goods/services ordered.
- The OM will keep a record of any additional monies which may be received during the financial year from other sources to fund the purchase of goods.

Orders

The do's of placing orders

DO place orders for goods via the ERP accounting system;

DO complete an Order Requisition Form for the purchase of all goods and pass on to the School Business/Office Manager for processing;

DO ensure that Order Requisition Forms are completed correctly. Remember that incomplete forms will be returned to the originator therefore causing delay in the supply of goods;

DO order goods for the autumn term well before the end of the summer term. This will allow administration staff -

- sufficient time to process the order
- to receive delivery of goods before the end of term
- time to check that the delivery is correct
- Time to safely store goods in readiness for the commencement of the new term.

Delivery of goods and the safe storage of goods before the end of term are particularly important as any goods that are delivered during the holiday period can be left unattended for lengthy periods of time leaving one open to theft.

DO remember that items that have not been ordered through the ERP system will be referred to the Office Manager and the Head teacher.

DO remember that the OM has been instructed not to process invoices received for goods that have not been ordered by the prescribed procedure. All such transactions will be referred to the Head

DO obtain a VAT receipt for all petty cash transactions.

DO remember that reimbursement of Imprest can be refused if you do not have a VAT receipt or the budget holder authority for the purchase

Do not's of placing orders

Don't place verbal orders. Verbal orders will not appear on the accounting system as a commitment against the relevant budget heading. This makes it impossible to monitor the budget accurately and to report effectively to the Governing Body.

This also applies to goods where the supplier insists on a cheque to accompany the order. ALL SUCH ORDERS should be referred to the Business Manager.

Don't order goods at the last minute as this causes unnecessary pressure on staff as well as running the risk of goods not being in stock.

How do I place an Order?

Before proceeding please refer to the guidelines and the DO's and Don'ts

ERP (Online Account System)

- complete a Purchase Order Requisition Form *(Appendix A)*
- ensure that you have completed all sections;
- ensure that you have added the correct account code allocated by the OM.
- ensure that you have signed the order as the authorised signatory;
- Pass the completed form to the SBM for processing.

Goods Received
What happens upon receipt of goods?

Admin will sign for goods delivered during office hours; the teaching assistants will open the order and check the delivery note against the order.

The Office coordinator will update ERP and file the relevant delivery note in the Delivery Notes file.

The office staff will arrange for large volumes of goods or heavy goods to be delivered to the reception area together with a copy of the delivery note. For small deliveries, the Office coordinator will request that the person who ordered the goods collect them from the office.

You **MUST** check as quickly as possible *(within 2 working days of delivery)* that you have received all goods listed on the delivery note, together with the correct quantity.

Any discrepancies **MUST** be reported immediately to the OM. Delay can result in your department having to pay for goods that are faulty or missing.

Goods on Approval
It is common practice for staff to receive goods on approval, in particular books. This is not encouraged as these items arrive addressed to individuals. In the majority of cases, the OM is not aware that these items have arrived until the school receives a final demand for payment. At this point, it is extremely difficult to track down the item and, in many cases, staff report that they have -

- not received the goods;
- returned the items;
- Not yet decided whether to keep the items or not.

Whilst the school does not want staff not to have access to this facility there has to be a system in place to manage goods on approval.

If staff receive goods on approval they must inform the SOM immediately and pass on copies of any paperwork sent with the item. The information will then be recorded.

Should you not require the goods please pass them on to the SOM as soon as possible before the date of return stipulated on the delivery note. The SOM will arrange with the Office coordinator for the return of the goods.

In some cases, the supplier encloses a paid return label. However, please note that some suppliers expect the school to return the goods at their own cost. If this is the case, the cost WILL BE CHARGED to the allocated budget and this can cause an overspend.
THE SCHOOL CANNOT AFFORD TO RETURN GOODS THAT CAN COST UP TO £8.00 A TIME.

Delay in sending back goods within the specified time can incur unnecessary costs to the school.

In the event that items arrive un-requested, please inform the SOM who will contact the supplier to instruct them not to forward goods in future and to request that they make arrangements for the return/collection of the goods. The supplier is responsible in this instance for the cost of postage.

The SOM will instruct the Office Coordinator to record all returns and obtain proof of postage which enables quick tracking of items in the event that there is a query in the future.

Payments of Invoices

What do I do when I receive an Invoice?

In **most** cases, invoices are addressed to the Finance or Accounts Office. In the event that invoices are addressed to a named individual, the Office coordinator will automatically pass this onto the OM, however, should you receive an invoice addressed to you please return to the office who will:

- check that the invoice has an official order number generated by the ERP
- check that the invoice agrees with the order and delivery note;

Please note that delay in forwarding invoices to the office can cost the school money as charges are liable after the specified payment date has lapsed.

When invoices are received the office staff will input the invoice on our in-house monitoring system, office staff will input the invoices into ERP and pass through to the SOM and Head to authorise

Budget Monitoring

Shropshire County Council Finance Department works with the OM and headteacher and carries out budget monitoring, reporting to the Head teacher and /or Governing Body on a termly basis. The Governing Body has legal responsibilities in ensuring that the School manages its finances correctly.

In order to carry out effective and accurate monitoring it is IMPORTANT that all purchases are placed via the ERP financial system. This will enable the OM to supply accurate information relating to the balance of individual budget codes. VERBAL requests are **discouraged**. This practice is not acceptable as it places too much pressure on the OM to source, accurately order then monitor the budget status. This practice is also monitored by auditors.

Payments and Expenditure

1. VAT is reclaimable. It is important, therefore, that (where possible) VAT receipts for all purchases are obtained. It is necessary to show the name of the company, items purchased and the VAT registration number.

Time Sheets

All members of staff who have completed additional hours for the month must complete time sheets. The time sheets must be handed into the SOM to process and pass to the Head for authorisation. These are added to the schools PR28 on ERP at the end of each month.

School Meals

School Meals are paid for by parents and staff via Arbor cashless system). The OM will reconcile payments made from Arbor into the school meals account against an SC1 form at Albrighton School.

GUIDELINES FOR PLACING OF ORDERS

- **BEFORE** proceeding please ensure that you have sufficient funds to cover the cost;

- **ONLY** order goods against your own budget code;

- **PLEASE** complete all sections of the order requisition form:

- **ENSURE** that you order goods in plenty of time – DO NOT leave it to the last minute;

- **ORDERS** for the commencement of the Autumn Term should be placed by the end of June in order that goods are received, accounted for, stored in a secure place and the invoice has been paid before the Summer Term holiday;

- **REMEMBER** that if the Order Requisition Form is not completed fully it will be returned for completion. This will cause unnecessary delay in obtaining goods;

- **REMEMBER, IF IN DOUBT**, please seek advice from the OM.

INTERNAL ORDER REQUISITION

Please return this form to the Administrator

Telephone orders may only be placed in emergencies and must be notified to the Administrator immediately in order that a commitment be recorded against the budget.

Name of Supplier: Supplier ID:

Class	Catalogue number	Description	Quantity	Unit List Price £	Total £	Cost Centre/ Subjective

TOTAL £

Authorised by: Date:	Goods requested by: Requisition processed by: Date: Requisition No.: Purchase Order No.:

PETTY CASH VOUCHER

CHARGE TO: …….. **DATE: ……**

Required for:	**Amount** *(inclusive of VAT)* £	

Signature of Claimant …… BUDGET HOLDER signature ……

(I authorise reimbursement of the above amount to the named claimant)

Appendix C

GPC CARD PURCHASE ORDER FORM

VOUCHER NUMBER _____

Name:	Date:
Purchase Details:	