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Name of policy: Financial Management Policy

REVISION HISTORY

	Date
APPROVED BY COMMITTEE	
RATIFIED BY GOVERNING BODY	
NEXT REVIEW	

Head Teacher _____ Date _____

Chair of Governors _____ Date _____

CHURCH HILL SCHOOL

Financial Management Policy

The school seeks to develop a system of quality financial management, which will lead to sound financial decisions being made in an efficient and effective manner.

This policy has been drafted in line with the London Borough of Barnet's Scheme for Financing Schools DfE approved March 1999 and amendments up to September 2013. In addition, this document has been drafted with reference to 'Keeping your Balance' produced by Ofsted and the Audit Commission published October 2000. Notice has been taken of the DfE guidelines regarding 'Consistent Financial Reporting'. Practices described arise out of the implementation of Fair Funding employed here since April 1998 under Section 48 of the School Standards and Framework Act 1998, and that it conforms to Contract Standing Orders. The governing body will seek to ensure the school complies with the Schools Financial Value Standard

The Governing Body will convene once a term. The Governing Body will apply the principles of best value to all financial and school dealings: to ensure the most effective, economic and efficient means available.

The Governing Body will;

- challenge how and why a service is provided (including consideration of alternative providers)
- compare performance against other schools taking into account the views of parents and pupils
- consult with stakeholders especially parents and children
- compete to secure efficient and effective services

Financial Objectives

The Governing Body will ensure;

- That the responsibilities of the Governing Body, its committees, the Head Teacher and the staff will be clearly defined and the limits of delegated authority be clearly established.
- That the budget will reflect the schools priorities and educational objectives, seek to achieve value for money and be subject to regular and effective monitoring.
- That the school's budget will not result in a deficit position. Should this be the case, the school will follow the 'Deficit Budget Procedures' as set out in the 'Scheme For Financing Schools'
- That the school will complete the Schools Financial Value Standard each year to be submitted to the LA by the published deadline and ensure any action plan devised in relation to the standard is completed in a timely manner
- That the school should establish sound internal controls to ensure the reliability and accuracy of its financial transactions.
- That the school will be adequately insured against exposure to risks.
- That the school will be registered under the Data Protection Act of 1998 and all data protected against loss.

- That the school will ensure that the purchasing arrangements achieve Best Value
- That there will be efficient procedures for the administration of personnel matters.
- That stock, stores and other assets will be recorded, inventoried and adequately safeguarded against loss and theft.
- That all income due to the school be identified, registered and banked promptly.
- That the school will properly control the operation of bank accounts and reconcile bank balances and accounting records.
- That the School's Unofficial Funds will be administered as rigorously as Official Funds.
- That the schools use of pupil premium funding will be monitored for effective use and reported via the schools website to ensure stakeholders are kept informed

1. Organisation of responsibility and accountability

1.1 Role of the Governing Body

The Governing Body will have responsibility for overall financial management of the school;

- To plan the budget and delegate responsibility to budget holders.
- To ensure the requirements of the scheme and associated guidance are met. Including Contract Standing Orders for Schools
- To ratify Policies drawn up by the relevant committee.
- To ratify and approve the school budget annually
- To approve expenditure on major capital projects over £10,000 and to seek LA approval before proceeding.
- To authorise virements in excess of £5000 for individual budget headings.
- To approve and authorise Leasing Agreements
- To follow deficit budget procedures as set out in the 'Scheme For Financing Schools' if necessary
- To ensure that the school upholds the standards as laid down in Schools Financial Value Standard (SFVS)

1.2 Role of the Resource Committee

a) Finance

The committee is a non-statutory committee; the names of the committee members are available from the Clerk of the Governors or the Head teacher. The terms of reference of the Resources Committee are;

- To ensure that all Governing Body and other Committee decisions are based on raising the achievement of all pupils.
- To ensure the School improvement plan priorities are clearly budgeted for and are identifiable in the school's annual budget
- To provide guidance to the Governing Body and the Head Teacher on all issues relating to finance and staffing.
- To ensure that the staffing levels in the school reflect the needs of the students and support the School Improvement Plan.
- To consider and approve a provisional budget upon receipt of the allocation from the LA for

- consideration by the main governing body.
- To ensure that all budgeted expenditure is appropriate, controlled and prioritised against all available resources
- To ensure that the school upholds the standards as laid down in Schools Financial Value Standard

The budgetary process will consist of four phases

- a) planning
- b) budgeting
- c) monitoring
- d) review

- To prepare and review policies giving consideration to the planning and resources of the school in line with the School's Improvement Plan
- To monitor the income and expenditure in conjunction with the Head Teacher and report to the Governing Body on a termly basis.
- To agree the level of delegation to the Head Teacher for the day to day running of the school.
- To authorise write-offs and disposals of stock.
- To ensure a register of pecuniary interests is put in place and all governors to provide written details on an annual basis and give a verbal declaration at each governing body meeting.
- To ensure the School's audited Unofficial Funds is presented to the Governing Body for approval annually.
- To approve and authorise Leasing Agreements.
- To produce and review the Financial Management Policy on a bi-annual basis or when a significant change to the organisation occurs.
- To provide information to stakeholders relating to finance issues via The Governors Termly Newsletter.
- To follow deficit budget procedures as set out in the 'Scheme for Financing Schools'. if necessary
- To maintain confidential minutes that will have limited access.
- To submit a full report to the Governing Body once a term.

b) Staffing

- To prepare and review the staffing policies including recruitment and selection, disciplinary and grievance procedures and make recommendations to the governing body.
- To ensure that all staff and pay related policies are reviewed annually and decisions are reported back to the Governing Body
- To appoint staff in accordance with agreed procedures.
- To be actively involved in any disciplinary action.
- To annually review the staff salaries in line with legislation and make recommendations to the governing body.
- To ensure that staff are correctly and fairly appointed.
- To ensure all safer recruitment recommended practice is adhered to in line with safeguarding guidance
- To ensure the schools Single Central Record is kept up to date

1.3 The Role of the Premises Committee;

The committee is a non-statutory committee; the names of the committee members are available from the Clerk of the Governors or the Head teacher. The terms of reference of the Premises Committee are;

- To address Health & Safety issues
- To ensure contracts and tenders are completed in line with Contract Standing Orders.
- To prepare the schools Asset Management Plan
- To prepare and review termly a schedule of regular maintenance
- To assist in the preparation of tenders/specifications for capital programmes over the value of £10,000
- To oversee any capital programmes
- To ensure health and safety training is up to date and implemented. Ensure works are completed as per Health & Safety requirements
- To review all existing contracts on an annual basis (e.g. telephone/photocopiers)
- To ensure that all workmen who come on site report to the office and sign the visitors book
- To ensure that all visitors using the school wear a visitors badge whilst on the premises
- To ensure that all workmen on site are accompanied by the Premises Manager

1.4 Role of Head Teacher

- To prepare budget estimates in conjunction with SLT and members of the Resource committee.
- To advise the Resource Committee on spending priorities.
- To ensure that school expenditure reflects priorities in the School Improvement Plan including plans for money held in reserve for future projects.
- To implement expenditure in line with the school budget.
- To consult the Resource Committee on virements in excess of £5,000.
- To monitor the budget monthly using reports from RM Finance issued by the School Secretary
- To authorise expenditure on a day to day basis in line with the budget.
- To submit reports to the Resource Committee giving details of income, expenditure and commitments to date and reasons for variances
- To present to the Resources Committee a year end forecast report in the autumn term as at 30th September and the spring term as at 31st December each year
- To arrange for a three year plan to be prepared in the summer term of each year and reported to the Resources Committee in line with the Schools Financial Value Standard
- To report to Resources Committee [in the summer term each year] the actual outturn position from the previous year as compared to the forecasted position as at 31st December. Prepared in January of the previous year. And explain any significant variances in line with the Schools Financial Value Standard.
- To sign cheques (two signatures are required on cheques over £250) The additional signatories will be a Senior Teacher and the Deputy Head Teacher
- To ensure audit reports are implemented.
- Arrange for the Schools Unofficial Funds to be audited.
- To appoint budget holders for each teaching and administrative area of the school, and to review/approve budgets and make recommendations to the Governing Body.
- To ensure budget holders receive monthly reports and that their budgets are not overspent
- To advise the Resource Committee at each Resources Committee meeting of all non-budgeted income and agree on-going budget amendments as required.

- To ensure that the School's Budget Share Account does not become overdrawn.
- To authorise any overtime/extra duties/supply claim forms.
- To monitor salary expenditure with the School's Accountant making use of the statement of accounts produced by the LA.
- To follow up and pursue outstanding queries
- To keep up to date with the Financial Rules and Regulations.
- To follow deficit budget procedures as set out in the 'Scheme for Financing Schools'.
- To immediately notify the auditors of any suspected irregularity.
- To ensure that the auditors have access to such premises, documents and assets as they consider necessary.
- To consider and respond to recommendations in audit reports and report to the Governing Body results and any action taken by the school.
- To ensure audit recommendations are implemented.
- To inform Human Resources of any staff changes.
- To ensure that the school upholds the standards as laid down in Schools Financial Value Standard and any action plan as part of the standard is implemented

1.5 Role of Teaching and Non-teaching staff

Role of Budget Holders

- Budget holders will submit to the Head Teacher the requirements for their area of responsibility on an annual basis. The Governing Body will approve these budgets at the time the final budget for the school is set. Additional expenditure up to the value of £5000 will need the approval of the Head Teacher before proceeding. Additional expenditure over £5000 will need the approval of the Governing Body.

Role of the School Secretary/Admin Assistant

- To sign delivery notes on receipt of goods. If it is not possible to check them the delivery note must be marked 'unchecked' in order that a detailed check can be carried out to ensure accuracy.
- To follow up any queries relating to the orders.
- To maintain the Unofficial Funds Accounts, expenditure above £250 is authorised by any two signatories i.e. Head Teacher, Deputy Head teacher, Senior Teacher
- To collect and bank School income for school trips, charitable collections, donations in the School's Official Fund Accounts.
- To collect and bank dinner and breakfast club money, chase outstanding debts and seek authority to write-off long outstanding debts.
- To maintain stock levels for office stationery.
- To process invoices, stamp and complete the Certification Stamp for payment
- To prepare cheques and pass them with the relevant documentation to the Head Teacher for signing.
- To keep the LA recommended computerised accounting package RM Finance up to date.
- To produce monthly monitoring reports for the Head Teacher and Governors.
- To reconcile computer accounts to the LA Reports on a monthly basis.
- To provide LA with details of income and expenditure and statements of bank reconciliation on a monthly basis by the required deadline.
- To ensure that the School Budget Share Account does not become overdrawn.
- To ensure VAT Regulations are complied with.
- To be responsible for the back up system for the LA recommended computerised accounting package RM Finance.
- To prepare month-end/year-end returns by the required deadlines.
- To ensure that an audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa.
- To ensure that the financial records are maintained to an auditable standard
- To ensure correct Consistent Financial Reporting (CFR) coding for Income and Expenditure;

Role of School's Accountant (LA Traded Service)

- To work closely with the Head Teacher on budget preparation and monitoring.
- To monitor salary expenditure making use of the statement of accounts produced by the LA.
- To raise and follow up queries as necessary.
- To prepare and process virements in conjunction with the Head Teacher as necessary.

- To report to the headteacher if budget codes are overspent and to take corrective action where necessary after discussion.
- To assist in the preparation of month-end/year-end returns by the required deadlines if required.
- To assist in the preparation of two forecasts required by the LA as at September and December
- To ensure opening and closing balances reconcile to LA Accounts.
- To ensure the school holds up to the value of balances brought forward from the previous financial year (Revenue plus Capital) in the Reserve Account to earn maximum interest.
- To ensure that an audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa.
- To ensure that the financial records are maintained to an auditable standard
- To check for CFR coding errors for Income and Expenditure and correct where necessary;
- To assist the Head teacher to put an action plan into place following an Audit; (Additional chargeable service)
- To advise on Financial Policy and Procedures; (Additional chargeable service)
- To advise and provide support on meeting SFVS; (Additional chargeable service)

1. Budgets

1.1. Budget administration

- The School Budget is linked to the School Improvement Plan, which is drawn up by the Head Teacher, SLT and Governors. This is approved annually by the full Governing Body
- The budget will be set and ratified by the whole governing body by 31st March as per The Scheme. When this has been completed the Head Teacher will administer the budget regularly. A termly report in an approved format will be sent to the Convenor of the Resource Committee
- The Head Teacher will check the statements of accounts sent by the LA monthly and any errors and omissions will be notified to the LA for correction. The statements will be signed by the Head Teacher.
- Individual budget holders will monitor their own budgets and liaise with the school's Secretary or Schools Accountant regarding any discrepancies.
- The allocation of funding is split into two main categories, Revenue and Capital. The revenue expenditure is sub-divided into three sections i.e. employees, premises and supplies & services.
- The Resource Committee must approve the use of monies held in contingency.

1.2. Responsibility for Budget areas are as follows

Employee Budgets

- Salaries - Head teacher

Premises

- Contracts - Head teacher
- Maintenance - Head teacher
- Capital Items - Head teacher
- Insurance - Head teacher

Supplies and Services

- Department Curriculum Co-ordinators - Budget holders
- Main curriculum subjects - Budget holders
- Consumables stock - Deputy Head Teacher
- Office supplies - Secretary
- Furniture and Equipment - Head Teacher
- Leasing - Head Teacher

2. Internal Financial Control

- To ensure financial control, designated personnel are authorised by the Chair of Governors
- Authorised signatures are as per the Authorised Signatory List
- Official orders placed by individual budget holders must be approved by an authorised signatory.
- All official orders must be authorised and approved before being issued to a supplier to ensure sufficient budget available.
- When goods arrive, they will be checked against delivery notes and official orders. Designated members of staff will deal with any errors relating to deliveries.
- Invoices are coded to the appropriate budget heading and recorded on the LA recommended computerised accounting package RM Finance by the School Secretary on a weekly basis.
- Cheques and invoices are prepared by the School Secretary and sent to the authorised signatories for signing.
- Designated personnel involved with financial documents including cheques, invoices, orders and receipts are aware that alterations should be made in ink and that Tippex or rubbers should never be used.
- Documents relating to finance are kept for a period of six years, plus the current year.
- All accounting records are kept in the school office, which is locked when not in use. The chequebooks, receipt books and unused official orders are locked in the strong room.

3. Insurance

- The school is insured through London Borough of Barnet. Schedules of cover are issued annually.
- Both the premises and the contents are covered under the policy.
- Employers and public liability is also covered
- School property such as musical instruments and computers are covered when they are off the premises.
- A book detailing incidents is kept locked in the school office.

4. Computer Systems

- The school is registered in accordance with the current Data Protection Act 1998.
- A log is kept of the back up on the LA recommended computerised accounting package RM Finance.
- A back up is taken each time the system is closed down.
- The computer systems are protected by password security to ensure that only authorised staff have access. Passwords are updated regularly
- The old year backups are kept in the strong room and the current year backups are kept in the Finance Printout File which is in the main office
- Three Finance back-ups are in use, they are rotated ,logged and stored
 1. In fireproof safe
 2. In secure office desk
 3. Off site

5. Purchasing

- The school is governed by Contract Standing Orders for Schools approved in October 2010.
- Separation of duties is clearly established by the authorised signatory list and this is adhered to.
- No payment will be made to individuals from the Schools Budget share account unless they are for goods only, unless the Head Teacher can be assured that the individual is self-employed and a tax payer.
- Payments to non self-employed individuals may be made through the payroll provider.
- The school will not issue gift vouchers to members of staff or other types of gifts which are deemed to be benefits in kind.
- Official orders are used for all purchases of goods and services with the exception of utilities, rents and rates.
- Official orders are ruled off below the last item recorded. One copy of the order is retained in the office and the second copy is given to the budget holder.
- When orders are placed for services an estimated cost is indicated against appropriate budget allocation so that budget can be clearly monitored.

Contracts - check

When selecting contractors for work: -

- Best Value should be sought in all purchases
- Between £5,000 - £10,000 – at least two quotations must be obtained and kept on file. If the lowest quote is not chosen reasons should be kept on file for the choice of quote and approval sought from the Resources Committee
- £10,000 - £75,000 - 3 competitive quotations need to be obtained, kept on file and approved by the Resources Committee
- If the value of the contract is over £75,000 then tendering arrangements must be put into place and guidance will be sought from the LA
- If the value of the contract is over 5,186,000 euros for works and 414,000 euros for goods or services then EU regulations must be complied with. Guidance should be sought from the LA. The thresholds should be checked and professional assistance with large procurement contracts sought.

6. Payments

- All staff are made aware by the Head Teacher that when goods are received they should be signed for. When staff sign for goods they know to clearly write on the delivery note "Unchecked"
- The goods are checked and distributed by designated personnel and distributed to the budget holders as soon as possible. The cleared delivery note is checked against the delivery and the original official order. This will be affected by designated personnel.
- Individual items purchased above the value of £200.00 are listed in the inventory book and the inventory folio number is written on the certification for payment.
- Payment is only made when an original invoice has been received, checked, coded and certified for payment. Copy invoices can only be paid after specific authorisation by the Head Teacher.
- Invoices can only be certified by the authorised signatories as per the authorised signatory list.
- When an invoice has been paid and authorised it is filed in cheque number order.

7. Personnel

- The school is contracted with the LA's HR and Payroll services.
- The LA sends payroll information to the school; this is checked on a monthly basis. Any errors or omissions are reported to the relevant service for correction.
- The Secretary notifies the LA's HR and Payroll services of any staff changes.
- The Head Teacher can approve payment and appointment for supply work, both teaching and non-teaching.
- Time sheets will be authorised by the Head Teacher

8. Security of Stocks and other property

- The Head Teacher, the Deputy Head Teacher and the Site Manager are the only key holders.
- A school inventory book lists all items over £200.00.
- A loan book is kept for staff to record property taken from the premises, including laptops for teachers.
- All write-offs and disposals of stock and equipment are authorised by the Resources Committee and approved by the Governing Body.
- The school safe/strong room is kept locked at all times when the office is not occupied. The Head Teacher and Secretary retain the keys.

9. Income

- The Governors have a Charging Policy in place, a copy of which is distributed to the parents via the school prospectus and is available on the schools website. The policy covers parental contributions for instrumental tuition, trips and other school activities.
- Official receipts are issued for music tuition and school journey payments. The School Secretary will maintain class lists on which they record money collected for day trips and school journeys.
- The collection of income relating to day trips and other activities is paid into the Budget share account.
- Where monies are collected on an instalment basis the instalment collection card should be set up by the member of staff responsible and maintained in the agreed manner.
- The official fund paying in book shows the split between cash and cheque receipts.
- All income is banked promptly.
- All income is locked away in the safe/strong room to safeguard against loss or theft and banked at the earliest opportunity
- Income collections are not used for encashment of personal cheques.
- Sums deposited at the bank are reconciled to sums collected on a monthly basis by the School Secretary.

10. Lettings

- The school has a letting policy
- School lettings are administered by the designated personnel
- Official LA invoices and booking, acceptances are being issued at the correct time
- All lettings are paid in advance
- All income is paid into the School Budget Share Account
- An indemnity deposit is taken on one off lettings and paid into the School Budget Share Account, may be waived at the discretion of the Head teacher
- Any profit element will be detailed and sent for approval to the School Accountancy Section after which the profit element will be paid into the interest bearing account
- Indemnity deposits will be paid back to the hirer when a satisfactory report is received by the Premises Manager

11. Banking Arrangements

- Authorised signatories are:
 1. The Head Teacher
 2. Deputy Head Teacher
 3. Two Senior Teachers.
- Cheques are written for the categories of expenditure detailed on the annual budget plan.
- Two signatures are required on cheques above the value of £250.00.
- The Resource Committee must approve individual non-budgeted purchases above £5,000.
- Cheques are never pre-signed.
- When not in use, printed cheques and cheque books are securely kept in the school safe/strong room.
- Bank statements are received at least monthly and reconciled with accounting records promptly. Any discrepancies are investigated at the earliest opportunity.

12. Tax

- The school complies with VAT and Income Tax
- Only proper VAT invoices are paid from the School Budget Share Account.

13. Unofficial Funds

- The school has an unofficial account. This exists to administer money relating to purchases for the benefit of the pupils which fall outside the scope of the official fund. The account is also used for staff collections and occasional small gifts for staff leavers or members of staff who are absent due to illness. The Treasurer is the Head Teacher
- The Resource Committee appoints the auditor. The accounts are audited annually and a copy of the audit report sent to the governors. The auditor's statement is sent to the LA as per the Scheme for Financing Schools.
- No payment will be made without an invoice.
- The signatories on the accounts are The Head Teacher, Deputy Head Teacher and Senior Teacher.
- Two signatories are required on cheques over £250.
- The Head Teacher will ensure that the same standards of financial accounting which apply to income and expenditure for the schools official funds apply to the schools unofficial funds.
- The unofficial funds are accounted for separately from the school's delegated budget and are held in a separate bank account.

14. Whistle Blowing

- The Barnet Whistle Blowing Policy is circulated to all staff and governors annually.

Church Hill School

Financial Management Policy Procedures

Budget preparation monitoring and reporting

1. Budget Preparation

The Head Teacher together with the Deputy head Teacher and the Convenor of the Resource Committee will put together a provisional budget based on the original budget share and any estimated underspend.

The full governing body will meet to consider and ratify the budget. The Chair of Governors will sign the budget and submit it to the LA on the approved Budget form in accordance with the Scheme for Financing Schools. This budget will be put onto the LA recommended computerised accounting package RM Finance

When the previous financial years accounts have been closed the governing body will determine how surplus balance is to be spent.

Monitoring and control must be continuous throughout the financial year. This is an ongoing function and is extremely important, not only in the current year to gauge actual performance, but also to aid future planning and decision making. To be able to monitor budget effectively, actual expenditure and known commitments must be reported to give budget holders, the Head Teacher and Governors a clear view of the overall financial position of the school. Monthly reports will be given to all budget holders to enable them to check and control their budgets.

Any variances identified from the reports can be investigated and prompt action taken. Where appropriate virements need to be implemented the approval of the appropriate person must be obtained.

2. Governing Body or Resource Committee

An up to date report will be produced termly for the Convenor of the Resource Committee for evaluation and report to the Resource committee of any variances and necessary virements. The Governing Body will approve virements and or any spending cuts or increases. The report will enable the Governing Body to revisit the School Improvement Plan if any savings are identified.

3. Head Teacher/Senior Management Team

The School's Accountant will provide a detailed monthly report from the LA recommended computerised accounting package RM Finance, which will be given to the Head Teacher/SMT to enable monitoring of the income and expenditure against the original budget plan. This will enable the Head Teacher/SMT to make informed decisions regarding individual budgets.

4. Individual Budget Holders/Department Budgets

Regular reports will be given to each budget holder, by the Head Teacher / School's Secretary, to enable him or her to monitor their budget. They will be able to identify variances and evaluate their spending plan for the remainder of the financial year. The reports must include income, expenditure and commitments.

5. Payroll Monitoring

The school purchases its payroll function from the Local Authority who sub-contracts to Capita as part of the CSG contract. Capita sends monthly reports detailing the number of hours, gross pay and on costs for each member of staff. These costs are monitored against the staffing estimates. Overtime and supply claims are checked against time sheets held within the school. Any errors or omissions are notified to the LA payroll or personnel department for correction.

6. Reconciliation

Each month the schools accounts are reconciled to the LA's statement of accounts code by code. The budget, income and expenditure are checked for accuracy and the overall position reconciled. Any errors are notified to the LA.

7. Income Monitoring

The School's Accountant shall monitor income on a termly basis to ensure that targets are being met. A check shall be made to ensure lettings income is received and cleared through the bank prior to the lettings taking place. The Head Teacher will notify the governing body if it is considered that targets are not being met immediately to enable them to convene and discuss where savings can be made.

8. Virements

Approval for a virement will be made prior to the spending taken place. No budget holder will be allowed to overspend his or her budget. Once the balance brought forward from the previous year is notified to the school [outturn] virements will be made by the Head teacher to meet any outstanding commitments from the previous financial year.

During the course of the year virements may be necessary from contingency these will be done in line with procedures and with the approval of the governing body.

The Head teacher will be able to authorise a virement up to £5,000. Over this amount virements must be approved by the Resource Committee and authorised by the Chair of Governors

9. Privately Funded Purchases – Virements

The school is allowed to save the VAT on school journey, purchases for goods or services that are beneficial to the curriculum. All curriculum related expenditure must be processed directly through the Official Funds using the appropriate CFR code.

If the income for these purchases is collected and banked in the Unofficial Funds the appropriate amount should be paid into the Official Funds on a termly basis

Termly a manual virement will be completed. This virement is to ensure that the income and expenditure can be identified and the budgets amended to ensure that they do not show an overspend.

10. Special Projects – Virements

The special projects holding account is to identify commitments for future years, these commitments must be approved by the Governing Body and form part of the school's three year budget plan. If a project is being delivered or brought forward a virement must be raised to meet the expenditure. The governing body will approve this and the Chair of Governors will sign the virement.

11. Financial Returns

The school will send monthly returns to the LA for income and expenditure using the Posting Summary from the LA recommended computerised accounting package RM Finance. The VAT will be claimed via the Posting summary. The schools will notify the LA of their current cash position by sending a monthly bank reconciliation. The returns will be sent to the LA in line with the schedule of dates published by the LA.

The school will send the LA two year end forecasts to ascertain the level of surplus balances anticipated. This will inform the LA and enable the school to make spending decisions based on the findings. These forecasts are produced as at the end of September and the end of December and must be presented to the Resources Committee for their consideration

Year-end creditors, debtors' payment and receipts in advance are completed and returned to the LA. When the creditors and debtors etc. appear on the LA report they are checked against the schools records for accuracy.