



Budget Management Policy

Date of Adoption by Governing Body: _____

Chair of Governor's Signature: _____

Date to be Reviewed: September 2017

STATEMENT OF INTENT

It is the aim of the governing body of Joseph Rowntree School to spend the school's budget share for the purposes of the school and to ensure that all resources made available to the school are used in an efficient and effective manner.

Financial decisions will be made after consideration of:

1. Conditions and requirements laid down in the Authority's approved Scheme for Financing Schools
2. Priorities as identified in the costed school improvement plan
3. The needs of the children, staff and community of the school
4. The need to support and deliver the National Curriculum and the Authority's Curriculum Policy together with any modifications agreed by the governing body
5. The resources made available to the school

ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

1. Roles and Responsibilities

- I. The Governors have a statutory responsibility for the oversight of the financial management of the school and for ensuring adherence to the Authority's Standing Orders and Financial Regulations.
- II. The governing body should determine delegation using the governing body Decision Planner (Appendix A) and review it annually.
- III. A Finance, Staffing and Resources (FSR) Committee made up of members approved by the governing body will be established and will meet at least once per term. It will work to an agreed Terms of Reference, which will be approved by the full governing body. The committee will consider termly monitoring reports as a minimum (in some cases monthly may be considered more appropriate) and will consider the school's Start, Revised and Draft budgets at the appropriate times. The committee will submit a brief summary report to the full governing body at least once per term.

The Headteacher will assume day to day responsibility for the budget and will operate under a scheme of delegation approved by the governing body (see Appendix B), have the delegated authority to determine spending within approved budget headings. The Head will be assisted by the appropriate staff to ensure segregation of duties and in the proper processing of orders and invoices generated by the school and the checking of goods received. All individuals who are involved in the spending, collection and custody of school resources must operate with integrity and observe regularity as reflected in the Authority's Financial Regulations and Standing Orders for schools with delegated budgets

2. Consistent Financial Reporting (CFR)

The governing body will have regard for the Consistent Financial Reporting Framework and ensure that school income and expenditure is coded in relation to the Framework so that accurate CFR returns are submitted to the Department for Education via the LA in a timely manner.

3. School Financial Value Standards (SFVS)

The governing body will have regard to the regulations governing statutory financial management standards and operate accordingly to ensure that the school is managed well financially. It will ensure that:

- Appropriate self evaluations and risk assessments, including use of financial benchmarking data, are carried out in a timely manner;
- The self-assessment return is submitted to the LA;
- Any findings resulting from this process are addressed to improve the school's financial management processes.

4. Extended School Activities

The governing body will have regard for the LA's guidance on all aspects of Extended School Activities. It will ensure that funds delegated to the school are used for the purpose of the school, including to support Community Extended School activities whilst not compromising core purpose.

5. Procedures

All documentation of accounts and finance will be kept in accordance with advice from the LA. Procedures for keeping accounts will be in accordance with the LA's Financial Regulations and Standing Orders. A copy of the school's most recent Auditor's Report will be available for inspection by governors, OFSTED inspectors and officers of the LA.

6. Pecuniary Interests

Governors and staff of the school will be required to complete a Register of Business Interests to declare any links they may have with any firm from which the school may wish to buy goods or services. A review will be carried out annually at which point any new staff and governors should be included.

BUDGETS

1. Aims and Objectives

The FSR Committee together with the Headteacher will consider the agreed School Improvement Plan, which shall cover a rolling period of 3 to 5 years, and will provide costings for proposals to develop the school's short, medium and long term aims and objectives as identified in the Plan. Such consideration will include the determination of:

- an appropriate level of general contingency (either an amount in pounds or a percentage of the annual budget);
- The formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals in the Plan.

It is recognised that finite resources will lead to a need to place proposals into some kind of priority and to accelerate/delay some spending plans as circumstances change.

2. Efficiency and Value for Money

The governing body will seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the LA's purchasing, tendering and contracting requirements.

All staff in schools should be looking at what money is being spent on in order to question whether they are achieving value for money. The three main elements of value for money are:

Definition	Example
Economy Minimising the costs to the school, without unduly compromising on quality	Were the supplies of the quality specified and purchased at the best price for that accepted level of quality?
Efficiency This is the relationship between output, in terms of goods, services or other results/benefits, and the resources used to produce them	Were the costs to the school of identifying and making the purchase minimised, whilst maximising the quality and robustness of the products/services that were purchased within the expected timescales and budget?
Effectiveness This is the extent to which objectives have been achieved and can be described as the relationship between the intended impacts and actual impacts of an activity	Did the goods/service meet the needs of the school and/or contribute to the achievement of the objectives for which they were purchased?

Ultimately, anyone spending money on behalf of the school should consider whether or not they would make the purchase or commitment if that money was their own. By assessing value for money we may be able to free up resources for other use in support of the School Improvement Plan. The three main questions we need to ask to ensure the school is getting value for money are:

1. Are we choosing the right things to spend our money on, i.e. the things that reflect the schools over all priorities and strategies?
2. Are we sure our financial procedures are sound and will stand up to scrutiny and audit?
3. Do we ensure that the money we spend is spent well and that we can demonstrate that we achieve the desired results through our spending activities?

3. Budget Timetable

The Headteacher (or another person with delegated authority in consultation with the Headteacher, e.g. The School business Manager) will prepare for consideration by the FSR Committee:

- I. A proposed start budget and 3/5 year financial plan following receipt of the school's Resource Allocation statement.

- II. A revised budget in the autumn term to reflect any staffing changes or updating of spending plans. Revised budget plans will not be requested if other financial reports carry the relevant data.
- III. A draft budget in the Spring Term to identify the schools potential budgetary position of the future years' financial plan.
- IV. Monitoring reports will be produced for consideration by the FSR Committee at least once per term with a brief report to the full governing body. A copy of monitoring reports considered at meetings will be sent to the LA on a termly basis. An exception to this is where the LA has approved a licensed deficit and defined the frequency in the terms of the license. Reports will reflect both sums paid, sums committed but not yet paid, estimated income and expenditure, predicted outturn and variances to the year end against approved budget headings.
- V. Financial systems will be reconciled to the school's centrally held account reports provided by the LA and the school's bank statement where applicable.
- VI. An Outturn statement and report by the end of the summer term for the governing body to consider financial performance in the previous financial year.

4. Budget Submission to the LA

The governing body, after approving the budget, will send a copy on the date specified by the LA. This will be between 1st and 15th May each year. The governing body will not submit a deficit budget unless there are exceptional circumstances. Where a deficit budget is submitted to the licensed budget process the governing body will seek advice and submit a written request to the LA to seek the approval of the relevant Director. The governors will take action to reflect the Director's written decision.

5. Virement Procedures

The budget will be revised each Autumn Term and the FSR Committee will vire funds between budget headings (ring-fenced grants) or from contingency funds as appropriate unless the level of change from the Start Budget does not warrant it. Requests by the Headteacher for the further virement of funds outside the scope of the Scheme of Delegation to the Headteacher (Appendix B) will also be considered by the FSR Committee and be subject to their minuted approval.

6. Transfer of Funds

Funds shall not be transferred between "Central," "Current," and investment accounts unless a policy to allow that to happen has been agreed by the Governing Body. The Governing Body's current Scheme of Delegation to the Headteacher includes their approval for funds to be transferred between the schools "Current" and LEA approved "Investment" Accounts.

7. Quality of Information

It is expected that the financial information received by Governors will be relevant, timely, reliable and understandable.

8. Capital Expenditure

The governing body may use its budget share to meet the cost of capital expenditure on the school premises. However if the expected capital expenditure from the revenue budget share in any one-year will exceed £15,000 the governing body will notify the Authority. The governing body will take into account the advice of the relevant LA Director as to the merits of the proposed expenditure. The governing body will seek the consent of the Authority to the proposed works.

9. Review of Revenue Balances

The governing body will consider the level of Revenue Balances reported to it through the budget monitoring process to assess whether priorities in the School Improvement Plan should be brought forward or put back in relation to the balances available to the School.

The governing body will pay due regard to the LA's Recycling of Excess Balances procedures.

10. Documentation

All financial systems and procedures carried out in the school will be in accordance with the LA's Financial Regulations, Standing Orders, Scheme of Delegation to Headteacher and, where applicable, the Bank Accounts for Schools Scheme (BAfS). Governors will review the LA's Delegated Authority Scheme – Authorisation Certificate, annually and ensure that up to date copies are submitted to the LA as and when authorisers' details and/or signatures change. A copy of these documents will be readily available and kept up to date.

11. Purchasing

Before purchases are made consideration should be given to economy and value for money and the financial regulations of the LA to ensure that appropriate tendering arrangements are instigated.

The governing body expect that school staff will follow official ordering procedures at all times and written pre-numbered orders will be used. Verbal orders will be followed up by a written confirmation order, clearly marked as such. Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the schools computerised financial system.

12. Procurement Cards

The school may take the option of setting up a Procurement Card account via the LA. In such circumstances, the Governing Body will follow the LA Policy and Procedures for the use of Procurement Cards and understand that it is responsible for its own purchase card account. It will ensure that cardholders will not use the cards for personal purchases and that they consider card security when selecting suppliers of goods and services. The account will be paid by Direct Debit each month to ensure that the school is not borrowing without the express agreement of the Secretary of State for Education.

13. Review of Service Contracts

The FSR Committee will oversee an annual review of the contracts purchased by the school to ensure quality, cost and impact of such services meet the needs of

the school and are efficient and deliver value for money. Where an existing contract is coming to an end a review prior to its renewal should be undertaken.

14. Procedures and Security

The school will make use of a computerised financial management system approved and supported by the LA. Data will be input on a regular basis including financial commitments made by the school. Information will be input from and reconciled to the school's central account reports provided by the LA. School bank statements will be reconciled every month and submitted to the LA. Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable.

The governing body will ensure that Data Protection regulations are followed. Security passwords will be maintained on the computer and documentation will be kept in a secure location. Regular backups will be made of the information held on the computer with storage media stored securely and separately from the computer.

15. Security of Stock and Equipment

An inventory will be kept in school and updated and checked on an annual basis in accordance with Financial Regulations and the Authority's guidance. Where the governing body has opted to join the LA's Contents Insurance Scheme, a copy of the policy document will be available for inspection in school.

A register of equipment removed from and returned to the school for use off-site will be maintained.

16. Petty Cash

There will be a limited use of petty cash. The amount of cash in school will be kept to a minimum and all monies and financial records kept in secure storage. The amount of cash held on the premises overnight will not exceed the permitted insured amount.

17. Income

The governing body will implement a charging and remissions policy which will be reviewed annually. Steps will be taken to ensure the early collection of income due. Receipts issued and records kept will be in line with the LA's Financial Regulations.

18. VAT Returns

VAT returns will be made promptly and accurately to the LA using the school's financial management system to meet HM Revenue and Customs' regulations.

19. Staffing

The FSR Committee will administer the school's Pay Policy annually and will consider appointments, terminations and promotions as necessary.

20. Insurance

Where the governing body has delegated funds available for purchasing insurance it may use the LA or other insurance providers. However, the governing body will demonstrate to the LA, prior to taking out any alternative cover, that the alternative policy is at least as good as the relevant minimum cover arranged by the LA.

21. Computer Systems

The school will maintain approved software for the input of financial records. The school has been registered in accordance with the Data Protection Act 1998.

22. Audit

The Governors, headteacher and staff will co-operate with auditors in accordance with the requirements of Financial Regulations and will consider and implement their requirements in a timely manner.

23. Whistle Blowing

The governing body will ensure that it has adopted a whistle blowing policy which will be made available to staff. This policy will be reviewed annually.

GOVERNING BODY DECISION PLANNER RELATING TO FINANCIAL MANAGEMENT

THIS PLANNER SHOWS TO WHICH LEVEL THE GOVERNING BODY MAY LEGALLY DELEGATE FUNCTIONS**KEY**

Level 1: Full governing body

Level 2: A committee of the governing body

Level 3: An individual governor

Level 4: Headteacher.

Column blank: Action could be undertaken by this level.

Column blocked off: Function cannot be legally carried out at this level.

Although decisions may be delegated, the governing body as a whole remains responsible for any decision made under delegation

Key Function	Tasks	Decision Level			
		1	2	3	4
Budgets	To approve the first formal budget plan each financial year				
	To monitor monthly expenditure.				
	To establish a charging and remissions policy				
	Miscellaneous financial decisions				
	To enter into contracts (GB may wish to agree financial limits)				
	To make payments				
	Staffing				
	Agree a pay policy				
	Pay discretions				
Curriculum	To establish a charging and remissions policy for activities (non National Curriculum based)				
Premises & Insurance	Buildings insurance and personal liability– GB to seek advice from LA, diocese or trustees where appropriate (it is suggested that the GB as a whole should be involved in this decision)				
	Procuring and maintaining buildings, including developing properly funded maintenance plan				
GB Procedures	To set up a Register of Governors' Business Interests				
	To approve and set up a Governors Expenses Scheme				
	To consider whether or not to exercise delegation of functions to individuals or committees				
	To regulate the GB procedures (where not set out in law) e.g. Budget Management Policy and Governors'				

	Delegated Authority to Postholders				
	To leave a federation				
Extended Schools*	To decide to offer additional activities and to what form these should take	*			
	To put into place the additional services provided				
	To ensure delivery of services provided				
	To ensure financial viability of, and probity for, services provided				
	To cease providing extended school provision	*			

*Although these tasks are open to delegation under the Education (School Government (Terms of Reference) England) Regulations 2000, the expectation would be that these decisions would be undertaken by the full governing body.

SCHEME OF DELEGATION TO THE HEADTEACHER

The Headteacher shall have delegated power to undertake all functions delegated to the governing body under the Education Reform Act 1988 pursuant to the Local Management of Schools scheme except that:

1. He/she shall comply with all policy directions given to him/her from time to time by the governing body;
2. He/she shall have the authority to expend all monies allocated to individual or specific items in the approved budget without further reference to the governing body;
3. Where no such specific item exists in the budget he/she shall not enter into any financial commitment in excess of 0.5% of the delegated budget or £2,500 whichever is the lesser, without the consent of the governing body or in the case of an urgent matter, the Chair thereof;
4. The above delegation shall not apply in respect of the appointment of staff. It shall be for the governing body to determine from time to time the extent of the power of the Headteacher to deal with staffing matter;
5. The Headteacher shall not vire from one budget head to another any sum exceeding 0.5% of the delegated budget or £2,500 whichever is the lesser, without the consent of the governing body or, in the case of an urgent matter, the Chair thereof;
6. The Headteacher may transfer funds between “current” and “investment” accounts, but only after a cash flow analysis has been completed and only in agreement with the School Bursar;
7. The Headteacher shall submit to the governing body at least once each term, and on such further occasions as the governing body may specify, a report on all expenditure incurred and commitments entered into, together with detail of any income generated, since the last such report to the governing body; this report to include a comparison of these latest figures with the school’s budget for the year;
8. Any proposal to incur expenditure on new or significantly different policies to be the subject of a report by the Headteacher to the governing body; the report to include details of cost in both the current and further years;
9. The Headteacher shall have the power to nominate the Deputy Headteacher or another named (senior) member of staff to exercise the powers of this delegation during any period of absence;
10. The Headteacher and any other person nominated under Regulation (9) above shall ensure that at all time the Financial Regulations and Standing Orders relating to schools with delegated budgets be complied with.

Governors' Delegated Authority to Postholders

Task	Persons Authorised	Posts Held	Notes
Ordering educational supplies within school budget		Headteacher Deputy Headteacher Teaching staff	
Ordering domestic supplies within school budget		Headteacher Deputy Headteacher Site Manager, SBM	
Ordering office supplies within school budget		Headteacher Deputy Headteacher Bursar, SBM	
Ordering any items in excess of £1,500		Headteacher SBM	
Ordering any items which would cause expenditure to exceed any budget heading by £500+		Headteacher SBM	
Ordering any items which would cause expenditure to result in an overall overspend		Headteacher SBM	
Checking and signing for educational deliveries		Office Staff Teaching Staff Site Manager	
Checking and signing for domestic deliveries		Office Staff Teaching Staff Site Manager, SBM	
Checking and signing for office supply deliveries		Office Staff Teaching Staff Site Manager, SBM	
Checking invoices		Bursar Office Manager SBM	
Authorising invoice payment		Headteacher Deputy Headteacher SBM	<i>Either</i>
Using a government procurement card		Headteacher SBM	
Signing Cheques School Budget Bank Account		Headteacher Deputy Headteacher Finance Manager Finance Officer	<i>Any two</i>
Signing Cheques School Fund Bank Account		Headteacher Deputy Headteacher Finance Manager Finance Officer	<i>Any two</i>

All purchasing ceilings are subject to annual review

Last up-dated on _____

Signed on behalf
of governing body _____ Chair of Governors



City of York Council Delegated Authority Scheme - Authorisation Certificate

Name of School:

Position

School DfE No:

Name (please print)	Purchasing & Payment		Contracts		Salaries & Wages		Specimen Signature	Specimen Initials
	Net Maximum Order Value	Net Maximum Invoice Value	Auth Y/N*	Max Value	Appt Forms Y/N*	T/Sheets & Other Pay adjustment Y/N*		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		

Signature of Chair of Governors

Print
Name

Date

Key - * Delete either Y or N as appropriate

When completed, please return to Schools Business Support Team, Millennium Bridge Hub, West Offices, Station Rise, York, YO1 6GA

Approved for Chief Finance
Officer

Print
Name