



BORDEN GRAMMAR SCHOOL

Finance Policy

Date Drawn up	June 2009
Date last revised	January 2024
Revised by	LSR
Date Ratified by Trustees (Finance & Resources)	30th January 2024
Frequency of Review	Annually
Next Review Date	January 2025

1. Introduction

The Trustees of Borden Grammar School are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Headteacher and the Board of Trustees have drawn up this Finance Policy to provide the guiding principles for which all Trustees and staff will operate within the traditional model of Governance.

This Policy has been drawn up in accordance with guidance included in the Academies Financial Handbook issued by the Education & Skills Funding Agency (ESFA).

2. Principles

Borden Grammar School Finance Policy will adhere to the following principles;

- The responsibilities of the Board of Trustees, its committees, the Headteacher and staff will be clearly defined and limits of delegated authority established, where applicable.

The Board of Trustees is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using performance data to **compare** attainment and other outcomes from all schools nationally, and with similar schools
- Using the information gained to **challenge** performance and set new targets
- Where financial benchmarking is available, using it to **compare** expenditure with similar schools
- Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- **Consulting** parents and other appropriate stakeholders on policy development and major changes in the use of resources

Trustees will use these principles of best value in order to ensure that the school's resources are used effectively to meet the needs of the pupils.

The school will establish sound internal financial controls which conform with the requirements outlined in the guidance published by the ESFA to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the school's prioritised educational objectives through its links with the School Development Plan.

The budget will be subject to effective monitoring, allowing the Trustees, Headteacher and staff to maintain financial control by reviewing the current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- The use of petty cash is strictly controlled
- The use of a Purchase Card is strictly controlled
- The School Voluntary Fund and any other non-public funds are administered as rigorously as public funds
- Any suspected irregularity will be reported immediately to the Secretary of State, via the ESFA
- The school will adhere to current GDPR & Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

3. Putting Policy into Practice

3.1 Delegated Authority

The Full Board of Trustees of Borden Grammar School has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated by the ESFA or LA, and other funds (e.g. the School Voluntary Fund).

The Finance & Resources Committee is delegated responsibility by the Full Board of Trustees for the following aspects of financial management;

- Evaluate and recommend the three year budget plan for approval by the Full Board of Trustees
- To review annually the Finance Policy and agree levels of delegation for approval by the Full Board of Trustees
- To review the Charges and Remissions Policy every three years for approval by the Full Board of Trustees
- To make decisions in respect of service agreements and insurance
- To advise the Full Board of Trustees of any consultations to change the ESFA scheme for financing Schools
- To report monitoring and the outturn position to the Full Board of Trustees, highlighting any significant variances
- Evaluate any proposed virements
- Evaluate and report on tenders for contract services to the Full Board of Trustees
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance and report to the Full Board of Trustees

- Evaluate and recommend the annual accounts and present to the Full Board of Trustees for approval prior to submission to the Directors of the Academy Trust
- Evaluate any other ESFA requirements/returns and present to the Full Board of Trustees for approval prior to submission to the Directors of the Academy Trust

The Headteacher is responsible for implementing the decisions of the Board of Trustees and for the operational management of the school. The general administration of financial procedures is delegated by the Headteacher to the Bursar and Finance Manager.

3.2 Internal Financial Controls

The internal financial controls operated by Borden Grammar School follow guidelines set out in the Academies Financial Handbook

3.3 School Improvement Plan

The Board of Trustees, via its committees, reviews the work of the school with reference to the School Improvement Plan.

3.4 Monitoring and Virements

Borden Grammar School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Bursar carries out monthly monitoring, copied to the Chair of the Finance & Resources Committee and the Chair and Vice Chair of the Board of Trustees. A monitoring report is taken to all meetings of the Finance & Resources Committee which reports, as required, to the Full Board of Trustees. Trustees ensure their meetings are scheduled with consideration to the submission deadlines for various returns due to the ESFA.

On occasions, virements may need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £10,000 - The Headteacher, reported to the Finance & Resources Committee

Virements up to £25,000 - The Finance & Resources Committee

Virements over £25,000 - The Full Board of Trustees

3.5 Insurance

The ESFA introduced a voluntary risk pooling scheme which was available from 1st September 2014. This offers Academies an alternative to securing their own insurance. After due consideration Borden Grammar School chose to secure their own insurance and after obtaining necessary quotations, remained with Zurich Municipal, via the Essex County Council Framework as approved by the Finance & Resources committee.

3.6 Purchasing

At Borden Grammar School budgets are delegated to Heads of Department. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Improvement Plan.

All staff adhere to the school procedures for purchasing items, as laid down in the Financial Regulations Manual, paying regard to value for money at all times. The Headteacher or designated deputy authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the following:

- For orders in excess of £10,000, but less than £50,000, three written quotations are obtained and submitted to the Finance & Resources Committee for approval and report to the Full Board of Trustees. If an urgent decision is required for purchases up to £50,000, the Bursar will seek agreement from the Chair of Trustees, Vice Chair of Trustees and Chair of Finance & Resources Committee and report to the Full Board of Trustees at the next meeting
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Full Board of Trustees for approval

All of the above will be minuted at the appropriate committee/Board of Trustees meeting to ensure that the School is seen to be obtaining value for money at all times. With this in mind the School also adopts the procedure where quotations are sought for all purchases exceeding £1,000 (either for individual or multiple items).

The school does not enter into any Hire Purchase agreements or Finance agreements.

3.7 Personnel Matters

At Borden Grammar School, at the start of every financial year the Bursar uses the financial tool provided by KCC Schools Financial Services to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance & Resources Committee for incorporation into the school budget planning process.

The Pay Committee undertakes an annual review of the performance and remuneration of the Headteacher and the Leadership Group.

The Headteacher undertakes an annual review of the performance and remuneration of all other staff, in accordance with the Trustees' Performance Management Policy.

Details of the salaries of the Headteacher and Leadership Group are recorded as a confidential item in the minutes.

3.8 Payroll Matters

The payroll provider at Borden Grammar School is Capita Business Services Ltd who provides payroll services to the specification laid down by HMRC. The Bursar signs off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Borden Grammar School are responsible for the security of school assets. Co-ordinators, subject managers and class teachers safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Bursar.

Items of value are held in a locked cupboard/cabinet wherever possible.

Where assets are written off and disposed of, the Finance & Resources Committee agrees this on behalf of the Full Board of Trustees and the agreement is minuted.

Where school assets are loaned to staff or pupils, the relevant section of the Asset Register is completed and signed when borrowing the item and again when the item is returned.

3.10 Income

At Borden Grammar School, the Lettings Policy is reviewed and approved every three years by the Board of Trustees.

Approval is required by the Full Board of Trustees where debts are required to be written off and will only be considered after every effort has been made by the Headteacher and Trustees to recoup the monies.

No more than £500 in cash is to be held in school at any time. Cash will be receipted, recorded and banked promptly at all times. The only exception to this is when school trips are imminent, in which case cash in excess of £500 (in the appropriate currency), relating to the trips, can be held in school, in a secure place, which is known to both the Finance Manager and the Bursar.

3.11 The School Bank Account

Borden Grammar School holds a Business Current Account and a Liquidity Select Account with Natwest Bank PLC.

A sweep facility exists for balances exceeding £10,000 from the Current account to the Liquidity account in order to maximise the potential for earning bank interest.

Bank account signatories are updated immediately there is a change in staffing.

Bank statements at Borden Grammar School are received on a fortnightly basis and reconciled to the school's local system immediately. The Headteacher or designated deputy signs and dates the bank statement when the reconciliation has been checked.

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £500. At Borden Grammar School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £20. All staff obtain proper VAT receipts for petty cash purchases, wherever possible.

3.13 Purchase Cards

Borden Grammar School has a School Corporate Card.

A Corporate Card is a facility for use by schools, to allow the purchase of goods where it is not possible or appropriate to use BACS or cheques. Examples include internet purchases, purchases by telephone and 'in person' purchases where a school cheque without a cheque guarantee card is unacceptable. The school receives monthly statements from Natwest detailing the transactions for each cardholder. The School makes one payment per month per card to the Bank by direct debit to cover all card transactions.

Borden Grammar has set the following limits on the Corporate Card:

- Single transaction limit - £5000
- Monthly credit limit - £10000

The card is held in the name of the Finance Manager and all transactions MUST be made by the Finance Manager. Statements are administered by the Finance Manager and monitored each month by the Bursar and the Headteacher.

All transactions are to be made in accordance with procedures set out in the Financial Regulations Manual and are audited.

3.14 The Voluntary Fund

In addition to the Designated School's Grant, Borden Grammar School also operates a school Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance. We recognise that our Voluntary Fund is an additional source of income and that the controls over its use need to be as rigorous as for the administration of the school's delegated budget. We have appointed JAD Associates Limited, who is independent of the school, to audit the Voluntary Fund accounts on an annual basis. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

3.15 Irregularities

All staff at Borden Grammar School are made aware of the Academy's Whistleblowing procedure.

3.16 Data Protection

Under the terms of the current GDPR & Data Protection legislation, the Headteacher and Board of Trustees are required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we have a password protection procedure. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

3.17 Financial Administration

At Borden Grammar School, three members of staff are trained in the use of the finance software and financial administration procedures in order to ensure cover in event of staff absence. We adhere to the procedures set out in the Borden Grammar School Financial Regulations Manual and we also purchase a support contract through the Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.