



The Orchard Vision: *Inspiring Success*  
Values: *Determination, Courage, Respect*

## The Orchard Finance & Purchase Card Policy 2024

<b>Reviewed by:</b>	Toby Stevenson / Katie Carter & Sally Cary
<b>Approved by FGB on:</b>	
<b>Next Annual Review Due:</b>	March 2025

Governors have statutory responsibility for the financial management of maintained schools with delegated budgets.

The regulations setting out the financial management of schools are laid down in the Education Reform Act 1988, the School Standards and Framework Act 1998 and the Local Government Act 1972: s151. Detailed guidelines are contained within the Surrey Scheme for Financing Schools and the various sections of the Surrey Finance Manual

### **The Purpose of the Policy is to:**

- Define the responsibilities within the school and set limits of authorisation for the Headteacher and other budget holders
- Provide guidance on the application of regulations
- Identify procedures to ensure that adequate arrangements are in place to guard against fraud and theft
- Set out guidelines to achieve efficiencies and value for money in the use of resources which invests in teaching and learning and takes in to account the Authority's purchasing, tendering and contracting requirements
- Set out guidelines as to how the purchase card should be used in connection with the school budget

### **Application:**

- This policy covers all funds Delegated or Devolved by the LA, locally generated income attributable to the delegated budget, the School Fund and the Purchase Card.

### **The role of the Governing Body is to:**

- Set the financial priorities of the school through the:
  - School improvement plan
  - 3-year financial plan
  - The annual budget plan
- Ensure the budget includes an allocation for expected performance pay reviews
- Approve and monitor the annual budget

- Ensure the budget is managed effectively & achieves value for money
- Ensure the school meets its statutory obligations and complies with the Local Authority's Scheme for Financing Schools and Standing Orders
- Receive and respond to auditors' reports
- Agree limits of authorisation for the Headteacher

**The role of the Governing Body is to**

Ensure the Head Teacher and School Business Manager prepare a budget plan to present to the FGB.

- Adopt the Local Authority Scheme of Delegation
- Review and maintain finance policies, including Lettings and Charging & Remissions.
- Review systems of internal financial control
- Monitor the annual budget
- Set levels of authority for spending and virement
- Advise on the affordability of the School Improvement Plan
- Consider the impact of student numbers on the budget over short, medium and long terms
- Receive and respond to auditors' reports

**Financial Planning:**

- The governors shall plan the school's finances through:
  - The approval and implementation of an annual budget based on the aims, objectives and priorities of the school
  - the current financial position of the school and the level of projected future reserves.
  - the preparation of a medium-term financial plan covering at least three years, updated annually, subject to visibility of the outer years' funding model.

**Annual Timetable:**

- The timetable for preparation, presentation and approval of the Annual Budget and School Development Plan will be as follows:
  - Autumn Term
    - Approval of School Improvement Plan Sep
    - Review 3 year financial plan
  - Spring Term
    - Receive year end Forecast Feb/March
    - Present Budget to Finance Committee April/May
  - Summer Term
    - Approval of Budget by Governing Body April/May

**Expenditure and Virement Limits:**

- The Headteacher has the delegated authority from the Governing Body to authorise expenditure up to the value of £50,000 for a single transaction without governor approval within the framework of the budget or virement of funds between cost centres up to the value of £10,000.
- Expenditure or virement of funds in excess of £10,000 require the approval of the Full Governing Body.
- The Full Governing Body must agree any expenditure above these limits or for which there is no budget currently allocated.

#### **Purchasing & Achieving Best Value:**

- The Governing Body shall maintain a policy of Best Value for all purchases
- All purchases will be made through the school's ordering system or if not possible using the purchase card
- The School Business Manager shall keep records of all purchases made including quotations received but not accepted, together with the reasons
- The performance of contractors and the outcomes of purchases shall be continually reviewed
- The policy of Best Value will be applied using the four principles:
  - Challenging how a service or supply is provided and why it is required
  - Comparing performance with other schools
  - Consulting with relevant stakeholders
  - Competing as a means of securing efficient and effective services and supplies.

#### **Maintenance & Service Contract Limits:**

Purchasing and Tendering procedures must comply with County Council's Standing Orders. The detailed purchasing rules are set out on Annexe E of the Surrey Scheme for Financing Schools. These can be summarised as follows.

Surrey Scheme for Financing Schools requires schools maintained by Surrey County Council to abide by the Council's Purchasing Rules and Guidelines and Standing Orders, except where doing so would remove freedoms specifically guaranteed to schools by legislation (e.g. the right to a free choice of suppliers). All authorities are required to maintain Procurement Standing Orders, as part of their Constitution under s135 of the Local Government Act 1972. These separate Procurement Standing Orders (PSOs) for schools are issued, under s2.10 of the Surrey Scheme. Schools must comply with them for any orders placed after 12 September 2016 but it is recommended that they apply them as soon as possible.

#### **Administration of the Purchase Card**

- The purchase card will have a maximum monthly spending limit of £1,000.00.
- The purchase card shall not be used to withdraw cash.
- The purchase card shall be held securely in the school safe and access restricted to the card holder. The PIN, password and security code shall not be recorded and / or disclosed to anybody else
- Receipts for all purchases will be submitted to School Business Manager immediately for reconciliation.
- The bank shall be notified promptly of the loss / theft of the card to avoid liability for any misuse.
- Purchase card usage shall be limited to transactions where no other method of payment is available.
- Transactions on the card statement shall be checked by the School Business Manager against the transaction documentation. Any discrepancy on the purchase card statement shall be reported promptly to the Governing Body.
- Due care shall be taken when using the purchase card for internet and telephone transactions.
- Expired purchase cards shall be destroyed and reported to the Governing Body.
- The bank shall be informed in writing to cancel the card when the Headteacher leaves or the card is no longer required. In such instances the purchase card must be destroyed and reported to the Governing Body.
- The purchase card shall not be used personal use. Any inappropriate use of the card may lead to disciplinary being action and / or facilities withdrawn.
- The School Business Manager is authorised to liaise with the bank and copies of all communication shall be retained securely in accordance with the retention policy.

**Internal Controls:**

- Internal authorisation, subject to the purchasing limits stated in this policy, will be as follows:

<b>Process:</b>	<b>Certifying officers:</b>
Orders, invoice approval, VAT, Expenses forms, and absence returns	School Business Manager
Purchase Card Transactions	Headteacher
BACS payments – any amount	Two signatories to the delegated bank account
Income/expenditure return (FINU81A) – VAT claim	School Business Manager & Headteacher
Order requisitions, deliveries	Administrative Assistant
Payroll forms, overtime claims, supply claims	School Business Manager & Headteacher
Changes to Headteacher’s pay	Chair of Governors
Income received, banking slips	School Business Manager & Administrative Assistant
School Meals reconciliation	Administrative Assistant
Lettings approvals	School Business Manager / Headteacher

**Separation of Duties:**

Purchasing –

- Overtime – Instruction given by Headteacher, office book & record personnel, School Business Manager checks timesheet, Headteacher checks service return
- Parentmail – monies received entered on computer system, final balance checked with class for attendance (to ensure expenditure is covered)

**Financial Reporting:**

<b>Frequency</b>	<b>Document/Process</b>	<b>Reported to</b>
Monthly	Financial Monitoring Report and Commentary	Headteacher
	Cost Centre Summary Report	Headteacher
	Cash Flow	Headteacher
	Cost Centre Report	Budget Holders
Termly	FMR and Strategic overview	Governing Body
Annually	Out-turn statement	Governing Body
	Consistent Financial Reporting (CFR)	Governing Body Yearly
	Unofficial Audited Accounts	Governing Body Yearly
	Draft Budget Plan	Governing Body Yearly
	Budget Plan	Governing Body
	Three Year Financial Plan	Governing Body
	Finance Monitoring Policy	SBM , Headteacher and Governing Body

**School Meetings**

The full Governing Body meets each half term. Minutes are recorded at each meeting which note the key discussions and decisions made.