

**Be Known. Be Loved. Belong.**

*“Who you are is God’s gift to you. Who you become is your gift to God.”*



## **REEPHAM CHURCH OF ENGLAND PRIMARY SCHOOL**

### **FINANCE POLICY**

#### **Introduction**

The Governing Body recognises that it is ultimately responsible for the financial management of the school and has produced this policy document to help it fulfil those responsibilities.

#### **Organisation**

In view of the importance and complexity of financial management in the school, the Governing Body as a whole is responsible for overseeing financial management to enable due consideration to be given to all financial matters.

The Governing Body meets six times each year, with finance discussed at each meeting. During the May meeting, the budget for that financial year is agreed. During subsequent meetings, budget monitoring reports are shared, with explanations of any variance between forecast and budget explained.

Finance Reports produced for Full Governing Body meetings are kept on file and the discussions around these are recorded in the minutes, with a statement on whether the Governing Body are Assured on the school’s financial position and the management of finance within school.

Governing Body members will be required to maintain strict confidentiality with respect to payroll and other sensitive information presented to them.

#### **Roles and Responsibilities**

The Governing Body recognises the importance of Governors, the Headteacher and staff being clear about their respective roles and responsibilities with regard to the financial management of the school. This section sets out those roles and responsibilities.

#### ***The Governing Body***

The Governing Body will:

- a) agree on the roles and responsibilities of the Governing Body and Headteacher and review annually
- b) approve the school’s budget each year, ensuring that a copy is attached to the minutes of the meeting and ensuring that they are submitted to the Local Authority (LA) within the specified timescale
- c) take appropriate steps to ensure the school’s budget does not overspend, and contact the LA and seek approval to overspend where this seems unavoidable

- d) satisfy itself that the Governing Body and Headteacher are fulfilling their responsibilities as set out in this policy document
- e) review detailed budget monitoring reports each term, ensuring that copies are attached to the minutes
- f) record in writing the transaction/process authorisation limits, etc. relating to the school's financial system for relevant members of staff (see Appendix A)
- g) agree the school's virement policy (see Appendix B)
- h) The policy should clearly state what financial levels have been delegated to individuals.
- i) establish the school's Charging Policy and review on an annual basis
- j) review the financial training needs of Governors, the Headteacher and staff on an annual basis and fund training needs, as appropriate. A programme of free training is available from the Local Authority
- k) ensure that the school's Register of Business Interests and Conflict of Interests is kept up-to-date
- l) ensure that the school complies with the Local Authority's guidance relating to Extended Schools and, in particular, that it does not subsidise extended school activities from the school's main budget share
- m) ensure that the Schools Financial Value Standard is completed and signed each year (see guidance on the GOV.UK website [www.gov.uk/guidance/schools-financial-value-standard-and-assurance-sfvs](http://www.gov.uk/guidance/schools-financial-value-standard-and-assurance-sfvs))
- n) review the Finance Policy document on an annual basis and familiarise themselves with the policy document and their roles and responsibilities
- o) ensure that the school complies with the Local Authority's Scheme for Financing Schools, as approved by the Secretary of State
- p) familiarise themselves with the way in which schools in Lincolnshire are funded and ensure that the school complies with the County Council's financial regulations
- q) ensure that the school obtains value for money (refer to Finance Handbook for more information)
- r) ensure that the School's Other Government Grants allocations are fully utilised

- s) The Consistent Financial Reporting website should be used to assist with comparisons (refer to Finance Handbook for more information)
- t) ensure that audit recommendations are implemented within a reasonable timescale
- u) ensure that the school has a list of certifying officers for the purpose of signing cheques, certifying employee claims etc. and review this on an annual basis
- v) ensure that all minutes of the Finance Meeting are forwarded to [governor.support@lincolnshire.gov.uk](mailto:governor.support@lincolnshire.gov.uk)
- w) ensure that assets with a value up to £20,000 are disposed of in accordance with the guidance set out in Section E of the Finance Handbook

### ***The Headteacher***

The Headteacher will:

- a) familiarise him/herself with this policy document and his/her role and responsibilities
- b) ensure that School Development Plan priorities are properly costed and linked to the school's budget and finance plan
- c) oversee the day-to-day running of the school's financial administration and ensure that the County Council's timetable is adhered to (refer to Finance Handbook for more information)
- d) ensure that proper checks and controls are in place to cover day-to-day activities. (Advice on internal checks and controls should be sought from the Council's Corporate Audit and Risk Management Team)
- e) authorise transactions/processes within the school's financial system up to limits agreed by the Governing Body. This could include the release of purchase orders, etc. (see Appendix A)
- f) act as an authorised signatory for the purposes of signing cheques, certifying employee claims etc.
- g) review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out
- h) monitor that the Employee Costs Report is run on a monthly basis, checks have been undertaken to ensure the data is correct, and initial documents as evidence that monitoring has taken place

- i) agree virements up to his/her authorised limit (see Appendix C)
- j) ensure that income collected by external companies is reconciled on a regular basis
- k) ensure VAT is correctly accounted for
- l) ensure an inventory is maintained
- m) ensure that assets with a value up to £20,000 are disposed of in accordance with the guidance set out in Section E of the Finance Handbook

### ***The Business Manager***

The Business Manager will:

- a) maintain the accounting records using the school's financial package
- b) draft budget papers
- c) draft original and revised finance plans
- d) monitor the budget on a monthly basis
- e) carry out transactions/processes within the school's financial system up to limits agreed by the Governing Body (see Appendix A)
- f) ensure that the LA's timetable for completion of bank and other reconciliations is adhered to
- g) Contact the Schools Finance Helpdesk with concerns or queries regarding financial administration
- h) ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to ensure compliance with the Council's No PO No Pay policy and to aid effective budget monitoring and management – An exemptions list is available to access on the LCC Connect area at [www.lincolnshire.gov.uk](http://www.lincolnshire.gov.uk)
- i) ensure that payments are made to suppliers within LCC's payment policy, i.e. 28 days of the date of the invoice
- j) ensure that claims for Sickness Absence Insurance Scheme are made promptly and no later than 1 month after the relevant period
- k) ensure that the Employee Costs Reports and Gross to Net Report are run on a monthly basis, as close to 23rd of the month as possible, and that checks are undertaken to ensure the data is correct.

- l) ensure that income collected by an external company is recorded accurately on Business World and that regular reconciliations are undertaken.

**Authorisation Limits for Purchase Orders (see Appendix A)**

Business Manager      £1,000 (default £1,000)  
 Headteacher              £500,000 (default £500,000)

**Virement Limits (see Appendix B)**

Virements of £20,000 or more should be approved by resolution of the full Governing Body.

The following virement limits have been agreed:

Headteacher                      £20,000  
 Business Manager                £10,000

**Purchase Card Limits**

*This section should be included if the school has joined the Purchasing Card scheme. Each member of staff should be listed with their Single Transaction Limit and Monthly Credit Limit. An example is set out below:*

<b>Transaction Limit</b>	<b>Designation</b>
Up to £500	Administrator/Bursar
Up to £1,000	Headteacher
Up to £2,000	Headteacher

<b>Monthly Credit Limit</b>	<b>Designation</b>
Up to £2,000	Administrator/Bursar
Up to £4,000	Headteacher
Up to £10,000	Headteacher

Name	Single Transaction Limit	Monthly Credit Limit
Louise Revitt	£500	£2,000

**Training**

The Governing Body recognises the importance of financial training for Governors and staff in helping them to fulfil their responsibilities in relation to the financial management of the school.

The training needs of all Governors and staff will be reviewed each year. Appropriate budgetary provision will be made, where necessary and Governors and staff will be actively encouraged to undertake that training.

A programme of free training is available through the Local Authority.

### **Budget Setting**

The Governing Body recognises the importance of setting a detailed budget at the start of the year.

The School Business Manager and Headteacher will draft a detailed budget for each line of income and expenditure. It is recommended that the budget is re-evaluated each year (as opposed to incremental budgeting) for the Governing Body's consideration.

Options for increased spending, as set out in the School's Development Plan, and options for cost-cutting measures, will be included where appropriate.

### **Budget Monitoring**

The Governing Body recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under and overspendings.

The School Business Manager and Headteacher will monitor the budget on a monthly basis by reviewing reports from the school's financial system for:

- errors
- miscoding
- large or unusual items
- potential underspending or overspendings against budget

and act promptly, where appropriate. Recommended reports can be found in the Finance Handbook.

### **Financial Administration**

The Governing Body recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous financial decisions in the school.

The Headteacher will monitor the financial administration functions carried out by the School Business Manager, ensuring that:

- accounting systems are kept up-to-date
- Sickness claims etc. are completed in accordance with the LA's published timetable
- appropriate action is taken where the LA advises the school that its day-to-day administration is not up-to-date
- where income is collected by an external company, that regular reconciliations are completed

### **Reporting**

The Governing Body recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the school.

The School Business Manager will prepare budget-monitoring reports for consideration by the Governing Body.

The reports will include for each line of income and expenditure (including all Government Grants):

- The original budget
- Changes to the budget (virements)
- Revised budget (the current budget)
- Forecast – this is the final forecasted expenditure and income for the year
- Forecast variance – this is the variance between the current budget and the forecast to give the forecasted year end position

In addition to the reports available in the school's financial system, the Local Authority issues a Medium-Term Finance Plan document to schools on an annual basis which provides the framework for the preparation of finance plans and budget monitoring reports to Governors.

### **Financial Planning**

The Governing Body recognises the importance of financial planning beyond the current year.

The School Business Manager and Headteacher will prepare a financial plan covering the next five years.

The plan will show the projected numbers on roll and the impact this has on the school's budget share, expenditure and carry forward.

The level of detail shown in the school's plan will include, as a minimum, the information set out in the Medium-Term Finance Plan document issued by the Local Authority to schools every year.

The plan will include contingency plans, setting out the school's proposals for dealing with variations including, in particular, changes in the projected number on roll.

The Governing Body will consider the impact that the medium-term finance plan may have upon staffing levels and develop outline plans and strategies for avoiding redundancy costs for future years.

### **Audit**

The Governing Body recognises the importance of the County Council's audit regime in assessing the adequacy of the school's financial controls.

The Governing Body and Headteacher will ensure that auditors are given access to staff, all relevant records and property, as the auditors consider necessary.

The Headteacher will ensure that audit recommendations are implemented as soon as possible.

The Headteacher will familiarise him / herself with the Financial Procedures and Finance Handbook, which give guidance on best practice, internal controls and statutory requirements.

**Review**

The Governing Body recognises the importance of keeping its Finance Policy up-to-date and will review the policy on an annual basis.

Policy Ratified: January 2026  
Due for Review: January 2027

## **APPENDIX A - Authorisation Limits**

The authorisation limits relate to processing and release of purchase orders and invoices. The Finance Policy should clearly state what authorisation levels have been delegated to individuals to process or release purchase orders or invoices.

**On Business World, the default purchase order release limit for administrators is £1,000. For Headteachers the default limit is £500,000.**

## **APPENDIX B - Virement Policy**

Virements are in-year changes between budgets, e.g., on Business World £5,000 is moved from contingency to teaching staff.

The Schools virement policy forms part of their Finance Policy. The virement policy should clearly state what financial levels have been delegated to individuals to vire the budget from one budget heading/account code to another. The virement policy has a similar principle to Headteachers or procuring goods/services; placing orders/goods receipting etc. The recommended limit for delegating responsibility for virements to the Headteacher is £5,000, although secondary schools may wish to increase this limit. Schools may also choose to allocate virement levels to the Administrator.

## **APPENDIX C - Income Collected by External Company Policy**

Schools can enter into a contract with an external company which agrees to collect income from parents by credit or debit card for activities such as meals, trips, uniform etc.

The policy must clearly state the company involved, how often income will be paid over to the school and how often income reconciliations are completed and who will be responsible.

The school must notify Treasury & Investment Section at LCC when they enter into an agreement with an income collection company.

We currently receive money from our Management Information System provider, Arbor, due to them receiving money from parents for trips, wraparound care etc. They pay us weekly and the payments are reconciled in our accounts at least monthly.