



Financial Procedures

Date adopted: 10th October 2019

Headteacher signature: 

Chair of Governors signature: 

Revision Date : September 2020

Y PANT COMPREHENSIVE SCHOOL FINANCIAL PROCEDURES AND RESPONSIBILITIES

1. Security of Cheques

- a. Security for cheques will sit with the Clerical and Examinations Officer.
- b. The cheques are to be locked away when not in use (in the Examinations Office).
- c. The cheques are to be signed by at least two authorised signatories.
- d. Blank cheques must not be pre-signed.
- e. When new cheques are received they are to be examined to ensure that no cheques are missing and that the cheques bear the correct account number and hence belong to the school.
- f. Completed cheques or blank cheques must not be removed from the school premises.
- g. Cheques must be issued in strict numerical sequence with full details being entered on the counterfoil. All counterfoils should be retained for reconciliation and audit purposes.
- h. Any cheque that requires cancellation must be clearly marked "cancelled" and retained with the counterfoils.

2. Paying In Books

- a. Paying in books, not individual slips should be used for banking income.
- b. Where cheques are paid in, a record must be kept showing, for each cheque the name of the drawer, the nature of the income and the amount. This must be totalled to agree with the total cheques banked.
- c. The person paying the money into the bank should not be the person who carries out the bank reconciliation or, ideally, the person who records the income.

3. School Dinner Monies

- a. Monies are collected and reconciled by the Catering Manager
- b. Monies are banked on a weekly daily basis.

4. Requisition

- a. Requests for goods/services should be forwarded to the general office on a standard requisition form, which has been authorised by the appropriate budget manager.
- b. Before an official order is raised, it should be ensured that there is adequate provision in the budget. The placing of orders by telephone should only be used when strictly necessary from a practical point of view e.g. arranging teacher supply cover. In these circumstances SIMS should be updated immediately the commitment is known.
- c. A copy of each official order should be returned to the budget manager which identifies the order number and date that the order was placed. This enables the budget manager to check that the order has been entered correctly and monitor their fund level.
- d. The tendering procedures outlined in the LFMS scheme should be followed.

5. Orders

- a. Signed copies of the order should be retained and filed in order number sequence with the matching requisition form.

6. Goods Received

- a. On delivery of goods the delivery note should be signed (unchecked) e.g. "J Bloggs (unchecked)" to confirm receipt indicating that goods have not been examined.
- b. All deliveries are to be taken to the appropriate department as soon as possible by the school caretakers.
- c. The goods should be forwarded, as soon as possible, to the budget manager to confirm that goods received are as requested and in a satisfactory condition. The delivery note, or in the absence of one a goods inspection form, should be signed by the manager. Any anomalies should be marked and taken up with the supplier.
- d. Delivery notes/goods inspection forms should be forwarded to the general office for updating of SIMS and matching to the order.

7. Payment of Invoices

- a. When an invoice is received it should be entered on to FMS for VAT purposes. It should be checked to the corresponding order and delivery note/goods inspection form and signed to certify that it is correct for payment.
- b. The cheque signatories should monitor that the above information is present prior to authorising the cheques.
- c. The paid invoice and all the supporting information as in (a) above should be clipped together and filed in order number sequence.
- d. The budget account should not be used to pay any allowances, travelling or subsistence expenses directly to its employees.
- e. Any payment for services not covered by the basic salary paid via the payroll should also be paid by payroll and not by cash or cheque. This enables NI and tax implications to be properly taken into account.
- f. Direct Debits must be authorised by the cheque signatories named on the account with supporting documentation (order form and invoice signed by the budget holder).

8. Non Order Invoices

- a. It is recommended that the use of the non-order invoice facility on FMS to pay invoices is kept to a minimum as it weakens control within the system.
- b. When an invoice is received for goods/services that have not been ordered through the system, the following procedures should be followed:
 - i. A requisition should be requested from the relevant budget manager to approve payments;
 - ii. A confirmation order should be printed off SIMS to be retained with the invoice.

9. Cancelled Orders

- a. When an order is transferred to a new supplier the cancelled order should be printed off and endorsed with details of the new order. A similar procedure should be carried with the copy of the new order.

- b. When orders are cancelled, to clear items from the order that are no longer available the cancelled order should be printed and reference made on the order to the cancelled goods. The cancelled order should be retained in the office.

10. Multi-Part Orders

- a. When more than one invoice is received for an order, the copy orders and accompanying requisitions are marked "multi" and returned to the office. The multi order documentation is retained on the file in the number order sequence.
- b. The order should be endorsed with the invoice details to the appropriate items and presented to the appropriate cheque signatories with the invoice and delivery note/goods inspection from when the cheque is signed.

This enables the signatories to check that the invoice relates to bona goods ordered via the school system. The procedures should be followed for each invoice and the order returned to the "order" file after each cheque has been authorised.

11. Budget Monitoring

- a. Monthly transaction reports to all budget managers to be checked for accuracy, used to raise queries and monitor progress with their budget. Reports retained by budget managers.
- b. Updated budget statements provided to each meeting of the Finance and Buildings Committee of the Governing Body in addition to final outturn statement.
- c. Briefing meeting with Headteacher before each Finance Committee meeting.
- d. Reports submitted to the LA. in accordance with the L.F.M.S. scheme.

12. Petty Cash

- a. Petty cash reports printed from FMS to reconcile cash in hand to general ledger.
- b. Cash in hand to be confirmed at the year-end by an independent third party.
- c. All expenditure is to be entered on FMS including the recording of VAT. All receipts to be retained in a petty cash record file.
- d. Before signing a cheque for cash reimbursement the signatories should examine and sign the imprest analysis.
- e. No personal cheques are to be cashed from petty cash.
- f. A limit of £200 is to be placed on individual cash withdrawal.
- g. A limit of £20 to be reimbursed to budget holders from petty cash (any amount in excess of this will be reimbursed by cheque).
- h. Cash in hand is to be locked away overnight in the school safe and when not in use.

13. VAT

- a. VAT is identified on all income and expenditure and recorded immediately into FMS.
- b. At the end of each month VAT Submittal and Full reports are produced from FMS and sent to the Finance officer at Bronwydd House.
- c. VAT reimbursements are recorded in SIMS upon receipt

14. Income Management

Income is received in the following ways:

1. In person e.g. some groups who hire facilities on an ad hoc basis – not a frequent method;
2. By post in response to an invoice raised by the school;
3. By post without an invoice;
4. By bank transfer - BACS in response to an invoice, un-prompted action by sender or a claim e.g. made by the school.
5. Using the on-line payment link on the school website – www.ypant.co.uk
6. Direct credit to bank account from the Local Authority or TicketSource

Cash and cheques are received in the general office and are passed to the income officer who records the details and then banks the income once a week using the local authority cash collection contractor.

Invoices are generated and raised by the Estates Manager using FMS Accounts Receivable for all premises bookings.

Upon receipt of the bank statements the Business Manager reconciles the income (and expenditure) on FMS.

15. Y Pant School Charging Policy

The school should seek to maximise income received from the letting of its premises. To ensure this the Business Manager and the Estate & Lettings Manager will monitor:

1. Charges made for the hiring of similar local facilities; and
2. The level of demand from groups within the community.

Details of the charges made and details of bookings should be presented to Governors on a regular basis. A copy of the Charging Policy is attached to the end of this policy.

16. Y Pant School Arrears Policy

The Estates Manager will make every effort to recover monies due to the school provided it remains economic to do so.

The following minimum actions should be taken in respect of differing levels of debt:

- An invoice should be raised and dispatched for all debts in excess of £1;
- A reminder should be sent for all debts in excess of £5;
- A second reminder should be sent for all debts in excess of £10;

- A final reminder which threatens court action should be sent for all debts in excess of **£25**;
- The **Estates Manager along with the** Business Manager should report all debts which remain outstanding to the Headteacher who will have delegated authority to write off debts under **£100**.
- For debts in excess of **£100** the Headteacher along with the Business Manager **and the Estates Manager** will consider legal instruction.
- Each of the above stages of recovery should take place within 2 weeks of the previous stage.
- The Business Manager will report progress in recovering all debts which remain outstanding in excess of **£100** to the Finance and Buildings Committee of the Governing Body who will determine future action.

17. Y Pant School Purchasing Policy

The Governing Body must abide by the LEA's Financial Regulations and Standing Orders in all purchasing, tendering and contracting matters. This includes a requirement to assess in advance, where relevant, the health and safety competence of contractors and also to take account of the LEA's policies and procedures.

The regulations contain the following stipulation in respect of procurement thresholds:

Contract Value	Minimum number of invitations
Under £1,000	1 quotation
£1,000 to £20,000	3 quotations
£20,00 to £50,000	3 tenders
£50,000 to EC limit	4 tenders

Budget holders should seek to obtain best value in procurement at all times. To this end the assistance of the local authority's corporate procurement department and the County Borough Supplies organisations may be sought in addition to research on the internet.

18. School Purchasing Card

The operation of the school purchasing card will be in accordance with the procedures and guidelines outlined in "The Rhondda Cynon Taff Purchasing Card – "Cardholder Manual for Schools" – First edition (reference V1.01/02/08).

The Governing Body have determined the following responsibilities and limits:

Cardholder:	Business Manager <i>R J Evans</i>	Head Teacher's Personal Assistant <i>K E Carter</i>	Clerical & Examinations Officer <i>D Taylor</i>
Monthly Card Limit:	£30,000	£10,000	£10,000
Single Transaction	£10,000	£5,000	£5,000

Limit:			
Authoriser:	The Headteacher		

19. Retention of Records

- a. A record must be kept at the school of authorised signatories with specimen signatures.
- b. The following records must be kept for the current year and the previous six financial years.

Copy Orders	Cheque Counterfoils
Signed delivery notes	Paying-in slips
Certified paid invoices	Copy remittance advices
SIMS/LRM detailed accounts	Bank reconciliation statements
Copy receipts for all income	

20. Headteacher Delegation

The Headteacher has delegated authority to authorise payments of up to £10,000 without reference to the Governing Body. This will subsequently be reported to the Finance and Buildings Committee.

21. Computer Security and Data Protection

- a. Access to SIMS/FMS must be restricted to the specific function areas of the staff concerned. This is to be reviewed regularly by the Business manager.
- b. Passwords are to be changed at regular intervals (at least annually).
- c. Backup files are to be kept off site with clearly defined back up procedures.
- d. All employees should be made aware of the school's IT policies.

FINANCIAL PROCEDURES – SCHOOL PRIVATE FUNDS

1. Incoming Cash/Cheques

- a. All cash/cheques received must have appropriate receipts issued listing the date, the name of the person who deposited the money, the purpose for which the money was deposited and a signature of the person receiving the money.
- b. All monies received must be entered onto the paying slip of the current paying in book in strict sequence order. A breakdown of the various cash deposits is to be in the cash book reconciled to the paying in slips.
- c. All cash/cheques are to be entered into the cashbook against the relevant account in strict sequence order. The purpose for which the payment is deposited is to be entered and also the relevant receipt number.
- d. Separate account totals are to be kept at regular intervals – suggested period as per audit at least once per month.

2. Outgoing Cheques

- a. Ideally, cheques are only to be issued for withdrawal purposes.
- b. All cheques must be supported by a request or invoice to verify the amount to be issued.
- c. All cheques must be used in strict sequence order.
- d. Payee and amounts to be entered on all cheques.
- e. The appropriate details relating to the cheque should be entered onto the stub confirming the date, amount, purpose for which the cheque is required and the relevant account from which the cheque is to be debited.
- f. Cheque payments are to be entered into the cashbook against the relevant account.

3. Reconciliation

A reconciliation of the cashbook to cash in hand and cash in the bank is to be undertaken on a monthly basis.

4. Monitoring

The school private fund committee are to meet at least once per annum. This consists of the Headteacher, Treasurer and the Senior Leadership Team. Any matters relating to the private fund will be discussed, and an up to date balance of each account will be provided by the Treasurer.

The school will comply with the School Private Fund Regulations July 2018 produced by Rhondda Cynon Taff CBC as attached to the end of policy.

THE MANAGEMENT OF THE CAPITATION BUDGET

1. Budget Planning

- a. Allocation of funds for capitation purposes is determined by the Finance Committee guided by the Headteacher and school Business Manager. Decisions are reached taking account of:

- ◆ Historical expenditure patterns;
- ◆ Priorities identified in the School Improvement Plan;
- ◆ Forecasts of future income levels.

The capitation allocation is reviewed in December each year in the light of progress against the budget.

- b. Internal budget allocation

The capitation allocation is allocated to departments on a formula basis.

Curriculum time per fortnight (hours)	Funding per pupil (£)
1-2	2
3-5	3
6-9	4

Practical subjects receive an uplift of £3 per pupil in addition to the funding calculated using the table above.

Practical subjects include:

- Science
- Biology
- Chemistry
- Physics
- Physical Education
- Design & Technology
- Food, Health & Textiles
- Art
- Music

Subjects whose initial capitation is low when the formula is applied also receive the following uplift.

Initial Capitation	Uplift
Up to £499	£500
£500-£999	£250

- c. No account can run into deficit without the prior consent of the Headteacher. If a surplus is accumulated in one year a maximum of 10% can be carried forward unless covered by a costed plan of long term investment (explicitly linked to the SIP).

2. Budget Management

- a. Each departmental account must have a named person who is/are authorised to place an order – the administration officer cannot enter an order without the written authorisation from the account holder. Heads of Department must indicate who is to have authority to place orders.
- b. Procedures for ordering
 - ◆ Account holders complete and sign a requisition form which is then passed to the administration officer (Mrs A J Rees).
 - ◆ Provided the requisition form is completed correctly the administration officer enters the details on FMS. Three copies of the order are produced: copy one is retained in the office; copy two is retained by the account holder; copy three sent to supplier.
 - ◆ When the goods are received they are checked against the delivery note/goods inspection forms. These are signed and returned to the office to be matched to the order and invoice.
- c. Central Administration Costs

Central administration costs e.g. photocopying/stationery are recovered on a regular basis from the departments. Account holders are required to certify payment of these balances which are then reflected on their next monthly budget statement.
- d. Monitoring of Stocks

Account holders are responsible for ensuring that an accurate inventory is maintained for their department. A central inventory is kept of all fixtures and fittings which is checked annually and reported to RCT.
- e. Budget Monitoring
 - ◆ Business Manager to monitor departmental transaction reports monthly. Any problems with a departmental budget to be reported to the account holder and Headteacher immediately.
 - ◆ Account holders receive monthly transactions listings of their account. These are to be retained on file for possible inspection by auditors.
 - ◆ Finance committee advised of overall capitation budget at each of its meetings.

GUIDELINES FOR REQUESTS FOR ADDITIONAL FUNDING

- a. Requests for special funding (separate from capitation) e.g. for curriculum development should be made to the Headteacher. The request will then proceed to SLT for their consideration.
- b. Requests should be:
 - ◆ Related to the Schemes of Work and their evaluation in the report;

- ◆ The result of the identification of a NEED not mere whims or wishes;
 - ◆ Related to a Development Target for the coming year.
- c. The format of the requests should:
- ◆ Be in order of priority;
 - ◆ Indicate, for each item – current stock in hand, desired stock in hand and amount of stock required;
 - ◆ Give detailed precise costs (ideally with 3 quotes).

USE OF EDUCATIONAL PREMISES OUTSIDE SCHOOL HOURS

SCHOOL LETTINGS AND CHARGING POLICY

Y PANT COMPREHENSIVE SCHOOL

“We will work with local authorities to promote schools as a focus for the local community, providing opportunities for out of school activities (educational and otherwise) for pupils, their families and the local community.”

(The Learning Country 2, National Assembly for Wales 2006)

INTRODUCTION

The Governing Body of Y Pant Comprehensive School regards the school buildings and grounds as a community asset and will make every reasonable effort to enable them to be used as much as possible. However, the overriding aim of the Governing Body is to support the school in providing the best possible education for its pupils, and any lettings of the premises to outside organisations will be considered with this in mind.

The school's delegated budget (which is provided for the education of its pupils) will not be used to subsidise any lettings by community or commercial organisations. A charge will be levied to meet the additional costs incurred by the school in respect of any lettings of the premises. As a minimum, the *actual* cost to the school of any use of the premises by an outside organisation must be reimbursed to the school's budget.

DEFINITION OF A LETTING

A letting may be defined as *“any use of the school premises (buildings and grounds) by either a community group (such as a local music group or football team), or a commercial organisation (such as the local branch of ‘Weight Watchers’)”*. A letting must not interfere with the primary activity of the school, which is to provide a high standard of education for all its pupils.

PRIORITY FOR LETTINGS

The governing body will, in accordance with the Authority's expectations, give priority to the needs of the school. Such priority is to be seen in terms of traditional needs arising from the curriculum and pupil welfare including the following types of activities:

- meetings of school governors and formal parent meetings called by governors;
- curricular activities falling outside normal school hours;
- extra-curricular activities involving pupils substantially such as concerts, pupil social functions, school games and clubs;
- meetings of or with parents called by the Headteacher;
- meetings of teachers employed in the school.

Costs arising from these uses are therefore a legitimate charge against the school's delegated budget.

Subject to the needs of the school, the governing body will observe the following priorities in dealing with applications for the use of facilities out of school hours:

1. use for Authority organised or sponsored activities;
2. use for meetings of the Friends of Y Pant (FOYPS);
3. use by cultural, religious, educational and sporting clubs from the local community;
4. use for fund raising activities organised by FOYPS or similar bodies included in priorities 1-3 above and meeting regularly in the school. Such activities may take the form of whist drives, concerts, dances, sales of produce, etc., and should be accommodated if this can be done without interfering with the normal working of the school; and
5. use for functions or activities open to the public and not associated with the school or one of the local organisations which regularly meets at the school. Such activities can include dances and private parties, concerts, whist drives, social, party political and commercial meetings.

In the event of the school premises being required for the educational activities of the school itself, the governors will give as much notice as possible, normally no less than 2 weeks, to any organisation which would otherwise be using the school premises, that they are required.

CHARGES FOR A LETTING

The governing body is responsible for setting charges for the letting of the school premises. A charge will be levied which covers the following:

- cost of services (heating and lighting);
- cost of staffing (additional security, caretaking and cleaning), including on-costs;
- cost of administration;
- cost of 'wear and tear';
- cost of use of school equipment (if applicable)

Where there are multiple lettings taking place at the same time, the costs for services and staffing will normally be shared between the organisations involved. The minimum hire period will be one hour. **VAT will be accounted for in accordance with the law.**

The specific charge levied will be reviewed annually during the Winter Term, by the Finance and Buildings Committee of the governing body, for implementation from the beginning of the next academic year. Current charges will be provided in advance of any letting being agreed.

MANAGEMENT AND ADMINISTRATION OF LETTINGS

The Headteacher is responsible for the management of lettings. Where appropriate, the Headteacher may delegate all or part of this responsibility to another member of staff, whilst retaining overall responsibility for the lettings process.

If the Headteacher has any concern about whether a particular request for a letting is appropriate or not, s/he will consult with the chair of the Finance and Buildings committee of the governing body, who is empowered to determine the issue on behalf of the governing body.

THE ADMINISTRATIVE PROCESS

Organisations seeking to hire the school premises should approach the Headteacher (*or other designated member of staff*), who will identify their requirements and clarify the facilities available. The governing body has the right to refuse an application and no letting should be regarded as 'booked' until approval has been given in writing. No public announcement of any activity or function taking place should be made by the organisation concerned until the booking has been formally confirmed.

Invoices will be generated using the FMS computer programme in accordance with audit recommendations.

The person applying to hire the premises will be invoiced for the cost of the letting, in accordance with the governing body's current scale of charges.

The hirer should be a named individual and the agreement should be in their name, giving their permanent private and e-mail addresses.

All letting fees which are received by the school will be paid into the school's delegated budget. Income and expenditure associated with lettings will be regularly monitored to ensure that at least a 'break even' situation is being achieved.

LETTING CHARGES

The following hourly charges shall apply:

Location	Hourly Rate (VAT exemption / Block booking) £	Hourly Rate (including VAT) £
Sports Hall	24.00	28.80
Gymnasium	17.00	20.40
Grassed Pitch	24.00	28.80
Main Hall	20.00	24.00
Classroom	10.00	12.00
Ty Bwyta	12.50	15.00
Lecture Theatre	15.00	18.00
MUGA	24.00	28.80
Drama Studio	17.00	20.40
IT Suite	20.00	24.00

VAT will be added to these rates unless the block booking exemption applies.

The normal opening hours and days for school lettings are 5.00pm to 10.00pm, Monday to Fridays and driven by demand on the weekend.

Should there be an application to hire the premises outside of these hours the following shall apply:

- The application shall be considered by the Headteacher
- Each application shall be considered on its merits and with reference to this policy
- Additional costs arising from application should be recovered in full
- An additional amount may be levied for the benefit of the school funds at the discretion of the Headteacher without challenge
- All conditions which apply to groups during the normal hours are applicable

In Addition:

- *Invoices will be issued within 30 days of the date of the hire*
- *Invoices will be signed by a senior member of staff prior to issuing to the debtor*
- *The school will chase any invoices that have not been paid within 21 days*

Y Pant School Arrears Policy

The Business/Site Manager should make every effort to recover monies due to the school provided it remains economic to do so.

The following minimum actions should be taken in respect of differing levels of debt:

- An invoice should be raised and dispatched for all debts in excess of **£1**;
-
- A reminder should be sent for all debts in excess of **£5**;
-
- A second reminder should be sent for all debts in excess of **£10**;
-
- A final reminder which threatens court action should be sent for all debts in excess of **£25**;
-
- The Business/Site Manager should report all debts which remain outstanding to the Headteacher who will have delegated authority to write off debts under **£100**.
-
- For debts in excess of **£100** the Headteacher along with the Business Manager will consider legal instruction.
-
- Each of the above stages of recovery should take place within 2 weeks of the previous stage.
-
- The Business/Site Manager will report progress in recovering all debts which remain outstanding in excess of **£100** to the Finance and Buildings Committee of the Governing Body who will determine future action.

ADVICE FOR BLOCK BOOKINGS

SALE OF ALCOHOL

The sale or provision of alcoholic drinks to those attending a function or activity at the school requires the approval of the Headteacher.

LICENCING

The Headteacher must ensure that appropriate licences are held or obtained to cover functions or activities taking place on school premises. These may include some or all of the following:

- Licences to sell alcohol;
- Public entertainment licences;
- Theatre licences

INSURANCE COVER

- **Public Liability Insurance**

RCT has liability insurance cover in place which covers the legal liabilities of the Council/school in respect of death, bodily injury and illness to third parties (i.e. persons other than persons in the employment of the Council/school).

In the event that a person is injured there is no automatic payment. To make a successful claim, the claimant would need to prove that the Council/school had in some way been negligent and that it had resulted in that person being injured. It should be emphasised that the RCT policy is designed to protect the legal liabilities of the Council/school. It will NOT indemnify other individuals and organisations, who must hold their own public liability insurance to protect themselves in respect of their legal liabilities.

- *Employer's Liability Insurance*

It is compulsory under the Employer's Liability (Compulsory Insurance) Act 1969 for most organisations with employees to hold Employers Liability Insurance. Any non-RCT organisation not exempt from this 1969 Act must hold its own Employers Liability Insurance. Further guidance can be found on the Health and Safety Executive website www.hse.gov.uk/business/elci.htm .

- *Property Insurance*

Buildings and contents which belong to, or are the legal responsibility of the Council/school are insured under the RCT property insurance policy, subject to the terms and conditions of the policy. Such buildings and contents are insured only against the basic perils: fire, lightning, explosion, aircraft, storm, flood and theft (subject to forced entry/exit to/from a building). The RCT property insurance will NOT cover property belonging to third parties.

VALUE ADDED TAX

In accordance with the present regulation, VAT will be chargeable for external users in the following instances:

Area	Tax Liability
Hire of room without equipment (fixtures and fittings such as desks and chairs are deemed not to be items of equipment)	VAT exempt
Hire of room with equipment (e.g. ICT equipment/Powerpoint projector)	VAT chargeable at standard rate in all circumstances. However if a separate charge is made for the equipment only then only this element is VATable
Playing fields (sports pitches)	VAT chargeable at standard rate unless a block booking exemption applies

USE OF KITCHEN EQUIPMENT AND FACILITIES

The use of school meals equipment and facilities, including access to facilities for boiling kettles and washing up, will not be approved without separate permission in writing from the Catering Direct Service. It will be a condition of use, when approved, that a cook or other member of the canteen staff will be present throughout the letting and the hirer will be required to pay the cost of the person involved and also to make other appropriate payment in respect of the equipment and services.

The Governing Body will review this policy on an annual basis and amend it as appropriate.



RHONDDA CYNON TAF

School Private Fund Regulations



June 2016

RHONDDA CYNON TAF

SCHOOL PRIVATE FUND REGULATIONS

FOREWORD

Most schools have funds at their disposal which come from neither central government nor the Local Education Authority. Private donations from parents / individuals, companies, parent / teacher associations, friends of the school and fundraising activities have increasingly become sources of extra funding for schools. These funds, though not strictly public money nevertheless need accounting for with the same care and efficiency and are usually referred to as School Private Funds.

Individuals or organisations donating money to schools are entitled to know that the money has been accounted for properly, and used for the intended purpose, where specified. Procedures should be introduced to ensure that all income and expenditure is duly accounted for, including the necessity to maintain separate accounts from the School Budget account. To ensure that such funds are properly safeguarded, it will be a requirement to produce financial statements and demonstrate that such funds are duly audited on an annual basis.

The School Private Fund Regulations are intended to guide and protect those individuals involved in accounting for income & expenditure and fundraising activities administered via the School Private Fund. The Regulations also aim to give advice on the activities which are deemed to fall within the scope of the Fund, in order that expenditure is properly incurred. The regulations are also intended to ensure that consistent standards of good practice and financial control are carried out in all schools operating within the remit of Rhondda Cynon Taff Local Education Authority. Private Funds must operate with accounting procedures which reflect the standards for accounting for public money.

A copy of the Regulations and Annual Certificate must be presented to the Governing Body annually for information purposes. All members of the Management Committee and each member of staff operating School Private Fund activities must be made aware of the contents of the regulations.

Christopher Bradshaw
Director of Education & Lifelong Learning

TABLE OF CONTENTS

1. The School Private Fund
2. Management Committee
3. Record Keeping
4. Collection and Banking of Monies
5. Expenditure
6. Personal Cheques & Monies
7. VAT / Tax
8. Bequeathed or Donated Monies
9. School Trips
10. Other Fund Raising Events
11. Stock Control
12. Value For Money
13. School Saving Schemes
14. Schools Closing / Amalgamating
15. Annual Certificates and Summary of Accounts
16. Charity Commission Registration
17. Retention of Records
18. School Budget Income

TABLE OF APPENDICES

Appendix 1 - Example of Activities Falling Within and Outside the Scope of the School Private Fund

Appendix 2 - School Private Fund Notes of Guidance for Treasurers

Appendix 3 - School Private Fund Notes of Guidance for Auditors

Appendix 4 - Example of School Private Fund Ledger

Appendix 5 - Example of School Private Fund Summary of Accounts

Appendix 6 - Example of School Private Fund Record of Daily Income

Appendix 7 - Example of School Private Fund Cash Float Analysis

Appendix 8 - Example of School Private Fund Record of Expenditure Made Without Receipt

Appendix 9 - Example of School Trip Statement of Account

Appendix 10 - Example of School Trip Income Record

Appendix 11 - Example of School Private Fund Stock Control Sheet

Appendix 12 - Example of School Private Fund Annual Certificate

Appendix 13 - School Private Fund Notes of Guidance for Education Finance Staff

1. THE SCHOOL PRIVATE FUND

- 1.1 A School Private Fund is to be created wherever money is collected from pupils, or other sources, and is to be spent for the general benefit of the pupils only.
- 1.2 Headteachers are responsible for ensuring that these funds are operated in accordance with the regulations, which are designed to assist and protect those involved in the operation of Private Fund activities and also to ensure that all monies are properly accounted for.
- 1.3 A list containing examples of the types of activities which can and cannot be included under the scope of the Fund are included in **Appendix 1**. In general, the fund should benefit the pupils. The Private Fund must not be used to pay for goods or services that ordinarily would be funded from the school's delegated budget. Examples of this expenditure are also included at **Appendix 1**.
- 1.4 It should be noted that the Fund's year of account is the academic year (1st September to 31st August) and not the financial year.

2. MANAGEMENT COMMITTEE

- 2.1 The School Private Fund shall be managed by a committee formed from school staff. It must include a Chairperson, Treasurer and Secretary (the Treasurer must be a different person to the Chairperson and Secretary).
- 2.2 Two auditors must be appointed to audit the accounts. They need not necessarily be members of staff, and they must not hold one of the aforementioned posts i.e. Chairperson, Treasurer, Secretary or be a Cheque Signatory. Each person undertaking any of the above posts must be provided with copies of the regulations and must sign the Annual Certificate to confirm that they have read and understood them. An example of the Annual Certificate is included as **Appendix 12**.
- 2.3 The Management Committee must meet at least annually to examine and consider the fund's accounts and activities. The Headteacher must ensure that the Annual Certificate and Summary of Accounts is presented to the Governing Body as soon as possible after the end of the school year. A copy of the Summary of Accounts is included at **Appendix 5**. The Annual Certificate and the Summary of Accounts must be submitted to the Education Finance Team in Bronwydd House by the 31st December.
- 2.4 No activity should be organised without the approval of the Headteacher or the Management Committee.

- 2.5 Schools must decide whether they should register their School Private Funds with the Charity Commission. The decision must be made by the Governing Body and appropriately minuted. Further information can be obtained on the Charity Commission website, as detailed at point 16.4.
- 2.6 Detailed notes of guidance for Fund Treasurers and Auditors are included as **Appendices 2 and 3**.

3. RECORD KEEPING

- 3.1 Only one current and one deposit account is permitted. Schools must not open credit card accounts or undertake Internet Banking transactions. The Treasurer will be responsible for these accounts and for maintaining a ledger and all other documents relating to items of income and expenditure.
- 3.2 Separate accounts must not be operated for school councils, enterprise funds, fruit money, trips etc, as all transactions must be administered via the main private fund.
- 3.3 All payments must be made by cheque, to be signed by at least two people, who are designated as cheque signatories. Blank cheques must not be signed in advance.
- 3.4 When completing cheques, the cheque stub must be completed in full with all the cheque details (i.e. date, payee, amount and what the payment was in respect of).
- 3.5 Any spoilt or cancelled cheques must be clearly marked "Cancelled" and retained with the cheque stub.
- 3.6 Where surplus balances in excess of £10,000 accrue, these should be transferred into an interest-bearing deposit account.
- 3.7 Bank accounts must not operate with overdrawn / debit balances and under no circumstances should overdraft facilities be arranged.
- 3.8 No agreements should be entered into which commit School Private Funds to loans, leasing or direct debit payments, without the approval of the Director of Financial Services.
- 3.9 A copy of the current bank mandate must be kept by the Fund Treasurer.

4. COLLECTION AND BANKING OF MONIES

- 4.1 All income collected must be deposited with the Fund Treasurer promptly (i.e. on the day of collection) and recorded on a Record of Daily Income suitable for this purpose. A recommended format for recording these collections is included as **Appendix 6**.
- 4.2 Where a receipt book is used, any spoilt or cancelled receipts must be clearly marked "Cancelled" and retained with the permanent / fast copy.
- 4.3 All monies collected must be banked intact, in order that income can be traced and reconciled to bankings. No deductions should be made from such money. However, if it is necessary to make small disbursements of cash, a cash float may be operated. (i.e. a cheque cashed up to the value of £50). Details of these purchases must be recorded on an appropriate form, an example of which is shown in **Appendix 7**, and receipts attached for each purchase made.
- 4.4 Wherever money changes hands, both the person handing it over and the person receiving it must sign the Record of Daily Income (**Appendix 6**), particularly where income has been collected outside the office. However, it is noted that this is not always practical, especially where money is received from a parent.
- 4.5 Income must be banked in accordance with Rhondda Cynon Taf County Borough Council banking regulations, which at present require that all money is banked weekly where £50.00 or more is collected, or immediately where the amount in hand reaches £200.00.
- 4.6 Regard must always be given to security of monies, particularly large sums of cash, whether held at the school or in transit to the bank. Wherever possible, staff should vary their banking routines.
- 4.7 If it is not possible to bank monies promptly, regard should be given to the following cash insurance limits. However, this practice should not ordinarily take place and is only advisable where exceptional circumstances prevail:-

SITUATION	LIMIT OF LIABILITY ANY ONE LOSS
Income in the private residence of a member of the Managing Committee of the Fund (however suitable risk assessments for storage should be undertaken)	£2,500.00
Money in direct transit from the school to the bank, by a member of staff: 1 able bodied adult 2 able bodied adults 3 able bodied adults Any sum greater than £12,500.00 must be collected by a security company (BS7872 1996)	£2,500.00 Up to a maximum of £6,000.00 in total A maximum of £12,500.00 in total
Money on the school premises (total of all cash on the school premises e.g. school meals income, private fund) : a) in a locked safe b) in locked cash box or cabinet	£20,000 £2,000

NOTE: These limits apply as part of the main Rhondda Cynon Taf CBC insurance policy and an internal excess will apply to any claims made. The internal excess set for 2012 / 2013 financial year is £250.

5. EXPENDITURE

- 5.1 All items of expenditure must be supported by a relevant receipt / invoice as proof of payment. Where, due to exceptional circumstances, it is accepted that such documents cannot reasonably be provided; the Treasurer must record the details of the purchase on a Record of Expenditure Made Without Receipts Form, which must be signed by the member of staff who incurred the expenditure (N.B. This should be avoided wherever possible.). An example of this form is included as **Appendix 8.**

- 5.2 Details of all payments (i.e. cheque number, date, amount, payee, description) must be entered into the ledger promptly. The supporting receipts / invoices must be individually cross referenced to the ledger and filed in sequential order.
- 5.3 Personal loyalty cards must not be used when making purchases on behalf of the School Private Fund. Whilst not significant in terms of value, this is to protect individuals against any allegation of personal gain. Loyalty cards in the name of the school are acceptable.

6. PERSONAL CHEQUES AND MONIES

- 6.1 Personal cheques must not be cashed using School Private Fund monies. Similarly, no School Private Fund monies should be paid into staff member personal accounts.
- 6.2 The fund should not be used to administer any activity other than for the pupils. Personal / Social / Staff activities, examples of which include gift collections / staff functions / coffee and tea funds must be administered separately.

7. V.A.T. / TAX

- 7.1 HM Revenue and Customs do not require a School Private Fund to be VAT registered as long as the taxable turnover of the Private Fund is kept below the threshold, which is currently £83,000. Any fund with a taxable turnover that exceeds this limit, or is likely to approach this limit by the end of the financial year, will need to register for VAT.
- 7.2 Taxable turnover is the total of sales and certain other supplies you make that are subject to VAT, including supplies that are zero-rated. If you sell goods or services that are exempt from VAT, they do not form part of your VAT taxable turnover.
- 7.3 Any fund with a taxable turnover that exceeds the HMRC limit, or is likely to approach the limit by the end of a financial year, must contact the VAT team at Bronwydd House to discuss registration.
- 7.4 Any fund with a taxable turnover below this threshold must not claim or charge V.A.T on any transactions.
- 7.5 Any queries received from HM Revenue and Customs relating to the School Private Fund's liability to VAT should be referred to the VAT team at Bronwydd House.
- 7.6 Schools typically raise money for equipment such as computers, camcorders, play equipment, etc. They often additionally raise money for end of year 'educational' treats for the children such as school trips

to a pantomime. It is acceptable for the Management Committee to donate the net cost of the supply to the school and for the school to purchase the service through its official funds and recover VAT, providing the following points are observed.

- Donate the net cost of the goods from your private funds to your official funds (school budget).
- Make the purchase through capitation.
- Receive the supply (i.e. net income).
- Receive a tax invoice made out to the school or to the County Borough Council.
- Your school must retain title of the goods and only use them for school purposes.
- Keep records that will enable you to easily identify the purchase and purpose for which it is made.

7.7 H M Revenue and Customs consider that the following “business activities” should be run through private funds rather than through school budgets.

- Goods purchased for resale, e.g. badges, tea towels, mugs etc.
- Sale of sports clothing
- Income from privately run tuck shops, drink sales etc.
- Entrance to plays, discos, fireworks etc
- Social Events
- School Photographs

7.8 H M Revenue and Customs do not allow schools to purchase goods through the school budget in order to reclaim the VAT and then bank any income it receives for those goods into the private fund in order to avoid charging VAT.

If the school budget is used then any income must be paid back into the school budget and VAT charged if necessary.

8. BEQUEATHED OR DONATED MONIES

8.1 Any money bequeathed or donated to a school above £10,000 should be forwarded to the Director of Financial Services, who in turn will place the monies into the Education Trust Fund. The money will be made available to the school following an appropriate request, as and when the money is required.

8.2 The money must be spent in line with the wishes of the will / donation. If wishes are not specific, the Governing Body must formally decide how the funds will be used for the benefit of the pupils.

8.3 Upon request for the money to be released, it would be financially advantageous to place the monies received from the Director of

Financial Services into the School Budget Account, rather than the School Private Fund Account, as the VAT element on applicable purchases could then be reclaimed.

9. SCHOOL TRIPS

9.1 Any member of staff running a school trip is required to draw up and provide the Treasurer with a statement of account within one month of the conclusion of the trip. This must show details of all the receipts and payments relating to the trip, (An example is included as **Appendix 9**) which must be reconciled to the ledger.

9.2 Staff operating trips must adhere to the following points:

- a) School trips are deemed to be educational; the cost of which can be processed through the School Budget and the net cost (excluding VAT) can be transferred from the School Private Fund to the main budget.
- b) Trips must not be operated as profit making ventures. However, where a trip has been operated and makes a profit, e.g. as a result of the over-calculation of the trip price or interest earned on these monies, the balance must either:-
 - i) be divided equally and paid back to each paying pupil, or;
 - ii) be retained by the private fund, providing that consent of the parents has been given.
- c) The trip organiser must maintain a record of all monies received. This should include the name, the amounts received, the date received, and the date it was deposited with the Treasurer. This must be a permanent and legible record i.e. receipt book, exercise book etc. An example of this record is included as **Appendix 10**.
- d) As with other private fund expenditure, where due to exceptional circumstances it is accepted that invoices / receipts cannot reasonably be provided; an entry must be made on the Record of Expenditure Made Without Receipts form (**See Appendix 8**).
- e) Any cash advances administered via a cash float or cheque drawn for cash must be accounted for by receipts, with any unspent cash being handed to the Treasurer for banking, without delay.
- f) Tipping – On larger scale trips such as overseas skiing and adventure holidays, schools often utilize the services of local representatives / instructors, to whom gratuities may be paid. The school must develop a protocol for the payment of gratuities on such trips, which must be shared with staff and parents prior to the trip taking place. (i.e. at the planning / booking stage.)

- g) Pooled funds (a “kitty”) are often used to purchase small items for those on the trip, for example, food and drink. All children and staff should equally contribute to and receive equal value from these funds. No children or staff should gain from the pooled monies. As per point (e) above, an itemised list of expenditure and supporting receipts must be retained and provided to the Treasurer.

10. OTHER FUND RAISING EVENTS

- 10.1 Where other fund raising activities are organised i.e. fetes, concerts, etc, a statement similar to that referred to in **Appendix 9** must be completed by the teacher organising the event. The statement must show details of all receipts and payments relating to the event, and should be passed to the Treasurer to reconcile to the ledger.
- 10.2 It is acceptable to hold fund raising events to purchase items outside the scope of these Private Fund Regulations (for example, the purchase of a computer) providing that all those contributing are aware of how the money is to be spent.

11. STOCK CONTROL

- 11.1 Any stocks held in respect of fund activities, such as tuck shops, school clothing etc, must be recorded on a suitable stock control form. An example of a stock control sheet is included as **Appendix 11**. Although the layout of these forms will vary according to the nature of the activity, they should include the date, stock received and issued together with a running balance of items in stock, and details of any income collected.
- 11.2 The Management Committee must arrange for periodical examination of the stocks by someone other than the person responsible for operating the activity, ensuring that all stocks are checked at least once a year. The person undertaking the examination must sign and date the record as evidence that the check was undertaken.
- 11.3 Details of any discrepancies must be reported to the Headteacher for investigation, or, depending on the particular circumstances, possibly be reported to the Director of Financial Services.

12. VALUE FOR MONEY

- 12.1 Although School Private Fund activities are not subject to the Authority’s Financial Regulations governing contracts for supplies and services, the Management Committee must at all times ensure that it is obtaining the best value for money.

13. SCHOOL SAVING SCHEMES

13.1 Where a School Saving Scheme is operated for pupils, monies must be accounted for separately from other private fund income and expenditure. However, the following rules must be followed:-

a) A central record must be kept of the names of each saver and the dates and amounts of each collection and deposit.

b) Each pupil must be provided with a record card, showing details of each payment.

c) The School Governing Body must develop procedures for withdrawing monies and the treatment of interest earned on the account, and all parents of those pupils saving must be made aware of the procedures.

14. SCHOOLS CLOSING / AMALGAMATING

14.1 Where a school is closing it must be ensured that all transactions have been accounted for and that a final set of accounts for the auditors are prepared as soon as possible after the school closure. The bank account(s) relating to that fund must be closed and any balance transferred to the account of the newly amalgamated school. The balance must be treated as income and accounted for accordingly. The auditors must then audit the closed account.

14.2 A copy of the bank statement showing the sum transferred to the newly amalgamated school must be provided to the auditors as evidence that the account has closed and the balance transferred accordingly.

15. ANNUAL CERTIFICATES & SUMMARY OF ACCOUNTS

15.1 The Headteacher is responsible for ensuring that the Annual Certificate and Summary of Accounts is completed and presented to the Governing Body. An example of the Annual Certificate is included at **Appendix 12** and an example of the Summary of Accounts at **Appendix 5**.

15.2 The Annual Certificate and Summary of Accounts is to be returned to the Education Finance Team, Bronwydd, Porth, CF39 9DL by 31st December each year. Copies of the opening bank statement at 1st September and the closing bank statement at the 31st August the following year must be included with the Summary of Accounts. All miscellaneous income or expenditure must be itemised and also sent with the Summary of Accounts.

16. CHARITY COMMISSION REGISTRATION

- 16.1 Guidance on the Charities Commission website (www.charities.commission.gov.uk) indicates that relevant voluntary funds should be registered, and this may also include School Private Funds.
- 16.2 This confirms advice issued jointly by the Audit Commission, Estyn and the National Assembly for Wales in the Publication "Keeping your Balance", which states that Schools need to ensure that any voluntary funds with income or expenditure over £5,000 are registered with the Charity Commission.
- 16.3 Any governing body considering registering a School Private Fund as a charity is advised to obtain further information from the Charity Commission before deciding whether or not to proceed.
- 16.4 Further information can be obtained from:

Charity Commission for England and Wales
2nd Floor
Queens Dock
Liverpool
L3 4DQ

0845 3000 218



www.charity-commission.gov.uk

- 16.5 Any deliberations of the Governing Body concerning whether or not to establish a school fund as a charity must be minuted.
- 16.6 It should be noted that charitable school funds that are connected with voluntary aided schools may not be required to register, even if their income or expenditure is over £5,000.

17. RETENTION OF RECORDS

- 17.1 Records relating to the School Fund must be kept for six full academic years, plus the current year of account.

18. SCHOOL BUDGET INCOME

- 18.1 Schools may receive income which should be correctly banked into their School Budget account rather than the School Private Fund.

Note – These incidents are more likely to occur at non cheque book schools as they are unable to directly bank cheques made payable to the school.

18.2 These types of School income include:

- **Staff earnings** which include inspection duties and performance management undertaken during school hours.
- **Insurance claims** which may include staff sickness, theft/damage to the school etc.
- **School Hire** income which may include hall, room and pitch hire.

18.3 If the income is banked into the School Private Fund a cheque for the same amount must be promptly raised to the School Budget and clearly annotated on the School Private Fund Records.

18.4 If you are unsure if the income should be banked into the School Budget or School Private Fund please contact the Education Finance Team on 01443 680500 for assistance.

APPENDIX 1

**EXAMPLES OF ACTIVITIES FALLING WITHIN AND OUTSIDE
THE SCOPE OF THE SCHOOL PRIVATE FUND**

ACTIVITIES WITHIN THE SCOPE OF THE FUND	ACTIVITIES NOT WITHIN THE SCOPE OF THE FUND
School Trips and Tours.	Leaving gifts / presents for staff
Events Including: Fetes, Bazaars, Parties, Concerts, Discos, Dances Raffles, Prize Draws, 100 Clubs, Sponsored Events, Charity Events.	Payments to staff for work undertaken
	Loans
Treats/Gifts for children Eg Christmas gifts, Christmas party food, sports day, snacks, Easter eggs, Travelling Theatres, Birds of Prey Shows & other similar events.	Staff Functions and Activities e.g. Savings clubs, Christmas Meals
	Travelling expenses (other than for private Fund activities)
Sale of school clothing, Christmas cards, mugs, photos, book clubs.	Reimbursement for theft of damage to property
Tuck Shops, Vending Machines, Fruit Money	Maintenance / Building / Premises costs
Donations / Bequeathed monies. School Councils / Enterprise Funds	Course Registration / Examination Fees

Below are more specific examples of expenditure falling outside the scope of the fund. Please note this list is not exhaustive, and if you have any queries, please contact the Education Finance Team at Bronwydd House on 01443 680500.

Key Cutting	Bins
Light bulbs	Vacuum Cleaners
Carpets (new / cleaning)	Refrigerators / Freezers
Piano Tuning	Dishwashers
Staff Courses / Training	Microwaves
CRB checks	Preparation / translation of documents
Paint / paintbrushes	Postage / Parcels
Books	Computers / printers / ink cartridges
Batteries / office stationery	Telephones / mobile telephones
Yard repairs	Outdoor benches
Refreshments for staff / governors / inspectors	Flowers / hanging baskets
Outdoor storage sheds etc	Gifts including flowers / chocolates for staff

APPENDIX 2

SCHOOL PRIVATE FUNDS - NOTES OF GUIDANCE FOR TREASURERS

AS TREASURER OF THE SCHOOL PRIVATE FUND, YOU MUST HAVE A COPY OF THE SCHOOL PRIVATE FUND REGULATIONS AND UNDERSTAND THEM. YOU MUST SIGN THE ANNUAL CERTIFICATE (APPENDIX 12) AS CONFIRMATION OF THIS.

1. Ledger

1.1 **Manual Ledgers** - The layout of the ledger is left to the discretion of individual schools, depending on the classification and types of activity operated as long as it generally incorporates the following:

- **Income** – Date of Receipt, Income Details, Receipt Number (if any) and Amount Received (Total / Per Activity)
- **Expenditure** – Date, Cheque Number, Payee / Detail, Amount.

However, care should be taken to ensure:

- a) The ledger is legible and provides a meaningful analysis of accounts.
- b) The ledger is updated as income and expenditure occurs, and not on a monthly / annual basis or from bank statements.
- c) That pencils or eradicating fluid are not used on the ledger.

A recommended ledger format (highlighting the above) is included at **Appendix 4**.

1.2 **Computerised Ledgers** – Schools are permitted to maintain computerised ledgers as an alternative to paper/manual records. If computerised ledgers are to be used, the following needs to be applied / considered:-

- a) Access to the ledger is restricted to key officers only.
- b) The ledger is appropriately saved and backed up to prevent loss of data. They must also ensure that at least one back-up copy is held in an off-site location.
- c) Ledger errors must be corrected by a contra entry, and not overtyping.
- d) At the end of each month the ledger must be printed, reconciled to the bank statements, signed and dated to evidence the reconciliation. Printed reconciliations must be kept securely on file and retained in line with the Retention of Records Regulations (i.e. 6 years plus the year of account)

2. Annual Summary of Accounts

- 2.1 At the end of the year, you must prepare a Summary of Accounts, which you and the auditors must sign. This, along with any supporting documentation requested, must be returned by 31st December to the Education Finance Team, Bronwydd, Porth, CF39 9DL. A copy should also be presented to the full Governing Body.
- 2.2 The summary of accounts should be presented at the annual general meeting of the School Private Fund Committee, which should be held during the Autumn term.

3. Receipts

- 3.1 All income collected for any Private Fund activity must be handed to you promptly (i.e. on the day it is collected) and recorded either on a Record of Daily Income form (A recommended format is included as **Appendix 6**) or in a carbon-type receipt book, suitable for this purpose. Where income changes hands, it should, where possible, be evidenced in the records by the signature of both parties.
- 3.2 You must enter details of each receipt of income in the ledger as soon as it is received and bank the cash promptly, and intact.

4. Payments

- 4.1 All payments must be made by cheque and supported by an authentic receipt / invoice, as proof of payment. Where a receipt cannot be produced, an entry must be made on the Record of Expenditure Made Without Receipts form. (NB Use of these forms should be kept to a minimum.) An example of this form is included as **Appendix 8**.
- 4.2 All paid receipts / invoices, must be referred to the payment by way of the cheque number, which must be clearly marked on it and filed in cheque number order.
- 4.3 You must enter details of each payment in the ledger as it occurs.
- 4.4 Cheques must be signed by two persons. (NB - blank cheques must never be pre-signed). The bank has to be informed of the list of authorised signatories and any subsequent changes. Schools are requested to retain a copy of the mandate / letter from the bank confirming who the signatories are. The mandate must be kept separately from the cheque book.
- 4.5 The cheque book must be kept safe at all times.

5. Bank Statements

5.1 As soon as bank statements are received you must undertake the following reconciliation of income and expenditure:-

- a) check each credit on the bank statement to the paying-in book;
- b) check each debit on the bank statement to the cheque book counterfoils;
- c) enter any interest (as a receipt) or bank charges (as a payment) appearing on the bank statement in the ledger.

6. End of Year Reconciliation

6.1 On receipt of bank statements, you must reconcile them to the ledger. This procedure has to be carried out before your accounts are audited. It should be undertaken as follows:-

- a) obtain a bank statement from the bank shortly after the end of the period (e.g.31 August);
- b) check the entries on this statement;
- c) deduct from the balance shown, any cheques drawn but not presented by this date;
- d) add any deposits made but not appearing as credits (if the statement date for any reason is prior to 31 August).

6.2 Any cash-in-hand (e.g. as at 31st August) should be added to the adjusted bank balance arrived at and this total must agree to the balance shown in the ledger.

7. Retention of Records

7.1 All bank statements, cheque books, paying-in books, receipts, trip records and other subsidiary records must be retained for six years after the end of the year of account.

APPENDIX 3

SCHOOL PRIVATE FUNDS

NOTES OF GUIDANCE FOR AUDITORS

AS AN AUDITOR OF THE SCHOOL PRIVATE FUND, YOU MUST HAVE A COPY OF THE SCHOOL PRIVATE FUND REGULATIONS AND UNDERSTAND THEM. THE ANNUAL CERTIFICATE (APPENDIX 12) MUST BE SIGNED AS CONFIRMATION OF THIS.

You must approach the audit with an enquiring mind and should not be afraid to question any entry included in the accounts. Where you are not satisfied with a particular matter, you must discuss this initially with the Treasurer and subsequently with the Chair of Governors.

The following points are designed to assist Auditors in their duties:-

1. General

- 1.1 Your primary function is to account for all School Private Fund money. This involves checking all monies collected have been properly brought into the account and all payments made are for the purposes of the School Fund.
- 1.2 You must obtain from the Treasurer the ledger (or printed versions), bank statements , cheque books, paying-in books, receipt books and all other supporting documentation, e.g. receipts, invoices, vouchers etc.
- 1.3 You must ensure that you distinctively mark or tick any entries which you check. All the columns in the ledger must be checked arithmetically and verified as correct.

2. Opening & Closing Balances

- 2.1 You must verify that the opening balance brought forward on the account agrees with the closing balance included in the Summary of Accounts Statement of the previous year.
- 2.2. You must reconcile and verify the balances shown on the ledger to the bank statements and cash-in-hand balances at the year end and ensure that these balances have been correctly included in the Summary of Accounts.

3. Income

- 3.1 You must ensure that all income is being receipted, either using a Record of Daily Income or by issuing carbon-type receipt books. Particular attention should be paid to any entries that have been altered / amended, particularly with the use of correction fluid.
- 3.2 It is important that you ensure that there is no delay in bankings (delays can increase the risk of theft / loss of interest for the fund) and that there are adequate security arrangements made for any unbanked fund monies. Examples of these arrangements include a locked safe / drawer.
- 3.3 You must ensure that any interest earned on the current / deposit accounts are included in the cash book / ledger and the Annual Summary of Accounts.

4. Expenditure

- 4.1 You must examine each individual entry for the school year. Where any payment is made, ensure that this is supported by an appropriate invoice, receipt / voucher or some other supporting documentation. If there is no supporting documentation, make enquiries as to why this is not the case and try to obtain this information. If, in exceptional circumstances, supporting documentation cannot be produced, an entry must be made on the Record of Expenditure Made Without Receipts. An example of this form is included as **Appendix 8**.
- 4.2 The dates, description and amounts of any invoices, receipts, etc. must be examined to verify their authenticity and reasonableness. Any queries must be raised with the Treasurer.
- 4.3 When you have examined the documentation, e.g. ledger, invoices, receipts, etc. you should mark them with a tick or initials to indicate the check being completed.
- 4.4 You must satisfy yourself that all expenditure is reasonable and has been spent legitimately and is within the scope of the fund..
- 4.5 If you are in doubt about any purchase made from the fund, ask to see it.

5. School Trips

- 5.1 Where a school trip has taken place, you must ensure that a financial statement has been drawn up which incorporates all the financial activities of the trip. This must be checked against the Annual Summary of Accounts and the ledger. Any variations must be drawn to the Treasurer's attention and you should receive a formal response from them.

6. Deposit & Current Accounts

- 6.1 Where the School Fund has a deposit account, you must check that any debits (outgoings) made from this account are only transfers into the current account. Any current account debits must be supported by a cheque stub and invoice / receipt etc.

7. Miscellaneous

- 7.1 If you are aware of any activity which does not appear in the accounts, ask the Treasurer why this is.
- 7.2 You must ensure that where expenditure has been incurred for fundraising events, (e.g. raffle tickets for a school fete etc) that the corresponding income from the sale of tickets has been received.

8. Annual Certificates & Summary of Accounts

- 8.1 The Treasurer will have prepared a Summary of Accounts statement. Check that this reflects the entries in the ledger and the balance shown is correct.
- 8.2. When you have undertaken the above checks and are satisfied that everything is in order, sign the ledger and the Summary of Accounts statement (**Appendix 5**). Also, ensure that you sign the Annual Certificate (**Appendix 12**), which the Headteacher will provide you with. If you feel unable to do this for any reason, please contact the Education Finance Team or the Internal Audit Section at Bronwydd House on 01443 680500.
- 8.3 Where a school is closing and becoming part of a newly amalgamated school, the 'closing' school should ensure that all transactions have been accounted for and provide a final set of accounts for the auditors as soon as possible after the school closing date. The bank account(s) relating to that fund must be closed and any balance transferred to the account of the newly amalgamated school. The balance should be treated as income and accounted for accordingly. You should then audit the closed account.
- 8.4 When auditing the Private Fund of newly amalgamated schools you must check a copy of the bank statement showing the sum transferred to the newly amalgamated school as evidence that the account of the previous school has closed and the balance transferred accordingly.

Appendix 4

SCHOOL PRIVATE FUND LEDGER FOR THE YEAR ENDED 31 AUGUST 20

RECEIPTS										PAYMENTS					
(1) Date	(2) Details	(3) Receipt No.	(4) Total £	(5) Tuck shop £	(6) Ski- Trip £	(7) Panto/ Concert £	(8) Misc £	(9) Date	(10) Cheque No.	(11) Payee / Detail	(12) Total £	(13) Tuck shop £	(14) Ski- Trip £	(15) Panto/ Concerts £	(16) General £
1.9.09	Balance B/F		1,417.72		950.00		467.72	11.9.09	12700	H.Leigh-Tuck Shop Goods	12.70	12.70			
3.9.09	C. Willis - Tuck- shop Sales	001	5.00	5.00				14.9.09	12701	Jones Bros. - Hockey Match	50.00				50.00
6.9.09	A. Jones - Tuckshop Sales	002	4.20	4.20				16.9.09	12702	Welsh Schools AAA - Fees	5.00				5.00
7.9.09	L.Lewis - Tuckshop sales	003	5.15	5.15				26.9.09	12703	Muni Pantomime - Tickets	50.00			50.00	
7.9.09	B.Bass - Hockey Collection	004	13.20				13.20	26.9.09	12704	Biscuit Company - Tuck Shop	6.10	6.10			
10.9.09	P.Price - Concert Tickets.	005	22.00			22.00		29.9.09	12705	Thomas Cook - Ski Trip	50.00		50.00		
13.9.09	A.Jones - Tuck- shop Sales	006	4.90	4.90											
14.9.09	F.Morris - Museum trip	007	25.00		25.00										
15.9.09	C.Lewis - Panto	008	15.50			15.50									
16.9.09	B.Bass - ski trip	009	18.00		18.00										
17.9.09	F.Morris - Football Collection	011	24.00												
31.9.09	Deposit A/C Interest	---	50.00				24.00								
20.7.10	A. Jones - Tuckshop Sales	012	5.13	5.13			50.00								
	Total Receipts		192.08	24.38	43.00	37.50	87.20			Total Payments	173.80	18.80	50.00	50.00	55.00
	Add Balance B/F		1417.72		950.00		467.72								
			1609.80	24.38	993.00	37.50	554.92								
	Less Total Payments		173.80	18.80	50.00	50.00	55.00								
	Balance C/F		1436	5.58	943.00	9.50	499.92								

**SCHOOL PRIVATE FUND
SUMMARY OF ACCOUNTS**

SCHOOL NAME: _____

	RECEIPTS £	PAYMENTS £
School Trips		
Uniform/Clothing		
Photography		
Tuck Shop / Vending / Fruit		
Prizes		
Sponsorship / Donations		
Fund Raising Events		
Book Clubs		
Children's Gifts / Treats		
Misc Expenditure*		
TOTAL		

**Please provide a detailed breakdown of Misc Expenditure for audit purposes.*

SUMMARY

	£
Balance in Hand 1 September 20__	_____
ADD: Receipts during Year	_____
LESS: Payments during Year	_____
Balance in Hand 31 August 20__	_____

We have examined all documentation for the school year ended 20__ and we are satisfied that the School Private Fund Regulations have been fully complied with and the Summary of Accounts is correct.

Treasurer	Auditor	Auditor
Date	Date	Date

APPENDIX 9

SCHOOL PRIVATE FUND

FRENCH SKI TRIP - OCTOBER 2011

STATEMENT OF ACCOUNT

INCOME		EXPENDITURE	
	£		£
Pupil Contributions (20 x £670.00)	13,400	Receipt No:	
		1. A1 Travel (Minibus Hire)	500
		2. Tour Operator (Ski World)	10,000
		3. Lift Passes (20 x £125.00)	2,500
		4-8. Tolls / Fuel	180
		9-11 Miscellaneous (Meals / Drinks)	120
		Balance c/fwd	100
TOTAL	13,400	TOTAL	13,400

I certify that the above statement is a true and accurate record and attach financial documentation relating to each item of income and expenditure included in the statement.

SIGNED: DATE:
(TRIP ORGANISER)

REVIEWED BY : DATE:

SCHOOL PRIVATE FUND
ANNUAL CERTIFICATE

School Name: -----

Bank Account(s): -----

MANAGEMENT COMMITTEE :

PLEASE PRINT YOUR NAME AND SIGN TO CONFIRM THAT YOU HAVE
READ AND UNDERSTOOD THE SCHOOL PRIVATE FUND
REGULATIONS.

Chairperson: -----

Treasurer: -----

Secretary: -----

Auditor 1: -----

Auditor 2: -----

I certify the above officers make up the School Private Fund Committee and
that the accounts have been / will be presented to the Governing Body.

Signed: -----

Date: -----

(Headteacher)

SCHOOL PRIVATE FUND

NOTES OF GUIDANCE FOR EDUCATION FINANCE STAFF

The Director of Education & Lifelong Learning is responsible for the financial management and audit of the School Private Funds. The following must be undertaken by staff in the Education Finance Team in Bronwydd, Porth.

1. At the end of each academic year, each school must be sent an Annual Certificate. This, together with a Summary of Accounts, copies of the opening bank statement at 1st September and the closing bank statement at 31st August must be completed and returned by each school to the Education Finance Team. An itemisation of any miscellaneous income and / or expenditure must also be included.
2. After the 31st December undertake checks to ensure that all schools have complied with the above requirement. In instances where Certificate(s) and / or a Summary of Accounts have not been received a reminder must be sent to the appropriate schools requesting immediate submission.
3. On receipt of the completed Certificate, Summary of Accounts and supporting documentation check the following:-
 - a. All entries are complete and signatures are entered in the appropriate places. Ensure that each of the posts on the Committee has been undertaken by different members of staff
 - b. The Annual Certificate and Summary of Accounts have been signed by two auditors who are independent of the School Private Fund Committee. Unsigned Annual Certificates or Summary of Accounts must be returned to the school(s) for completion. If, at this stage, or following enquiries with auditors of the Fund, they are unwilling to sign the Annual Certificate or Summary of Accounts, the matter must be immediately reported to the Director of Education & Lifelong Learning / Internal Audit.
 - c. Any form of miscellaneous income or expenditure must be itemized.
4. Completed Annual Certificates and Summaries of Accounts must be filed and retained for six years.