



Financial Procedures and Responsibilities Policy

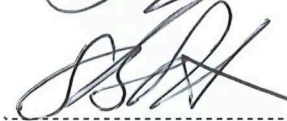
Date adopted

October 2021

Headteacher's signature



Chair of Governor's signature



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 **monthly** 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 FMS 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 available 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 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 **Secondary School Finance Officer**.
- 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 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;
- A reminder should be sent for all debts which exceed the due date;
- A second reminder should be sent for all debts which exceed the due date plus 3 weeks;
- A final reminder which threatens court action should be sent for all debts which exceed the due date plus 6 weeks;
- The Business and Estates Manager should report all debts which remain outstanding

- to the Headteacher who will have delegated authority to write off debts under £200.
- For debts in excess of £200 the Headteacher along with the Business and Estates Managers will consider legal instruction.
- The Business/Site Manager will report progress in recovering all debts which remain outstanding in excess of £500 to the Finance and Buildings Committee of the Governing Body who will determine future action.
- No lettings shall continue if a debt is not cleared at the point of the final reminder

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 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 Limit:	£10,000	£5,000	£5,000
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 FUND

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 **most up-to-date version of the School Private Fund Regulations** 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).



RHONDDA CYNON TAF

School Private Fund Regulations



January 2020

RHONDDA CYNON TAF
SCHOOL PRIVATE FUND REGULATIONS

FOREWORD

Most schools have funds at their disposal which do not come from Welsh Government, Regional Consortia or the Local 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, transparency 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 must be in place 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 Private Funds are properly safeguarded, it is 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 school based employees involved in accounting for income and expenditure and fundraising activities administered via the School Private Fund. The regulations provide guidance on the activities which are deemed to fall within the scope of the Fund. Compliance with the regulations also ensures that consistent standards of good practice and financial control are carried out in all schools operating within Rhondda Cynon Taf CBC. School 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.

Gaynor Davies
Director of Education &
Inclusion Services

Barrie Davies
Director of Financial &
Digital Services

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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.
- 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 / expenditure which can and cannot be included under the scope of the fund are included at Appendix 1. The Private Fund should not be used to pay for goods or services that ordinarily would be funded by the school's delegated budget apart from where the Management Committee have complied with the advice in these regulations at 5.2 / 9.2.
- 1.4 Under no circumstances can the fund be used to pay for school staff costs that would normally be paid for by the school budget.
- 1.5 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 must be managed by a committee of four different persons. It must include a Chairperson (Headteacher or person designated by the Headteacher), a Treasurer and two Auditors.
- 2.2 The two Auditors must audit the accounts. They need not necessarily be members of staff, and they must not hold one of the aforementioned posts i.e. Chairperson or Treasurer or be a Cheque Signatory. Each Auditor must be provided with copies of the regulations and they must sign the Annual Certificate (Appendix 12) to confirm that they have read and understood them.
- 2.3 The Chairperson / Headteacher must ensure that the Annual Certificate and Summary of Accounts (Appendix 5) is presented to the Governing Body as soon as possible after the end of the school year and also submitted to the Education Finance Team by 31st October each year.
- 2.4 The Chairperson / Headteacher must approve all activities, for example, all trips costed and included on the Annual Certificate.
- 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 in section 15.

- 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. To ensure segregation of duties schools must not open a bank account which has a debit card facility or undertake Internet Banking transactions. Where electronic payments are required the School Purchase card can be used with the fund promptly reimbursing the school budget account.
- 3.2 The Treasurer will be responsible for the bank accounts and for maintaining a ledger and all other documents relating to items of income and expenditure. All records must be retained for six full academic years, plus the current year of account at the school.
- 3.2 Where bank balances exceed £10,000, the Management Committee should consider opening an interest-bearing deposit account.
- 3.3 Bank accounts must not operate with overdrawn / debit balances and under no circumstances should overdraft facilities be arranged.

4. COLLECTION AND BANKING OF CASH / CHEQUES

- 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 All monies collected must be banked intact, 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 (Appendix 7), and receipts attached for each purchase made.
- 4.2 When 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.
- 4.3 Regard must always be given to security of monies when considering the frequency of banking, particularly large sums of cash, whether held at the school or in transit to the bank.

- 4.4 A Cash Collection Service could also be used to bank income received. The Council has an approved contractor, contact the Bank Reconciliation and Systems Team on 01443 680500 for further details.
- 4.5 Regard should be given to the following cash insurance limits when considering banking frequency:-

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 cash on 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.

- 4.6 Parents also have the opportunity to make 'online' payments via the Councils website. Each school receives a report from the Accountancy section of the income received (Date, Amount, Pupil Name etc) and the income is electronically transferred into the nominated bank account. Please contact the Bank reconciliation and Systems Team on 01443 680500 for further details of this service.

5. EXPENDITURE

- 5.1 All items of expenditure must be made by cheque, signed by at least two designated cheque signatories. Cheque stubs must be completed in full with all the cheque details (date, payee and amount) or marked 'Cancelled' and retained with the cheque stub if spoiled.

- 5.2 All items of expenditure should be eligible (see Appendix 1) and must be supported by a relevant receipt / invoice as proof of payment.
- 5.3 However, where schools have accumulated balances and wish to purchase non eligible items, the transaction will be permitted where:-
- The Management Committee have contacted all parents / carers highlighting what they wish to purchase, asking for comments / objections, sample letter Appendix 13.
 - The purchase can continue if no objections are received.
 - If objections are received they must be presented to the Governing Body for a decision and evidence (minutes) must be retained.

6. V.A.T.

- 6.1 HM Revenue and Customs do not require a School Private Fund to be VAT registered if the taxable turnover is below the threshold (£85,000 in 2019/20). If the fund exceeds / or is likely to approach this limit by the end of the financial year, it needs to register for VAT.
- 6.2 Taxable turnover is the total of sales and certain other supplies subject to VAT, including zero-rated supplies. Goods or services that are exempt from VAT, do not form part of your VAT taxable turnover.
- 6.3 Funds not VAT registered must not claim or charge VAT.
- 6.4 It is acceptable for the Private Fund to donate the net cost of the supply of goods to reimburse the school budget subject to the following:-
- A valid VAT receipt has been obtained.
 - The school retains title and are only used for school purposes.
 - Records in both the Private Fund and School Budget clearly identify the purchase and purpose for which it is made.
- 6.5 HMRC 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.
 - Entrance to plays, discos, fireworks, social events etc.
 - Sale of school photographs.
- 6.6 When purchasing / reselling items, HMRC does not permit goods to be purchased through the school budget / VAT reclaimed and the income to be banked into the Private Fund.

7. BEQUEATHED OR DONATED MONIES

- 7.1 Any money bequeathed or donated to a school above £10,000 should be forwarded to the Director of Financial and Digital Services, who will place the monies into the Education Trust Fund and make it available to the school following a request.
- 7.2 The money must be spent in line with the wishes of the will / donation. If wishes are not specific, the School Governing Body must formally decide how the funds will be used for the benefit of the pupils.

8. SCHOOL TRIPS

8.1 Staff operating trips must adhere to the following points:

- School trips are deemed to be educational by HMRC; the cost can be processed through the School Budget and the net cost (excluding VAT) can be collected / transferred from the School Private Fund.
- 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, the balance must either:-
 - i) be divided equally and reimbursed to each paying pupil, or;
 - ii) be retained by the fund, subject to parents' consent.
- Prior to a trip, the Chairperson / Headteacher should approve the cost (transport / accommodation / entry fees etc) see Appendix 9 and ensure the EVOLVE system has been updated.
- The trip organiser must maintain a permanent record of all monies received, which includes name, amount, date received, and the date deposited with the Treasurer (Appendix 10).
- Any cash advances administered via a cash float (Appendix 7) must be accounted for by receipts, with unspent cash handed to the Treasurer without delay. Where receipts are not provided to support expenditure incurred the record of expenditure made without receipts form (Appendix 8) should be completed by 2 members of staff who can support the expenditure was appropriately incurred.
- Tipping – On large trips such as skiing / 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.
- 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. Supporting receipts must be obtained and provided to the Treasurer.

- The staff member responsible for the school trip must complete a Statement of Account (Appendix 9) and submit to the Treasurer within one month of the conclusion of the trip.

9. FUND RAISING EVENTS

- 9.1 Where fund raising events take place for example fetes, discos, sponsored walks etc, a statement similar to Appendix 9 must be completed which highlights all income and expenditure and it must be passed / retained by the Treasurer.
- 9.2 It is acceptable to hold fund raising events to purchase items outside the scope of these Private Fund Regulations (for example, the purchase of ICT / playground equipment) providing that those contributing have been informed prior to the event of how the funds received are to be spent.

10. STOCK CONTROL

- 10.1 Any stocks held in respect of fund activities, such as tuck shops, school clothing etc, must be recorded on a suitable stock control form (Appendix 11). These record forms will vary according to the nature of the activity, however they should include the date, stock received and issued, stock balance and the income received.
- 10.2 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. VALUE FOR MONEY

- 11.1 Although School Private Fund activities are not subject to the Authority's Financial Procedure Rules, the Management Committee must at all times ensure that it is obtaining the best value for money.

12. SCHOOLS CLOSING / AMALGAMATING

- 12.1 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 Private Fund bank account of the newly

amalgamated school. The balance must be treated as income and accounted for accordingly.

- 12.2 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.

13. MONITORING SCHOOL PRIVATE FUND ACTIVITIES

- 13.1 The Chairperson / Headteacher must examine the following records at the end of each term and sign / date the ledger as evidence of review:-

Record	Purpose of Inspection
Ledger	To ensure the record is being updated regularly.
Record of Daily Income	To ensure that income records are completed correctly and that all income received has been recorded.
Bank Paying - In Book	To ensure the income received has been banked promptly and in full.
Cheque Book Stubs	To ensure used cheque stubs have been completed in full and unused cheques have not been pre-signed.
Bank Statements	To ensure that there is evidence to support bank statements being regularly reconciled to the ledger.
Receipts / Invoices	To ensure that a receipt / invoice is present to support all expenditure or the appropriate form is being accurately completed if the above has not been received.
Account Book	Where a deposit account is held with a building society or bank, account books must be examined to ensure that the balance agrees with the ledger.
Statements of Accounts	Statements of account provided by teachers running trips / fund raising activities should be examined to establish the financial position of each.

14. ANNUAL CERTIFICATES & SUMMARY OF ACCOUNTS

- 14.1 The Annual Certificate and Summary of Accounts must be returned to the Education Finance Team, by 31st October 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.
- 14.2 The Chairperson / Headteacher is responsible for ensuring that the Annual Certificate and Summary of Accounts is completed and presented to the Governing Body. Example of the Annual Certificate is included at Appendix 12 and Summary of Accounts at Appendix 5.

15. CHARITY COMMISSION REGISTRATION

- 15.1 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.

www.charity-commission.gov.uk

- 15.2 There are some benefits that can be gained from becoming a charity, but there are also added restrictions and legal requirements to adhere to.

16. SCHOOL BUDGET INCOME

- 16.1 Schools may receive income in the form of cash or cheques intended for the school budget which is banked into the School Private Fund. If this occurs a cheque from the Private Fund should be promptly raised to reimburse the School Budget and clearly annotated on the School Private Fund Records. The types of income may include:-

- Staff earnings.
- Insurance claims.
- School Hire income.
- Donations from pupils, for example music lessons / sports coaching where the provider is paid from the school budget.

**EXAMPLES OF ACTIVITIES WITHIN / OUTSIDE
THE SCOPE OF THE PRIVATE FUND**

ACTIVITIES WITHIN THE SCOPE OF THE PRIVATE FUND

- School trips, fetes, parties, concerts, discos, raffles, prize draws, sponsored events and charity events.
- Treats/Gifts for children including:-

Christmas gifts / party food, sports day, snacks, Easter eggs, travelling theatres, animal shows & other similar events.
- Donations, bequeathed monies, school councils and enterprise funds.
- Sale of items including, tuck shops, fruit money, vending, school clothing, Christmas cards, school photographs and book clubs.

ACTIVITIES OUTSIDE THE SCOPE OF THE PRIVATE FUND

- Gifts / presents for school staff and Governors, including flowers, chocolates, gift vouchers etc.
- Loans to staff / parents / pupils, or the cashing of personal cheques.
- Staff functions / activities, refreshments, savings club and coffee funds.
- Payment for goods / services or to school / external staff for curriculum activities.
- The use of personal loyalty cards when making purchases.
- Staff / pupil training courses, registration fees, examination fees etc.
- School maintenance, premises, telephony, administration and vehicle costs including carpets, office stationery, grounds maintenance etc.
- Leasing agreements or direct debits.

Please note the above activities are examples, if you have queries, please contact the Education Finance Team on 01443 680500.

APPENDIX 2

NOTES OF GUIDANCE FOR TREASURERS

AS TREASURER OF THE SCHOOL PRIVATE FUND, YOU MUST HAVE A COPY OF THE SCHOOL PRIVATE FUND REGULATIONS.

1. The 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.

The ledger should be updated as income and expenditure occurs, and not on a periodic basis or from bank statements. A recommended ledger format is at Appendix 4.

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

- a) Access to the ledger is restricted to key officers only.
- b) The ledger is saved / backed up to a server to prevent loss of data.
- 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 should be retained in line with the Retention of Records Regulations (i.e. 6 years plus the current year).

A copy of an electronic template is available from Education Finance.

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 and along with supporting documentation requested, returned by 31st October to the Education Finance Team. It must also be presented to the full Governing Body.

3. Receipts

3.1 All Private Fund income collected must be handed to you promptly (i.e. on the day it is collected) and recorded either on a Record of Daily Income form (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 it promptly and intact.
- 3.3 For all 'online' income you should retain copies of all reports received from Accountancy and ensure that the trip records / ledger is updated promptly and it clearly indicates that the money has been received 'online' (not cash or cheque which requires banking).

4. Expenditure

- 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 (Appendix 8).
- 4.2 All paid receipts / invoices, should be marked with the cheque number and filed in cheque number order.
- 4.3 Cheques must be signed by two persons from a panel of signatories, for example 2 of 3 (NB - blank cheques must never be pre-signed). 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.
- 4.4 The cheque book must be kept safe at all times.

5. Bank Statements

- 5.1 As soon as bank statements are received you must ensure that all debit and credit entries are correct.
- 5.2 Any interest (as a receipt) or bank charges (as a payment) appearing on the bank statement must be updated to the ledger.

6. End of Year Reconciliation

- 6.1 This process has to be undertaken before your accounts are audited:-
 - a) Obtain a bank statement which includes up to the 31st August and check the entries on this statement;
 - b) Deduct from the balance, any cheques issued but not presented.
 - c) Add deposits made but not on the statement appearing as credits (if the statement date for any reason is prior to 31 August).
 - d) Add cash-in-hand to the adjusted bank balance, this total should agree to the ledger balance.

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.

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 Private Funds Chairperson or 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 for the year ending 31st August. This involves checking all monies collected have been properly brought into the account and all payments made are appropriate.
- 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 and invoices.
- 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.
- 1.4 If you are aware of any activity which does not appear in the ledger, ask the Treasurer why this is.

2. Opening & Closing Balances

- 2.1 You must verify that the opening balance brought forward agrees with the closing balance recorded on 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, particular attention should be paid to any entries that have been altered / amended.

- 3.2 Ensure there is no delay in bankings and that there are adequate security arrangements made for any unbanked fund monies.

4. Expenditure

- 4.1 You must examine every item of expenditure and ensure it is appropriate and supported by an invoice / receipt. If supporting documentation cannot be produced, an entry must be made on the Record of Expenditure Made Without Receipts form (Appendix 8).

5. School Trips

- 5.1 Where a school trip has taken place, ensure that a financial statement (Appendix 9) has been completed.

6. Deposit & Current Accounts

- 6.1 Where the School Private Fund has a deposit account, ensure that debits (outgoings) are transferred into the schools current account.

7. Annual Certificates & Summary of Accounts

- 7.1 The Treasurer must prepare a Summary of Accounts statement for the year ending 31st August.

- 7.2. When you satisfied that everything is in order, sign the ledger, Summary of Accounts statement (Appendix 5) and the Annual Certificate (Appendix 12). Any issues, please contact the Education Finance Team or the Regional Internal Audit Service on 01443 680500.

- 7.3 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.

- 7.4 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) Income Type (Cash / Chq / Online)	(4) Total £	(5) Tuck £	(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 £
1.9.19	Balance B/F		1,417.72		950.00		467.72	11.9.19	12700	H.Leigh-Tuck Shop Goods	12.70	12.70			
3.9.19	C. Willis - Tuck-shop Sales	Cash	5.00	5.00				14.9.19	12701	Jones Bros. - Hockey Match	50.00				50.00
6.9.19	A. Jones - Tuckshop Sales	Cash	4.20	4.20				16.9.19	12702	Welsh Schools AAA - Fees	5.00				5.00
7.9.19	L.Lewis – Tuckshop sales	Cash	5.15	5.15				26.9.19	12703	Muni Pantomime - Tickets	50.00			50.00	
7.9.19	B.Bass - Hockey Collection	Cash	13.20				13.20	26.9.19	12704	Biscuit Company - Tuck Shop	6.10	6.10			
10.9.19	P. Price - Concert Tickets.	Online	22.00			22.00		29.9.19	12705	Thomas Cook - Ski Trip	50.00		50.00		
13.9.19	A.Jones - Tuck-shop Sales	Cash	4.90	4.90											
14.9.19	F.Morris – Museum trip	007	25.00		25.00										
15.9.19	C.Lewis - Panto	Chq	15.50			15.50									
16.9.19	B.Bass – ski trip	Online	18.00		18.00										
17.9.19	F.Morris - Football Collection	Cash	24.00			24.00									
31.9.19	Deposit A/C Interest	---	50.00				50.00								
20.10/19	A. Jones - Tuckshop Sales	Cash	5.13	5.13											
	Total Receipts		192.08	24.38	43.00	37.50	87.20				173.80	18.80	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

SCHOOL PRIVATE FUND
TRIP INCOME RECORD

NAME OF TRIP:.....

DATE	PUPIL'S NAME	AMOUNT RECEIVED		DATE INCOME DEPOSITED WITH TREASURER	CASH / CHEQUE	RECEIVED BY (TEACHER OR OFFICER TO SIGN)
		£	P			
TOTAL INCOME						

**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

Auditor 1

Auditor 2

(Print Name)

(Signature)

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.

Signature

Date

(Headteacher)

I confirm that I have received the audited accounts and they will be presented to the Governing Body.

Signature

Date

(Chair of Governing Body)

..... School

School address

Line 2

Line 3

Email

Telephone number

School Private Fund

Dear Parent / Carer,

Over the last few years, our school has successfully managed to raise surplus funds through a number activities including fetes, concerts and donations.

Such fund raising is separate to the main school budget and banked in an account known as the School Private Fund. This account is audited by the Local Authority and the funds can only be spent on certain things as outlined by the Local Authority.

The school would like to use some of the surplus funds to pay for [e.g. playground items](#) for use by pupils, however the Local Authority will only permit the School Private Fund to pay for this expenditure if parents have been notified and consulted.

I hereby welcome your thoughts / comments on this proposal which can be made by email, letter or verbally. Any objection to the idea would need a reason.

If no objections are received by [enter a date about 2 weeks after date of letter](#), I will presume that parents are content for the funds in the School Private Fund to be used.

Kind Regards,

Headteacher

SCHOOL PRIVATE FUND

NOTES OF GUIDANCE FOR EDUCATION FINANCE STAFF

The following must be undertaken by staff in the Education Finance Team.

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 October 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:-
 - 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.
 - The Annual Certificate (Appendix 12) and Summary of Accounts (Appendix 5) have been appropriately completed. 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 & Inclusion Services / The Regional Internal Audit Service.
4. Schools who fail to submit annual returns / appropriate documents should be reported to the Director of Education and Inclusion Services.