



BUDGET MANAGEMENT POLICY

of

MILLTHORPE SCHOOL

It is the aim of the governing body of (enter name of school) to spend the school's budget share for the purposes of the school and to ensure that all resources made available to the school are used in an efficient and effective manner.

Financial decisions will be made after consideration of:

1. conditions and requirements laid down in the Authority's approved Scheme for Financing Schools
2. priorities as identified in the costed school improvement plan
3. the needs of the children, staff and community of the school
4. the need to support and deliver the National Curriculum and the Authority's Curriculum Policy together with any modifications agreed by the governing body
5. the resources made available to the school

ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

1. Roles and Responsibilities

- i. The Governors have a statutory responsibility for the oversight of the financial management of the school and for ensuring adherence to the Authority's Standing Orders and Financial Regulations.
- ii. The governing body should determine delegation using the governing body Decision Planner (Appendix A) and review it annually.
- iii. A Finance Committee made up of at least 4 members approved by the governing body will be established and will meet at least once per term. It will work to the agreed Terms of Reference (see Appendix B) once approved by the full governing body. The committee will consider termly monitoring reports as a minimum (in some cases monthly may be considered more appropriate) and will consider the school's Start, Revised and Draft budgets at the appropriate times. The committee will submit a brief summary report to the full governing body at least once per term.

The Headteacher will assume day to day responsibility for the budget and will operate under a scheme of delegation approved by the governing body (see Appendix C), with the delegated authority to determine spending within approved budget headings. The Head will be assisted by the appropriate staff to ensure segregation of duties and in the proper processing of orders and invoices generated by the school and the checking of goods received. All individuals who are involved in the spending, collection and custody of school resources must operate with integrity and observe regularity as reflected in the Authority's Financial Regulations and Standing Orders for schools with delegated budgets. Other documents which help clarify staff and governors' roles and authorisation limits can be found in Appendix D Governors' Delegated Authority to Postholders and Appendix E City of York Council Delegated Authority Scheme - Authorisation Certificate.

2. Consistent Financial Reporting (CFR)

The governing body will have regard for the Consistent Financial Reporting Framework and ensure that school income and expenditure is coded in relation to the Framework so that accurate CFR returns are submitted to the Department for Education via the LA in a timely manner.

3. Statutory Financial Management Standards

The governing body will have regard to the regulations governing statutory financial management standards and operate accordingly to ensure that the school is managed well financially. It will ensure that:

- appropriate self evaluations and risk assessments, including use of financial benchmarking data, are carried out in a timely manner
- the self assessment return is submitted to the LA
- any findings resulting from this process are addressed to improve the school's financial management processes

4. Extended Services Activities

The governing body will have regard for the LA's guidance on all aspects of Extended Services activities. It will ensure that funds delegated to the school are used for the

purpose of the school, including to support Community Extended School activities whilst not compromising core purpose.

5. Procedures

All documentation of accounts and finance will be kept in accordance with advice from the LA. Procedures for keeping accounts will be in accordance with the LA's Financial Regulations and Standing Orders. A copy of the school's most recent Auditor's Report will be available for inspection by governors, OFSTED inspectors and officers of the LA.

6. Pecuniary Interests

Governors and staff of the school will be required to complete a Register of Business Interests to declare any links they may have with any firm from which the school may wish to buy goods or services. A review should be carried out annually when new staff and governors should be included.

BUDGETS

1. Aims and Objectives

The Finance Committee together with the Headteacher will consider the agreed School Improvement Plan, which shall cover a period of (3) years, and will provide costings for proposals to develop the school's short, medium and long term aims and objectives as identified in the Plan. Such consideration will include the determination of:

- an appropriate level of general contingency (either an amount in pounds or a percentage of the annual budget)
- the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals in the Plan.

It is recognised that finite resources will lead to a need to place proposals into some kind of priority and to accelerate/delay some spending plans as circumstances change.

2. Efficiency and Value for Money

The governing body will seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the LA's purchasing, tendering and contracting requirements.

3. Budget Timetable

The Headteacher (or other person with delegated authority in consultation with the Headteacher) will prepare for consideration by the Finance Committee:

- i. A proposed start budget and 3/5 year financial plan following receipt of the school's Resource Allocation statement.
- ii. A revised budget in the Autumn term to reflect any staffing changes or updating of spending plans. Revised budget plans will not be requested if other financial reports carry the relevant data.

- iii. A draft budget in a timely manner to identify the schools potential budgetary position of the future years' financial plan.
- iv. Monitoring reports to be considered by the finance committee at least once per term with a brief report to the full governing body. A copy of monitoring reports considered at meetings will be sent to the LA on a termly basis. An exception to this is where the LA has approved a licensed deficit and defined the frequency in the terms of the license. Reports will reflect both sums paid, sums committed but not yet paid, estimated income and expenditure, predicted outturn and variances to the year end against approved budget headings.
- v. Financial systems will be reconciled to the school's centrally held account reports provided by the LA and the school's bank statement where applicable.
- vi. An Outturn statement and report by the end of the Summer term for the governing body to consider financial performance in the previous financial year.

4. Budget Submission to the LA

The governing body, after approving the budget, will send a copy on the date specified by the LA. This will be between 1st and 15th May each year. The governing body will not submit a deficit budget unless there are exceptional circumstances. Where a deficit budget is submitted to the licensed budget process the governing body will seek advice and submit a written request to the LA to seek the approval of the Director of Children's Services. The governors will take action to reflect the Director's written decision.

5. Virement Procedures

Unless the level of change does not warrant it, the budget will be revised each Autumn Term and the Finance Committee will vire funds between budget headings (ring-fenced grants) or from contingency funds as appropriate. Requests by the Headteacher for the further virement of funds outside the scope of the Scheme of Delegation to the Headteacher (Appendix C) will also be considered by the Finance Committee and be subject to their minuted approval.

6. Transfer of Funds

Funds shall not transferred between "central", "current" and "investment" accounts, unless a policy to do so has been agreed by the governing body [*the terms of such a policy should then be stated here*].

7. Quality of Information

It is expected that the financial information received by Governors will be relevant, timely, reliable and understandable.

8. Capital Expenditure

The governing body may use its budget share to meet the cost of capital expenditure on the school premises.

However if the expected capital expenditure from the revenue budget share in any one-year will exceed £15,000 the governing body will notify the Authority. The governing body will take into account the advice of the Director of Children's Services as to the merits of the proposed expenditure. The governing body will seek the consent of the Authority to the proposed works.

9. Review of Revenue Balances

The governing body will consider the level of Revenue Balances reported to it through the budget monitoring process to assess whether priorities in the School Improvement Plan should be brought forward or put back in relation to the balances available to the School.

The governing body will pay due regard to the LA's Recycling of Excess Balances procedures.

10. Documentation

All financial systems and procedures carried out in the school will be in accordance with the LA's Financial Regulations, Standing Orders, Scheme of Delegation to Headteacher and, where applicable, the Bank Accounts for Schools Scheme (BAfS). Governors will review the LA's Delegated Authority Scheme – Authorisation Certificate, see Appendix E, annually and ensure that up to date copies are submitted to the LA as and when authorisers' details and/or signatures change. A copy of these documents will be readily available and kept up to date.

11. Purchasing

Before purchases are made consideration should be given to economy and value for money and the financial regulations of the LA to ensure that appropriate tendering arrangements are instigated.

The governing body expect that school staff will follow official ordering procedures at all times and written pre-numbered orders will be used. Verbal orders will be followed up by a written confirmation order, clearly marked as such. Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the schools computerised financial system.

12. Procurement Cards

The Governing Body will follow the LA Policy and Procedures for the use of Procurement Cards and understand that it is responsible for its own purchase card account. It will ensure that cardholders will not use the cards for personal purchases and that they consider card security when selecting suppliers of goods and services. The account will be paid by Direct Debit each month to ensure that the school is not borrowing without the express agreement of the Secretary of State for Education.

13. Review of Service Contracts

The governing body [or the Finance Committee] will carry out an annual review of the contracts purchased by the school to ensure quality, cost and impact of such services meet the needs of the school and are efficient and deliver value for money. Where an existing contract is coming to an end a review prior to its renewal should be undertaken.

14. Procedures and Security

The school will make use of a computerised financial management system approved and supported by the LA. Data will be input on a regular basis including financial commitments made by the school. Information will be input from and reconciled to the school's central account reports provided by the LA. School bank statements will be reconciled every month and submitted to the LA. Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable.

The governing body will ensure that Data Protection regulations are followed. Security passwords will be maintained on the computer and documentation will be kept in a secure location. Regular backups will be made of the information held on the computer with storage media stored securely and separately from the computer.

15. Security of Stock and Equipment

An inventory will be kept in school and updated and checked on an annual basis in accordance with Financial Regulations and the Authority's guidance. Where the governing body has opted to join the LA's Contents Insurance Scheme, a copy of the policy document will be available for inspection in school.

A register of equipment removed from and returned to the school for use off-site will be maintained.

16. Petty Cash

There will be a limited use of petty cash. The amount of cash in school will be kept to a minimum and all monies and financial records kept in secure storage. The amount of cash held on the premises overnight will not exceed the permitted insured amount.

17. Income

The governing body will implement a charging and remissions policy which will be reviewed annually. Steps will be taken to ensure the early collection of income due. Receipts issued and records kept will be in line with the LA's Financial Regulations.

18. VAT Returns

VAT returns will be made promptly and accurately to the LA using the school's financial management system to meet HM Revenue and Customs' regulations.

19. Staffing

The Finance & Staffing Committee will administer the school's Pay Policy annually and will consider appointments, terminations and promotions as necessary.

20. Insurance

Where the governing body has delegated funds available for purchasing insurance it may use the LA or other insurance providers. However, the governing body will demonstrate to the LA, prior to taking out any alternative cover, that the alternative policy is at least as good as the relevant minimum cover arranged by the LA.

21. Computer Systems

The school will maintain approved software for the input of financial records. The school has been registered in accordance with the Data Protection Act 1984.

22. Audit

The Governors, headteacher and staff will co-operate with auditors in accordance with the requirements of Financial Regulations and will consider and implement their requirements in a timely manner.

23. Whistle Blowing

The governing body will ensure that it has adopted a whistle blowing policy which will be made available to staff. This policy will be reviewed annually.

GOVERNING BODY DECISION PLANNER RELATING TO FINANCIAL MANAGEMENT

THIS PLANNER SHOWS TO WHICH LEVEL THE GOVERNING BODY MAY LEGALLY DELEGATE FUNCTIONS**KEY**

Level 1: Full governing body

Level 2: A committee of the governing body

Level 3: An individual governor

Level 4: Headteacher.

Column blank: Action could be undertaken by this level.

Column blocked off: Function cannot be legally carried out at this level.

Although decisions may be delegated, the governing body as a whole remains responsible for any decision made under delegation

Key Function	Tasks	Decision Level			
		1	2	3	4
Budgets	To approve the first formal budget plan each financial year				
	To monitor monthly expenditure.				
	To establish a charging and remissions policy				
	Miscellaneous financial decisions				
	To enter into contracts (GB may wish to agree financial limits)				
	To make payments				
	Staffing				
	Agree a pay policy				
	Pay discretions				
Curriculum	To establish a charging and remissions policy for activities (non National Curriculum based)				
Premises & Insurance	Buildings insurance and personal liability– GB to seek advice from LA, diocese or trustees where appropriate (it is suggested that the GB as a whole should be involved in this decision)				
	Procuring and maintaining buildings, including developing properly funded maintenance plan				
GB Procedures	To set up a Register of Governors' Business Interests				
	To approve and set up a Governors Expenses Scheme				
	To consider whether or not to exercise delegation of functions to individuals or committees				
	To regulate the GB procedures (where not set out in law) e.g. Budget Management Policy and Governors' Delegated Authority to Postholders				

	To leave a federation				
Extended Schools*	To decide to offer additional activities and to what form these should take	*			
	To put into place the additional services provided				
	To ensure delivery of services provided				
	To ensure financial viability of, and probity for, services provided				
	To cease providing extended school provision	*			

*Although these tasks are open to delegation under the Education (School Government)(Terms of Reference) (England) Regulations 2000, the expectation would be that these decisions would be undertaken by the full governing body.

MILLTHORPE SCHOOL
FINANCE & STAFFING COMMITTEE

1. COMPOSITION

At least 4 members of the governing body with voting rights.

The governing body or the committee may appoint associate members to serve on this committee. Such members may have voting rights only as determined by the governing body and within the terms of the School Governance (Procedures) (England) Regulations 2003.

(This committee might informally invite one or two people with an appropriate financial background, to provide specialist support, on a non-voting basis).

2 QUORUM

The quorum for the meeting and any vote will be three governors who are members of the committee, or more.

3 TERMS OF REFERENCE OF THE COMMITTEE

- i. To prepare and agree a budget plan each year.
- ii. to monitor the budget termly and make any in year changes;
- iii. to prepare and monitor a Governors' Scheme of Financial Delegation, empowering the Headteacher and other staff to place orders and authorise expenditure within pre-determined limits;
- iv. to consider and make decisions concerning any proposal involving recurring expenditure and any proposal involving non-recurring expenditure not provided for in the Governors' Scheme of Financial Delegation;
- v. to be responsible for contractual arrangements in respect of items approved by the governing body in accordance with Council Standing Orders and Financial Regulations including the opening of tenders and decisions concerning acceptance;
- vi. to consider and decide on proposals from other committees involving additional expenditure;
- vii. to consider the annual accounts and audit reports in respect of non-LA provided funds;
- viii. to consider audit reports on the school and address issues raised;
- ix. to determine the arrangements and the scale of charges for the letting of school premises;
- x. to ensure that a Register of Governors Interests is maintained and regularly updated; and
- xi. to consider and make decisions on any matter involving finance or financial management referred to it by the governing body.
- xii. to consider and make decisions on any other resource matters referred to by the Governing Body

4 FUNCTIONS DELEGATED TO HEADTEACHER

As per the Governors' Scheme of Financial Delegation, Appendix C.

5 APPOINTMENT OF CHAIR AND CLERK

The appointment of the Chair shall be determined by the governing body or by the committee and reviewed annually. The governing body shall appoint a clerk to the committee.

6 MINUTES

A written record of the meetings of the committee will be submitted to the next full governing body meeting, through the Clerk to the governing body.

7 CONVENING MEETINGS

A meeting shall be convened by the clerk under the direction of the governing body and the chair of the committee. The clerk will give every member of the committee and the Headteacher (if not a member of the committee) written notice of a meeting, a copy of the agenda and any papers to be considered at the meeting at least seven days' clear notice before the date of the committee meeting. If the chair of the committee considers that there are matters that demand urgent consideration s/he may determine a shorter period of notice.

MODEL SCHEME OF DELEGATION TO THE HEADTEACHER

The Headteacher shall have delegated power to undertake all functions delegated to the governing body under the Education Reform Act 1988 pursuant to the Local Management of Schools scheme except that:

1. the Headteacher shall comply with all policy directions given to him/her from time to time by the governing body;
2. the Headteacher shall have the authority to expend all monies allocated to individual or specific items in the approved budget without further reference to the governing body;
3. where no such specific item exists in the budget he/she shall not enter into any financial commitment in excess of 0.5% of the delegated budget or £25,000 whichever is the lesser, without the consent of the governing body or in the case of an urgent matter, the Chair thereof;
4. the above delegation shall not apply in respect of the appointment of staff. It shall be for the governing body to determine from time to time the extent of the power of the Headteacher to deal with staffing matter;
5. the Headteacher shall not vire from one budget head to another any sum exceeding 0.5% of the delegated budget or £25,000 whichever is the lesser, without the consent of the governing body or, in the case of an urgent matter, the Chair thereof;
6. the Headteacher shall not transfer funds between "current" and "investment" accounts, unless a policy to do so has been agreed by the governing body (*the terms of such a policy should then be stated at 6 Transfer of Funds in the school's budget management policy*);
7. the Headteacher shall submit to the governing body at least once each term, and on such further occasions as the governing body may specify, a report on all expenditure incurred and commitments entered into, together with detail of any income generated, since the last such report to the governing body; this report to include a comparison of these latest figures with the school's budget for the year;
8. any proposal to incur expenditure on new or significantly different policies to be the subject of a report by the Headteacher to the governing body; the report to include details of cost in both the current and further years;
9. the Headteacher shall have the power to nominate the Deputy Headteacher or another named (senior) member of staff to exercise the powers of this delegation during any period of absence;
10. the Headteacher and any other person nominated under Regulation (9) above shall ensure that at all time the Financial Regulations and Standing Orders relating to schools with delegated budgets be complied with.

Governors' Delegated Authority to Postholders

Task	Persons Authorised	Posts Held	Notes
Ordering educational supplies within school budget	Trevor Burton Scott Butterworth Alex Collins HOD's	Headteacher Deputy Headteacher Business Manager Teaching staff	<i>Up to £25,000 In Heads absence In Heads absence Within allocated budget</i>
Ordering domestic supplies within school budget	Trevor Burton Scott Butterworth Alex Collins Matt Chapman	Headteacher Deputy Headteacher Business Manager Site Manager	<i>Up to £25,000 In Heads absence In Heads absence Within allocated budget</i>
Ordering office supplies within school budget	Trevor Burton Scott Butterworth Alex Collins Sheila Sweeting	Headteacher Deputy Headteacher Business Manager Bursar	<i>Up to £25,000 In Heads absence In Heads absence Within allocated budget</i>
Ordering any items in excess of £5,000	Trevor Burton	Headteacher	<i>Deputy Headteacher in Head's absence</i>
Ordering any items with values between £1,500 - £4,999	Alex Collins	Business Manager	<i>Bursar in Business Managers absence</i>
Ordering any items which would cause expenditure to exceed any budget heading by £500+	Trevor Burton	Headteacher	<i>Deputy Headteacher in Head's absence</i>
Ordering any items which would cause expenditure to result in an overall overspend		Chair of Governors Chair of Finance committee	
Checking and signing for educational deliveries		Administrator Admin Assistant	
Checking and signing for domestic deliveries		Administrator Admin Assistant Caretaker	
Checking and signing for office supply deliveries	Sheila Sweeting	Administrator Admin Assistant Bursar	
Checking invoices	Sheila Sweeting	Bursar	
Authorising invoice payment	Trevor Burton Scott Butterworth Alex Collins HOD,s Matt Chapman	Headteacher Deputy Headteacher Business Manager Teaching Staff Site Manager	<i>This refers to signing the coding grid to confirm receipt of goods</i>
Using a government procurement card		Bursar	
Signing Cheques School Budget Yorkshire Bank Account	Trevor Burton Scott Butterworth Alex Collins Sheila Sweeting	Headteacher Deputy Headteacher Business Manager Bursar	<i>Two out of three</i>
Signing Cheques School Fund Yorkshire Bank Account	Trevor Burton Scott Butterworth Alex Collins Sheila Sweeting	Headteacher Deputy Headteacher Business Manager Bursar	<i>Two out of three</i>

All purchasing ceilings are subject to annual review

Last up-dated on _____

**Signed on behalf
of governing body** _____ **Chair of Governors**



City of York Council Delegated Authority Scheme - Authorisation Certificate

Name of School:

Position

School DfE No:

Name (please print)	Purchasing & Payment		Contracts		Salaries & Wages		Specimen Signature	Specimen Initials
	Net Maximum Order Value	Net Maximum Invoice Value	Auth Y/N*	Max Value	Appt Forms Y/N*	T/Sheets & Other Pay adjustment Y/N*		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		
			Y N		Y N	Y N		

Signature of Chair of Governors Print Name

Date Key - * Delete either Y or N as appropriate

When completed, please return to Schools Business Support Team, Millennium Bridge Hub, West Offices, Station Rise, York, YO1 6GA

Approved for Chief Finance Officer Print Name Richard Hartle