



FINANCIAL PROCEDURES

These procedures include the Governing Body Agreement for the payment arrangements to the PFI contractor

Financial Management and Procedures

The responsibility and accountability of resources lies with the Governing Body of Cumberland School Specialist Sports and Applied Learning College.

Duties	Responsibility
Governing Body	Overall responsibility for school finances
Level 1	<p>The Main Responsibilities of the Governing Body:</p> <ul style="list-style-type: none"> (a) agreeing financial policy for the school, in line with the school's stated aims and objectives; (b) ensure the implementation of the financial regulations and standing orders as set out in as appendices to the Authority's Fair Funding Scheme; (c) agreeing systems of internal control to enable the proper processing of the school's transactions; (d) agreeing the budget at the start of each financial year; (e) approving a list of reserved items up to a set limit at the time the budget is agreed that can be authorised for spending by the Headteacher if underspends arise during the year for any reason. The limit for secondary schools is £50,000; (f) agreeing virements between budget accounts of above £100,000. For the purpose of virements, the teaching staff and the long term cover budget accounts are treated as one account; (g) authorising write-offs and disposals of surplus stocks and equipment above the value of £1000; (h) adopting a scheme of pecuniary interests for all members of the governing body and the school's Headteacher and Deputy Headteacher(s); (i) receiving budget monitoring reports in an agreed format at the ordinary meeting each term; (j) approving contracts of £500K and above.
Level 2	<p>The Operational Responsibilities of the Headteacher:</p> <ul style="list-style-type: none"> (a) implementing the budget agreed by the governing body and establishing profiles against which agreed expenditure can be monitored; (b) the day to day management of the budget, and for delegating budgetary responsibilities to his/her staff. In undertaking this responsibility the Headteacher shall ensure that the relevant staff are adequately trained and supported to carry out their allotted tasks. (c) ensuring that the governing body's financial regulations and standing orders are implemented;

Duties	Responsibility
	<ul style="list-style-type: none"> (d) if appropriate ensuring that the Authority's arrangements for managing the local cheque book scheme are properly implemented; (e) ensuring that systems of internal control are implemented to enable the proper processing of the school's transactions; (f) authorising virements of up to the value of £50,000. For the purpose of virements, the teaching staff and the long term cover budget accounts are treated as one account; (g) ensuring that adequate arrangements are in place for the safe custody and control of cash and other property belonging to the school; (h) maintaining an inventory of the school's equipment and reporting discrepancies above a value of £500 to the governing body; (i) authorising write-offs and disposals of surplus stocks and equipment up to the value of £1000; (j) ensuring that adequate arrangements are made for the safe and secure storage of the school's computerised information; (k) presenting budget monitoring reports to the governing body each term, in a format agreed by the governing body, which provides details of expenditure and commitments against the approved budgets, and any virements made since the last meeting of the body; (l) with the Chair of the governing body, approving tenders above the value of £100K and below the value of £500K for governing body approved projects.
Level 3	<p>Functions delegated to the Resources Committee:</p> <ul style="list-style-type: none"> (a) to review the financial implications of the school's aims and objectives in the school development plan and to make recommendations to the governing body; (b) to establish a timetable and procedures for planning the budget; (c) to receive estimates of income and expenditure and to prepare a draft budget at the start of each financial year, for approval by the governing body, which enables the school's aims and objectives to be met; (d) to ensure that the school's/Authority's/governing body's financial regulations for managing the school's budget share and the local cheque book scheme are properly implemented; (e) to monitor the school budget in between governing body meetings to ensure that monies are being

Duties	Responsibility
	<p>spent in line with the school's aims and objectives and that budget accounts remain in balance;</p> <p>(f) to establish procedures to ensure that the school receives the best value for money from its purchases;</p> <p>(g) to approve virements of monies between budget £50,001 to £100,000;</p> <p>(h) to arrange for the preparation of reports to the governing body on budget monitoring;</p> <p>(i) to approve and review the procedures for managing the school's voluntary fund accounts, and to approve the end of year;</p> <p>(j) to monitor the school's charging policy and make recommendations about changes, if appropriate, to the governing body;</p> <p>(k) to be responsible for the school's/governing body's insurance arrangements.</p>
<p>Deputy Head/Finance And Curriculum Caroline Kelly</p>	<p>Works with Head, administrative staff and governors to produce viable budget figures. Day to day management of financial procedures. Briefing governors and Leadership Group on budget issue. Produces curriculum plan and staffing requirements to satisfy school development plan and National Curriculum requirements.</p> <p>Review and disposition of school capitation to Budget Holders based on established formula, and school development plan based bids. Total allocation of capitation to be kept within the capitation budget set by the governing body.</p>
<p>Budget Holders</p>	<p>Purchase and safekeeping of capital and consumable items necessary to deliver cost centre obligations. To operate within the procedures and protocols laid down by the local authority and school. All spending to be kept within allocation budget.</p>

Best Value

The Governing Body of Cumberland School Specialist Sports and Applied Learning College acknowledges the need to achieve best value in terms of decisions made.

The Governing Body acknowledges the need to:

- consult stakeholders before decisions are made;
- identify targets and performance indicators for the various functions of the school;
- monitor outcomes and compare performance with similar schools;
- regularly review the functions of the school and to set challenging targets for improvement.

The Governing Body acknowledges that in order to achieve Best Value in how it uses

its resources it may be necessary to cooperate with other providers of services who may be in competition.

The Governing Body acknowledges that it is necessary to build competition into the process of purchasing goods and services to be certain of achieving the best value.

The Governing Body of the school will adopt the principles of consultation, comparison, challenge and competition within its review processes.

The Governing Body will work in partnership with the local authority which has a statutory responsibility to achieve Best Value in its own work and which is expected to monitor the application of Best Value in its schools.

Register of Pecuniary Interests

All members of the Governing Body and people named above who can authorise purchase or payment must declare any pecuniary interests. This will include links with local firms with whom the school may do business. It is essential that the school can demonstrate that those responsible for the budget do not derive personal benefit from decisions. In order to satisfy this requirement all governors, the headteacher and deputies are required to fill in the local authority Declaration of Interests Form.

The completed forms are kept in a secure store and are available for inspection by auditors and other official inspectors.

Financial Planning Cycle

The planning cycle attempts to provide sufficient time for all relevant factors to be considered in the formulation of the Budget.

Autumn Term

- Strategic Leadership Residential November 2011
- Review of progress of the Whole School Development Plan
- Curriculum plan for September 2012 agreed
- Budget monitoring
- Financial Benchmarking completed for 10/11 and discussed with governors

Spring Term

February

- Final orders placed 10th February 2012
- Analysis of 11/12 budgets
- Budget holders to calculate carry over requirements
- Year 9 options finalised
- Personnel contracts updated, incremental points given

March

- Staffing needs for September 11 finalised
- 12/13 budget discussed at leadership
- Attendance at borough budget meeting
- Budget discussed at Resources Committee and allocations made for the new financial year
- Adjustments made to budget

April

- Budget presented to full Governing Body
- Best Value Statement agreed
- Budget sent to LA

Summer Term

- CFR Return completed
- Best Value Statement signed and sent to Local Authority
- Controls Assurance checklist agreed
- Controls Assurance signed and sent to Local Authority
- Budget monitoring
- Adjustments made to staffing budgets as appointments/resignations occur

The aims for and objectives of the school are clearly laid out in various documents accessible to staff and governors. The key documents are:

Self Evaluation Form
Policy Book
Whole School Development Plan
Staff Handbook
Department Handbooks.

The object of the budget setting and management procedures is to support the action plan and use the resources available in the most effective, efficient and economic way possible. In the likely event of cash limited funding, the development plan provides a focus for prioritising spending.

Budgetary control is a continuous process in which the school reviews and adjusts budgetary targets during the financial year. It also provides a mechanism to call budget holders to account.

The budget plans must also recognise the contractual obligations that the school has with employees (through the local authority), suppliers and contractors. These commitments form the 'fixed cost' part of the budget which cannot be varied in the short term. The school has to look forward when considering these expenses and their costs in future years.

The planned budget for, each financial year, is prepared by the Deputy Head in the Spring Term. Departments and other aspects of school life are also expected to produce a budget and a plan of spending for the following year. Funds are allocated using a formula based on pupil numbers and hours, weighted to take into account the varying needs of subject areas (e.g. practical work).

The proposed budget is considered by the Resources Committee and then put before a governors meeting in the Spring term. The documents and the rationale for the proposals are presented by the Deputy Headteacher. It is the duty of the Governing Body to make a final decision on the plan.

It is the duty of the Governing Body to ensure planned expenditure for each financial year does not exceed the available budget and make the final decisions on priorities. The plan should take into account surpluses from previous years, likely income, pay rises and price increases. The school uses the SIMS (School Information and Management System) computer package to support this work. All budget management is done using this system following procedures laid down by the local

authority.

It is the duty of the Deputy Head to forward details of the budget plan to the local authority via its contact officer. Changes to the plan should be similarly notified.

The SIMS system allows the school to profile expenditure according to historic and predictable spending patterns, e.g. the staffing budget is profiled in equal twelfths because all staff are paid monthly.

Profiles allow the system to produce projections on demand of the state of the budget. These figures are in standard format and are presented to the governors at every governors' meeting. The same format is used in all Newham schools. The projection also shows actual spending and commitments against the budget. The system is reconciled by electronic transfer of data from the Education Department, most transactions reconcile automatically. The remaining transactions have to be cleared by the Finance Officer before reconciliation. This may occur when there have been price changes or other variations on the expected commitment. All transactions paid using the cheque book system are reconciled every month and the information is transferred electronically to the Education Department and a paper copy is also forwarded.

All budgets delegated to budget holders are controlled via the SIMS system and spending is controlled as detailed in other sections of this document. All orders have to be seen and approved by the Headteacher. The SIMS system does not permit orders to be made which exceed the fund reserves of the budget holder.

The system can produce budget reports for all budget holders at any time. Budget holders are issued with a budget report every month, but may request a copy at any time. The Finance Committee reviews the financial implications of the cost centre expenditure on a twice termly basis.

The Headteacher and the Governing Body consider the progress of the budget at every regularly scheduled governors' meeting. This is presented as an element of the Headteacher's report. In the final meeting of the academic year progress against the objectives in the development plan, are assessed. In addition to discussing the budget with governors, the Headteacher will raise budget issues as appropriate in the weekly Leadership Group meetings.

In the scheduled meetings, the Headteacher will report proposals for policy changes which significantly affects the expenditure or income budgets. The report will highlight current and future costs for consideration alongside the school's development plan.

Internal Financial Control

The internal financial control of Cumberland School Specialist Sports and Applied Learning College is based on the procedures, guidelines and training provided by the London Borough of Newham and the SIMS computer management package. The system is designed to cross check data at every opportunity. The system is regularly audited by internal and external auditors.

All work on the system is logged with the users initials and date. The system can run audit trails to show who has been involved in each stage of a transaction. Cheques all require two signatures.

Distribution of Duties

Name	Title	Authorisation
John Bradshaw	Headteacher	Sign cheques, view but not alter financial data. Checks that standing orders have been followed.
Caroline Kelly	Deputy Head	Authorise orders, view and use FMS module fully use all SIMS modules. (Cannot sign cheques). Checks petty cash. Checks guidelines adhered to for all order over £2K. Maintain cash account.
Sharon Murphy	Director of Resources	Sign cheques. Initial orders. Reconcile cash account.
Delia John	Finance Officer	Use FMS, generate orders (cannot sign cheques, CD or orders). Maintains paper records and prints cheques. Handles income.
Janet Moore	Deputy Head	Sign cheques.
Sandra Bailey	Senior Administrative Officer	Uses FMS, generates orders (cannot sign cheques, CD or orders). Maintains paper records and prints cheques. Petty cash.
Alison Rudge	School Manager	Sign cheques. Initials orders.

Funds are calculated, checked and recorded by the SIMS system, which can only be accessed by the Finance Officer and Deputy Head Finance. These SIMS users do not sign cheques, handle payments or income. This ensures separation of duties.

Integrity And Retention Of Documents

All cheques, authorisation of payments and orders are generated by the computer system. No change is permitted to these documents. In the event of error the SIMS system cancels the original and reprints new documents. All cancelled documents must be clearly marked and retained for inspection.

Two separate and independent record keeping systems are used to monitor all transactions.

1. Computer files on hard disk (backed up on a daily basis to tape). This allows computer inspection with printout of any financial record.
2. Paper records. All copies of orders, cheque records, invoices and other documents are kept in sequence in files in the administration office.

The use of order numbers and cheque numbers permits easy cross reference between the systems.

It is possible to trace transactions through the system from start to end or vice versa.

Access to Records

Computer records are only available to staff authorised by the System Manager who can control the level of access to any user. Each user is identified by a password known only to the user and changed on a regular basis. Users also need a second password to get on to the computer network. FMS is only available on 3 computers in the school.

The paper files are kept in the general office so they can be accessed during working hours. This office is locked with a security lock at night on an alarmed level of the building. Non-working files are stored securely store.

PURCHASING

Value for Money

The Governing Body and delegated budget holders have a duty to ensure that the school obtains the best value for money from any purchases by testing the market before committing the school to any expenditure.

In the case of items purchased under the direction of budget holders, it is the duty of the budget holder to investigate the best value and service offered by different suppliers. The following criteria should be taken into consideration:

- a) Price
- b) Discounts for quantity and/or prompt payment
- c) After sales support/guarantees
- d) Delivery time
- e) Quality of product and/or service
- c) Past experience and reputation of supplier.

Budget holders should have documentary evidence that suitable research has taken place (catalogues, written quotations etc.). Budget holder should obtain written confirmation of verbal offers before placing an order.

Items costing over £25,000 will be subject to quotations and tenders. The governors at Cumberland School Specialist Sports and Applied Learning have chosen to follow the Standing Orders in the Newham LMS handbook. These orders cover the legal and financial requirements of tendering. The use of these procedures facilitates the local authority supporting the school with advice and backup.

Orders for goods and services

All goods and services ordered by Cumberland School Specialist Sports and Applied Learning College and paid for out of delegated budgets are handled via the SIMS system.

No budget holder may place an order by any other method.

Emergency orders must be done in conjunction with the finance officer, who will arrange for the order to be followed up by the correct documentation.

The SIMS system is used in conjunction with the procedures and training laid down by the local authority for the use of the FMS module. This is fully documented in the appropriate user manuals. In particular the system ensures:

- Only official computer produced order forms are used. The blanks are securely stored when not in use. Only authorised users can access the LRM module to print orders.
- Orders can only be produced for goods and services to authorised cost centres.
- The form is completed and totalled by the computer system to prevent alteration. Copy orders are retained on computer and paper file in school.
- Budget holders approved by the governors must authorise all departmental orders.

The system will not permit any cost centre to order goods or services that will take the cost centre over budget. All orders have to be initialled by the School Manager or the Director of Resources. In the case of expenditure over £2,000 the Deputy Head Finance will make requests to see evidence that the guidelines have been followed. The Headteacher will check that the standing orders have been followed for sums over £25,000.

The SIMS system has a budget profiling facility that is used to provide information for budget planning. This is also used to provide regular financial reports for governors meetings. The FMS module uses a system of commitments and reconciliations for each cost centre heading to facilitate budget monitoring and prevention of overspends.

Payment of Accounts

All payment of accounts ordered using the above procedure is paid using the systems provided by the SIMS package and LA procedures. The process to be followed is given below:

- PFI staff receive and record all deliveries.
- Goods and services are checked on receipt. The receipt is noted on the order, delivery note and invoice.
- When goods are delivered to the respective department a signature is required from a member of the school staff.
- Payment cannot be made by the system until a proper invoice has been received and checked. This will confirm the following has taken place:
- Goods and services cross referenced to order number.
- Expenditure properly incurred and payment not already made.
- Prices accord with quotations, tenders, contracts or catalogue prices and the arithmetic is correct.

- Correct treatment of VAT.
- Invoice correctly coded.
- Inventories updated on goods over £250.

Cheques can be signed by the Headteacher, Director of Resources, the School Manager and Deputy Head (Ms Moore), *but* not by Deputy Head (Finance) or the Finance Officer. (The School Manager and the Director of Resources initial orders).

All paid invoices stored in cheque number order with the remittance advice slip.

Consumable Stock

A large amount of the budget in departments will be spent on consumable items such as stationery, printed matter, chemicals and craft materials. It is not practical to keep up to date inventories on such items. However it is reasonable to expect budget holders to implement the following guidelines as appropriate.

1. Textbooks should be stamped and numbered and the number noted by pupil's names when books are to be removed from the classroom.
2. Books and equipment issued for use in a lesson should be counted out and counted in. Breakages and losses should be accounted for *BEFORE* any pupil leaves the room.
3. Budget holders should monitor their expenditure on consumables and be able to account for any growth in spending (new courses, price increases, etc).
4. Budget holders should check their photocopying charges every month and ensure that no member of the department is making disproportionate number of copies.
5. Consumable stock should not be held in an area where unsupervised pupils have easy access.
6. Teachers in Charge are responsible for providing serial numbers and location information for the FMS asset register.

Income

All income to the school including VAT due to the school needs to be clearly identified. Any collections must be receipted and banked promptly. All accounts must be properly and promptly updated.

The school has adopted the local authority guidelines on charging. The Headteacher is responsible to the governing body for accounting for all income and cash collected.

The arrangements outline below cover any collection of money from parents or pupils to pay for trips, photographs or materials etc.

Where practicable the responsibility for identifying sums owed to the school will be separated from the responsibility for collection and banking of sums. When money is collected from pupils, one member of staff should assess the payment required, and

another should collect the money. Sums collected must be passed to the finance officer for banking in a school account who will arrange for cheques to be issued from the account. The destination of payments must be recorded as indicated below.

If invoices are required the information must be passed to the finance officer for prompt preparation.

Whenever money is collected a numbered official receipt must be issued. Staff collecting money must keep accounts showing the origin of each payment, the receipt number, whether the payment was in cash or a cheque, and the date of payment. All cheques must be made payable to a Cumberland School Specialist Sports and Applied Learning College account. Receipt books are available from the Finance Officer.

In the rare event that it is necessary to transfer money to a member of staff for an activity, the recipient must sign a receipt which will be retained in school. Permission for such a transfer will need the permission of the Deputy Head (Finance).

All receipts, tickets and records of income must be passed to the Finance Officer for retention together with cash and cheques, who will keep them in the school safe. All payments will be paid in their entirety into a Cumberland School Specialist Sports and Applied Learning College account within five working days.

Income collections must not be used for encashment of personal cheques or other payments. Staff may not collect cash and pay in a personal cheque; all collections must be passed to the Finance Officer in the form they were collected and noted in the accounts.

The Finance Officer will record all transactions passed for transfer into Cumberland bank accounts. The records of transactions will be reconciled with the weekly bank statements issued by the bank.

When money is paid into the bank, the bank paying-in slips and counterfoils must show the split between cash and cheque deposits. Cheques should be identifiable by reference to the receipt numbers and the names of drawers and cash by reference to receipt numbers.

Debts will be written off in accordance with local authority guidelines.

Sums under £500 need the permission of the Headteacher.
Sums over £500 need the permission of the Governing Body.

A record is kept of all write-offs.

Notes on accounting monies received for trips and other activities

Teachers organising trips must adhere to procedures in the school handbook for other aspects of trip management.

1. Before any collection of cash or cheques takes place the teacher must collect a pack from the Finance Officer, containing the following items:
 - a) A payment record sheet and a receipt book
2. All payments must be in the form of cash or a cheque made payable to

Cumberland School Specialist Sports and Applied Learning College. Cheques with any other payee should not be accepted.

3. Each separate payment must be recorded on the payment record sheet, giving details of:
 - a) The payer
 - b) The amount
 - c) The nature of payment (cash or cheque)
 - d) The date of payment
4. A receipt must be obtained for all monies handed to the Finance Officer.
6. At the time of payment, a receipt from the receipt book must be issued to the payer.
7. All payments should be passed to the Finance Officer within one working day. The Finance Officer will initial the 'paid into office' box on the Payment Record Sheet.
8. Details of the payment should also be recorded on the receipts side of the account sheet.
9. Payments required will be paid by cheque from a school account on production of an invoice from the company concerned. These invoices must be retained in the pack. All payments must be recorded on the payments side of the accounts sheet. Each payment must have an invoice or receipt as evidence of payment.
10. Any surplus funds at the end of an activity must be returned equitably to the payers, unless the purpose of the activity was fund raising. In the case of a fund raising activity, this must be clearly known to all concerned before any money is collected. Any repayments must be documented on the account sheet and receipts from payees are required.
11. All paper work including receipts and invoices should be put into the pack and passed to the Finance Officer for safe storage.

Banking Arrangements

Cumberland School Specialist Sports and Applied Learning College operates a cheque book payment system for most non-salary budget payments. The main account is lodged with the Co-operative Bank. Important features of the scheme are:

- The use of the account does not cover payments of staff salaries, which are handled by the Authority's payroll scheme.
- Two signatures are required on each cheque.
- There are only 4 signatories recognised. The Headteacher, John Bradshaw; Director of Resources, Sharon Murphy; Deputy Head, Janet Moore; and School Manager, Alison Rudge. None of whom can generate cheques on the FMS system. Cheques can only be printed by the Finance Officer, Delia John or Sandra Bailey, Administrative Officer.

- SIMs/FMS cheques are pre-printed crossed 'a/c payee only'.
- The School Fund and Educational Visits Accounts have manual crossed 'a/c payee only' cheques.
- All signatures must be done by hand after the cheque has been printed. Cheques must not be pre-signed.
- The blank cheques are stored in the strong room in reception. Only cheques required for use leave the store.
- The school account has no facilities to be overdrawn.
- The school receives weekly bank statements and there is a full reconciliation at the end of the month. These are signed by the person who does the reconciliation. The details are reviewed by the Deputy Head Finance. Copies of documents are retained in school and copies are forwarded to the Finance Department.
- The Finance Officer who processes the reconciliations, should not process receipts and does not authorise payments or sign cheques.
- The school follows local authority procedures concerning the investment of funds surplus to immediate requirements. The school funds are held in an account that accrues interest.
- Individuals are not permitted to use personal bank accounts for any payment or receipt related to the school's budget.

Petty Cash

The school operates an IMPREST account which is maintained at a maximum level of £1000 which is available for use when ready access to funds is needed for the efficient running of the school. The records for this account are maintained on the SIMS system and are operated in accordance with local authority guidelines and training.

The Admin and Finance Officer are the only people authorised to operate the IMPREST account. In the event of absence, the Headteacher will temporarily authorise the Director of Resources to operate the procedures. Payments are limited to minor items for which there is proper authority and provision in the budget. Petty cash is not to be used for transactions with regular suppliers, who should be paid using the normal cheque book / invoice system.

Staff may not purchase items without clearing the proposed expenditure with the Finance Officer or Deputy Head (Finance). Petty cash may not be used if it would cause any budget holder to overspend. Only budget holders may request the use of petty cash for school purposes.

The school cannot undertake to refund monies spent by staff without prior authorisation.

The Finance Officer is responsible for the following items and has the Headteacher's authority to require information from staff.

- a) Obtaining proper vouchers and receipts for all cash payments made.
- b) Obtaining receipts or acknowledgements of payment which identifies VAT paid.
- c) Cash is to be stored in the safe.
- d) Producing on demand to the Headteacher, auditor or other authorised person, cash or vouchers and receipts.
- e) Submitting monthly claims for reimbursement, properly certified and supported by vouchers and receipts.

Personal cheques must not be cashed from petty cash.

The Deputy Head (Finance) will check the reconciliation when a reimbursement to the petty cash is made.

Asset Register

Assets are recorded within FMS and are checked in accordance with the following schedule:

Laptops are available for all teaching staff and are recorded centrally by the Network Manager. Staff sign for them.

The School Fund

The Finance Officer operates a school fund. The account is held at the Co-Op Bank. This is used for finances additional to the funds provided for the school by the local authority. It is important that this fund is operated with the same standards of probity applied to public funds. The fund is audited by an external auditor. The auditor must immediately report any suspected irregularities to the local authorities.

The Finance Officer keeps a double entry ledger and a computer record of all transactions. Receipts, copies of orders, invoices, bank paying-in slips, counterfoils and bank statements are retained for inspection. The procedures laid down for purchasing using public funds apply to all expenditure from the school fund. The Headteacher will authorise all activities that will be supported by the fund.

The account is audited in May and a report is presented to the Governors in a summer term governors' meeting and a copy sent to the local authority.

Fidelity insurance guarantee is provided as part of the local authority insurance arrangements described earlier.

The voluntary funds are maintained using a computer based system. This keeps them wholly separate from the official school fund records stored on the SIMS computer network.

Schedule for Financial Requests

Order Processing	<p>5 working days from submission – place in blue tray</p> <p>Same day for urgent orders – please see Delia directly</p>
Cheque/Payment Request – Trips/Curriculum	<p>3 working days from notification, dependent upon signatory availability</p> <p>Same day for urgent payments – please see Delia</p>
Cash Request – Trips/Curriculum	<p>3 working days from notification of sums over £50.00</p> <p>Same day all other times</p>
Staff Reimbursement	<p>3 working days from notification of <u>cheques</u> – amounts over £15.00</p> <p>3 working days from notification for <u>cash</u> – up to £15.00</p>
Food Orders	<p>10 working days notification for Waitrose</p> <p>7 working days notification for Sainsburys/Tesco</p>
School Party Travel	20 working days notification
Voucher Request	Issued immediately – please see Delia
Statement Distribution	At the beginning of each month an up to date statement for each department will be placed in the pigeonhole of the budget holder
Returns/Discrepancies	All returns or discrepancies must be brought to the Finance Department's notice within 2 working days of delivery (as some companies only allow 10 working days to arrange return)
End of Year Orders	No later than 10th February 2012
Accounts Closed	23 rd March 2012 to 23 rd April 2012 – no payments will be made during this period

LIST OF BUDGET HOLDERS**Appendix A**

Assemblies	Ms Jane Dewing
Art Department, Display	Ms Liz Millward
Study Support, Curriculum Enhancement, Planners	Mr Steve Bowes
INSET	Ms Marie Healy
Technology Department	Mr George Lewis
SEN	Ms Janet Bergin-Miah
Drama, Performing Arts	Mr Scott Wallis
English Department	Ms Michelle Pitt
Geography Department, Gifted & Talented	Ms Virginia Lowe
Religious Studies	Ms Korkor Adjei
ICT Department	Ms Helen Lewis
Library	Ms Dawn Cardozo
Maths Department	Mr Gus Mwramba
Modern Languages	Mr Thierry Jamin
Music Department	Mr Oliver Craze
PE Department	Mr Steven Murrell
Administration, except PFI	Ms Alison Rudge
History, Sociology	Mr Graham Tanner
Media	Mr Stewart Thomas
Science Department	Mr Vez Pawluczyk
EAL	Ms Serena Buchan
Saturday School	Ms Denise Powell
Examinations, Daily Cover	Ms Dawn Wilkes
Pastoral, Curriculum Development, Offsite	Ms Caroline Kelly
PFI Charges, Premises, Attendance	Ms Sharon Murphy
ICT Learning Resources	Mr Samad Choudhury
Sports College School and Community	Ms Jo Doyle
Learning & Teaching	Ms Christina Raines
Careers, Aim Higher	Ms Nisha Tailor
Diversity, Rewards	Mr Jim Nuza
Mini Bus	Ms Raynor Dougan

Appendix A

Cumberland School

Equipment Loan Register

All equipment taken off site must be logged out and in on the grid below. It is the duty of budget holders to ensure that the Stock Control Policy is followed. Please store this document in a safe place, available for inspection.

Cost Centre _____ Budget Holder _____

Equipment on Loan	Loan Date	On loan to:	Borrowers Signature	Return before	Return Date

Appendix B

SCHEME FOR THE OPERATION OF BANK ACCOUNTS BY SCHOOLS

Financial institutions

1. Schools may use any financial institution approved by the Director of Finance. The list of institutions currently approved is shown at Appendix D. The list may be revised from time to time. Schools wishing to use a financial institution not on the approved list may make application for approval to the Director of Finance.

Bank Accounts

2. Each participating school will be required to inform the Director of Education and the Director of Finance of its proposed banking arrangements and must notify the name and number of the account to be used. The account name should include reference to London Borough of Newham.
3. Schools may only open one appropriate account with cheque payment facility. Schools may not operate overdrafts and may not use cheque or any form of charge or direct debit card, and may not set up Standing Orders or Direct Debits.

Operation of Accounts

4. The total annual cash amount available to schools will be equal to that amount in Schools' delegated budgets allocated to meet all costs, with the exception of:
 - (i) costs of staff directly employed by schools;
 - (ii) costs of staff related insurance premiums;
 - (iii) costs of contents insurance premiums;
 - (iv) national Non-Domestic Rates (NNDR);
 - (v) any other costs, where there is agreement between schools and the Authority for deduction to be made at source.
5. An additional cash amount will be made available in respect of expenditure to be incurred by the Schools, funded from budgets delegated to Schools under the Standard fund.
6. Any income generated or received by the school, and included within the scheme of delegation may not be credited to the account.
7. The value of the initial cash advance will be determined by the reference to the LA Budget notified to schools in Part 4 of the S42 Budget Statement. Subsequent cash advances will be determined by reference to schools' budget decisions made by Governing Bodies and notified to the LA. Any adjustments required at the end of each financial year, including an allowance for creditors and debtors will be dealt with in making the next cash advance following the closing of accounts for that year. Each cash advance will be supported by an explanatory advice note.

8. Cash advances will be made termly in advance in the ratio 40:30:30 and will be subject to interim adjustment to reflect schools' budget decisions notified to the LA. Where schools' costs budget decisions reduce the budget for directly employed staff, an additional advance will be made. Where schools' budget decisions increase the proportion of the budget for directly employed staff, an adjustment will be made to the following termly cash advance.
9. Schools may not make arrangements for overdraft facilities or any form of borrowing and their individual accounts may not be overdrawn. In the event of unforeseen cash flow problems, schools may apply to the Director of Finance for an advance of their instalments on which interest will be payable. Any charges incurred in respect of the operation of bank accounts must be borne by schools.
10. Schools will be responsible for the ordering of cheques, and the style must comply with a format approved by the LA. Cheques will need to comply with banking law and with the Financial Regulations for Bank Accounts issued by the Director of Finance.
11. Arrangements for signing cheques must comply with the financial regulations for bank accounts.
12. Cheques will be regarded as controlled stationery and responsibility for security will rest with the school, as set out in the Financial Regulations for Bank Accounts.
13. Schools will be required to make adequate provision for the retention of all accounting records for inspection by the LA, the Council's internal and external auditors and Customs and Excise Inspectors. Such provision shall be specified in the Financial Regulations for Bank Accounts.
14. Schools will be required to make periodic returns to the LA as from time to time required and notified by the Director of Finance. Reimbursement of VAT will be made in due time based on the returns made.

VAT

15. HM Customs and Excise operate VAT arrangements under detailed regulations which require accurate and timely record keeping. Failure to meet these regulations may result in penalties. Customs and excise have confirmed that the introduction of school bank accounts and local payment arrangements does not alter the school's status as an agent of the local authority for VAT purposes.
16. Schools must not attempt to register the VAT in accordance with activities involving the use of a budget delegated under the LMS Scheme.
17. The LA remains entitled to reclaim VAT paid out on goods and services purchased from schools' delegated budgets.

18. Goods and services sold by schools when acting as the agent of the local authority may be liable to VAT. In these circumstances tax must be collected from the purchaser, and paid to HM Customs and Excise.
19. Customs and Excise have advised that VAT errors made at one school will not be assumed, in the absence of evidence, to have occurred at other schools within the local authority. When underpayments do occur, LA's will be treated in the same way as all other bodies including, where appropriate, the application of penalties.
20. Any penalties or losses that result from any errors made, administrative delays or any other failure to perform adequately, whether intentional or otherwise, will be met by schools. It will not be met by the LA.
21. Customs and Excise officers will deal directly with the Council, not with individual schools. VAT cannot be claimed back by individual schools directly from the Customs and Excise, nor may schools pay VAT direct to Customs and Excise [see Para 16].

Construction Industry Tax Deduction Scheme (CITDS)

22. CITDS applies to all payments made in respect of construction work, including expenditure on repairs and maintenance.
23. The LA remains the principal in such transactions and must retain direct responsibility for payments under the scheme, and for payment of certificated sub-contractors, except where the payment is to be Contractor for whom the Council holds a valid certificate.
24. Schools may pay invoices to contractors other than the Council's nominated contractor for Repairs and Maintenance work when the contractor holds a valid certificate but must first seek authorisation from the Director of Finance and comply with the requirements set out in the financial regulations.
25. Any penalties or losses that result from any errors made by schools in respect of CITDS will not be met by the LA.

Charges: Option A.

26. Schools electing to bank with the Council's Banker and to retain their account as part of the Council's corporate banking arrangements will be credited with the interest accruing to the account from time to time as determined by the Bank.
27. Schools participating in this scheme will be charged a rate of interest to be calculated and notified by the Director of Finance in respect of interest lost to the Council as a result of the existence of the scheme.
28. The interest charge may vary from time to time, but will be notified in advance by the Director of Finance and will be deducted from the termly and interim cash advances. Details of the interest charge will be included in the supporting advice note.

Charges: Option B.

29. Schools electing to bank with an approved financial institution but not to retain their account as part of the Council's corporate banking arrangements will be entitled to retain the interest earned on the balances on their accounts, but will be charged interest earned on the balances on their accounts, but will be charged interest in their cash advances based on the 7 day LIBOR rate at the date of the cash advance.

Charges: Option C

30. Schools may elect to operate their bank account with the Council's Banker as a sub-account of the Council. In this scheme, no interest will accrue to the individual account, and there will be no interest charge.