



Lunsford Primary School **FINANCE POLICY**

Policy: Finance Policy

Reviewed by: Debby Sandeford

Date reviewed: 10/3/25

Date approved at FGB:

Date to be reviewed: 02/27

Review period for this policy: 3 year

This policy includes guidance on:

Lunsford Primary School Finance Policy

Revisions Sept 2024: section 3.6, 3.15 & 3.16

Revision Oct 2024: section 3.6, 'best practice' to obtain one written quote

1. Introduction

The Governors of Lunsford Primary School are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Headteacher and the Governing Body have drawn up this Finance Policy to provide the guiding principles for which all Governors and staff will operate within.

This Policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools.

2. Principles

Our Finance Policy adheres to the following principles;

- The responsibilities of the Governing Body, its committees, the Headteacher and staff will be clearly defined, and limits of delegated authority established, where applicable.

The **Governing Body** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using both performance data and financial benchmarking to **compare** to similar schools locally and nationally.
- Using the information gained to **challenge** performance and set new targets
- Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- **Consulting** parents on policy development and major changes in the use of resources

The school will establish sound internal financial controls, based on the LA's [Financial Controls](#) to ensure the reliability and accuracy of its financial transactions.

The budget will reflect the school's prioritised educational objectives through its links to the School Development/Improvement Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Headteacher and staff to maintain financial control in line with the Balance Control Mechanism by reviewing the current position and taking any remedial action necessary.

The school will be adequately insured against exposure to risk.

The school will ensure that:

- The Budget Share is spent for the purpose of the school only
- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- The use of petty cash is strictly controlled
- The use of a NatWest **onecard** is strictly controlled
- The School Voluntary Fund and any other non-public funds are administered as rigorously as public funds
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- The school will adhere to current GDPR and Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

3. Putting Policy into Practice

3.1 Delegated Authority

The **Finance Lead Governor** has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds (e.g. the School Voluntary Fund).

The **Full Governing Body** will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and the chair of governors will sign the completed form prior to sending a copy to the Local Authority.

The **Finance Lead Governor** is delegated responsibility by the Full Governing Body for the following aspects of financial management;

- Evaluate and recommend the three-year budget plan, which shows clear links to the School Development/Improvement Plan, for approval by the Full Governing Body (*preferred option*)
- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- To review the Charges and Remissions Policy Charges for approval by the Full Governing Body
- To review a Pay Policy for approval by the Full Governing Body
- To make decisions in respect of service agreements and insurance
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools, to allow the school to respond to any consultation
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements (if applicable)
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- Benchmark the school's financial performance and report to the Full Governing Body

The **Headteacher** is responsible for implementing the decisions of the Governing Body and for the operational management of the school. The general administration of financial procedures may be delegated to other members of staff at the discretion of the Headteacher and this delegation should be documented in the Finance Policy.

At Lunsford Primary School this task has been delegated to the School Business Manager, supported by the Office Manager if required.

3.2 Internal Financial Controls

The internal financial controls operated by Lunsford Primary School follow the financial controls set out in the LA's Scheme for Financing Schools. The School purchases a support service from the LA which can be accessed when required.

3.3 Financial Links to the School Improvement Plan

The School Development/Improvement Plan has sufficient scope and depth of the financial implications, and it is reflected in the school's three-year budget plan.

3.4 Monitoring and Virements

Lunsford Primary School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the **School Business Manager** carries out a monthly internal monitoring procedure, copied to the **Finance Lead Governor**. A monitoring report is taken to all meetings of the Full Governing Body and includes 3, 6 and 9 month reports. Three further months are also shared with the FGB. The Finance Lead Governor also has monthly reports provided by the School Business Manager and reports by exception to the FGB. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.

3 audits are undertaken by the Finance Governor to ensure compliance is achieved, these are on or around Feb, June and Oct of each year.

On occasions, virements may need to be carried out. Virements to the approved budget are included in the minutes appropriately and require the following authorisation:

Virements up to £8,000 - The Headteacher, reported to the FGB

Virements over £8,000 - FGB

3.5 Insurance

Lunsford Primary School is insured through ***the Kent County Council (KCC)*** '***Safe Hands***' Scheme as identified by the schedule received from the LA's Insurance section.

This company also provides Group Travel Cover for school trips

Other insurance cover the school has is:
Supply Teacher Insurance

Lunsford Primary School does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured.

3.6 Purchasing

At Lunsford Primary School, budgets are delegated to Subject Leaders, Senior Leadership Team, the Office Manager and the Premises Manager. Co-ordinators prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Development/Improvement Plan.

All staff adhere to the KCC procedures for purchasing items, detailed in financial control no7, ensuring regard to value for money at all times. The Budget Holder or the authorised delegated deputy is responsible for authorising all order requests and invoices prior to payment.

Where the school purchases larger items, we adhere to the procedure for [Spending the Council's Money](#) as laid down in the [Scheme for Financing Schools](#) in summary:

- For purchases up to £24,999 it is considered good practice to hold one written quotation.
- For purchases of £25,000 and up to the current public procurement threshold, three written quotations are obtained and submitted to the *Finance Committee or FGB* for approval according to the TOR responsibilities.
- For purchases above the public procurement threshold for goods and services, or above £1m for works, a tendering procedure compliant with public procurement regulations is required.

These limits should be viewed as upper limits. It may be more appropriate to consider a lower limit dependant on school standing and local knowledge. If applicable, please amend values.

All of the above will be minuted at the appropriate committee/Governing Body meeting to ensure that the school is seen to be obtaining value for money at all times.

The school does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases as this constitutes borrowing which is not permitted.

3.7 Personnel Matters

At the start of every financial year the **Headteacher and School Business Manager** use a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the **Finance Lead Governor** for incorporation into the school budget planning process.

The **Pay Committee** undertakes an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the FGB for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay Policy and reports to the Pay Committee who in turn report to the Full Governing Body.

Details of all salaries are recorded as a confidential item in the minutes.

3.8 Payroll Matters

The payroll provider at Lunsford Primary School is **Capita Business Services Ltd**, who provides payroll services to the specification laid down by the LA. The Head Teacher signs off the monthly payroll reports once they have been checked for accuracy by the School Business Manager.

3.9 Safeguard of Stocks, Stores and Assets

All staff are responsible for the security of school assets. The **School Business Manager** maintains an asset register, which is checked at least on an annual basis and certified by the **Headteacher** and **Finance Lead Governor**. The **School Business Manager** carries out a physical check of assets annually.

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where assets are to be written off and disposed of, the **Finance Lead Governor** agrees this on behalf of the Full Governing Body and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans book is completed and signed when borrowing the item and again when the item is returned.

3.10 Income

The Lettings Policy is reviewed and approved by the Governing Body.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, the Full Governing Body will approve up to £1,000. Approval to write off debts over £1,000 is required in writing from the LA Finance Business Partner CYPE. (schoolfunding@kent.gov.uk)

Since the LA does not insure us for cash Governors have agreed a maximum level of cash that can be held in school at any one time as £500. Cash will be receipted, recorded and banked, promptly, at all times.

3.11 The School Bank Account

Lunsford Primary School operates its school bank accounts in accordance with the regulations in the LA's Scheme for Financing Schools. The school operates only one current account for the administration of KCC official funds.

Bank account signatories are updated immediately there is a change in staffing and details are copied to the Schools Financial Services, as a matter of course.

Lunsford Primary School pays suppliers/invoices via online banking/BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements at Lunsford Primary School are received/printed out on at least a monthly basis and reconciled in accordance with LA guidelines. The Headteacher signs and dates the bank statement as soon as possible after the reconciliation has been completed by the School Business Manager.

3.12 Petty Cash (state if no Petty Cash is held)

The school does not hold any Petty Cash.

Staff must not use their own cash, personal debit or credit cards for the purchase of any items for the school.

Personal Reward cards must not be used in conjunction with any school purchase.

3.13 NatWest onecard

Approved **onecard/s** are held as an additional method of payment in accordance with the LA guidance. (*refer to Financial Control no7*)

Cardholder and/or Position	Single transaction limit	Monthly card limit
Gary Anscombe	£500	£1,000
Elizabeth Lomax	£500	£1,000
Kate Mead	£1,000	£2,000
Doug Byers	£500	£500

Personal credit / Debit cards will not be used for the purchase of items for the school.

3.14 The Voluntary Fund

In addition to the LA's official funds, Lunsford Primary School also operates a school Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance [Voluntary Funds - KELSI](#). We recognise that our Voluntary Fund is an additional source of income and that the controls over its use need to be as rigorous as for the administration of the school's delegated budget. We have appointed someone who is independent of the school to audit the Voluntary Fund accounts on an annual basis, and within three months of the fund year ending. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

3.15 Fraud and Irregularities

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

Lunsford Primary School has:

- An Anti-Fraud, Bribery and Corruption policy
- A Whistleblowing policy
- A Gifts and Hospitality policy

All Staff are made aware of these policies which particularly to whom they should report any concerns. As good practice this information is included in the induction process for new school staff and governors and is available to all staff on the school website.

3.16 Data Protection

Lunsford Primary School (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying a data protection fee to the Information Commissioner's Office (ICO). The school purchases a DPO service from Invicta Law

as recommended by the LA. The school uses GDPRIS system to ensure the school is compliant.

3.17 Information Systems

Lunsford Primary School has a password protection procedure laid down in the staff handbook. Systems are backed up regularly and the backups held securely via EIS, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

3.18 Financial Administration

At Lunsford Primary School, two members of staff are trained in the use of the finance software and financial administration procedures.
We also purchase a support contract through the Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

Updated 10/03/2025 Review Sept 28

Signed

Chair of Governors	Date
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Finance Lead Governor	Date
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Head Teacher	Date
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