

Christ Church and Holy Trinity CE Primary Schools

Finance Policy

October 2019



Our Schools Mission Statement

Christ Church and Holy Trinity Schools are dedicated to providing a nurturing environment in which all children have the opportunities to reach their maximum academic, social and spiritual potential. Excellent teaching, learning and relationships are at the heart of our two schools.

1. Financial Regulations:

In accordance with The Royal Borough of Kensington and Chelsea's Scheme for Financing Schools, the federated Full Governing Body (the "Governing Body") of Christ Church and Holy Trinity Schools Primary Schools (the "Schools" or "Federation") have agreed this finance policy, setting out the Terms of Reference and financial management code to effectively manage the day-to-day operation of the school budgets and school funds under the directive of the Head Teacher, and to ensure that legal, audit and statutory requirements are met (the "Finance Policy"). This Finance Policy includes the statement of roles and responsibilities of Staff, Trustees and Governors with respect to finance responsibility.

The following general conditions will be subject to annual review and consideration by the Governing Body:

- The Governing Body confirms that the overall financial management of the Federation is delegated to the Resources Committee;
- The Governing Body confirms that the day-to-day financial management of the Federation is delegated to the Head Teacher;
- Any Governor, Trustee or member of staff having a direct or indirect involvement in a business, which may influence any decision making within the Schools, and in particular one which is the subject of tendering for a contract, or competitive quotation, must be declared and stated to the Chair of Governors and the Head Teacher before the tendering process begins. This must be recorded in the Register of Business Interests;
- The Head Teacher is accountable for ensuring that the Register of Business Interests is maintained, kept up to date and can be viewed on the Schools' websites. The Register is to be presented to the Governing Body annually; and
- The Head Teacher is responsible for ensuring that procedural guidance relating to the use and expenditure of any monies from the Schools' budgets, or other appropriate operational or discretionary funds, are prepared and disseminated to all relevant staff.

2. Incorporation by Reference:

This Policy is to be read in conjunction with the following documents, incorporated by reference:

- The Maintenance Schedule
- Asset Register
- School Development Cost Plan
- Finance Committee Terms of Reference
- Charging Policy
- The RBKC Scheme of Delegation for Schools
- Parent School Meals Debt Policy

- Register of Business Interests
- Staff Expenses Policy
- Bank Account Register
- RBKC Scheme for Financing Schools

All of these documents can be requested from the Schools' offices.

Governors with a finance responsibility as of September 2019

Andy Greetham	Chair Finance Committee
Brian Leathard	Chair of Governors
Avis Hawkins	Head, Ex-Officio

Resources Committee Members

Jemima Rellie	Quentin Nason
Kim McCrone	Tim McKean
Brian Leathard	

Clerk to the Resources Committee

Lorraine Mitchell	Clerk to the Governing Body (3BM)
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Advisors / Reporters to the Committee

Nicola London	Business and Finance Manager (Christ Church)
Lisa Walden	Business and Finance Manager (Holy Trinity)
Russ Mitchell	Financial Advisor (SBS)

SCOPE AND STATEMENT OF PURPOSE FOR THE SCHOOL DEDICATED DISCRETIONARY AND UMBRELLA FUND

Finance functions within the Federation must serve the needs of the pupils and be driven by the School Development Plan. All activities should be fully transparent, meet all legal and statutory requirements and, through careful planning and rigorous monitoring, be sustainable.

To best support and enhance the educational needs of the pupils, there are the following school funds:

- Christ Church Dedicated Voluntary School Discretionary Fund (previously the Christ Church School Fund)
- Holy Trinity Dedicated Voluntary School Discretionary Fund (previously the Holy Trinity Governor's Fund)
- Umbrella Voluntary Discretionary Fund ("Umbrella Fund" (to be established))

In addition to the funds listed above, each school separately has a dedicated school operational account (the "Operational Account") where monies allocated to the school from the designated school's grant are included.

As of 1 October 2019, there is no Umbrella Fund yet established. Subject to approval by the full Governing Body, this Umbrella Fund will be created for future benefit across both schools. The Umbrella Fund, when created, will start out with a zero balance. Any monies currently in the Christ Church School Fund or the Holy Trinity Governor's Fund will remain in the respective Voluntary School Discretionary Fund for each school and must not be commingled in any way.

1. Voluntary School Discretionary Funds:

Each school will maintain a dedicated discretionary school fund which will be used solely for the benefit of each respective school. The Holy Trinity Dedicated Voluntary School Discretionary Fund (previously the Holy Trinity Governor's Fund) and the Christ Church Dedicated Voluntary School Discretionary Fund (previously the Christ Church School Fund) (collectively the "Voluntary School Discretionary Funds") will be managed independently and have signatories and trustees responsible for the financial oversight and accountability of these two funds. There should be no co-mingling of monies within the discretionary funds as they are ring fenced for disbursement to their respective school.

2. Voluntary School Discretionary Funds objectives:

Each Voluntary School Discretionary Fund will have the following objectives:

- To support the educational mission of each school by providing additional resources, to enrich and enhance the curriculum and improve educational outcomes for all pupils;
- To provide funds to maintain the infrastructure of each school and to develop new facilities;
- To support the provision of nutritious food for the pupils and the equipment. All monies raised from the purchase of school meals will be used to further invest in the quality of school meals provision;
- To enable the Senior Leadership Team to express gratitude to departing staff who leave in good standing, volunteers and friends of the school who help with fundraising or with providing enriched opportunities for the children;
- To support each school, its Staff, premises and School Development Plan priorities, in accordance with the RBKC Scheme of Delegation for Schools.

Changes to any of the Fund objectives of each school's Voluntary School Discretionary Fund must be agreed by the Head Teacher and Trustees (see below for more detail on Trustees) and be authorised by the Governing Body. The Fund objectives cannot be changed without prior Governing Body approval.

3. Voluntary School Discretionary Funds income:

The income for each school's Voluntary School Discretionary Fund (when specifically demarcated for a specific school) will come from the following sources:

- Parental voluntary contributions;
- Fund-raising activities;
- One-off donations and contributions;
- Interest on deposited monies;
- Gift Aid, where relevant.

The Partnership Committee, working in coordination with the Resources Committee, shall approve any fundraising activities undertaken.

If, at the end of a school year, there are surplus monies in the various school funds that are not disbursed, the Head Teacher, in consultation with the Chair of the Resources Committee, can decide to roll these into the next school year.

4. Disbursement from the Voluntary School Discretionary Fund:

Any disbursements (virements), including transfers between bank accounts including to the Operational Account, from each school's Voluntary School Discretionary Fund will be used specifically to meet, amongst other things, the objectives stated in the School Development Plan for that respective school. All activities should be fully transparent, meet all legal and statutory requirements and, through careful planning and rigorous budget monitoring, be sustainable. Any disbursements including transfers must be made in coordination with each school's budget and should be monitored by the respective Business and Finance Manager as well as the Head Teacher. Any queries or concerns should be raised to the Chair of Resources and where necessary, to the Chair of the Governing Board.

The disbursement policy for each Voluntary School Discretionary Fund should be as follows:

- Small/low total value disbursements (virements) of below £500 will be raised by each school's Business and Finance Manager and agreed by the Head Teacher.
- Disbursements (virements) of above £500 but below £5,000 will be raised by each school's Business and Finance Manager, agreed by the Head Teacher and authorised by the Chair of the Resources Committee. Authorisation confirmation should be attached to the copy of the invoice.
- Orders with a total value greater than £5,000 will be raised by each school's Business and Finance Manager, agreed by the Head Teacher and the Trustees, as necessary, reviewed by the Resources Committee and approved by the Governing Body.
- Orders of capital expenditure with a total value greater than £5,000 must be authorised and by the agreed by the Head Teacher and the Trustees, as necessary, reviewed by the Resources Committee and approved by the Governing Body.

Each school's respective Business and Finance Manger is authorised to transfer monies to their school's Operational Account as set out above.

5. Trustees of the Voluntary School Discretionary Fund:

Each Voluntary School Discretionary Fund must have three Trustees to ensure proper accountability and financial oversight, for the use of monies within the Fund. Trustees will have responsibility to ensure that disbursements or virements from each Voluntary School Discretionary Fund meet the stated objectives and the School Development Plan.

Each Voluntary School's Discretionary Fund account should be audited at least once a year by a reputable third-party auditor and the result of that audit presented to the Head Teacher, Trustees, Resources Committee and the Governing Body.

Each Voluntary School Discretionary Fund should retain one or more bank accounts. The Business and Finance Manager is responsible for the operational management of each respective Voluntary School Discretionary Fund. Signing authority for such accounts must conform to school policy which is available on request. Any additional accounts should be closed, with remaining funds transferred across the main dedicated account. No further secondary accounts should be opened unless authorised by the Governing Board.

As of October 2019, the Trustees are: Andy Greetham, Chair of Resources, Brian Leathard, Chair of the Governing Board and Quentin Nason, Vice Chair of the Governing Board

6. Umbrella fund:

The Governors will seek to establish an Umbrella Fund that will allow for monies to be collected and distributed to either or both schools, as agreed by the Head Teacher, the Resources Committee and the Governing Body.

The important distinction between the Umbrella Fund and the two separate Voluntary School Discretionary Funds is that the monies raised for the Umbrella Fund have not been specifically earmarked for one school or the other and therefore can be disbursed to either or both schools, as agreed by the Head Teacher, the Resources Committee and the Governing Body.

As of 1 October 2019, there is no Umbrella Fund yet established. Subject to approval by the full Governing Body, this Umbrella Fund will be created for future benefit across both schools. The Umbrella Fund, when created, will start out with a zero balance. Any monies currently in the Christ Church School Fund or the Holy Trinity Governor's Fund will remain in the respective Voluntary School Discretionary Fund for each school and must not be commingled in any way.

7. Umbrella Fund objective:

The Umbrella Fund has the same objective as the two separate School Discretionary Funds specified above, with the only difference being that the monies have not been earmarked for a specific school in the Federation.

8. Umbrella Fund income:

The income for the Umbrella Fund may come from the following sources:

- Lettings of buildings and facilities at both schools. A full list of facilities and premises available for letting are available at the respective school office. The list can also be found in the Schools' Lettings & Charging Policy. The Governing Body, via the Resources Committee is responsible for the setting of any charges relating to the hire of the Schools' premises/property. These should be reviewed annually. Current charging rates relating to Lettings can be found in Appendix 1 of the Lettings & Charging Policy.

Any of the following funds which have not been demarcated for a specific school in the Federation:

- Parental voluntary contributions;
- Fund-raising activities;
- One-off donations and contributions; and
- Interest on deposited monies.

9. Disbursements (virements) from the Umbrella Fund:

Any activity, disbursements (virements), including transfers between bank accounts including to the Operational Account, from the Umbrella Fund should be fully transparent, meet all legal and statutory requirements and, through careful planning and rigorous budget monitoring, be sustainable. Any disbursements (virements) including transfers between bank accounts including to the Operational Account, must be made in co-ordination with each school's budget and support the School Development Plan.

The disbursement policy for the Umbrella Fund is the same as for the Voluntary School Discretionary Funds.

The appropriate Business and Finance Manager is authorised to transfer monies to the school's operational account as agreed as per the disbursement (virements) policy for the Umbrella Fund.

10. Trustees of the Umbrella Fund:

The Umbrella Fund must have three Trustees to ensure proper accountability and financial oversight for the use of monies within the Fund. Trustees will have responsibility to ensure that disbursements (virements) from the Umbrella Fund meet and are in line with the objectives stated for the Umbrella Fund above.

The Umbrella Fund account should be audited at least once a year by a reputable third-party auditor and the result of that audit presented to the Head Teacher, Trustees, Resources Committee and the Governing Body.

Signing authority for the bank accounts relating to the Umbrella Fund must conform to school policy.

11. **New accounts and Investments**

At present, all discretionary funds are held in current accounts. Once a year, the Resources Committee will review the value and benefits of these accounts and consider options for improvement.

At present, no discretionary funds are invested which does not preclude investments being made in the future.

Any recommendations for changes to the accounts in which the discretionary funds are held must be presented to the Governing Body for approval.

SCHEME OF DELEGATION AND DELEGATED AUTHORITIES AND PROCEDURES FOR EACH SCHOOL'S OPERATIONAL ACCOUNTS

It is expected that all Governors should make themselves aware of the Terms of Reference of the Resources Committee, in order that the powers delegated to the Resources Committee by the Governing Body are fully understood. A copy of the Terms of Reference is attached to this Finance Policy.

This Scheme of Delegation relates to each school's operational accounts, which are used for the daily and routine operation of each school consistent with the delivery of high standards of education and well-being to children, staff and parents of each school.

1. Separation of duties, authorisation and financial limits are as follows:

The Annual Delegated Budgets are to be set within one month of the receipt of the indicative figure from RBKC. These budgets are then to be discussed by the Resources Committee and approved by the Governing Body.

2. Federation

Christ Church and Holy Trinity Schools entered into a formal federation in September 2019. While the schools will have one Head Teacher, one Governing Body and one Resource Committee, each school will continue to operate and maintain separate budgets, financial systems and be audited independently on an annual basis.

To increase collaboration and costs efficiencies, both schools will seek to utilise, where possible, a single Service Level Agreement ("SLA") for a Financial Advisor. That Financial Advisor will assist each school in the preparation of financial reports. When required, the Financial Advisor will also advise the Resources Committee as well as the Governing Body.

Each school will maintain its own separate school operational accounts including ordering and expenditures, operation of accounts, disposals, forecasting and creating of budgets. While contracting and tendering will remain separate, it is expected that every effort will be made to achieve cost efficiencies where possible.

Financial management standards and administration of standards across both schools should be, where possible, the same (unless there is a school-specific requirement which necessitates a different approach). Any differences between the Schools in financial management standards and administration of standards must be approved by the Head Teacher and the Governing Body.

As of 30 September 2019, the following accounts were open:

<u>Chris Church</u>	<u>Holy Trinity</u>
Operational account: Lloyds Bank	Operational account: RBS Bank
Discretionary account: NatWest Bank	Discretionary account: Lloyds Bank
Legacy account: Co-operative Bank	Legacy account: Lloyds and HSBC Bank

It is expected that the legacy accounts in each school will be closed and the funds transferred to each respective Discretionary account as soon as practicable. Each of the school's discretionary accounts will be renamed the Voluntary School Discretionary Fund.

All monies will remain as part of each school and none of these monies will be co-mingled.

An Umbrella Fund, as discussed earlier, will be established.

3. Ordering and Expenditure

- Small/low total value orders of below £500 will be raised with the supplier by each school's Senior Admin Manager or Business and Finance Manager, in consultation with the appropriate staff member. Orders should be placed on an order form and signed by Head Teacher.
- Orders with a total cost of above £500 but below £5,000 will be placed by each school's Senior Admin Manager in consultation with the Head Teacher and the respective Business and Finance Manager from each school.
- Orders with a total value greater than £5,000 to be authorised by the Resources Committee. Orders above that amount must be authorised by the Governing Body.
- Orders of capital expenditure with a total value greater than £5,000 must be authorised and agreed by the Head Teacher, reviewed by the Resources Committee and approved by the Governing Body.
- Single orders with a total value greater than £10,000 or annual costs of over £20,000 must be first approved by the Resources Committee and authorised by the Governing Body.
- Service level agreements and maintenance contracts must be reviewed annually by the Resources Committee and then recommended to, and authorised by, the Governing Body.
- During the financial year, if any individual cost centre limits are projected to be breached by more than £5,000, the respective Business and Finance Manager should advise the Head Teacher in the first instance and then the Resources Committee. If the matter is time sensitive, the respective Business and Finance Manager and Head Teacher should consult with the Chair of the Resources Committee and if required, the Chair of Governors.
- A cost centre excess limit of up to £25,000 must be agreed by the Resources Committee. A cost centre excess limit above £25,000 must be approved by the Governing Body.

4. Operation of Accounts

It is expected that all Governors should make themselves aware of the functions, operations and responsibilities of all accounts held in school. To this objective, Governors are advised to become familiar with contents of this policy as follows:

- **Operations and functions:** explanation of what is expected; and
- **Responsibility:** delineated people responsible for the correct procedures.

5. Disposals

Equipment will become ready for disposal when it is broken beyond repair, obsolete or no longer useful or required.

It is agreed by the Governing Body that equipment ready for disposal shall, whenever appropriate, be done with recoument of investment and/or recycling in mind.

6. Policy Statement on Conflicts of Interest

No Governor, Discretionary Fund Trustee or employee of either Schools may accept any payment from the school save as approved by the Governing Body or pursuant the contractual terms of their employment by the school (such contracts being approved by the Governing Body). Except in the case of payments made pursuant to a contract of employment, all such approved payments shall be a matter of public record and shall be made available on request. This policy shall also apply to the family and others closely connected to any Governor, Voluntary School Discretionary Fund Trustee or employee of the Schools.

7. Forecasting

Where data is available, advance forecasts should be completed as soon as practicable by the respective Business and Finance Manager from each school, in collaboration, where possible, with the Financial Advisor, and circulated for discussion by the Resources Committee seven days in advance of a Resources Meeting.

8. Contracting/Tendering

The Governing Body, having adopted the RBKC Scheme for Financing Schools document, will abide by the regulations concerning contracts and tendering.

9. Financial Management Standards

The Governing Body, having adopted the RBKC Scheme for Financing Schools document, will abide by the regulations concerning the implementation of the financial management standard. Financial management standards and administration of standards across the Schools should, where possible, be the same (unless there is a school-specific requirement which necessitates a different approach). Any differences between the Schools in financial management standards and administration of standards must be approved by the Head Teacher and the Governing Body.

As of September 2019, the following staff members have financial responsibilities:

- **Head Teacher** – Avis Hawkins
- **Business and Finance Manager** – Nicola London (Christ Church)
- **Business and Finance Manager** – Lisa Walden (Holy Trinity)
- **Senior Admin Manager** – Sue Osman (Christ Church)
- **Senior Admin Manager** – Mary Sheahan (Holy Trinity)
- **Financial Advisor** – Russ Mitchell (SBS)
- **Network Manager** – Linda Healy

Administration of Standards

Ensure systems are in place to maintain financial control

Provide on request full financial statements using LRM4, FMS, Quicken or any other system chosen by the school

To provide financial information to LA (Local Authority), DCSF, OFSTED, LDBS, etc. as requested

Placing orders, checking in delivered goods, returning unwanted goods

Maintaining stock control systems, organise and coordinate stock checks and appropriate record keeping

Compile and update annually an asset register

Attend all relevant training

Responsibility

Head Teacher
Resources Committee
Business and Finance Manager(s)

Head Teacher
Resources Committee
Business and Finance Manager(s)

Head Teacher
Resources Committee
Business and Finance Manager(s)

Head Teacher
Business and Finance Manager(s)
Senior Admin Manager(s)

Head Teacher
Business and Finance Manager(s)
Senior Admin Manager(s)

Business and Finance Manager(s)
Network Manager

Business and Finance Manager(s)
Senior Admin Manager(s)

10. Operations

Operational Account disbursements functions and operation

Prepare long term assessment of future performance of the schools in line with the School Improvement Plan

Prepare annual budgets/projections for all areas of expenditure within the Schools

Setting up of annual budgets on FMS system in order to match funding for salaries, priorities identified in the Schools' Improvement Plans and to meet the cost of goods and services.

Allocation of budget to appropriate cost centre codes as agreed by the Governing Body and ensure all data balances.

Input all data promptly at the beginning of the financial year,
Send Budget Plan to RBKC for approval.

Responsibility

Head Teacher
Governing Body
Business and Finance
Manager(s)
Financial Advisor

Head Teacher
Deputy Head
Business and Finance
Manager(s)
Financial Advisor

Head Teacher
Governing Body
Business and Finance
Manager(s)
Financial Advisor

Head Teacher
Business and Finance
Manager(s)

Head Teacher & Chair to sign
Business and Finance
Manager(s)

Manage, interrogate, maintain and operate financial management systems to support expenditure and income in relation to the budget:	Head Teacher Business and Finance Manager(s) Senior Admin Manager(s)
<ul style="list-style-type: none"> • Raise orders, certify orders, interrogate discrepancies and/or inaccuracies • overview orders/commitments 	
Reconcile and submit monthly account reports, end of month closure and VAT reports as appropriate to Local Authority Education Finance.	Head Teacher Business and Finance Manager(s) Financial Advisor
Monitor supply cover expenditure and process claims.	Business and Finance Manager(s)
Ensure cash is banked regularly	Business and Finance Manager(s)
Process journals/ virements	Head Teacher Financial Advisor Business and Finance Manager(s)
Input/interrogate payroll transactions and liaise with prospects payroll, pensions and personnel as appropriate	Head Teacher Business and Finance Manager(s) Senior Admin Manager(s)
Inland Revenue and VAT and CIS returns	Head Teacher Business and Finance Manager(s)
To arrange working sessions with Financial Advisor and to liaise with consultant on all relevant matters	Head Teacher Business and Finance Manager(s)
Monitor contracts and SLAs. Practise competitive tendering where appropriate	Head Teacher Business and Finance Manager(s) Resources Committee
Ensure End of Financial Year closure procedures are implemented in accordance with requirements of Local Authority and within timescale required	Head Teacher Business and Finance Manager(s) Resources Committee

All income/expenditure accounted to end of Financial Year	Head Teacher Business and Finance Manager(s)
Raise debtors/creditors reserves	Business and Finance Manager(s)
Confirm carry forward and provide details of proposed expenditure	Head Teacher Business and Finance Manager(s) Resources Committee
Provide Head Teacher and Resource Committee with reports and advise any anomalies for meetings or on request	Business and Finance Manager(s) Financial Advisor
Ensure all audit and statutory requirements are met/adhered to	Head Teacher Governing Body Business and Finance Manager(s)
Ensure full off-site insurance in place before each school journey takes place, and funding in place to carry out risk assessment as required and where appropriate	Head Teacher Business and Finance Manager(s) Resources Committee
Observe best practice with regard to tendering for accommodation and travel costs in accordance with teacher in-charge's findings on the safety and risk assessment visit	Head Teacher Business and Finance Manager(s) Teacher in-charge
Correspond with parents in regard to donations for visits being mindful of regulations in the Education Act 1996 (DCSF circular No 2/89).	Head Teacher Business and Finance Manager(s) Resources Committee
Inform parents/carers on a termly basis of cost of school meals by term, half term and weekly amount.	Head Teacher Business and Finance Manager(s)
Statement of meals account to be generated by Pay+ and sent on a weekly basis by email to the email address parent has set up on their account.	Business and Finance Manager(s)
Comply with LEA regulations in the implementation of free meals procedures.	Head Teacher Business and Finance Manager(s) Senior Admin Manager(s)
Ensure debts are collected in accordance with LEA procedure	Head Teacher Business and Finance Manager(s)

Voluntary School Discretionary Funds and Umbrella Fund **Responsibility**

Collect, receipt and record income	Head Teacher Business and Manager(s)	Finance
Receipt, record expenditure, payment of invoices by cheque	Head Teacher Business and Manager(s)	Finance
Receipt, record small monies, reconcile cash and cheques, record and take to bank	Business and Manager(s)	Finance
Reconcile bank statement	Head Teacher Business and Manager(s)	Finance
Banking as required. Cash is kept in locked safe	Business and Manager(s) Senior Admin Manager(s)	Finance
Provide Head Teacher and Resources Committee with reports and advise any anomalies for meetings or on request	Business and Manager(s)	Finance
Prepare account for yearly audit Post audit prepare response and implement to recommendations	Business and Manager(s)	Finance
Interrogate account, plan, profile, project income and expenditure	Head Teacher Resources Committee Business and Manager(s)	Finance

Signed: Avis Hawkins

September 2019



Name of School	Christ Church & Holy Trinity CE Primary Schools
Policy review Date	October 2019
Date of next Review	March 2020
Who reviewed this policy?	Governing Body, Resources Committee and Avis Hawkins

Ratified by the Governing Body

