Finance Policy

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Review Cycle	Annual
Next Review	October 2026

Lead Staff	Mary Barber
Chair of Governing Body	Alex Krutnik
Headteacher	Jane Hatwell

Ver Oct 2025	Added 3.6.1 in line with SFS Finance policy

Vision and Values

Our school vision is to provide an *outstanding, nurturing, learning environment,* where all our pupils can achieve their full potential and progress to lead happy and fulfilling lives.

Our mission is to provide each and every pupil with the best possible education, delivered in an environment that is supportive, caring and safe.

“Getting it right for every pupil”

At Stone Bay we focus on *Evolving Excellence* in all that we do, working towards making our school the best it can be for pupils, staff and families. We are creating lasting *Trust* with all our stakeholders, *Empowering* each other to learn and grow. By adhering to policies and clear processes we ensure *Fairness* and transparency in our decision making and actions, whilst ensuring we are *Collaborating* with others and always looking for ways to help each other to deliver excellence for our pupils.

Rights Respecting Schools

The Unicef UK Rights Respecting School Award (RRSA) is based on principles of equality, dignity, respect, non-discrimination and participation. The RRSA seeks to put the UN Convention on the Rights of the Child at the heart of a school’s ethos and culture to improve well-being and develop every child’s talents and abilities to their full potential. A Rights Respecting School is a community where children’s rights are learned, taught, practised, respected, protected and promoted.

Stone Bay has been awarded the Silver Award by UNICEF. This is awarded to UK to schools that show good progress towards embedding children’s rights in the school’s policy, practice and ethos, as outlined in the RRSA Strands and Outcomes

Staff wellbeing

The Leadership Team and the Governing Board of Stone Bay School are committed to promoting positive mental, physical and emotional wellbeing and to providing suitable support for all staff. Taking action to prevent ill health and promote good health makes good educational and business sense, as sickness absence carries high costs both in monetary terms and in terms of the impact upon performance, teaching and learning, morale and productivity, which may disrupt or compromise pupil progress.

All members of staff are entitled to be treated fairly and professionally at all times. The Governing Board of Stone Bay School takes very seriously its duty of care as an employer to all members of staff and a number of policies and procedures have been made in relation to this duty.

1. Introduction

The Governors of Stone Bay 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 *Full Governing Body* 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 *Full Governing Body* is responsible for the following aspects of financial management:

- Evaluate and approve the three-year budget plan, which shows clear links to the School Development/Improvement Plan.

- To approve the Finance Policy and agree levels of delegation.

- To review the Charges and Remissions Policy 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.

The *School Business Manager* is responsible for ensuring that the administration of finance procedures is carried out in line with this policy.

All contracts and service level agreements to be checked and monitored, and a list of renewal dates to be kept by the School Business Manager.

3.2 Internal Financial Controls

The school's internal financial controls follow the financial controls set out in the LA's Scheme for Financing Schools.

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

The school recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Headteacher and School Business Manager carries out a monthly internal monitoring procedure, copied to the Governor responsible for Finance. A monitoring report is taken to all meetings of the Full Governing Body. 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.

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

Virements up to £25,000 - The Headteacher, reported to the Full Governing Body

Virements over £25,000 – The Full Governing Body

3.5 Insurance

Insurance is held through *the Kent County Council (KCC) 'Safe Hands' Scheme* with relevant cover, as identified by the schedule received from the LA's Insurance section.

3.6 Purchasing

At Stone Bay School budgets are delegated to subject leads and appropriate persons.

Where there are Budget holders a 'needs budget' is prepared and submitted for their area of responsibility, for approval by the Headteacher in line with the priority needs of the school and the School Development/Improvement Plan. All purchases/services costing over £500 will need to first be agreed by the Headteacher prior to ordering/purchasing. A list of authorised signatories, containing name, position, budget held and value of budget, should be held in school as an appendix to the Finance Policy (See Appendix B).

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 in excess of £8,000, but less than £25,000, 3 written quotations are obtained and submitted to the Headteacher.

- For purchases of £25,000 or over, no fewer than 3 written quotations are obtained and submitted to the Full Governing Body for approval.

- 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.

All of the above will be minuted at the Full 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.

3.6.1 Leases

Please refer to Scheme for Financing section 3.6 and Finance Control No3 for full details.

The distinction between operating and finance leases has ended, however there are strict criteria for allowable leases not needing the consent of the Secretary of State (detailed in the scheme and controls). All leases are classed as borrowing. Any lease a school enters into must be done so within the parameters of the School's Finance Policy and Spending the Councils Money.

Schools should seek advice before entering into any lease or asset rental or buy-back scheme to ensure it is legal. All lease agreements are subjec to the rules on contracts and the relevant limits apply.

All leases will now count in principle as capital, unless the total value of the lease is below the local capitalisation threshold. Where a lease counts as capital, it must not be included in the revenue expenditure lines E12 to E25. Instead, it must be included in E30 as direct revenue financing of capital.

3.7 Personnel Matters

At the start of every financial year the *Headteacher* uses a financial planning tool to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the *Full Governing Body* for incorporation into the school budget planning process.

Designated Governors undertake an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

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

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

3.8 Payroll Matters

Our payroll provider is HR Connect. The *Headteacher* signs off the monthly payroll reports once they have been checked for accuracy by the administration team and School Business Manager *(refer to finance control 9).*

3.9 Safeguard of Stocks, Stores and Assets

All staff are responsible for the security of school assets. Co-ordinators, subject managers and class teachers safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Headteacher or designated deputy. Other school assets are recorded on a general asset register, maintained and updated by the school office.

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 Governor responsible for Finance agrees this on behalf of the Fully 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

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)

The total cash (income & petty cash) held in the school must not exceed the school's cash insured levels. Cash is insured up to £10,000 (as per school's insurance policy schedule)

Governors have agreed that the maximum level of cash that can be held collectively at any one time is £2,000.

Cash will be receipted, recorded to the system and banked regularly, at least once a term (or sooner if insured limit is reached) without exception.

3.11 The School Bank Account

The school operates its school bank account 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 Schools Financial Services, as a matter of course.

Authorised Signatories	Cheques	Bankline
Jane Hatwell – Headteacher	Yes	Yes

Lucy Taylor – Deputy Head	Yes	Yes
Louvaine Scott – Assistant Head	Yes	Yes
Ivonne Puttman – Assistant Head	Yes	Yes

Suppliers and Invoices are paid via BACS ensuring it adheres to all financial controls within the Scheme for Financing Schools.

Bank statements are received/printed out on at least a monthly basis and reconciled in accordance with LA guidelines *(refer to Finance control no1).* The Headteacher signs and dates the bank statement as soon as possible after the reconciliation has been checked.

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £500. Petty Cash transactions are kept to a minimum and the maximum value of any one transaction is £30. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements. *(Refer to FC1 sect 7)*

Staff <u>must not</u> 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 (state if no cards held)

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

Please list:

Cardholder and/or Position	Single transaction limit	Monthly card limit
Jane Hatwell – Headteacher	£500	£3,000
Lucy Taylor - Deputy Head	£500	£1,000
Louvain Scott – Assistant Head	£500	£1,000
Ivonne Puttman – Assistant Head	£500	£1,000
Annette Dignum – Premises Manager	£500	£1,000
Sandy MacMillan – Catering Manager	£500	£3,000
Mary Barber – Business Manager	£500	£3,000

3.14 The Voluntary Fund

In addition to the LA's official funds, the 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.
Schools must ensure they have:

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

All Staff are made aware of these policies and 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.

3.16 Data Protection

The school (as Data Controller) adheres to the GDPR and the Data Protection Act 2018 including paying a data protection fee to the Information Commissioners Office (ICO). The school pays an annual fee as determined by the ICO. The schools designated Data Protection Officer is Lloyd Marks IT Manager supported by a professional advisor – Data Protection Advice Ltd.

3.17 Information Systems

A password protection procedure is adhered to as laid down in the staff handbook. Systems are backed up regularly and the backups held securely, 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

Two members of staff are trained in the use of the finance software and financial administration procedures, to cover any staff absence. The school also purchase a support contract through Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.