Finance Policy

October 2025

St. John’s CE Primary School

FINANCE POLICY

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Statutory policy required by education legislation	Review Frequency - ANNUAL
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St John's CE Primary School policies are approved, ratified and reviewed regularly by the Headteacher/Senior Leadership Team and/or Governing Body in the light of statutory requirements

Finance Policy

Vision statement

Imagine a world where all are equal and all are different,
living compassionately, learning together,
embracing challenges, building tolerance and resilience,
standing strong and making a positive difference in God's amazing world.

ALL DIFFERENT, ALL EQUAL, ALL LEARNING TOGETHER IN GOD'S WORLD.

1. Introduction

The Governors of St John's 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 KCC Scheme for Financing Schools.

2. Principles

St John's Primary School Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, its committee, 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; and
- 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 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 the 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; and
- 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*** of St John's Primary School 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 Committee*** is delegated responsibility by the 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;

- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body;
- 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;
- 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; and
- Authorisation of virements up to £15,000.

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 Appendix B.

At St John's the general administration of some financial procedures is delegated as follows:

Finance Manager**:** day to day management of purchasing, ordering, payments of the delegated school budget and other funds.

Teachers*:* management of any delegated curriculum budgets.

3.2 Internal Financial Controls

The internal financial controls operated by St John's Primary School follow the controls set out in the LA's Scheme for Financing Schools.

3.3 Financial Links to the School Improvement Plan

The School 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

St John's 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 Headteacher carries out a monthly internal monitoring procedure. 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 need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

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

Virements up to £15,000 – The Finance Committee

Virements over £15,000 – The full Governing Body

3.5 Insurance

St John’s Primary School is insured through ***the Kent County Council ‘Safe Hands’ Scheme.***
St John’s Primary School recognises that cash is not insured through the LA’s Insurance policy.

3.6 Purchasing

At St John’s CE (VC) Primary School, budgets may be delegated to key stage co-ordinators and class teachers. Budget holders 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 Improvement Plan.

All staff adhere to the school procedures for purchasing items (detailed in KCC Financial control No. 7), paying regard to value for money at all times. The Headteacher or designated deputy authorises all orders and invoices prior to payment.

Personal credit and debit cards will not be used to purchase goods on behalf of the school.

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 £9,999 one written quotation.
- For purchases of £10,000 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.

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 St John's CE (VC) Primary School, at the start of every financial year the ***Headteacher*** uses the Budget Planning Software provided by Schools Financial Services to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Finance Committee for incorporation into the school budget planning process.

The ***Headteacher's Performance Management Committee*** undertakes 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

The payroll provider at St John's Primary School is HR Connect, who provides payroll services to the specification laid down by the LA. The Headteacher signs off the monthly payroll reports once they have been checked for accuracy.

3.9 Safeguard of Stocks, Stores and Assets

All staff at St John's Primary School are responsible for the security of school assets. Subject co-ordinators and class teachers safeguard their assets. School assets are recorded on a general asset register, maintained and updated by the school office and/or the caretaker. This register is checked at least on an annual basis and certified by the Headteacher.

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

Where school assets are written off and disposed of, the Finance Committee agrees this on behalf of the Governing Body and the agreement is minuted.

Where school assets are loaned, a loans book is completed and signed upon borrowing the item and again upon the item's return.

3.10 Income

At St John's CE (VC) Primary School, the Lettings Policy is reviewed and approved on an annual basis 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.

Since the LA does not insure for cash held on the school premises, we have agreed a level of cash to be held in school at any one time as £1,500. Cash will be receipted, recorded and banked promptly at all times.

3.11 The School Bank Account

St John's Primary School operates its school bank accounts in accordance with the regulations in the LA's Scheme for Financing Schools and the guidance in the Budget Book. 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, Bishops Terrace, as a matter of course.

Bank statements at St John's Primary School are received on a monthly basis and reconciled to the school's local system immediately. The Headteacher signs and dates the bank statement when the reconciliation has been checked.

St John's Primary School pays suppliers/invoices via online banking/BACS or cheques ensuring it adheres to all financial controls within the Scheme for Financing Schools.

3.12 Petty Cash

At St John's Primary School, no petty cash is held.

3.13 The Voluntary Fund

In addition to the LA's official funds, St John's Primary School also operates a school voluntary fund, adopting the procedures in the LA's School Voluntary Fund Guidance. 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. All monies for the voluntary fund are held securely and separately from those of the school budget.

*3.14 **Natwest One**Card*

St John's Primary School operates an approved **one**card in accordance with the LA guidance.

The following members of staff hold cards:

Member of Staff	**Monthly Limit**	**Transaction Limit**
Head Teacher	£3000.00	£1000.00
Office Manager	£1000.00	£500.00
Site Manager	£1000.00	£500.00

3.15 Fraud and Irregularities

St John's Primary School has a robust system of controls to safeguard against fraudulent or improper use of public money and assets.
This includes:

- 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 through the St John's staff handbook.

3.16 Data Protection

St John's Primary (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). St John's Primary School pays £55 as determined by the ICO. St John's Primary School designated Data Protection Officer is Julie Wall, Business Manager.

3.17 Information Systems

St John's Primary School has a password protection procedure 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

At St John's Primary School, one member of staff is trained in the use of the finance software and financial administration procedures. We also purchase a support contract through the Authority's Area Finance team, which is reviewed on an annual basis, allowing us the option to purchase additional area support, if required.

4. Charging Policy

St John's Primary School understands the requirement placed on school Governors with regard to charging for school activities and the Charging Policy is written with reference to the following documents:

- DES Circular 2/89;
- Education Act 1996, sections 402,450 – 458, 460;
- The Education (School Sessions and Charges and Remissions Policies) (Information) (England) Regulations 1999.

4.1 Policy aims

The aims of our Charging Policy are:

- To adhere to the right of free school education;
- To enable all pupils to take full advantage of the activities provided by the school.

4.2 Policy Objectives

The **objectives** of our Charging Policy are:

- To ensure that activities offered in school time should be available to all pupils regardless of their parents' ability or willingness to meet the cost;
- To identify those activities for which charges may be levied;
- To determine which charges will be remitted for parents experiencing hardship;
- To invite voluntary contributions for the benefit of the school in support of any activity organised by the school, either in or out of school hours;
- To ensure that the responsibilities for the charging policy are clearly and appropriately allocated;
- To ensure the regular review of operations of both Charging and Remissions Policies.

4.3 Charging

Charging for Activities during School Hours (see also Remissions Policy below)

The Governors of St John's Primary school agree that:

- A charge should be levied for ingredients or materials in practical subjects if the parents indicate, that they wish to keep the finished product;
- A charge must be levied for the provision of music tuition to pupils, either individually or in groups of four or less, except where it is provided to fulfil the requirements in the syllabus for a public examination; or where it is part of the National Curriculum;
- A charge must be levied for the board and lodging element of a residential activity, where the school trip takes place mainly during school hours.

Parents may make a voluntary contribution to:

- Individual music tuition, except where this is provided as part of the National Curriculum;
- The Board and lodging element of all residential trips and visits;
- The cost of transport direct from home to an activity, sanctioned by the school but not provided by it;
- The cost of ingredients or materials, where parents have expressed a wish to own the finished product;
- The cost of admission charges or charges for educational visits or visitors.

Charging for Activities outside School Hours (see also Remissions policy below)

The Governors of St John's Primary School agree that a charge must be levied for all activities provided outside of school hours, with the following exceptions:

- If the activity is an essential part of the basic curriculum;
- If the activity fulfils the requirements specified in the syllabus for a prescribed public examination;
- If the activity fulfils the statutory duties relating to religious education;
- If the participation in the activity is on the basis of parental choice and parental willingness to meet such charges, since the activity is defined as an 'optional extra'.

Charges **may** be defined as including:

- Pupils' travel costs;
- Pupils' board and lodging costs;
- Materials, books, instruments and other equipment;
- Non-teaching staff costs;
- Entrance fees to museums, castles, theatres etc;
- Insurance costs;
- Engaging teaching staff on a separate contract, specifically for providing the activity (the separate contract may take the form of a letter inviting the teacher to undertake the specific activity in return for payment of expenses and, where appropriate, a fee).

Charges for individual pupils **must not**:

- Exceed the cost of providing the 'optional extra' activity divided by the number of participating pupils (i.e. must not incur a profit);
- Include the cost of an alternative provision for other pupils who do not wish to participate, where a small part of the activity takes place in school hours.

4.4 Remissions Policy

On occasions, the Governors of St John's Primary School will wish to remit charges for activities where parents request remission and are in receipt of:

- Income Support;
- Income based Job Seekers Allowance;
- Working Families Tax Credit;
- Disabled Persons' Tax Credit.

If the parents' circumstances fall into the above categories, they will not be charged for:

- The cost of a residential trip, provided it is part of the National Curriculum or forms part of the syllabus for a prescribed public examination;
- The cost of board and lodging for a residential visit outside school hours.

The Governors also delegate the power to the Chair of Governors and Headteacher to determine any individual case arising from the implementation of the policy.

4.5 Voluntary Contributions

At St John's Primary School, we will seek voluntary contributions from parents for the benefit of the school or any school activities, but we recognise that:

- Such contributions are voluntary and no parent is under any obligation to make a contribution;
- Pupils will not be treated differently if their parents have not made a contribution;
- Parents will be informed of the level of contribution and whether the activity could take place even if parents were reluctant to support it;
- There is no level set on the level of voluntary contributions sought.

Appendix B

All order requests/invoice authorisation must be signed by the budget holder. The school office should hold a copy that includes a specimen signature for each budget holder. This document should be updated annually as part of the budget setting process.

Budget holders for year ………………...

Name	Position	Delegated Budget Held (indicate if person is the authorised deputy)	Budget Value	Specimen Signature

Agreed by:

Head teacher………………………………………………………………   Chair of Governors…………………………………………

Date: ………………………………………….   Date: ………………………………………….