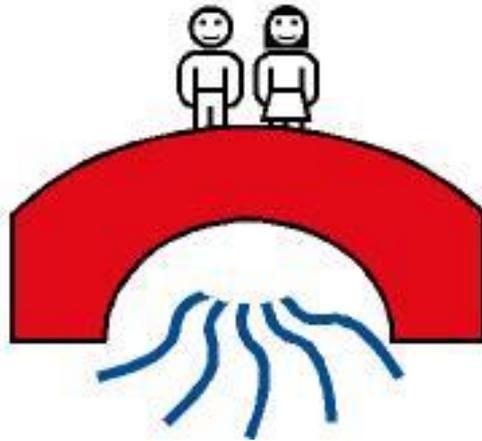


Loddon Primary School



School Fund Policy

Author: Jenny Sumner

Committee responsible: Finance Committee

Date of last review: June 2018

Date of next review: June 2020

Authorised on 13 June 2018

S Phillips

Sarah Phillips

Headteacher

D MacDonald

Donald MacDonald

Committee Chair

Introduction

This policy gives guidance to school staff involved with the management and review arrangements of Loddon Primary School Fund (private fund).

Voluntary Funds must be accounted for completely separately to Local Authority Funds.

Responsibilities of the Governors

Governors have a monitoring function regarding the management of any funds and must receive annual reviewed statement of account from the Headteacher. The reviewed accounts will then be forwarded to the Local Authority.

They authorise this policy and appoint three account signatories.

They will, in general not be concerned with the disbursement of funds.

Responsibilities of the Headteacher

In usual circumstances the operational aspects of the school fund will be delegated, by the Headteacher, to the School Business Manager.

- To be responsible for the school fund
- To ensure that good management and adequate administrative procedures are followed.
- To arrange for the division of duties between staff, delegation of administrative functions, approval of expenditure and certification of accounts before payment.
- To arrange for an annual independent review of the accounts, by a suitably qualified person.
- To prepare and present the annual statement of reviewed accounts to the Governors and to make copies available for inspection by the Authority and by parents if they so request.

Working Arrangements

School funds must be kept completely separate from any Local Authority Accounts. Where possible, the duties connected with the school funds should be split so that the responsibility for the control of cash is divorced from other financial duties.

The School Business Manager or Headteacher should act as Treasurer - paying invoices, drawing cheques, keeping the cash book, reconciling the Bank account and preparing the accounts etc.

The Finance Assistant is responsible for running of particular activities (eg; traveling book shop); they should keep appropriate records and be responsible for checking and certifying bills before passing them to the Treasurer for payment. They receive money and pay it into the bank.

A bank account with cheque book facilities should be operated in the name of the school.

Money received

Cash and cheques are collected for the following reasons

- Sales (e.g. sweatshirts)
- Donations and commission (e.g. Photographers)
- Collections for charities

All cash and cheques awaiting banking is kept in the school safe. Cash should NEVER be left in desk drawers

- To reduce the risk of loss, unbanked cash should be kept to a minimum

- The insurance limits for cash held in the safe should not be exceeded

The Finance Assistant, Receptionist and SBM are responsible for counting and collecting the money

Sales

All sales are recorded in an exercise book kept in the cash tin (kept in the safe)

Date, name, item sold, price and cash/cheque, initials

Donations and charity collections

The cash is counted and the "income received" sheet in the school fund is updated and signed by SBM and Assistant (or equivalent). It records date, donor, amount and cash/cheque.

Note: Parents Voluntary contributions (e.g. swimming, school trips, special weeks) are paid directly into the school revenue account not school fund.

Banking

Charity donations (eg Children in Need) are normally paid directly into the charity's bank account and the paying in slip kept in the school fund file. If a cheque is needed the money will be paid into the school fund and a equivalent cheque written

All other money is banked regularly (minimum of every month) by the assistant and recorded on the paying in slip. This is used to update the school fund account spreadsheet and to reconcile the bank account monthly. This is regularly checked and signed by the Headteacher.

Cheques are individually recorded on a spread sheet and a copy kept in the school fund file.

All income should be paid into the bank intact (i.e.; without being used to fund any expenditure).

Transfers between the school's main budget bank account and privately organised accounts (e.g. school fund) are NOT allowed.

If a situation occurs when reimbursement to the school fund is necessary or where schools have received a credit to their school fund account in error i.e. which should have credited the main budget share account (e.g. BACS), they should contact Wokingham Schools Finance Helpdesk for further guidance.

Wherever possible, paid cheques should be obtained and filed with the appropriate vouchers.

- Details of all cheques received should be recorded by noting the amount and drawer on the paying-in slip before banking
- Care should be taken to see that large balances are not held in current accounts but transferred to deposit or savings bank accounts to earn interest

Payments

The Treasurer should expect to have every voucher for payment properly certified by the person responsible for authorising the expenditure. Only the Treasurer should as far as practicable, make payments.

Cheques or withdrawal forms for savings bank accounts should require the signature of at least two senior staff approved by the Governors. One of these should be the Treasurer where there is such an appointment.

The Headteacher should periodically examine the accounts, bank statements, confirm balances and test sample entries. This examination provides an element of protection for the Headteacher and the staff concerned. Should the Headteacher ever suspect any fraudulent activity within the fund(s) he/she should report the matter immediately to the Chairperson of the Governing Body. The Head of Internal Review Services can offer further advice if required.

Blank cheques should not be signed in advance of use and signatories do have a responsibility to ensure that payments are in order.

- Cheque details should be shown on the cheque stub
- Cancelled cheques should be retained until after review

Personal cheques must not be cashed out of income.

Separate funds are sometimes kept for particular activities; e.g. school visits. A financial statement for each of these activities should be prepared and signed by the teacher/lecturer responsible and should be rendered to the Honorary Treasurer of the School Fund within a reasonable period after the conclusion of the activity. In the interests of the school and the teacher/lecturer concerned undue delay should be avoided.

Large school funds could be registered for VAT if their turnover exceeds the current taxable limit.

Additional Accounts

The Headteacher must approve any additional accounts to be set up for particular activities if large sums (over £10,000) of money are to be collected.

All subsidiary accounts of the fund must be reviewed and reported to the Governing Body annually.

Petty Cash Imprest Account

Currently school fund does not make cash payments however if the Treasurer needs cash for small payments, he/she should have an imprest account of a fixed sum (up to £250), which is reimbursed as required from the main bank account and the expenditure incorporated in the main account. A final reimbursement should be effected at the end of the year, so that all petty cash expenditure is brought into the year's accounts.

Details of petty cash payments must be recorded in a cash book and all vouchers kept. The actual amount of the imprest advance should feature in the accounts as part of the cash in hand.

Financial Records and Book-Keeping Procedure

The principal accounting record is the "school fund" excel spreadsheet currently in finance/loddon primary/schoolfund. This should provide sufficient columns for analysing the receipt and payments according to the activities to which the cash book entries must be supported by vouchers or documents; e.g. receipts, invoices, tuck shop daily takings record, school visits records, etc. These supporting documents should be numbered consecutively to cross reference with the cashbook entries and then filed in voucher number order.

All income received by the school for over £25 should be acknowledged by the issue of a receipt and entered in the cashbook. A photo copy of the receipt should remain in the receipt book. All copies of any cancelled receipts should be retained.

Payments should be made by cheque. As receipts are seldom issued by firms for payments by cheque, it is advisable to retain the invoice as a supporting voucher entering on it the cheque number, date of payment and voucher number.

Periodically, preferably not less frequently than monthly, the bank balance as shown on the bank statement should be reconciled with the balance as calculated in the cash book. Bank statements, cheque book counterfoils, paid cheques and bank paying in books are recorded which, together with any savings bank pass books, should be kept and made available for review purposes.

Annual Statement of Accounts

At the end of each financial year, a summary of the transactions of all private funds in the school should be prepared and submitted to the Governors after review.

This summary account is a Receipts or Payments Account. A Balance Sheet should be prepared, which shows the opening Accumulated Fund balance i.e. assets less liabilities, and the surplus or deficit from either account.

Review of Accounts

As a minimum requirement the Reviewer appointed by the Governing Body should be independent of the operation and management of the fund, appreciate the important nature of their duties, and have knowledge of accounting.

Whenever it is possible, a qualified accountant should be invited to review the accounts, especially where the turnover of the fund is substantial.

A reviewed annual statement of accounts for the school fund(s) must be presented by the Headteacher to the Governors each Summer term to cover the previous year ending 31 March.

Copies should be available for inspection by parents if requested.

The review includes examination, on a test basis, of evidence relevant to the amounts and information shown in the financial statement and as part of the review the reviewer should:-

- i) Complete sufficient testing of the transactions in the cashbook to enable them to form an opinion on the financial statements.
- ii) Verify the cash and bank balances.
- iii) Obtain all the information and explanations necessary in order to provide them with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.
- iv) Provide a Review report on the financial statements, which give a clear expression of opinion, based on review and assessment of the conclusions drawn from the evidence obtained.

When satisfied as to the correctness of the accounts the reviewer should certify that the accounts are in accordance with the books and documents of the fund and that they have verified the cash and bank balances. The wording of the review certificate should be on the following lines:-

"We have reviewed/examined the Income and Expenditure Account/Receipts and Payments Account and Balance Sheet of the school/college fund, together with the books and vouchers submitted to us, and certify the attached accounts are in accordance therewith".

If the reviewer is not satisfied as to the correctness of the accounts or is unable to obtain satisfactory explanations, they should immediately report the facts to the Headteacher and then if necessary to the Chairman of the Governing Body. The reviewer should also qualify the review certificate accordingly. The

review certificate should include the name, address and signature of the reviewer together with their contact address.

Insurance

Insurance for cash handling is arranged through the LA.

Suspected Fraud

If a suspected fraud or irregularity occurs which affects private funds (e.g.: School/College Fund) then Wokingham Schools Finance is available to provide advice and may, in certain circumstances, undertake an investigation.

It should be noted that Internal Audit Services is not obliged to investigate matters relating to private funds, although every assistance will be given within the limited resources available.