



MARTIN PRIMARY SCHOOL

Financial Management Policy

**Date updated: Spring 2026
Reviewed: Annually**

Finance Policy

The school seeks to develop a system of quality financial management, which will lead to sound financial decisions being made in an efficient and effective manner.

This policy has been drafted in line with the London Borough of Barnet's Scheme for Financing Schools. Practices described arise out of the implementation of Fair Funding employed here since April 1999 under Section 48 of the Schools Standards and Framework Act 1998, and it conforms to Contract Standing Orders.

The Governing Body will convene at least once a term. The Governing Body will apply the principles of best value to all financial and school dealings. To ensure the most effective, economic and efficient means available, the Governing Body will, wherever possible and necessary:

- challenge how and why a service is provided (including consideration of alternative providers)
- compare performance against other schools taking into account the views of parents and pupils
- consult with stakeholders especially parents and children
- compete to secure efficient and effective services.

Financial Objectives:

- that the responsibilities of the Governing Body, its committees, the Headteacher and staff should be clearly defined and the limits of the delegated authority should be clearly established
- that the budget should reflect the school's priorities and educational objectives, seek to achieve value for money and be subject to regular and effective monitoring
- that the school's budget will not result in a deficit position. Should this be the case, the school will follow the 'Deficit Budget Procedures' as set out in the 'Scheme for Financing Schools'
- that the school should establish sound internal controls to ensure the reliability and accuracy of its financial transactions
- that the school should be adequately insured against exposure to risks
- that the school should be registered under the Data Protection Act of 2018 and all data protected against loss, in line with the UK's implementation of the General Data Protection Regulation (GDPR)
- that the school should ensure that the purchasing arrangements achieve the best value for money
- that there should be efficient procedures for the administration of personnel matters
- that stocks, stores and other assets should be recorded, inventoried and adequately safeguarded against loss and theft
- that all income due to the school be identified, registered and banked promptly
- that the school should properly control the operation of bank accounts and reconcile bank balances and accounting records

1. Organisation of responsibility and accountability

1.1 Role of the Governing Body:

- to have responsibility for overall financial management of the school
- to ensure that the school meets all its statutory obligations
- to plan the budget and delegate responsibility to budget holders
- to delegate the management of the budget to the Finance Committee and to receive reports on a termly basis
- to delegate the day to day management responsibility powers to the Headteacher
- to ensure the requirements of the London Borough of Barnet's Scheme for Financing Schools and associated guidance are met
- to ratify policies drawn up by the relevant committee
- to ensure the principles of best value are considered at all times
- to ratify and approve the school budget
- to monitor the budget through reports produced by the Headteacher and Finance Officer
- to authorise virements in excess of £10,000 for individual budget headings
- to approve expenditure on major capital projects and to ensure the Headteacher has sought LA approval before proceeding
- to ensure appropriate insurance cover for the school is obtained
- to ensure audit recommendations are implemented
- to adopt the Whistleblowing Policy detailed in the Schools Financial Regulations
- to approve and authorise leasing agreements
- to follow deficit budget procedures as set out in the 'Scheme For Financing Schools'
- to delegate the completion and approval of the Schools' Financial Value Standard to the Finance Committee
- to agree a policy for gifts and hospitality.

1.2 Role of the Finance & Resources Committee (Finance Committee)

It is the responsibility of the Finance & Resources Committee to follow the terms of the reference agreed by the Governing Body as follows:

- to ensure that all Governing Body and other Committee decisions are based on raising the achievement of pupils
- to provide guidance to the Governing Body and the Headteacher on all issues relating to finance and staffing
- to ensure that the staffing levels in school reflect the needs of the children and support the School Improvement Plan (SIP)
- to prepare and review policies giving consideration to the planning and resources of the school in line with the School Improvement Plan (SIP)
- to consider and approve a provisional budget upon receipt of the allocation from the LA for consideration by the main Governing Body
- to establish and maintain an up to date medium-term financial plan (3-year budget projection) in consultation with the Headteacher that reflects the SIP
- to monitor the income and expenditure in conjunction with the Headteacher and report to the Governing Body on a termly basis

- to agree the level of delegation of the Headteacher for the day to day running of the school
- to authorise write-offs and disposals of stock
- to ensure that a register of business interests is put in place and all governors and staff to provide details on an annual basis
- to review and respond to reports by audit on the effectiveness of the financial procedures and controls
- to annually review fee policy, including lettings charged, remissions and expenses policies
- to ensure that the school obtains value for money when purchasing goods and services from all suppliers including the local authority and outside contractors
- to consider and approve the authorised signatories
- to approve variations in planned spending
- to approve and authorise leasing agreements
- to produce and review the Financial Management Policy on an annual basis
- to maintain minutes of Finance Committee meetings that may be open to a full Governing Body meeting
- to maintain confidential minutes that will have limited access
- to submit a full report to the Governing Body once a term
- to follow deficit budget procedures as set out in the 'Scheme for Financing Schools'
- to evaluate the soundness and effectiveness of the school's financial management systems against the Schools Financial Value Standard
- to ensure that the Pupil Premium received by the school is spent on raising the attainment of children on free school meals
- to identify sources of funding or grants for the school to pursue.

1.2.1 Premises matters:

- to be informed of the schedule of regular maintenance work and tenders for capital programmes
- to monitor any capital programmes.

1.2.2 Staffing matters:

- to review staffing policies including pay, recruitment, selection, disciplinary and grievance procedures and make recommendations to the Governing Body
- to assist with the appointment of staff in accordance with agreed procedures
- to be actively involved in any disciplinary procedures
- to review the staff salaries annually in line with legislation and make recommendations to the Governing Body – via Pay Committee
- to set and review performance targets for the Headteacher – via the Headteacher's Appraisal Committee
- to ensure that staff are correctly and fairly appointed
- to check the arrangements for staff appraisal/performance management are in place and being developed.

1.3 Role of Headteacher

Although the Headteacher retains ultimate responsibility, the Headteacher, the School Business Manager, Deputy Headteacher and Finance Officer as well as the Finance Liaison Officer (FLO) work in partnership in all matters relating to finance.

The responsibilities are:

- to lead and manage the creation of a strategic plan, underpinned by sound resource planning and which identifies priorities for targets for ensuring that pupils achieve high standards and make progress; to increase teachers' effectiveness at securing school improvement
- to ensure effective implementation of the financial systems and procedures described in the Financial Management Policy
- to adhere to the principles of best value at all times
- to ensure that arrangements for staff appraisal/performance management are in place and being developed
- to prepare budget estimates in conjunction with members of the Finance Committee
- to submit details of the approved budget to the LA by the required deadline
- to submit any approved budget revisions to the LA at least on a quarterly basis
- to ensure that the financial information provided to the Governing Body and Finance Committee meets their requirements: they are timely, accurate, understandable, etc
- to advise the Finance Committee on spending priorities
- to ensure that school expenditure reflects priorities in the School Improvement Plan including plans for money held in reserve for future projects
- to implement expenditure in line with the school budget
- to manage the budget and ensure that the budget limits are not exceeded
- to make virements where necessary up to the value of £10,000 for individual budget headings
- to consult the Finance Committee on virements in excess of £10,000
- to monitor the budget monthly or more regularly if appropriate using reports issued by the Finance Officer or finance liaison officer
- to authorise expenditure on a day to day basis in line with the budget and to submit for coding by the Finance Officer
- to monitor income and expenditure from specific grants and to ensure that the eligibility criteria for the spending are met
- to submit reports to the Governors giving details of income, expenditure and commitments to date
- to sign cheques and authorise BACS payments (two signatures are required). The additional signatories will be the Deputy Headteacher, Assistant Headteachers and senior teachers.
- to ensure that the School Budget Share Account does not become overdrawn
- to authorise any overtime/extra duties/supply claim forms
- to monitor salary expenditure with the Finance Officer and finance liaison officer, making use of the statement of accounts produced by the LA

- to follow up and pursue outstanding queries
- to keep up to date with financial rules and regulations
- to follow deficit budget procedures as set out in the 'Scheme for Financing Schools'
- to notify the auditors immediately of any suspected irregularity
- to ensure that the auditors have access to such premises, documents and assets as they consider necessary
- to consider and respond to recommendations in audit reports and report to the Governing Body results and any action taken by the school
- to ensure audit recommendations are implemented
- to inform human resources of any staff changes
- to ensure the online banking procedures are up to date
- to ensure that a charge card policy is in place
- to ensure the segregation of duties at all times
- to identify sources of funding or grants for the school to pursue.

1.4 Role of Teaching and Non-Teaching staff

The Headteacher will propose an annual budget for curriculum development, in line with whole school key priorities. The Governing Body will approve this budget at the time when the final budget for the school is set. Subject teams will seek approval for expenditure applications from the Headteacher, making clear how the expenditure links to areas of development on the SIP.

Named support staff, School Business Manager and Finance Officer, are responsible for ordering office stationery and Welfare officer for first aid material respectively.

Approval must be sought from the Headteacher to obtain items prior to purchase. A valid VAT receipt/invoice must be obtained before reimbursement can be made. Additional funding will need the approval of the Headteacher before proceeding.

1.5 Role of the Premises Manager

- to attend the Finance Committee when it discusses premises issues
- to order materials and equipment needed for basic building repairs and maintenance
- to place orders for cleaning materials and toilet requisites
- to carry out minor building repairs and claim overtime as appropriate
- to arrange that portable electrical appliance testing is carried out annually
- to support the Headteacher in formulating, monitoring, implementing and reviewing the school's Health & Safety Policy, incl. Risk Assessment procedures and Critical Incident Plan.

1.6 Role of the Finance Liaison Officer (FLO)

- to assist the Headteacher to prepare the annual budget based on realistic estimates of expenditure and income, including assumptions underpinning the budget
- to assist the Headteacher in preparing regular reconciled monitoring reports, showing expenditure and income against the approved budget
- to work closely with the Headteacher on budget preparation and monitoring

- to ensure that there are sound internal financial controls for the reliability and accuracy of school's financial transactions
- to check all records relating to school finance
- to provide financial advice
- to monitor salary expenditure making sure of the statement of accounts produced by the payroll provider.

1.7 Role of School Business Manager

- to ensure that there are written descriptions of financial systems and procedures which are kept up to date; and all appropriate members of staff are trained in their use
- to write and sign official order forms once authorised by the Headteacher
- to oversee the collection of income from school trips and charitable collections
- to oversee the collection of dinner money payments, chase outstanding debts and seek authority to write-off long outstanding debts
- to maintain stock levels for office stationery
- to develop and maintain day to day personnel procedures
- to be a named line manager of the office administrative staff, including performance review, training, supervision and CPD
- to carry out induction and motivation of new and existing administrative staff
- to manage and promote lettings of the school building and ensure that appropriate documentation is in place.

1.8 Role of Finance Officer

- to maintain accurate and up to date accounting records
- To procure stationery and other items in accordance with the Best Value Policy. A valid and duly approved purchase order to be raised prior to procurement. Receipt of goods to be confirmed by the designated receiver before any invoice is processed for payment. Outstanding goods, discrepancies, or queries to be resolved in full. Payment of invoices to be processed once receipt of goods and the accuracy of the invoice have been verified.
- to order postage stamps for the school
- to prepare cheques and—BACS payments and pass them with the relevant documentation to the Headteacher for signing/authorising
- to keep Arbor finance software up to date
- to produce monthly monitoring reports for the Headteacher and governors
- to send VAT reports to the LA on a monthly basis in liaison with the School Finance Liaison Officer
- to provide LA with details of income and expenditure and statements of bank reconciliation on a quarterly basis by the required deadline
- to raise and follow up queries as necessary
- to prepare and process virements in conjunction with the Headteacher as necessary
- to ensure that the budget codes are not overspent and to take corrective action where necessary

- to ensure VAT Regulations are complied with
- to monitor all grant income and expenditure
- to make the necessary grant budget adjustments as and when allocations are reviewed
- to prepare banking paying in slips for school cash income
- to bank income from school trips, charitable collections, donations and dinner money payments in the main school account with the exception of online payments
- to ensure that an audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa
- to provide LA with grant reports as necessary
- to prepare year-end returns by required deadline
- to ensure opening and closing balances reconcile to LA Accounts
- to complete Taxes Management Act 1970 Returns by the required deadline
- to ensure that the financial records are maintained to an auditable standard
- to ensure the segregation of duties at all times
- to ensure that the online banking procedures are adhered to
- to ensure that the School Budget Account does not become overdrawn
- to monitor expenditure charged to the school and ensure that invoices are accurate
- to ensure the school holds up to the value of balances brought forward (Revenue plus Capital) in the Reserve Account to earn maximum interest.

1.9 Register of Business Interests

The Governing Body will establish and maintain a Register of Business Interests for governors, the Senior Leadership Team (SLT) and administrative staff (and their immediate families) following guidance issued by the LA. This will be reviewed annually. This duty in respect of SLT and the administrative staff is delegated to the Headteacher.

1.10 Authorised signatories

The authorised signatory list identifies members of staff who are authorised for finance functions. This will be annually reviewed and approved by the Finance Committee.

1.11 Minutes

Minutes are taken at all Governing Body and committee meetings, uploaded to the Governors folder on the school's Google Drive and agreed. The minutes are accurate and include all the necessary information; clearly documenting issues discussed, items agreed and action to be taken. Committee minutes are presented at the next Governing Body meeting, where they will be agreed as a true record and provide an update for the full Governing Body.

2. Budgets

2.1 Budget administration

- The School Budget is linked to the School Improvement Plan (SIP), which is drawn up by the Headteacher, SLT, staff and governors. The SIP covers the school's educational priorities and the budget plans for at least three years, showing how the use of resources is linked to the achievement of the school's goals.
- The draft budget is prepared by the Headteacher, scrutinised by the Finance Committee (as delegated by the full GB) and approved and ratified by the full Governing Body.

When this has been completed the Headteacher will administer the budget and monitor it regularly.

- The Headteacher will check the statements of accounts sent by the LA monthly and any errors and omissions will be notified to the LA for correction.
- The Headteacher produces budget monitoring reports for the Finance Committee termly, showing income and expenditure against budget. The monitoring report identifies significant variances between the actual income/expenditure and budget. The reasons behind these variances are investigated and documented; corrective action is taken as appropriate and recorded.
- The allocation of funding is split into two main categories, Revenue and Capital. The revenue is sub-divided into three sections i.e. employees, premises and supplies and services.
- The school also receives an allocation for grant funding and any changes to the allocation are implemented on a regular basis.
- The Headteacher will ensure that eligibility criteria are met when spending grant allocation.
- The Finance Committee must approve the use of monies held in reserve.
- The Headteacher is authorised to vire between budget headings amounts of up to £10,000. The Chair of Governors, before implementation, approves any virements above this limit. These virements are then reported to the Finance Committee.

2.2 LA Financial Regulations and Standing Orders

- The school operates within the limits of its delegated budget and abides by the Authority's Contract Standing Orders.
- The school bank accounts will not be overdrawn.
- Audit recommendations will be implemented.
- All checks of opening and closing down of accounts and reconciliation to Arbor Finance Accounts are carried out by the Finance Officer and finance school's support officer who acts on behalf of the LA Director of Finance.
- The school will make no gift or payment in cash or kind.

2.3 Best value

The Governing Body has regard to the principles of best value when making decisions about how the available resources to the school are utilised.

3. Internal Financial Control

To ensure financial control, designated personnel are authorised by the Chair of Governors.

- Authorised signatories are as per the authorised signatory list.
- Subject team leaders submit their orders, which are authorised by the Headteacher (some of which may be delegated) and coded by the Finance Officer. Official orders are written by budget holders and or admin support, signed by the School Business Manager, dated and processed i.e. emailed to the supplier.
- Invoices for orders placed by the headteacher or deputy headteacher using one of the school's debit cards are signed by the School Business Manager and processed by the Finance Officer to ensure a clear separation of duties.
- Official orders delivered during the school holidays or at other times when the School Business Manager is unavailable are signed by the Premises Manager or the Caretaker.

- When goods arrive they are checked against delivery notes and official orders by the office staff or by budget holders. Any queries relating to deliveries/orders will be dealt with by the budget holders, office staff or Finance Officer.
- All invoices are stamped with a Certification Stamp, which is completed by the Finance Officer. These invoices are recorded on Arbor Finance Accounts package.
- Cheques and BACS payments are prepared by the Finance Officer and passed together with all relevant documents to the authorised signatories.
- The Headteacher and Deputy Headteacher are aware of book-keeping procedures.
- Designated personnel involved with financial documents including cheques, invoices, orders and receipts are aware that alterations should be made in ink and that Tippex and rubbers should never be used.
- Documents relating to finance are kept for a period of six years plus current working year.
- All accounting records are kept in an alarmed school office. The chequebooks, receipt books and unused official orders are locked in the safe/filing cabinet.
- An audit trail is maintained and financial transactions are traceable from the original documentation to accounting records and vice-versa ensuring segregation of duties.
- Only authorised staff will have access to school accounting documents and accounting package.
- The Headteacher and School Business Manager are responsible for monitoring payroll information and will raise queries where appropriate.
- Debts will be written off only in accordance with the LA regulations and the school will keep a record of all sums written off.
- Clear procedures are in place and are adhered to in relation to online banking.

4. Accounting system

All the financial transactions of the School must be recorded on the Arbor Finance accounting system. The Arbor system is operated by the Finance team and includes the following key elements:

- income
- purchasing
- payments
- payroll
- assets
- bank accounts.

The Finance Officer, School Business Manager and headteacher are the only school employees who have access to Arbor Finance. The Finance Officer is responsible for overseeing this system and for producing reports for the Headteacher and the Governing Body. This process is monitored by the school's external Finance Liaison Officer.

5. Accounting for 'Other' Income using School Cash Office

The School uses Arbor MIS to deal with the collection of 'other income'. This system can be accessed by all office staff; each user is defined with a unique ID and password. The School Business Manager is responsible for the day to day management of the MIS system. For parents and carers, notifications and payments are accessed through the Arbor parent app. A username and password is required to enter the application.

Detailed user guidance can be found at: <https://support.arbor-education.com/hc/en-us/sections/12209476383517-Parent-Portal-and-App-Payments-School-Shop-Meals-Clubs-and-Trips> or telephone number is 0203 835 4036

5.1 Nursery income

- All parents/carers who opt for an extended day either sign an Extended Day agreement or a 30 hour Agreement
- Every month, an office administrator sends invoices to paying parent/carers for the following calendar month with a 'payment by' date
- Monies are received into the school's bank account either as Arbor Education or bank transfers. Parents/carers are able to make arrangements to use childcare vouchers for payment.
- The Finance Officer communicates receipt of payments via a shared Excel spreadsheet to the office administrator who then allocates those monies to the correct child in Arbor; this generates an automatic receipt for parents.
- Every month, the office administrator contacts the parents/carers who have not settled their previous month's invoice.
- Any payments outstanding for longer than two months are communicated to the SBM.
- Sanctions for non payment can include fines (as stipulated on the signed Extended day or 30 hour agreement) and/or revocation of the space.

5.2 Cash received in school

- The school aims to be cashless, however, sometimes this is the only form of payment available.
- All cash payments are recorded and the cash is placed in the school safe.
- Cash for the school is paid into the school's bank account via the North Finchley Lloyds bank branch by the Finance Officer and the School Business Manager every half term if the amount exceeds £500. The bank authorises the payment and the amount is allocated to the appropriate income code.
- Cash for other sources, e.g. charities, is taken by the Finance Officer and the School Business Manager of staff to the nearest nominated collection point. A receipt is obtained and retained to record the amount deposited.

6. Insurance

- The school is insured through the London Borough of Barnet. Schedules of cover are issued annually.
- The adequacy of insurance is reviewed every year to ensure that an appropriate level of cover is maintained.
- Both the premises and the contents are covered under the policy.
- All employees of the school are included in suitable fidelity guarantee insurance.
- The School Business Manager notifies the insurers or the local authority of all new risks, equipment and vehicles that require insurance, or of any other alteration affecting insurance.

- The School Business Manager informs the insurers or the local authority of all accidents, losses and other incidents that may give rise to an insurance claim within 24 hours of occurrence.
- School property such as musical instruments and computers are covered when they are taken off site and used for school purposes (such as concerts or staff preparation, assessment etc). This cover does not apply if such items are stolen from unlocked vehicles.
- School journeys are properly insured before the journey occurs.
- A book detailing incidents is kept locked in the school office.
- All accidents, losses and incidents are immediately reported to the LA on the appropriate form.
- The Headteacher is responsible for reviewing insurance arrangements annually.
- Insurance cover is currently obtained for school staff on long and medium term sickness and maternity leave through arrangements with Education Mutual. Short term cover is provided by the school.
- Contractors are requested to provide a copy of the company's current/valid public liability insurance prior to commencing work.

7. Computer Systems

The school is registered in accordance with the Data Protection Act 2018 and complies with this legislation. We aim to ensure that the school has an effective computer based system for monitoring and processing financial information efficiently. Such information is properly protected and backed up and that information is restricted to authorised personnel and users.

- The computer systems are encrypted and protected by password security to ensure that only authorised staff have access. Passwords are updated regularly.
- A backup is taken by the ICT technician each time the system is closed down.
- A weekly backup is also performed via Spanning, a GDPR compliant third-party provider.

8. Purchasing

The school is governed by Contract Standing Orders for Schools. A copy is available in the Finance Reference File which is kept in the school office.

- Where a quotation other than the lowest is accepted, the reasons for this decision will be reported to the governing body and included in the minutes of the relevant meeting.
- Separation of duties is clearly established by the authorised signatory list and this is adhered to.
- No payment will be made to individuals unless they are for goods only.
- The school will adhere to the Construction Industry Scheme as per procedures.
- Official orders are ruled off below the last item recorded. Copies of the order are retained in the office in two separate files.
- Payment is only made when a proper invoice has been received, checked, coded and certified for payment.
- Invoices can only be certified by authorised signatories.
- The person signing the cheque or authorising the BACS payment and certifying the invoice should not have signed the original order or checked the goods.

- All invoices are marked with the cheque/BACS number.
- Non-consumable goods above the value of £500 are listed on the fixed asset register and the reference number should be written on the certification stamp on the invoice.
- When orders are placed for services an estimated cost is indicated against appropriate budget allocation so the budget can be clearly monitored.
- All goods and services are checked on receipt, against the copy order and goods received note for quantity and quality.
- The checking officer is different from the officer who signed the order.

8.1 Contracts

The school ensures that suppliers are decided upon in line with guidance from the Local Authority's Corporate Procurement Team, Best Value principles and the Contract Procedure Rules in the Schools Financial Regulations.

When selecting contractors for work:-

- Under £5,000 – at least two quotations must be obtained
- £5,000-£25,000 – three competitive quotations need to be obtained and tenders approved by Chair of Governors
- over £25,000 – five or more quotations need to be obtained, at least two of which must follow specified procedures and be approved by the Local Authority's Education Committee

8.2 Payments

- All staff requesting goods or services are aware that when goods/services are received they should be checked, the goods are in perfect condition and in the quantities and price ordered.
- There is a segregation of duties between the raising of orders and the authorising of payments.
- The goods are checked and distributed by designated personnel and distributed as soon as possible. The delivery note is checked against the original official order and the invoice.
- Non-consumable items above the value of £500 are listed in the inventory register.
- Payment is only made when an original invoice has been received, checked, coded and certified for payment. Copy invoices can only be paid after rigorous checks have been made.
- Invoices can only be certified by the authorised signatories as per the authorised signatory list.
- When invoices have been paid and authorised they are filed away in the paid invoices folder.

8.3 Purchase cards

- The Finance Committee will approve the use of charge cards by members of staff, for the purposes of the school. The guidelines detailed in section 10 of the Schools Financial Regulations will be considered.
- A maximum value for individual transactions and monthly expenditure limits will be agreed for each card.

- Currently there are two cards in use in the names of the Headteacher and the Deputy Headteacher. Both cards have a monthly spending limit of £2,500.
- Charge cards will be used in accordance with 10.3 and 10.4 of the Schools Financial Regulations and any misuse will be reported to the Governing Body, who will then take necessary action. Only the named cardholder will use a purchase card.
- Orders relating to purchase cards are raised and authorised, transactions recorded on Arbor Finance and receipts/invoices retained for reference and checked to the cash statements each month.
- Duties will be appropriately segregated - transactions must not be reconciled and approved by the same individual. The designated person responsible for reconciling the card transactions is the Finance Officer and all card transactions will be countersigned by an authorised signatory, other than the Headteacher
- Loss of any card will be reported to the Corporate Procurement Team. Cards no longer in use will be destroyed.
- The Headteacher will ensure no type of pay emolument or subsistence expense is made from the card.
- Staff will also refrain from using loyalty cards when making purchases for the school as there should be no personal benefit gained from such purchases.

9. Personnel and payroll

- The school has a contract with an external provider Education Personnel Management (EPM) to provide support to the school and process payments to staff.
- Procedures for appointments and payments are contained in the school Pay Policy.
- It is the responsibility of the Headteacher to ensure that a log is maintained of staff absences for permanent contract staff and this information is available to the LA staffing section.
- The School Business Manager makes monthly absence returns to EPM.
- The Headteacher or Deputy Headteacher can approve payment and appointment for supply work, both teaching and non-teaching.
- Time sheets will be signed by the Headteacher, Deputy Headteacher or Assistant Headteachers or by the Premises Manager for premises staff.
- The School Business Manager or a member of the administrative team will ensure that the schedule for the return of non-contract staff supply forms is adhered to.
- Salary printouts are received and checked monthly by the Finance Liaison Officer (FLO), Finance Officer and Headteacher. Queries are raised with the appropriate department.
- EPM sends payroll information to the school which is checked on a monthly basis. Any errors or omissions are reported to the relevant service for correction.
- The Headteacher, Deputy Headteacher or School Business Manager notifies EPM of any staff changes.
- A list of all staff employed by the school is kept by the Headteacher and is updated promptly to reflect changes.
- More than one person carries out checking and authorising documents and claims relating to appointments, terminations of employment and expenses.
- Only authorised members of staff have access to personnel files.

- All contracted staff are paid through the payroll system and payments are made to the appropriate agencies for supply staff.
- Personnel files for members of staff are kept in the Headteacher's office and confidentiality is maintained at all times.
- For disciplinary, capability, grievance issues, the Barnet guideline procedures are followed.

10. Security of stocks and other property

- The Premises Manager and administrative staff maintain an up to date inventory of furniture, fittings and equipment, plant and machinery and vehicles and the ICT manager and administrative staff maintain a register of computer hardware and software, in accordance with the Schools Financial Regulations Sections 7. All new non-consumable additions/purchases, or collection of similar items, valued at more than £500 and items of lesser value that are attractive and portable are recorded in the fixed asset register.
- The Headteacher, Deputy Headteacher, Premises Manager, Caretaker and School Business Manager are the only key holders to the school building.
- A school inventory register lists all items over £500. A physical check is made once a year.
- The Premises Manager with administrative staff carry out an annual check of inventory items every March. Any discrepancies between the Fixed asset register and actual items are investigated and a report presented to the Finance Committee.
- All attractive and portable assets (such as computers and electrical equipment) are securely marked by the Premises Manager to show they belong to the school.
- All write-offs and disposals of surplus stock are maintained at reasonable levels and are subject to a physical annual check.
- The school safe is kept locked at all times, and there are only 2 keys. The School Business Manager and the Headteacher each hold one of these keys. The Finance Officer has access to these.
- Stationery Stocks and consumables will be kept securely with access limited to the member of staff responsible for issues, and it will be ensured that levels of stock are not in excess of normal requirements.
- The school site is alarmed when closed and there are sensors in all classrooms, corridors and all offices.

11. Income

- The governors have a Charging Policy in place. This covers parental contributions for educational visits and other school activities.
- Official receipts are issued for school journey payments. Office staff maintain class lists and use Arbor on which they record money collected for class visits etc.
- Separate records are kept in the school office to list money collected for school activities.
- All cheques and online payments which come into the school will be clearly identified. All cash items will be receipted using an official receipt book if requested.
- Where appropriate invoices will be dispatched where a charge is to be made for a service or goods provided by the school.
- Where monies are collected on an instalment collection sheet this should be set up by the member of staff responsible and maintained in the agreed manner.

- Where invoices are required, they are issued within 30 days and in accordance with VAT requirements.
- The collection of income relating to educational visits/school journeys and other activities is paid into the appropriate bank account ensuring segregation of duties.
- The official fund book shows the split between cash and cheque/online payment receipts. All official account income is banked promptly.
- Cash and cheques are locked in the fireproof safe and do not exceed the agreed insurance limits.
- Income collections are not used for encashment of personal cheques.
- Sums deposited at the bank are reconciled to sums collected in preparation for each bank visit by the Finance Officer.

12. Lettings

- All lettings are authorised by the School Business Manager in accordance with the school's Lettings Policy and recorded in a register which is kept in the school office.
- Lettings are only available via a formal hire agreement, signed by the hirer.
- School lettings are administered by the School Business Manager
- Official LA invoices, booking and acceptances are issued at the correct time.
- All lettings are paid in advance and VAT will be applied where appropriate.
- All income is paid into the School Budget Share Account.
- Indemnity deposits will be paid back to the hirer when the satisfactory report is received by the School Business Manager.
- Some lettings are managed by Sharesy, an online platform which offers community spaces for events. Bookings are made via the Sharesy website and are communicated to the School Business Manager in a monthly statement. Sharesy ensures that all the lettings are covered by the necessary insurance.
- The school will seek to set up agreements with the long-term hirers.
- The renting levels should be reviewed yearly and approved by the Finance Committee.

13. Banking Arrangements

- Authorised signatories are the Headteacher, Deputy Headteacher and Assistant Headteachers
- Cheques and BACS payments are prepared by the Finance Officer for the categories of expenditure detailed on the DP11 and are attached to the appropriate documentation i.e. invoices for certification.
- The bank accounts are never overdrawn, nor will the bank negotiate overdraft facilities.
- The school will not enter into any loan agreement other than with the LA.
- Two signatures are required on all cheques and BACS payments.
- All cheques are crossed 'account payee only'.
- The Finance Committee must approve individual purchases above £10,000.
- All payments are made via BACS transfers.
- Cheques are never pre-signed.

- When not in use, cheque books, computerised pre-printed cheques and BACS payment authorisation devices are securely kept in the school office.
- Bank statements are received monthly and reconciled with accounting records by the Finance Officer.
- Bank reconciliations are prepared each month by the Finance Officer and countersigned by the authorised signatory. Any discrepancies are investigated immediately and corrective action taken.

14. Tax

- The school complies with VAT, Income Tax and CIS Regulations.
- Only proper VAT invoices are paid from the School Budget Share Account.
- VAT is only reclaimed where a properly constituted VAT invoice is received, in accordance with the Schools Financial Regulations.
- VAT is only reclaimed on tax invoices for supplies direct to the school for which the school retains ownership.
- All finance and administrative staff are made aware of the requirements for VAT.

16. Schools Financial Value Standard (SFVS)

The Schools Financial Value Standard will be approved by the Finance Committee and the full Governing Body in the autumn term. The completed SFVS form is then submitted to the LA by the specified deadline.

Appendix 1
Martin Primary School
Financial Management Policy Procedures

1. Budget preparation monitoring and reporting

The Headteacher and Chair of the Finance Committee will put together a provisional budget based on the provisional budget share and an estimated underspend. When the final budget share is received the Headteacher and Chair of the Finance Committee will meet to adjust the budget in line with the budget share. The full Governing Body will meet to consider and ratify the budget. The Chair of Governors will sign the budget and submit it to the LA on the approved DP11 form in accordance with the Scheme this budget will be put onto the Cash Accounts system

When the previous financial year's accounts have been closed, the Governing Body will determine how this money is to be spent and complete the form DP12 which is to be sent to the LA

Monitoring and control must be continuous throughout the financial year. This is an ongoing function and is extremely important, not only in the current year to gauge actual performance, but also to aid future planning and decision making. To be able to monitor budget effectively, actual expenditure and known commitments must be reported to give budget holders, the Headteacher and governors a clear view of the overall financial position of the school. Monthly reports will be given to all budget holders to enable them to check and control their budgets. Any variances identified from the reports can be investigated and prompt action taken. Where appropriate, virements need to be implemented and the approval of the appropriate person must be obtained.

2. Governing Body or Finance & Resources committee

An up to date report will be produced quarterly for the Governing Body meeting. The Governing Body will approve virements and any spending cuts or increases. The reports will enable the Governing Body to revisit the Development Plan if any savings are identified.

3. Headteacher/Leadership Team

A detailed monthly report will be given to the Headteacher or SLT to enable monitoring of the income and expenditure against the original budget plan. This will enable the Headteacher or SLT to make informed decisions regarding individual budgets

4. Payroll Monitoring

The school receives its payroll from Education Personnel Management Ltd (EPM). EPM sends monthly reports detailing the number of hours, gross pay and oncosts for each member of staff. These costs are monitored against staffing estimates. Overtime and supply claims are checked against time sheets held within the school, mealtime supervisors are monitored against the composite time sheets. Any errors or omissions are notified to EPM for correction.

Year-end creditors, debtor's payment and receipts in advance are completed and returned to the LA. When the creditors and debtors etc appear on the LA report, they are checked against the schools' records for accuracy. Each month the schools' accounts are reconciled to the LA's statement of accounts code by code. The budget, income and expenditure are checked for accuracy and the overall position reconciled. Any errors are notified to the LA.

5. Income Monitoring

The income is monitored on a monthly basis to ensure that targets are being met. Checks are being made to ensure lettings income is received and cleared through the bank. The Headteacher will notify the Governing Body immediately if it is considered that targets are not being met to enable them to convene and discuss where savings can be made.

6. Virements

Approval for a virement will be made prior to the spending taking place. No budget holder will be allowed to overspend his or her budget. Once the underspend is notified to the school, virements will be made by the Headteacher to meet the outstanding commitment from the previous financial year.

During the course of the year virement may be necessary from contingency. These will be done in line with procedures and with the approval of the Governing Body.

The Headteacher will be able to authorise a virement up to £10,000. Any virements over this amount must be approved by the Chair of Governors.

7. Privately Funded Purchases – Virements

The school is allowed to save the VAT on purchases for goods or services that are beneficial to the curriculum. When an invoice is received this will be paid from the official funds and the net amount paid from private funds. The invoice will be paid using the correct expenditure code and the income to the correct income code. The VAT will be recovered in the normal way.

8. Capital Projects – Virements

If a project is being delivered or brought forward, a virement must be done to meet the expenditure. The Governing Body will approve this and the Chair of Governors will sign the virement.

9. Financial Returns

The school will send quarterly returns to the LA for income and expenditure using an LMS Posting Summary Sheet and monthly VAT returns. The schools will notify the LA of their current cash position by sending monthly bank reconciliation. The returns will be sent to the LA in line with the schedule of dates sent by the LA.

The school will also send a BVAC report and bank reconciliation to the Chair of the Finance Committee every month.

10. Grant Funding

Each year the LA notifies the school of their allocation for the grant funding. An initial allocation is given to the school together with the School Budget Share. This allocation is notified to the grant co-ordinator to monitor. The LA will notify the school of any further budgets that have been devolved. The co-ordinator will liaise with the Finance Officer on the expenditure and commitments to ensure more accurate monitoring and reporting. The LA will reimburse the school with all expenditure that is within the grant fund categories and coded to the correct code to ensure cash flow. This income will be paid into the grant income code. The co-ordinator will ensure that all expenditure meets the requirement of grant funding categories and keep a full set of records, evidence of the budget, the expenditure and the income. The co-ordinator will also ensure that the grant fund money is spent by the appropriate deadline.

Appendix 2

Martin Primary Fund

Overview of the Martin Primary Fund (MPF)

The Martin Primary Fund (MPF) is a voluntary contribution scheme that enables parents/carers to make a financial contribution to the school directly (i.e. outside of the context of the Martin Home School Association). The MPF will contribute to the stability of the school's offering to all children, in the context of government funding not meeting the school's carefully-managed but increasing overheads.

Parent/carers and the MPF

Parents and carers are the key stakeholders in the MPF with the school. Their experience of the MPF is of critical importance and will be considered in every decision relating to the MPF.

Parent/Carer communications

The school will invite parents and carers to participate in the scheme at opportune moments in the school's annual cycle. This will include when they are being inducted as part of a new intake into Reception or Nursery, regularly at the start of each school year for other year groups, and on particular school occasions at the Headteacher's discretion.

The Headteacher will take responsibility for communications to parents/carers about the scheme and will address any questions from prospective scheme contributors. The Headteacher may involve the Governors, MHSA Chair(s) and Finance Officer in preparing any communications.

Each communication which invites participation will cover these five key principles which will be core to the overall scheme:

1. Contributions to the MPF are entirely voluntary: there is no obligation for parents/carers to make contributions and the school does not expect every parent or carer to be in a position to contribute
2. Children are not treated differently according to whether or not their parent/carer has contributed to the MPF; contributions are kept strictly confidential and no staff except the Finance Officer or School Business Manager will be aware of specific contributions
3. There is no minimum or maximum contribution amount – the school is very grateful for any amount of contribution, whether regular or one-off
4. The school will decide how to use the contributions and will report to the school community annually on how they have been used, but it is expected that contributions will be put towards support structures and enrichment opportunities for the benefit of the children.
5. Parents/carers are encouraged to continue supporting the MHSA and its activities whether or not they choose to contribute to the MPF, as well as supporting other activities that benefit the children and school (e.g. volunteer readers, Resources Group).

Parent/Carer contributions

Parents/carers will be able to make contributions to the MPF by:

- setting up a standing order at any time with their own bank (directed at the specific MPF Bank Account – see below) for regular payments (e.g. monthly, quarterly, annually; and/or
- making one-off payments via Arbor (as and when this facility is made available by the School Office). This may include the opportunity for parents/carers to pay for an additional enrichment activity (such as funding for an additional school trip place) or resource (such as a library book or piece of equipment).

No additional paperwork will be necessary to make a bank transfer or set up a standing order. However, to help identify payments and deal with any follow-up queries, parents/carers will be asked to include a reference to their names against any contribution made to the MPF Bank Account.

Because each contribution to the MPF will be confidential and only known to the Finance Officer (in the case of contributions to the MPF Bank Account) and the School Business Manager (in the case of contributions via payments via School Cash Office on Teachers2Parents), only the Finance Officer and School Business Manager will be able to deal with any issues arising with existing contributors.

Contributors who are parents/carers of children who are leaving the school will be reminded to decide whether to continue or stop making any regular contributions.

Governance and the MPF

Governance responsibility for the MPF is delegated to the Finance and Resources Committee.

The Headteacher will provide a report on the MPF at each Finance and Resources Committee meeting, with the assistance of the Finance Officer and School Business Manager. The Finance and Resources Committee will be responsible for updating the Full Governing Body as necessary.

The Finance and Resources Committee will work with the Headteacher in deciding on any particular "campaigns" (e.g. matched funding). Any key decisions regarding the MPF, such as "campaigns" will be communicated to the Chair(s) of the MHSA for information, and the Finance and Resources Committee may invite the Chair(s) of the MHSA (and any other MHSA members) to attend any discussion concerning the MPF. The Finance and Resources Committee will also review the efficient use of donations on a regular basis.

Financial management of the MPF

Bank account

- Bank transfers (standing orders) will be received into a specific bank account which will only be used for the MPF (the MPF Bank Account). This is account 33271460; sort code 30-65-41.
- Authorised signatories to the MPF Bank Account will be the Headteacher, Deputy Headteacher, and Assistant Headteachers.
- The MPF Bank Account will have no overdraft facility, debit card or cheque book.
- Money can only leave the MPF Bank Account as a transfer to the school's main operating bank account. Such transfers may only be made following the approval of the Chair of Finance and Resources Committee. Each transfer that is subsequently effected by the authorised signatories with the Bank will then be evidenced in the reports given to the Finance and Resources Committee.
- Each contribution received into the MPF Bank Account will be kept confidential and will only be seen by the Finance Officer.
- Direct Debit arrangements will not be used. It is up to parents/carers to manage their own standing orders.

Legal status of contributions to MPF

Any contribution, whether received via bank transfer (standing order) or Arbor will have the status of school income. As with any other source of income, the school has ultimate discretion as to how that income is to be applied.

The MPF is not a trust and does not have any charitable status or separate legal personality. As the contributions are treated as school income they are non-refundable.

Budget management of MPF

The school's budget will include a forecast for MPF income and will track revenue for that forecast (via Arbor Finance). (This forecast will not be communicated as a "target", but for budget planning purposes it will be necessary to set a prudent expectation.)

MPF income via the MPF Bank Account and via School Cash Office will each have a separate income code on Arbor Finance so that each contribution medium can be separately monitored.

The School Business Manager will update the Finance Officer on a monthly basis regarding contributions received via School Cash Office on Teachers2Parents.

Data protection

The school's data privacy notice has been updated to reflect the storage and use of personal data regarding "voluntary contributions".

The DPO has advised that to comply with applicable legal requirements all payment information must be stored securely and kept confidential:

- Payment data in relation to contributions received via Arbor will be stored securely and confidentially on the Teachers2Parents system. Only the School Business Manager will have access to this payment data.
- Payment data in relation to contributions received via the MPF Bank Account will be stored securely via the online banking system of the Bank. Only the Finance Officer will have access to this payment data.

No other paper or electronic records identifying any contributors will be made.

Any data extracted from Arbor or Bank records for the MPF Bank Account (e.g. for the purposes of providing reports to the Finance and Resources Committee) will be anonymised and/or aggregated, so as not to reveal the identity of any contributor.