



# **FINANCIAL REGULATIONS FOR SCHOOLS WITH DELEGATED BUDGETS**

**(Effective 1<sup>st</sup> April 2022)**



# **BRISTOL CITY COUNCIL**

## **FINANCIAL REGULATIONS FOR SCHOOLS WITH DELEGATED BUDGETS**

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## **1. INTRODUCTION**

### **1.1 Purpose**

1.1.1 The purpose of these financial regulations is to:

- a. Identify in a helpful way the principles of good financial control and best practice for Governors, Headteachers and staff as required by the *Scheme for Financing Schools*.
- b. Enable Governors to exercise their responsibility for making arrangements for the proper management of the school's finances.
- c. Ensure that the highest standards are achieved in the stewardship of public funds.
- d. Encompass the statutory duties required of officers of the City Council by Section 1.1(1) of the School Standards and Framework Act 1998, the 1972 and 1988 Local Government Acts relating to the proper administration of the City Council's financial affairs and the maintenance of an adequate and effective internal audit, and the 1989 Local Government and Housing Act which defines the role of the Monitoring Officer in establishing the legality of actions, the Local Government Finance Act 1992 and the Accounts and Audit Regulations 2015.
- e. Contribute to the achievement of best value principles.

1.1.2 These Financial Regulations are supplemented by operational and procedural advice from the Local Authority (LA) on aspects of financial administration and the use of the Council's preferred financial system (currently managed by Trading with Schools (TwS) - RM Accounts, if purchased) e.g., retention of documents, contract conditions, payroll, internal trading and the RM Accounts finance system.

### **1.2 Compliance**

1.2.1 Failure by individual employees to comply with financial regulations, or the instructions issued under them, will constitute misconduct.

1.2.2 This regulation applies to all school staff and governors and activities involving school staff in their role as a member of staff (i.e., operation of the school's voluntary fund) and it is the responsibility of the governing body to ensure that they are followed and that all staff in the school are adequately trained to undertake their responsibilities.

1.2.3 Review bodies, such as Internal Audit, will evaluate the procedures put into place by schools to establish whether the requirements of these regulations are being observed.

1.2.4 Throughout this Financial Regulation use of the word "schools" refers collectively to Governing Bodies, individual governors, the Headteacher and other staff employed at the school. However, in certain cases, the Financial Regulations apply specifically to the Governing Body or the Headteacher.

1.2.5 The Chief Finance Officer (who currently is also the Director of Finance and the Section 151 Officer and herein referred to in this document as CFO) welcomes feedback on the operation of Financial Regulations to ensure they remain relevant and effective. Initially the Finance Manager (Children's and Education) should be contacted if you have comments on the application or operation of this Regulation.

### **1.3 Schools managing their own cash**

- 1.3.1 Schools can opt to make their own banking arrangements. This means that a number of the sections in these regulations will apply differently from those Schools in the LA pooled banking arrangement. Some of these includes (but not limited to) retention of financial records, banking arrangements, payment of accounts, petty cash imprest accounts and income.

## 2. FINANCIAL ORGANISATION AND RESPONSIBILITY

- 2.1 Section 1.6 of the *Scheme for Financing Schools* allows Governors to delegate their powers to the Headteacher, who is responsible for the day-to-day management of the school. Similarly, authority may also be delegated to a committee of the Governing Body (which it has created), such as a finance committee, which may meet more frequently than the full Governing Body and therefore be in a position to respond more quickly to issues which arise in the financial management of the school. The Governing Body can delegate authority to carry out these and, other tasks, but cannot delegate the responsibility. The Governing Body remains ultimately accountable. Where such delegation is made it is important that all parties are aware of the extent of their delegated powers, which should be clearly set out and minuted at a meeting of the full Governing Body. Whilst not a comprehensive list, some examples of functions which could be delegated by the full Governing Body, either to the Headteacher or to a committee of the Governing Body, are set out in ***Annexure A – Functions which could be Delegated by the Full Governing Body***.
- 2.2 The full extent of any such delegations should be formally agreed and minuted at a meeting of the full Governing Body and included in the school's Financial Regulations, as detailed in the school's own Internal Control and Management Document. The school's Financial Regulations shall be reviewed annually at the start of the financial year and formally minuted at a meeting of the full Governing Body. ***Annexure B – Financial Control Procedures*** highlights certain objectives that should be reviewed as part of the school's financial control procedures.
- 2.3 Headteachers must ensure that the responsibilities of staff concerned with finance are, as far as practicable, distributed to provide an adequate separation of duties so that effective control is maintained. The following principles should be observed in the allocation of accounting duties:
- a. Responsibility for providing details of calculating, checking and recording of sums due to, or payable by, the school shall be separated as completely as possible from responsibility for collecting income or authorising expenditure.
  - b. Employees responsible for examining or checking records of cash transactions shall not themselves be engaged in any of those transactions.
- 2.4 Headteachers will be responsible for maintaining a current record of members of staff who are authorised to sign documents and have access to computerised financial systems. The record must also include levels of authority and limitations. If the school uses systems provided by the LA, copies of the approved authority forms submitted to the LA for this purpose are sufficient to create the record.
- 2.5 Headteachers using financial systems not provided by the LA must consult with the LA to ensure that proposals to amend financial systems and procedures do not lead to the weakening of controls or duplication of existing accounting systems.

- 2.6 Headteachers must ensure that records and systems are properly maintained and carry out independent checks to ensure compliance.
- 2.7 There are particular requirements for the retention of financial records which include, in particular, special arrangements for VAT, contracts and payroll records. These are included in the procedural advice issue to schools.
- 2.8 Schools are encouraged to maintain their own internal financial procedures manual. A model of such manual is included as, ***Annexure C – Sample School Financial Procedure Manual***, below.

### 3. BUSINESS ETHICS

- 3.1 References to business interests are contained in paragraph 2.14 of the *Scheme for Financing Schools*.
- 3.2 It is important that Governors and staff not only act impartially, but are also seen to act impartially.
- 3.3 The Nolan Committee report on standards in public life (May 1996) identified seven principles that should be applied.

These are:

- Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty and
  - Leadership
- 3.4 One important way in which a school can demonstrate that it is applying these principles is by maintaining a register of business interests which must be open to inspection by Governors, staff and parents.
- 3.5 All Governors and any staff responsible for influencing expenditure must submit details of all their business interests such as directorships, shareholdings and other appointments with any business or organisation which may have dealings with the school. The details must include business interests of relatives or other individuals who may be in a position to exert influence. If there are no interests, a ***Nil return*** is still required.
- 3.6 There is a responsibility on the individual to notify the school when any changes occur to their business interests and annually, the school should seek confirmation that the information held is up to date. Schools also should ensure that prior to any decisions of a financial nature (including staff appointments) those present should be asked to declare any interests.
- 3.7 All Governors and staff responsible for incurring expenditure must record all offers of gifts and hospitality offered in connection with their links with the school and whether the offers were accepted. This will avoid bringing discredit on the school or City Council.
- a. Gifts can only be accepted when they are low cost, functional items suitable for business use, rather than personal use e.g. diaries, calendars, pens or small value gifts received by

Teachers from pupils. Other gifts which may be received from outside contractors or organisations should be returned with a suitable official letter.

- b. Normally visits to exhibitions, demonstrations, conferences, business meals and social functions in connection with their official duties shall be at the School's or City Council's expense. In certain circumstances it may benefit the school to accept the hospitality of an outside agency. This will be a decision for the Chair of Governors and Headteacher. However, the event and the decision must be recorded.
- c. On no account should an employee accept either secondary employment or a financial payment from any person, body or organisation with which the school is involved.
- d. Any promotional offers received must remain the property of the school and must be used for the benefit of pupils.

3.8 Further details on business/financial interest is provided in ***Annexure D - Keeping a Register of Business/financial interests*** below.

3.9 Schools should ensure that all staff receive a Code of Conduct which clearly sets out the **standards of behaviour expected of them**. A sample code of conduct document (which schools can adapt/adopt is provided at ***Annexure E - Code of Conduct for School Governors, Headteacher and Other Staff in Respect of Commercial Practices, Gifts and Hospitality*** below.

#### **4. INTERNAL AUDIT**

4.1 The principles for the audit of school's accounts are contained in sections 2.11 to 2.13 of the *Scheme for Financing Schools*.

4.2 The Internal Audit of the City Council is empowered to:

- a. Require from employees and Governors such information and explanations as are considered necessary for audit purposes.
- b. Require any employee or Governing Body to produce cash, stocks, property or assets under their control.
- c. Require and be provided access to all correspondence, documents, books and other records of any employee of the Schools/ City Council or Governing Body and appertaining in any way to the activities of the School/Governing Body/City Council.
- d. Examine all works or services carried out for the school by an employee or contractor, and goods purchased on behalf of the school or issued from store.
- e. Review, appraise and report on the adequacy and application of financial and other controls, and the protection of the school's property (including intellectual property) and assets against loss due to fraud, waste, extravagance, inefficient administration, poor value for money or other cause.
- f. Review, comment and report upon issues relating to the City Council's Code of Conduct and matters concerning secondary employment.

4.3 The Chief Internal Auditor has the right to have access to premises, and to report to the most appropriate person depending on the subject matter under investigation.

4.4 The Internal Audit Section must be notified immediately of any circumstances which suggest the possible existence of any irregularities with a financial implication. The Chief Internal Auditor

will then decide, in consultation with the appropriate officers of the City Council, the manner in which the irregularity is to be investigated. This may include a decision from the Police.

- 4.5 The Governing Body must undertake periodic review (at least annually) of their financial procedures and controls. It is the responsibility of the Governing Body and school management to ensure that internal controls are adequate and effective, and to take action to secure this on an ongoing basis.

#### **4.6 Irregularities**

- 4.6.1 All monies and assets associated with a school are public property and provided for the education of the pupils. They are not provided for the benefit of governors, Headteachers or staff personally. Individuals either working for, or associated with, the school have a duty to report any irregularities or suspected irregularities.
- 4.6.2 The Internal Audit Service and Finance Manager (Education and Children's) [also known as FM (E&C)] shall be notified immediately by school governors, Headteachers or other staff, as appropriate, of all financial irregularities or suspected irregularities, or any circumstances which may suggest the possibility of irregularities in the exercise of any of the school's financial functions (e.g. Cash, stores, property and computer held data). Upon notification, the LA team must consult with those officers detailed in the local authority's Anti-Fraud and Corruption Strategy on any such notification.
- 4.6.3 The Governing Body and Headteacher, in consultation with the FM (E&C), shall take appropriate action<sup>1</sup> to prevent further loss and to secure records and documentation against removal or alteration.
- 4.6.4 The CFO and the FM (E&C) shall determine the scope and cost implications of any internal enquiries or investigations.
- 4.6.5 The FM (E&C) must consult with those officers detailed in the local authority's Anti-Fraud and Corruption Strategy in deciding whether any matter under investigation should be referred to the police. Appropriate recovery action should be taken on such matters.
- 4.6.6 Each school Governing Body and Headteacher shall take steps to minimise the risks of financial irregularities occurring.
- 4.6.7 Those involved in conducting or assisting in irregularities should have regard to the provisions of the Code of Conduct for Employees, Standing Orders, and the Anti-fraud and Corruption Policy, as well as Financial Regulations. Also, the Governing Body and Headteacher should adhere to the provisions of the particular legislation and corporate policy regarding the 'Public Disclosure Act 1998<sup>2</sup>'.

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<sup>1</sup> This should happen after the FM (E&C) has consulted with those officers detailed in the Anti-Fraud and Corruption Strategy.

<sup>2</sup> [Public Interest Disclosure Act 1998 \(legislation.gov.uk\)](https://legislation.gov.uk/public/1998/1)



## 5. REVENUE BUDGET (EXPENDITURE)

### 5.1 Revenue Budget Preparation

- 5.1.1 The school's revenue budget, prepared in conjunction with both the school development and asset management plans, provides details of how the schools delegated budget and other devolved resources and any transfers to/from balances from previous years<sup>3</sup> are to be spent. The revenue budget shows an analysis of the annual income and expenditure thereby reflecting financial implications of the school's policies and provides a framework within which those who are responsible at the school for making payments should operate. It also provides the CFO and the FM (E&C) with the information they need to carry out their respective statutory responsibilities. These Financial Regulations seek to provide a framework for the preparation and notification of the revenue budget. A sample detailed budget (showing 5 years information) is shown in **Annexure F**. Alongside this a sample summary budget (to accompany the detailed budget) is shown at **Annexure G**.
- 5.1.2 Upon notification by the local authority of the Individual Schools Budget (ISB) the Headteacher shall prepare a revenue budget at outturn prices for the relevant years. Planning for the use of resources should support the achievement not only school's objectives but also those relating to national and local priorities.
- 5.1.3 The school's revenue budget shall be prepared using the format prescribed by the local authority (see **Annexures F and G** for sample). Once approved by the Governing Body, the budget must be submitted in the required form to the CFO (currently through the TwS – Schools Finance team), signed by the Chair of Governors no later than 31<sup>st</sup> of May each year.
- 5.1.4 It is a matter for each Governing Body to decide upon the procedure for preparing and agreeing the annual revenue budget, but it should be prepared in conjunction with the school's development/improvement and asset management plans.
- 5.1.5 Each annual revenue budget should be prepared so as to break even or show a balance and should take account of any reserves (previous year balances). Schools are not permitted to budget for a deficit. However, where this appears to be unavoidable the Governing Body shall submit its case (prior to the submission of the governor approved budget) to the FM (E&C), who shall determine the matter in consultation with CFO and Director of Education and Skills Services.
- 5.1.6 The revenue budget must be realistic and achievable. In this respect the Education Finance Service in conjunction with appropriate colleagues within Education & Skills Division and the council's schools finance commissioned provider (currently TwS) will check to see that this is so. Where the revenue budget as submitted does not meet this requirement, it will be returned to the school within the local authority's budget approval process timeframe together with a

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<sup>3</sup> The annual budget plan will include projected financial commitments for the two subsequent years.

preliminary statement of discrepancies. The Governing Body will be required to reconsider the budget and resubmit within a specified timeframe<sup>4</sup>.

- 5.1.7 Any balances set aside in the revenue budget should have regard to the school's development and asset management plans and any specific balances guidance issued by the local authority<sup>5</sup>.
- 5.1.8 As soon as any significant changes to the revenue budget have been agreed by the school's Governing Body, those changes must notify the FM (E&C) through the TwS Schools Finance team, giving details of costings.
- 5.1.9 Governing Bodies will supply the CFO and the FM (E&C) with such information as is required to fulfil their statutory duties and responsibilities.

## **5.2 Revision of the Revenue Budget**

- 5.2.1 Once the school's revenue budget has been approved by the Governing Body and submitted to the local authority, it is often the case that the Governing Body will need to make changes to the plan during the financial year. The process of transferring budget provision between budget headings is known as virement. It is important that each school has in place a formal arrangement for approval of any revision of the Revenue Budget, which should be incorporated in the schools own Financial Regulations. Such approval, up to a specified limit, may be delegated to a Headteacher or to a committee of the Governing Body. It is the responsibility of the Governing Body to authorise such variations (virements) to their Revenue Budget. As soon as any revisions to the revenue budget have been agreed and those changes significantly affect the school budget, the Governing Body shall notify<sup>6</sup> the local authority in the usual format, giving details of costings. The school will then amend its accounting system to reflect the latest position. Budget changes in excess of £5,000 or more are considered significant
- 5.2.2 The Governing Body is empowered to vire between the various headings of income and expenditure within the delegated budget<sup>7</sup>. However, transferring Capital Budget to Revenue is not allowed.
- 5.2.3 Where authority to vire has been formally delegated to the Headteacher or to a committee of the Governing Body, details of each virement must be reported to the next full Governing Body for approval. This includes virements both to and from the school's accumulated carry forward<sup>8</sup>.
- 5.2.4. The Governing Body shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring. The school's accounting system will be amended to reflect the latest position. Significant change is taken to mean in excess of £5,000 where the school overall annual budget is less than £1m and £10,000 above £1m.

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<sup>4</sup> [Timeframe will be limited and Governors responsible for reconvening budget approval meeting](#)

<sup>5</sup> [And DfE where appropriate](#)

<sup>6</sup> It is not necessary to resubmit the entire budget plan and the notification is generally processed through the school's TwS finance contact.

<sup>7</sup> Exceptions being those involving ring-fenced allocations, i.e. Rates.

<sup>8</sup> Exceptions are specific ring-fenced allocations

### 5.3 Revenue Budget Monitoring

- 5.3.1 Regular monitoring of income and expenditure against the agreed budget is central to effective school financial management. It allows Governors, the Headteacher and staff to maintain financial control by continually reviewing the school's financial position and taking remedial action where necessary. Effective financial management will ensure the school's development/improvement plan objectives are being met and financial resources are effectively deployed against these local, regional and national objectives (raising attainment and narrowing the educational gap).
- 5.3.2 Schools must monitor income and expenditure against their delegated budget. The Headteacher is to monitor the budget on a monthly basis, throughout the year. This function cannot be delegated to finance staff or an external bursar service.
- 5.3.3 Budget monitoring reports should be prepared and presented periodically, at least six times a year<sup>9</sup>, to the full Governing Body for review as contained in section 2.2.1 of the *Scheme for Financing Schools*. Governors may request more frequent reports, and these must also be presented to appropriate committees.
- 5.3.4 The monitoring reports must be signed by the Chair of the meeting after approval for inclusion in the minutes and retained with the minutes.
- 5.3.5 Each school's Governing Body may determine the form and contents of financial reports (see **Annexures G and H** for sample monitor), but the following basic information should be considered as the minimum for inclusion:
- a) The original and any revised budget
  - b) Current actual income and expenditure plus commitments
  - c) An estimate of income and expenditure to the year end
  - d) A total projecting year end position for both income and expenditure
  - e) A comparison of the latest (a) and (d) figures
  - f) Explanations for significant variances
  - g) Reports should cover the total revenue budget and capital budget of the school
  - h) An estimate of the in-year balance
  - i) The balances brought forward from previous years and to be carried forward to next including (h) above

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<sup>9</sup> As stated in requirement in DfE SFVS guidance issued April 2019

- j) Any explanation as to future use of any balances held or what steps are to be taken to bring any overspends back into balance

- 5.3.6 Where schools hold monies on behalf of others (for example, partnership, and other specifically identified income stream, other than the Dedicated Schools Grant) a separate report is to be provided for these monies using the reporting approach outlined above. This report is to be presented to both the school's governing body and the party or parties for whom the school is holding the monies.
- 5.3.7 Budget monitoring is to be carried out monthly at all levels and should include all devolved budget cost centres. Expenditure on individual initiatives is to be tracked to enable the school to assess cost and effectiveness against the criteria set out in the school's development/improvement plan and conditions associated with any specific funding.
- 5.3.8 It is important when considering actions to tackle any significant variances that these are not just concentrated on overspends. Underspends must also be considered as it is important to deploy all available resources to meet the School Development Plan and other externally set priorities.
- 5.3.9 In accordance with Section 2.2.2 of the Scheme for Financing Schools, schools using RM Accounts managed by TwS team must submit quarterly budget monitor (forecast outturn) in a format and timescale prescribed by the LA (see samples at **Annexures G and H**). The dates for submission will be provided by the TwS Schools Finance Team<sup>10</sup>.
- 5.3.10 Schools not using LA financial systems must also provide the LA with quarterly statements of income and expenditure against budget in the form specified by the LA to allow the LA to update its financial records (see samples at **Annexures G and H**). These schools must also provide the LA with an estimated outturn and cash flow forecast for the financial year and a bank reconciliation quarterly and on request, as contained in section 2.2.3 and 2.2.4 of the Scheme for Financing Schools.
- 5.3.11 Transfer of funds (virement) is not permitted between delegated funds and other budgets associated with the School. Examples are:
- a. Specific capital allocations.
  - b. Any funds provided for a dedicated purpose.
  - c. Any donations given for a specific purpose.
- 5.3.12 Schools will be required to create commitments in the financial management system for expenditure which has been incurred, e.g., by the issue of an order, but for which payment has not been made.
- 5.3.12 At the end of the accounting year, schools' accounts must accrue items of income and expenditure, excluding petty cash, for goods or services which have been delivered or received. Advice on this area will be issued annually by the LA.
- 5.3.13 As soon as possible after the end of the financial year, the Governing Body must consider a report on actual expenditure and income compared to the approved budget for the year.

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<sup>10</sup> Schools should ensure that the timing of reports requested by the local authority are reflected in the timetable to streamline with the governors reports in paragraph 5.3.3. This will reduce the reporting workload within the school and guarantee consistency of reporting.

5.3.14 In accordance with Sections 2.2.2 and 2.20 of the scheme for financing schools, the LA will issue separate instruction for schools in financial difficulty which it has issued Notice of Concerns or have withdrawn financial delegation.

## 6. CAPITAL BUDGET (EXPENDITURE)

6.1 References to capital expenditure are contained in the *Scheme for Financing Schools*, sections 2.19, 9.1 and 12.

6.2 The CIPFA/ LASAAC Code of Practice on Local Authority Accounting: A Statement of Recommended Practice (known as the SORP) defines capital expenditure as any expenditure that is not Revenue.

6.3 Revenue expenditure is expenditure incurred for the purpose of the organisation's daily activity, services or to maintain fixed assets. For example, employees pay, travel expenses and IT consumables are all deemed to be revenue expenditure.

6.4 The common definition of capital expenditure therefore is

**“Capital expenditure is expenditure that results in the acquisition or construction of a fixed asset (land, building, vehicle, equipment) or enhancement of an existing fixed asset.”**

6.5 Determining the acquisition or construction of a new asset is relatively straight forward and as such the greatest difficulty is often associated with identifying expenditure that can be said to enhance an existing asset.

6.6 To be an enhancement, the work undertaken must either:

- a. **Lengthen substantially the useful life of the asset** – beyond the current assessment of the useful life of the asset. For example, the assessment would usually assume that a property would always have an effective paint coverage and therefore painting would only ensure that the property remained useful for the period originally anticipated. In contrast, the assessment might assume that the property will continue to have a flat roof in good repair. Its subsequent replacement with a pitched roof will be more effective at protecting the building from degradation by the elements and should result in a more optimistic assessment of the prospective useful life.
- b. **Increase substantially the market value of the asset** – if the asset were valued after the works substantially higher than prior to the works.
- c. **Increase substantially the extent to which the asset can or will be used for the purpose of or in conjunction with the functions of the School** – for example extending a building to provide a wider service or making a building fit for a purpose that it would not otherwise be fit for.

6.7 Some other issues to bear in mind are:

- a. Expenditure on loans and grants to other parties for capital purposes or expenditure to enhance an asset owned by a third party can also be capital.
- b. For reasons of materiality and consistency with other capital controls, de minimis levels are applied, below which expenditure is treated as revenue. These de minimis levels are

set at £2,000. This level should be applied at scheme/project level rather than on an invoice-by-invoice basis.

- c. If treated singly, an asset may fall below the capitalisation threshold. Several small value assets of a similar nature may be purchased at once, for example as part of the same project. If so, it is the value of the purchase of all the assets that determines whether expenditure falls above or below this threshold. For example, a new chair costing £300, would be revenue expenditure; whereas a programme of replacing all the chairs in a particular building would be capital expenditure. The question of grouping typically applies to the purchase of information technology, other equipment or office furniture.
- d. The purchase or creation of a capital asset might require a department to undertake other expenditure necessary to procure and commission the asset. Such internal costs will include employees' salaries and expenses arising directly from the construction and acquisition of the specific fixed asset. These costs, and only those costs attributable to bringing the asset into working condition, should be recorded as capital expenditure.
- e. Costs incurred in the early stages of a project to acquire or create a capital asset should only be recorded as capital if at the time they are incurred there is a clearly defined project, the costs are separately identifiable, and it is reasonably certain that the project will be completed and will result in an asset that will eventually be brought into use.
- f. Capital expenditure includes any architects or surveyors' fees where that are an integral part of, and specific to, the acquisition or the construction of a building. This also applies to consultancy costs in procuring other capital assets.
- g. Expenditure on consultancy to help decide whether a capital acquisition or project should go ahead is revenue expenditure.
- h. ICT – Purchase of new computer equipment, associated infrastructure and software may be treated as a capital cost. Software licences may be charged only if it is a permanent licence. The Local Government Act 2003 allows computer software to be capitalised only where the use of the software is granted for a period of at least 1 year. Annual licences or subscription charges are not allowed and must be treated as revenue expenditure.
- i. Maintenance contracts associated with new hardware/software acquisitions can only be capitalised for the first year of the project, where the costs are deemed to be inclusive of the capital scheme. The cost associated with ongoing maintenance or support contracts after the first year should be met from revenue expenditure.

6.8 The flow chart at **Annexure F** may be helpful in confirming the nature of expenditure – capital or revenue.

6.9 Schools should endeavour to refresh their asset management plan on a regular basis. This should help plan their capital expenditure in coming years. Schools should also consider utilising current and future Devolved Capital Fund to meet planned capital expenditure.

6.10 Schools inform the LA of any proposals to finance capital works from their delegated funds. This information is required to ensure that the expenditure is properly identified in the LAs accounts.

- 6.11 If schools are allocated funds by the LA for capital expenditure, the Governing Body shall submit the details required, to allow the LA to monitor the capital programme, containing:
- a. The latest estimation of costs and phasing of expenditure;
  - b. Explanations of variations in total forecast cost above or below the approved cost and revisions to phasing of expenditure over each financial year;
  - c. Proposals for containing any additional costs within the resources available.
- 6.12 Certain leasing arrangements are defined as capital expenditure. (See section 8).

## **7. PURCHASING AND CONTRACTS**

### **7.1 General**

- 7.1.1 Whenever a school decides to make a purchase, it is technically entering into a contract. There is a general requirement to test the market for purchases of more significant value to ensure that the most economical price is paid, that fair competition occurs, to protect public funds and to protect Governors and staff from unfair accusations of malpractice. Schools may purchase from any supplier, but they must ensure that they obtain value for money.
- 7.1.2 When making any decisions, schools should take account, wider social, economic and environmental impacts, in-line with the Council's Social Value policy and One City Climate & Ecological Emergency strategies.
- 7.1.3 When procuring, this means considering the positive and negative social, economic and environmental impacts there could be when deciding what goods, services or works are wanted and which supplier should be chosen to deliver them. Examples of benefits that this approach can bring include:
- a) More local employment (e.g. asking local suppliers to quote who would use local people to deliver the contract)
  - b) Pupils with greater career aspirations (e.g. for larger contracts, suppliers might be asked to engage in learning about related topics or careers)
  - c) Reductions in carbon emissions (e.g. through choice of products with a smaller carbon footprint, or through reduced travel miles)
  - d) Stronger community groups (e.g. by asking suppliers to donate their expertise to support a local community group as part of delivering larger contracts)
- 7.1.4 This should be done in a proportionate way and in-line with the council's procurement rules.
- 7.1.5 In this section, tender means a formal written offer, in a form common to all tenderers, submitted following the issue of a detailed description or specification of the works, goods or services required. Quotation means a written statement in any form based on a description of the works, good or services required.
- 7.1.6 If works are being arranged on the school's behalf by other sections or departments of the City Council, their execution will be governed by the City Council's Procurement Rules and Financial Regulations.

- 7.1.7 External consultants or advisors employed by the school to administer and supervise the provision of goods, works or services are required as part of their terms of engagement to apply these rules as if they are a permanently appointed employee.
- 7.1.8 The appointment of consultants and advisors is subject to the requirements to obtain quotations or tenders as required by these regulations.
- 7.1.9 These procedures equally apply to a school letting a Concession contract. A Concession Contract refers to any arrangement under which the school grants rights to another organisation (the Concessionaire) that typically allow the Concessionaire to make money. Concession contracts sometimes result in income for the school but do not have to.

## **7.2 Procurement Policy**

### **7.2.1 Values and Thresholds**

- 7.2.2 The procurement procedure that must be followed is determined by the total value of the proposed contract. The City Council Procurement rule<sup>11</sup> is a good guide to all matters relating to buying by all council services including Schools.
- 7.2.3 The value of the proposed contract should be determined as follows:
- a. The value for a proposed Contract must be a genuine pre-estimate and must be based on the total aggregated value over the life of the Contract, including any provision for extension(s), expenses, installation costs and delivery charges.
  - b. Where there is a requirement for similar Supplies, Services and / or Works, this spend should be aggregated to ensure compliance with public procurement law. There shall be no disaggregation of requirements in order to avoid the thresholds.
  - c. All values should be calculated excluding VAT or any trade-in allowance
  - d. For concession contracts, the financial value should be calculated based on the concessionaire's expected total turnover (excluding VAT) generated over the duration of the contract, in relation to the works and services that are the subject of the concession. It may be difficult to accurately forecast the value of a concession: the value should therefore be the most accurate estimate possible and clearly documented.
- 7.2.4 If there is any doubt about the contract value and this may have a significant impact (e.g., the total contract value may exceed a threshold requiring a more formal competition), advice should be sought from an individual or organisation with significant up-to-date knowledge of public procurement law and processes, for example Trading with Schools.

### **7.2.5 Thresholds**

- 7.2.6 Thresholds set out in this policy or in public procurement law may depend on the type of service being purchased. Categories are as defined in public procurement law, but broadly "Works" refers to construction and "Services and Supplies" cover most other goods and services a school may purchase.

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<sup>11</sup> [Procurement rules for Bristol City Council](#)



7.2.7 The procurement procedure that must be followed depends on the contract value, summarised as follows:

Total Contract Value	Default minimum procurement procedure	Alternative options
£0- £1,000	<ul style="list-style-type: none"> <li>Obtain at least one quotation (preferably written)</li> </ul>	<ul style="list-style-type: none"> <li>Any procurement procedure applicable for higher values</li> <li>Existing contracts or frameworks compliantly procured by another public sector body and open to being used by the school</li> </ul>
£1,001-£25,000	<ul style="list-style-type: none"> <li>Invite at least three competitive written quotations</li> </ul>	<ul style="list-style-type: none"> <li>Any procurement procedure applicable for higher values</li> <li>Existing contracts or frameworks compliantly procured by another public sector body and open to being used by the school</li> </ul>
Over £25k up to £250k (Works only) or up to relevant public procurement threshold (Services, Supplies, Concessions or Light Touch Regime)	<ul style="list-style-type: none"> <li>Formal Request for tender</li> </ul>	<ul style="list-style-type: none"> <li>Any procurement procedure applicable for higher values</li> <li>Existing contracts or frameworks compliantly procured by another public sector body and open to being used by the school</li> </ul>
Over £250k (Works) or over relevant public procurement threshold (Services, Supplies, Concessions or Light Touch Regime)	<ul style="list-style-type: none"> <li>Procedure as set out in public procurement law</li> </ul>	<ul style="list-style-type: none"> <li>Any procurement procedure applicable for higher values</li> <li>Existing contracts or frameworks compliantly procured by another public sector body and open to being used by the school</li> </ul>

#### 7.2.8 At least one Quotation (Up to £1k)

- Obtain at least one Quotation (written wherever possible), with a preference for local smaller suppliers where possible.
- Headteachers have a responsibility to ensure that arrangements are in place so that the school protects its interests and obtains value for money.

#### 7.2.9 Invite three competitive Quotations (£1k-£25k)

- Governing Bodies must seek at least three competitive written Quotations, inviting local smaller suppliers to quote wherever possible.
- Every invitation to quote must state that the Governing Body is not obliged to accept the lowest price.
- If the Governing Body does not accept the lowest price or determines to disqualify an applicant for reason of previous performance, the details and reasons must be recorded and approved in the minutes of the Governing Body.

#### **7.2.10 Formal Request for tender (£25k - £250k or public procurement threshold)**

- A formal Invitation To Tender (ITT) document must be issued by advertisement/list to at least three suppliers. The ITT must set out the specification, submission format, deadlines and the criteria and method by which tender submissions will be scored and a winner determined. The scoring and moderation process must be undertaken in a fair and auditable way in order to demonstrate that all bidders have been treated equally.
- Every invitation to quote must state that the Governing Body is not obliged to accept the lowest price.
- Procurement procedures must be run by an individual or organisation with significant up-to-date knowledge of public procurement law and processes, for example Trading with Schools.

#### **7.2.11 Procedure as set out in public procurement law (above public procurement threshold)**

- Procedures must be run in-line with relevant public procurement law.
- Running a procurement process of this value incorrectly can open public bodies to legal challenge. Therefore, Procurement procedures must be run by an individual or organisation with significant up-to-date knowledge of public procurement law and processes, for example Trading with Schools.

#### **7.2.12 Contracts or frameworks compliantly procured by another public sector body**

- Some public bodies such as the Council (e.g., Trading with Schools) or central government (e.g., Crown Commercial Service) run competitive processes to put compliant contracts or frameworks in place that they make available for other public bodies such as schools to use. If used correctly, this can reduce the time, effort and legal risks involved in a school running their own compliant procurement process, particularly at higher values.
- Schools interested in this route must satisfy themselves that a competition was run originally that was compliant with public procurement law, that the school is eligible to use the framework or contract, and that it represents value for money.

### **7.3 Transparency and Advertising**

- 7.3.1 Purchases made in the name of the Council are subject to the [Local Government transparency code](#) which means that schools must publish basic details of contracts worth over £5k.
- 7.3.2 The details of contracts worth over £25k must also be published on Contracts Finder
- 7.3.3 Above the public procurement law thresholds, it is critical that opportunities are advertised and opened to competition in line with the procedures set out in law

### **7.4 Waiver**

- 7.4.1 The Governing Body can waive the above requirements for competition in one of the following exceptional circumstances
- a. The contract is urgently required, and delay would cause loss, injury or damage

- b. The contract is of such a special nature that no advantage would be gained by inviting competitive tenders or
- c. There is no effective competition because payment is fixed under statutory authority or the item is a patented or proprietary article or is available from only one source.

7.4.2 The Governing Body must record in its minutes prior approval to waive the normal policy

7.4.3 For contracts above the thresholds set out in public procurement law, legal advice must be sought by the Governing Body before making this decision.

## **7.5 Documentation**

7.5.1 Guidance on the terms and conditions to use should be sought from the BCC Legal Department or from TWS Procurement and Contracts. Except where contracts are the responsibility of the Governing Body of Voluntary Aided Schools, Governing Bodies entering into contracts must do so on behalf of, and in the name of the City Council.

7.5.2 Contract should be signed in line with the authorisation levels operated by the school.

## **7.6 Orders for Work, Goods and Services**

7.6.1 Official orders must be issued to suppliers, which must identify that the order has been issued by 'Bristol City Council', except where:

- a. Formal agreements have been executed.
- b. A statutory duty exists e.g., water and sewerage rates.
- c. Purchases have been made from imprest accounts.
- d. Written Variation Orders relating to a formal contract have been issued.

For the purposes of commitment accounting, schools may find it convenient to prepare an order in all cases but retain the supplier's copy with internal copies on file where despatch of the order would be inappropriate.

7.6.2 Headteachers will be responsible for ensuring that the issue of orders is properly controlled, and each order is properly authorised. Under no circumstances should the usernames and passwords associated with access to the finance systems be used by any member of staff other than the employee the username and password were first assigned to.

7.6.3 When deciding who is to authorise orders schools should take the following into account:

- a. The status of the employee within the school's management structure and the school's internal financial procedures.
- b. The principle of separation of duties requires that an employee authorised to enter orders onto the system must not be able to authorise said order. Ideally where possible the schools should also have segregation of duties between the authorisation of orders and also certification of invoices for payment. However, in some schools, the number of employees of sufficient status is limited which means that a strict separation based on

authorisation is not possible. In this event, it is permissible for an individual to be given dual authority on the understanding that, in normal circumstances, the individual will be responsible for only one of the functions and will not authorise an invoice for payment arising from an order they have authorised except in extreme emergency.

- c. Under no circumstances should an employee be able to both enter and authorise any purchase invoices.
- d. Employees must only use the user identification and password they have been set up with on the finance system. Sharing user id's and passwords is a disciplinary offence.
- e. When authorising an order, employees must ensure that the purchase relates to the school and that there is provision for the expenditure in the budget.

7.6.4 In emergency, a verbal order may be approved by an employee who can authorise an order. However, this practice should be kept to a minimum and an order should be placed on the system, authorised and despatched either the same or next working day. Where suppliers require payment with an order, schools can draw a cheque in advance and collect the invoice when goods are supplied.

## **7.7 Land, Buildings and Leases/Tenancies/Licences**

- 7.7.1 Schools are not empowered to enter into any contract for the sale of any land or interest in land, or for the granting or taking of any lease, tenancy or license on respect of land or building which is owned by the LA.
- 7.7.2 Schools may purchase additional land and erect buildings, grant leases, tenancies or licenses in respect of that land or buildings and sell that land. Schools are requested to consult the LA if they are proposing to take such action.
- 7.7.3 If a school proposes to lease land the Finance and Legal Services of the Council's Resources Directorate must be consulted. Leases of land for periods of ten years or more are not permitted because the ongoing liability will affect the capital funds available to the LA.

## **8. LEASING ARRANGEMENTS**

- 8.1 Leasing is a convenient means of acquiring the use of assets and spreading the cost over their life in return for a charge which includes the cost of the finance. There are two types of lease, finance leases and operating leases. It is important to understand the implications of entering into leases so you may wish to consult with BCC Corporate Finance or Education Finance team before you enter into any leasing arrangement.
- 8.2 Finance leases are deemed to be "credit arrangements" and as such fall within the scope of controls over credit, whereas operating leases are exempted from being credit arrangements.
- 8.3 Schools may only enter into OPERATING leases. Under the School Standards and Framework Act 1998, Schedule 10 Part 3, schools are only permitted to borrow with the written permission of the Secretary of State. Finance leases are borrowing. It is therefore illegal for schools to enter a Finance Lease without written permission of the Secretary of State. Whilst it is possible to apply to the DfE for such permission, advice is that such permission is very unlikely to be given. Schools therefore need to take extra care in selecting a lease.

- 8.4 It is the responsibility of the Headteacher, to ensure that all new leases are sent to the correct Finance contact to be evaluated. You must not enter a lease until you have confirmation that the lease is an operating lease and not a finance lease. In addition, you must complete the annual year-end lease return requested by Finance. Leases can sometimes be hidden within other contracts. If you enter into a contract that involves the use of an asset you must inform and consult BCC Finance. Further information regarding how to distinguish the difference between a finance and an operating lease are contained in **Annexure J**. Advice on the determination of leases as either 'finance' or 'operating' may be obtained from LA corporate finance team.
- 8.5 Schools should note that instalments of leases MUST NOT be paid from Devolved Formula Capital grant under the terms of the grant.
- 8.6 Schools should also be aware that the LA corporately has significant buying power and that this is reflected in the arrangements that it can make with finance houses. It is likely that the costs incurred on a corporately negotiated leasing contract will be significantly less than any terms on offer to an individual school. Therefore, before entering into leasing agreements schools are strongly advised to seek the advice of the LA Procurement Team to ensure that the terms of the lease are reasonable and that the equipment (e.g. photocopier) cannot be leased more cheaply through the central arrangements.
- 8.7 Although schools may enter into operating leases for equipment, they need to take into account the recurring commitments in future years. It is suggested that the approval of the Governing Body should be obtained before any operating lease is entered into and that the aggregate commitment of all operating leases is reported to the Governing Body when approval is being sought to any new operating lease.

## 9. EMPLOYMENT STATUS

- 9.1 Please note that from 6th April 2017, the revised Intermediaries Legislation (known as **IR35**) requires Bristol City Council to check the employment tax status of individuals who receive payment via their Personal Service Company. This includes scenarios where the Personal Service Company receives their payment via an agency. The changes are detailed in a [technical note](#) published by HMRC.
- 9.2 It is the responsibility of schools to determine the employment status of all individuals working for them, i.e. whether for tax purposes they must be treated as employees. It is important to get the employment status correct because it affects the way Payroll Tax and Employers' National Insurance contributions are calculated and whether or not the school has to operate PAYE on the earnings (pay through Payroll).
- 9.3 Employment status is not a matter of choice. Even if the individual claims to be self-employed, and provides a self-employed reference, HM Revenue & Customs (HMRC) may treat / consider them otherwise as each potential employment requires separate consideration and evaluation. If for tax purposes an individual is deemed by HMRC to be an employee, employers' National Insurance and Payroll Taxes become due and failure to correctly pass these to HMRC leaves the school liable to penalty at up to 70% of the amount unpaid.

9.3 To ensure that schools correctly evaluate the employment status of an individual, they should follow the following procedure each time a payment is to be made to that individual for a new service:

- a. Use the HMRCs check employment status for tax service at <http://www.hmrc.gov.uk/calcs/esi.htm>. This is an online interactive tool that asks a series of questions about the working relationship between the school, as potential employer, and the individual. Copies must be kept of the full output, not just the summary, to evidence the details entered to produce the result; or
- b. Contact the HMRC Status Customer Service Team by phone at 0300 052 7450 or 0300 123 2326.

9.4 Please note the following guidance carefully:

- If any teaching is taking place of school pupils during the normal school day (including lunchtimes) payments must always be made through payroll;
- Employment status can still be an issue for those individuals who might fall under the Construction Industry Scheme Taxes (Section 18.3). To avoid this complication schools should never provide tools and equipment;
- Any person engaged who can be genuinely treated as self-employed must go through a risk assessment process to determine at what level they must hold their own public liability insurance as self-employed individuals are not covered by Bristol City Council insurance arrangements;
- Under **NO** circumstances should any payment be made to any individual through Petty Cash or Request for Payment (Accounts Payable);
- VAT registration is not indicative that an individual is not an employee;

9.5 An individual is likely (but not always) to be employed by the school if most of the following apply. However, it is always recommended in the first instance checking the [HMRCs check employment status for tax service](#):

- The school instructs the individual, as well as how, where and when to do it;
- The individual has to do their work themselves;
- The school can move the individual from task to task;
- The individual is contracted to work a set number of hours;
- The individual receives a regular wage or salary, even if no work is available;
- The individual is paid overtime pay or bonus payments;
- The individual manages any school employees.

9.6 If any of the following apply, the individual is likely (but not always) to be self employed. However, it is always recommended in the first instance checking the [HMRCs check employment status for tax service](#):

- The individual can hire someone else to do the work that they have been contracted to do or take on helpers at their own expense;

- The individual can decide where to provide their services, as well as when and how to do the work that they have been contracted to do;
- The individual is paid a fixed price, independent of how long the job takes;
- Even if none of these apply the individual is still likely to be self-employed if most of the following apply if:
  - The individual uses their own money to buy business assets, pay for running costs etc;
  - The individual is responsible for putting right any unsatisfactory work, at their own expense;
  - The individual provides the tools and equipment needed to do their work.

9.7 Different rules apply to Cleaners, Drivers, some Teachers, Lecturers, Examiners, Moderators, Invigilators, Entertainers.

- In the first instance, use the [HMRCs check employment status for tax service](#), then check with Bristol City Council Payroll and if you still need guidance call the [HMRC Status Customer Service Team](#);
- There are **no** special dispensations for Trainers / Coaches and Authors – HMRC employment status tests apply;
- Translation & Interpreting Services – use [Bristol City Council's Translation and Interpreting Service](#);
- Medical reports / certificates; a VAT Invoice is required;
- Legal Profession – Barristers registered with the Law Society are self-employed; a VAT Invoice is required;
- Coroners – Autopsy / Pathologists / Forensic Pathologists are all registered Doctors; a VAT Invoice is required.

9.8 There are occasions when it is difficult to decide whether an individual is an employee or self-employed, as HMRC guidance may not provide a conclusive answer. Therefore, **if in doubt, Schools should check with TwS/BCC payroll or process payments through payroll.**

## 10. PAYMENT OF ACCOUNTS

- 10.1 Each Headteacher is responsible for arranging for the certification and submission of accounts for payment. Payments will be made on behalf of schools by the TwS Schools Finance Manager except for disbursements from petty cash imprests and payments by schools who manage their own cash.
- 10.2 Each Headteacher must ensure that every invoice received is examined, compared to the order, verified and certified. Within the payment process, it is important that the duties of checking the detail of invoices are properly recorded and separated from that of certifying the invoice.
- 10.3 Before an invoice is certified, the certifying officer must be satisfied that a member of staff has:
- a. The work, goods or service to which the invoice relates has been received, carried out, examined and approved;

- b. The price, extensions, calculations, discounts, allowances, credits and tax are correct (See section 18 relating to VAT);
  - c. The relevant expenditure has been properly incurred, is properly chargeable to and within the relevant budget, and appropriate entries have been made in inventories, stores records or stock books;
  - d. The invoice has not been previously passed for payment and is proper liability of the School.
- 10.4 Schools should be aware that periodically attempts are made to defraud organisations by persons who despatch unsolicited invoices. Additionally, employees in Schools may be subjected to pressure selling methods.
- 10.5 Headteachers should ensure that invoices are not processed for payment unless the goods or services were properly ordered and supplied. It is an offence under the Unsolicited Goods and Services Act 1971 to demand payment for unsolicited goods that have been delivered. Trading Standards can advise on the action to be taken in such cases.
- 10.6 Schools are permitted to enter into direct debit agreements to pay recurring charges such as those for mobile telephones. The charges must be set up against either the school's imprest bank account or school's bank account for those who managed their own cash. Schools should liaise with Corporate Finance to arrange an appropriate imprest level to meet these commitments.
- 10.7 Direct Debit authorisations must only be signed by a member of staff who is authorised to certify invoices for payment. If the proposed payment is a leasing agreement, Corporate Finance must be advised.
- 10.8 Once the agreement is established, the actual payments must be monitored for the accuracy and processed with the next petty cash claim for imprest accounts or entered in the cash book for schools who manage their own cash. Care must be taken to ensure that VAT is properly recorded and supported by a tax invoice.
- 10.9 Finance Act 2011, Schedule 23 "Data-Gathering Powers", empowers HMRC to request details of payments outside the payroll / usual payment processes. Where HMRC issue a notice to supply any relevant details (which could include names, addresses and payments made), schools not using the central payments system must be able to provide this information when requested.

## **11. PAYROLL**

- 11.1 The Headteacher is responsible for the integrity of payroll arrangements. All payments to employees, including casual employees, must be processed in such a manner so as to ensure that they are subject to the correct treatment for income tax and national insurance deductions unless the school has notification in writing from the tax office responsible for the school as an employer, that:
  - a. Payment can be made without deduction of income tax and national insurance;
  - b. Payment can be made without deduction of tax but with national insurance deducted.



- 11.2 If the school is making its own arrangements for payroll processing, the head teacher needs to seek written permission from the Director for Education and Skills, where a meeting will be convened with the relevant services lead to ensure the school is aware of its responsibilities post transfer.
- 11.3 If agreed the Headteacher must ensure that it is registered as an employer with HMRC and complies in all respects with HMRC requirements.
- 11.4 Payment of pension contributions to the required schemes are the responsibility of the Local Authority as the employer, however once a school chooses to outsource their payroll provision to a third party provider, it is noted that it is their responsibility for ensuring correct treatment of the relevant pension contribution deductions. The LA will still remain the employer and admitted body in respect of pensions.

#### **11.5 Staff Appointments and Changes**

- 11.5.1 The Governing Body should consider the extent to which authority for approving appointments and changes to remunerations for all members of staff is delegated (see section 2.1). However, it is a basic principle that a member of staff must not be able to approve a change to their own conditions and remuneration.
- 11.5.2 Headteachers must ensure that appointments of new staff are only made after the relevant checks have been made and are satisfactory. The checklist at the end of the Procedures should be held on personal files as evidence that these checks have been carried out and should be supported by certified copies of identity, right to work and, in the case of non-teaching staff, qualifications pertinent to the appointment.

#### **11.6 Payroll Administration**

- 11.6.1 Authority for advising the payroll provider, or school staff responsible for payroll processing of changes to information about remuneration should normally rest with the Headteacher. This authority can be delegated to other senior members of staff with the approval of the Governing Body (see section 2.1). A member of staff must not be able to advise the payroll provider of changes to their own conditions and remuneration. Any amendment affecting the Headteacher should be countersigned by the Chair of Governors.
- 11.6.2 The Headteacher can approve an appropriate level of delegation, for example to the School Business Manager (subject to section 2.2), for communication of changes to information to the payroll provider, or school staff responsible for payroll processing, which do not affect gross pay or conditions e.g. tax code changes.
- 11.6.3 Communication of information to the payroll provider, or school staff responsible for payroll processing, must be in a controlled manner by the use of automated processes which are password protected for authorisation and despatch, or if via paper forms an authorised signature by the Headteacher.
- 11.6.4 Additions to normal pay, e.g. overtime, must be supported by written claims submitted and signed by the employee giving details of the date, times and hours worked and certified by an authorised member of staff. Whenever possible, overtime working should be authorised in advance.

- 11.6.5 The school must ensure that it, or the payroll provider, retains records for the following length of time:
- a. Gross pay and superannuation deductions - ten financial years;
  - b. Income tax and national insurance - six financial years
- 11.6.6 The school must ensure that receipts submitted by employees to reclaim fuel costs and other car allowances, where VAT is reclaimed, are available for at least 6 years.
- 11.6.7 Schools should check at least annually that employees receiving payment are properly employed and that their gross pay agrees with their contracts of employment.

## **12. BANKING**

- 12.1 References to bank arrangements are contained in the *Scheme for Financing Schools*, sections 3.5 and 3.6.
- 12.2 Schools have the choice of managing their own cash through their own bank account or making use of the LAs banking arrangements. In this latter case the school will also operate an imprest bank account for small value transactions (see section 16). All bank accounts must be opened and closed, and signatories amended by the Service Director Finance. For a current list of LA approved institutions contact Corporate Finance.
- 12.3 Schools who opt to manage their own cash must only make their banking arrangements with a banking institution approved by the LA. The selection of the bank and the banking arrangements must then be approved by the Governing Body. Schools will be required to notify their chosen bank in writing that the LA has an interest in the banking arrangements and the Service Director Finance (CFO) has been given a letter signed by two cheque signatories allowing access to their records. The bank will be required to advise the Service Director Finance (CFO) if this arrangement is revoked.
- 12.4 It is recommended that there should be at least three school signatories in primary and special schools and four in secondary schools. These are to include the Headteacher and other senior staff, e.g. Deputy Headteacher and Bursar/Business Manager, as approved by the Governing Body. Governors cannot be signatories. The mandate must specify that cheques and any other documents authorising payment must be signed by at least two signatories.
- 12.5 In **no** circumstances must a school account be overdrawn, or the school enter into an overdraft arrangement or borrow funds without the written permission of Secretary of State, as per section 3.7.1 of the *Scheme for Financing Schools*. If a school is experiencing cash flow difficulties, it must seek advice from the LA.
- 12.6 If payments are to be made by BACS transfer, the school must ensure that the details of the receiving bank account are correct and that there are controls in place to guarantee the accuracy and authenticity of transactions.
- 12.7 Schools cannot make private payments relating to unofficial funds through their bank account or make advance payments to contractors or suppliers.
- 12.8 Schools will be responsible for any bank charges arising from their transactions.

- 12.9 VAT repayments will be made to schools who opt to manage their own cash, one month in arrears at the amount accepted by HMRC (see section 18).
- 12.10 For all bank accounts, schools will not be issued with (nor should they apply for) Credit Cards, Debit Cards or Cheque Guarantee Cards. However, they may use procurement cards but only if the correct authorisation has been given within the school as per section 12.11. Procurement cards will not be issued to staff not on the school's payroll. Full guidance and the terms of condition on use of LA issued procurement cards will be provided when schools submit application to TwS Schools Finance.
- 12.11 No Headteacher will be issued with a procurement card without the approval of the Chair of the governing body. All other requests must be approved by the headteacher.
- 12.12 All procurement card requests must be approved by TWS Schools Finance prior to the request being submitted to the bank.
- 12.13 Changes to the procurement card limit must be approved by the headteacher or by the Chair of Governors if it is the headteachers card.
- 12.14 Procurement cards are the sole responsibility of the card holder and must not be used by any other member of staff other than the card holder. If another card is needed, then it must be requested
- 12.15 Procurement cards should not be used as a substitute for following the official ordering procedure and should only be used when an order would not be appropriate (e.g., internet purchases).
- 12.16 All procurement card statements should be checked on a monthly basis. If the card holder does not recognise a transaction, they should inform the bank (currently Natwest) immediately and report the transaction to TWS schools finance.
- 12.17 Schools managing their own cash (through imprest, payroll or full bank accounts) must complete monthly bank reconciliation. This should be retained and kept at the school and be made available (upon request) to the LA Chief Finance Officer (or their representative).
- 12.18 Schools managing their own cash can only make investments with named institutions and must carry **no risk to capital sum**. Arrangements must **not** be made through intermediaries. For guidance and information on approved institutions contact Corporate Finance.

## **13. INCOME**

### **13.1 Form of Records**

- 13.1.1 Schools should issue receipts (on their own stationery) for all money received on behalf of the City Council other than when it is not appropriate (e.g. school meals)
- 13.1.2 All invoices raised must be in the name of the school (and where possible jointly with the LA). Invoices should be raised in advance of the goods and services being delivered. Where this is not possible, they should be raised as soon as possible after the goods or services were provided and no later than 30 days afterwards. Schools that issue their own invoices must take particular care to ensure that when a charge is subject to VAT, a proper tax invoice is issued indicating the

LAs VAT registration number, date of supply, the date of invoice (tax point), the charge excluding VAT, the rate of VAT and the amount of VAT charged and a total charge inclusive of VAT.

### **13.2 Security**

- 13.2.1 All monies received shall be held securely, normally in a safe or locked receptacle. Employees must ensure that keys entrusted to their custody are held at all times under their personal control. Nominated substitute key holders should be available in the absence of the principal holder.
- 13.2.2 Whenever cash is transferred from one employee to another, the employee handing over the cash must receive a signed acknowledgment, from the person receiving it, indicating the date and the amount received. These acknowledgments must be retained in accordance with the guidance on retention of documents<sup>12</sup>.

### **13.3 Banking**

- 13.3.1 Income shall be paid in weekly or at periods agreed with the Internal Audit Section. Payment-in must be direct to the City Council's Schools General bank account. Where the school manages its own cash, payment in must be direct to the school's bank account.
- 13.3.2 All cash surpluses shall be paid in and reported to the Headteacher.
- 13.3.3 Personal cheques must not be cashed out of income. Income must not be used to make disbursements or refunds. These should be paid from the imprest or creditors system. Third party cheques should not be accepted.
- 13.3.4 Employees preparing banking documentation must enter on the paying-in slip (separate slips for cash and cheques), and on the counterfoil or duplicate paying-in slip, the total cash analysed by denomination and the total of the cheques. Cheques should be listed showing the amount and some reference to the drawer, debtor or receipt issued which will connect the payment to the debt being discharged.
- 13.3.5 When transporting cash for banking, particular regard must be given to the safety of employees. The city council has an armoured transit facility which is available to schools who bank with the City Council's bankers for a termly charge.

### **13.4 Income received in Euros**

- 13.4.1 The LA has a Euro Bank Account which can be used for the receipt of income paid in Euros. TwS Schools Finance or Corporate Finance should be contacted for advice on the use of the account.

### **13.5 Sale of Surplus Assets**

- 13.5.1 Surplus moveable assets financed from funding delegated to the school can be sold and the income retained by the school. Individual items expected to realise income of up to £100 can be sold following advertisement to parents or employees on notice boards. Individual items expected to realise income between £100 and £10,000 should be offered for sale, with priority given to other schools or sections within the City Council. Bids should be required in sealed

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<sup>12</sup> [Document retention schedule \(DRS\) \(sharepoint.com\)](#)

envelopes. Schools should contact the Education Finance Team (through TwS) for disposal of individual items expected to realise in excess of £10,000.

- 13.5.2 Some of the items for sale may attract VAT, therefore schools are advised to contact BCC VAT team when they are planning to sell any surplus asset(s).

### **13.6 Recovery of Unpaid Debts**

- 13.6.1 Ideally schools should attempt to ensure that income is received in advance. However, as this is not always possible, the Governing Body should agree a policy for debt collection. This should require that:

- a. Persons who do not pay receive a follow up demand within twenty-one days of the issue of the invoice and a further follow up after a further ten days
- b. If the service is of a continuing nature, it is withdrawn until payment is received
- c. If payment is still not forthcoming, the school should consider legal action or the use of a debt collection agency, depending on the sum and cost involved.

### **13.7 Write Offs**

- 13.7.1 All unpaid debts more than one year old must be written back to the school's budget if the amount has been accrued. However, attempts to collect should continue.
- 13.7.2 Governing Bodies are authorised to write off individual amounts owed to the school up to £5,000 following consideration of a report from the Headteacher. The decision must be minuted.
- 13.7.3 Amounts in excess of £5,000 can only be written off by the Executive Member for Children and Young People's Services. Please contact Head of Schools Partnerships

## **14. INSURANCES**

- 14.1 Reference to insurance arrangements are contained in the *Scheme for Financing Schools*, section 10.
- 14.2 Where schools have not opted for delegation of the insurance budget, Headteachers should inform the Principal Insurance Services Officer of:
- a. All new risks requiring to be insured;
  - b. Any alterations affecting existing policies;
  - c. Any event likely to lead to a claim.
- 14.3 Where schools have opted for delegation of the insurance budget or have arranged additional cover, policies must be in the joint name of the LA and the school. Headteachers must provide the Principal Insurance Services Officer with documentary evidence of the initial cover arranged, renewals and amendments so that compliance with the minimum cover required by the LA can be monitored.
- 14.4 Schools should ensure that organisations hiring the premises hold adequate and current Public Liability Insurance.

## **15. INVENTORIES AND STOCKS**

- 15.1 Reference to the control of assets are contained in the *Scheme for Financing Schools*, section 2.4.
- 15.2 It is a requirement of the insurance cover for property that inventories must be prepared and maintained up to date. The record should include for each item information relating to the date of purchase, serial numbers, cost, location. Inventories can be held on controlled pre-printed inventory books or electronically in which case user access should be restricted and files password protected to ensure the security of the data.
- 15.3 The nature of the inventory for assets under £1,000 or items that are portable and are of an attractive nature (e.g., cameras or laptops) may be determined by the schools but for all that exceed that value or items that are portable, hold valuable information and are of an attractive nature (e.g., cameras or laptops) the school must ensure that they record the date of purchase, the purchase value and the serial number as a minimum. At the very minimum, schools should have policy/procedure regarding purchase, use and disposal of those classes of assets not included in the inventory.
- 15.4 Headteachers must arranged for inventories to be checked at least annually against the physical assets, and sign the record of checks once they are satisfied that the checks have been satisfactorily completed. A hard copy of electronic inventories should be printed and certified annually. Missing items should be reported to the Governing Body.
- 15.5 The school must maintain a record of equipment removed from the premises identifying the date, the member of staff and the date returned. A record should be also maintained of equipment permanently allocated to staff and held off site. Equipment should only be removed for purposes in connection with the ordinary course of business.
- 15.6 Headteachers are responsible for the safe custody and physical control of any stocks and stores and should ensure that only reasonable quantities are held. Any significant surpluses or deficiencies revealed by stock checks must be reported to the Governing Body.
- 15.7 Where any irregularity is suspected in the custody or use of equipment or stores, this shall be treated as a financial irregularity and reported to the Internal Audit Section.

## **16. PETTY CASH IMPREST ACCOUNTS**

- 16.1 All schools who do not manage their own cash will be given the use of a petty cash imprest account. The imprest will be held in a bank account and is used to cover minor expenditure. Schools must not overdraw their bank accounts, overdrawn will result in bank charges and interest which will be chargeable to the school's budget.
- 16.2 The value of the imprest and any subsequent amendments will be agreed by Corporate Finance, who will arrange for adjustments to be processed. Income received must not be paid into an imprest bank account or used to make disbursements but must be banked in accordance with section 13.2.
- 16.3 Imprest accounts may be used for disbursements when the use of the creditors payments system is not appropriate. Except for repayment of Salix loans, the maximum amount payable

for one transaction is £200. Please see separate guide for Salix Loans including repayments. This limit has been established to give schools some flexibility but in general it is expected that disbursements will be for sums up to £30 in value. Imprest accounts must **not** be used to make payments subject to the Construction Industry Taxation Scheme (see section 18.3) nor those subject to PAYE and employer taxes (see Employment Status, section 9).

- 16.4 Personal cheques must not be cashed in imprest accounts and money must not be borrowed from imprests.
- 16.5 Employees administering imprests must:
- a. Obtain and retain vouchers to support each payment. This will include a VAT invoice where this tax is charged;
  - b. Hold all cash, cheque books and vouchers in a secure, locked place, preferably a safe;
  - c. Liaise with the Corporate Finance concerning amendments to cheque signatories;
  - d. Advise the bank branch used, on a school letter head signed by a cheque signatory, of those employees who are authorised to draw cash with specimen signatures;
  - e. Reconcile the account (monthly), keep this in school and make readily available for inspection by the LA when required;
  - f. Claim reimbursement when the imprest is approximately two thirds spent to avoid overdrawing;
  - g. Retain and file all documentation supporting reimbursement claims in accordance with the instructions on document retention<sup>13</sup> included in the procedural guidance issued by the LA;
- 16.6 The Headteacher must periodically check that the imprest is being properly reconciled by re-performing the reconciliation. This responsibility can be delegated to a nominated senior employee who has no involvement in the administration of the imprest.
- 16.7 At the 31<sup>st</sup> of March annually the school must submit a reconciliation of the imprest, certified by the Headteacher, to the LA.

## **17. TRAVEL AND SUBSISTENCE**

- 17.1 The Governing Body should establish levels of approved expenditure for travelling and subsistence. In doing this, it may wish to consider rates approved by the LA<sup>14</sup>.
- 17.2 All claims for travelling and subsistence must be in writing, identifying the reason for the claim and the amount claimed. The claim must be signed by the employee and certified by a senior member of staff prior to processing for payment through payroll. Individuals must not certify their own claim.
- 17.3 All payments for travelling must comply with HMRC requirements on the expenses of commuting and declaration of taxable benefits. This makes it essential that these payments are processed through payroll. The objective is to ensure that travel and subsistence arrangements are cost-effective, and that any tax implications are identified.

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<sup>13</sup> [Document retention schedule \(DRS\) \(sharepoint.com\)](#)

<sup>14</sup> [Expenses, benefits and travel policy \(bristol.gov.uk\)](#)

## **18. TAXATION**

18.1 Schools are affected by taxation in a number of ways from the retention of documents to having a responsibility to observe the requirements of collecting agencies as contained in statutes, regulations and case law. Schools will need to be aware of the requirements in the following areas:

- a. Value Added Tax (VAT);
- b. Construction Industry Scheme (CIS);
- c. Income Tax;
- d. National Insurance;
- e. Employment Status.

### **18.2 Value Added Tax**

18.2.1 As a general principle, Schools must ensure that they account for tax on all relevant transactions and that, if there is any doubt about the taxable status of any transaction, advice must be sought. There are particular requirements for retention of documents where tax is involved. These are covered by procedural and operational guidance issued by the LA as well as briefing and bulletins from TwS Schools Finance. A record of any errors made should be kept and advice sought (from LA VAT officer) on how to correct them. Failures to account for tax correctly may be subject to penalty of up to 70% of the amount of tax, as well as interest. Any costs resulting from a School's taxation error will be charged in full to that School.

18.2.2 Schools are responsible for providing information to enable the LA to maintain proper VAT records and to ensure that returns are made to HMRC in accordance with the prescribed regulations. Further details about VAT are available in operational guidance issued by the LA and available through The Source as "VAT Guidance" (see extract from 18.2.4 below). HMRC have powers to impose penalties at up to 70% of VAT errors and interest where bodies do not properly account for VAT.

18.2.3 Schools who decide to make their own accounting arrangements cannot be separately registered for VAT. This means that:

- a. Information must be passed to the LA per the LA's accounting period end dates;
- b. Information must be submitted within two weeks of the period end date;
- c. Documentation must be in the format set by Bristol City Council's VAT Officer and all associated documents retained by the school for at least six years plus current year;
- d. VAT claims must be supported by copies of specified documents relevant to the period;
- e. The school's accounting system and probably feeder systems, e.g. creditors payments, debtors and payroll, may require approval by HMRC.

#### **18.2.4 Input Tax (VAT on expenditure)**

18.2.5 This relates to payments made. With the exception of off-street parking charges and reimbursement of telephone call costs, VAT can only be reclaimed, if the following conditions are satisfied:



- a. A full tax invoice is held, addressed to the school, which includes the date (tax point), the supplier's VAT registration number, the charge excluding VAT, the rate of VAT charged, the amount of VAT charged and the total; or
- b. A lesser detailed tax invoice is held for charges up to £250, addressed to the School, which includes the date (tax point), the supplier's VAT registration number, the rate of VAT charged and the total; or
- c. Where a petty cash purchase is for under £25, a receipt is held showing clearly the supplier's VAT Registration Number, the gross charge (i.e. including VAT), date and a sufficient description of the goods/services supplied to demonstrate that they are VATable; or
- d. If payment can only be made in advance of a tax invoice being received, a tax receipt is obtained from the supplier with a tax point in the same tax period as the payment is made, otherwise the input tax must be carried forward to the tax period shown on that receipt; or
- e. Fuel Receipts – see Payroll, section 11.6.6;
- f. The VAT is identified correctly in the payments system;
- g. The processing of VAT invoices is not unduly delayed.

### **18.2.6 Output Tax (VAT on income)**

18.2.7 This relates to income received. Schools must ensure that:

- a. Invoices issued are valid tax invoices in accordance with HMRCs regulations (See section 13.1.2);
- b. Invoices are raised promptly, preferably in advance of the goods and services being delivered. Where this is not possible, they should be raised as soon as possible after the goods or services were provided and no later than 30 days afterwards;
- c. Where schools provide VATable goods and services, an invoice clearly showing the value of such supply and the ensuing VAT should be raised. When such invoice(s) is/are paid, the actual receipt should be matched to the invoice.
- d. Sales are correctly analysed for VAT purposes. Particular care must be taken to correctly analyse where no VAT is charged, where charges are VAT-exempt, zero-rated and outside the scope of VAT (non-business).
- e. Money received in advance of sales VAT must be accounted for in the period the payment is received. If they fall in arrears then VAT for the meals sold in arrears must be accounted for in the period the meals are sold. This should be by way of a manual adjustment to your VAT return which you will then remove when accounting for the top up payment. For adult meals only, your customer should be advised that overpayment/Payment in advance is not permitted and any of the amount overpaid will be treated as a donation.
- f. For adult meal as an example, each meal sold must be accounted for with VAT at the appropriate rate at the point of supply. Income (cash) received in lieu of meals sold will be receipted against the invoice/s.  
The sale plus VAT should be deducted from the income (cash) received. If cash received is more than the value of sale plus VAT, there is an overpayment and where this is less, there is an underpayment.
- g. Schools keep records to monitor the underpayment (arrears) of Adult Meals sold, there should be no overpayments as they are posted to donations.

### **18.3 Construction Industry Scheme**

- 18.3.1 This scheme applies to works involving construction and repairs. It requires the person paying for the works to make a deduction for tax from the labour element of a payment and pass that deduction to HMRC within fourteen days of the end of the tax month.
- 18.3.2 It is important that Schools obtain invoices from persons covered by the Scheme which separately identify the materials element of the charge from other elements before VAT is added. If this is not provided, the deduction will have to be made from the whole payment as this will avoid any dispute with HMRC over the correct application of the Scheme. The LA has an agreement with HMRC that the Scheme need not be applied to small contracts with a labour element of less than £1,000. However, work must not be artificially subdivided to achieve this limit and all payments must be processed through an approved official payments system to ensure that accurate details of expenditure are submitted annually to HMRC.
- 18.3.3 The LA creditors payment system provides facilities for the administration of the Scheme. The following information provides a broad outline if a School does not use the LA creditors payment system:
- a. Payments must not be made to persons who do not hold a certificate (CIS5 or CIS6) or registration card (CIS4) under the Scheme, or employees;
  - b. Where a valid certificate CIS5, for companies, is held, payment can be made gross but a voucher (CIS23) must be issued to HMRC identifying the payments and deductions made in each tax month;
  - c. Where a valid certificate CIS6, for individuals, is held, payment can be made gross but vouchers must be issued to HMRC and the individual identifying the payments and deductions made in each tax month;
  - d. Where a valid registration card CIS4 is held, a deduction must be made from the payment equivalent to the basic rate of tax on the labour, travelling and subsistence elements before VAT is added. A voucher (CIS25) must be issued to HMRC and the payee identifying the payments and deductions made in each tax month;
  - e. An annual return of payments (CIS 36) has to be sent to HMRC by the 19<sup>th</sup> of May following the relevant tax year.

### **18.4 Income Tax, National Insurance and Employment Status**

- 18.4.1 Please note that from 6th April 2017, the revised Intermediaries Legislation (known as IR35) requires Bristol City Council to check the employment tax status of individuals who receive payment via their Personal Service Company. See Section 9 for full information on Employment Status.
- 18.4.2 All persons employed by Schools must have their earnings processed in such a manner that correct deductions are made for income tax and national insurance. Inevitably this means that the payments must be processed through the payroll so that accurate cumulative earnings and deductions are reported to HMRC at the end of the tax year. This arrangement must include all casual employees. Schools must not make payments of earnings to individuals from imprest accounts or unofficial funds. See Section 9 for full information on payroll process.

- 18.4.3 HMRC will hold the school liable to pay any tax not deducted plus interest and penalty at up to 70%. This can only be recovered from the employee if it relates to the current tax year.
- 18.4.4 In addition to pay, individuals may receive allowances which can either be paid in cash or received in kind. Examples are mileage allowances and uniform issues. These may create taxable benefit which has to be reported to HMRC. This report has to be made on a form P11D each year, with a copy being sent to the employee by the 6<sup>th</sup> of July following the relevant tax year. The employee uses the form to complete their self-assessment tax return.
- 18.4.6 It is important that the information on a P11D is correct and complete as there are penalties which HMRC can impose on the employer for non-compliance and non-submission. Therefore, Schools must ensure that any payment to employees is correctly treated for tax purposes and recorded for inclusion on a P11D if necessary.
- 18.4.7 HMRC has agreed that a number of allowances paid by the LA do not create a taxable benefit and have granted dispensations, so that the details do not have to be reported on a P11D. However, there are conditions attached to a number of these dispensations. Details of the dispensations will form part of the operational guidance issued by the LA.

## **19. COMPUTING**

- 19.1 The Governing Body is responsible for ensuring that the school is fully registered under the Data Protection Act 2018. There is further guidance and information on IT policies, standards and procedures on the 'Source' intranet pages.
- 19.2 Headteachers must ensure that only authorised staff have access to computers. This access must be password protected for each individual. Passwords must be changed regularly and not disclosed. Any sharing of passwords or user ID's used for specific individuals to log into the computer and any associated software is a disciplinary offence.
- 19.3 To prevent the importation of viruses, Schools must only permit authorised software to be loaded to computers. A record of all software loaded must be maintained and kept up to date.
- 19.4 Computer systems must be backed up on a regular basis so that data can be recovered in the event of a hazard affecting the equipment. The backups must be stored in a fireproof location, preferably off site. Regular tests should be undertaken to ensure that data can be recovered from the backups.
- 19.5 Schools should ensure that they comply with the advice issued by the TwS IT Team concerning the rotation of discs in the back up process and the cleaning of heads.

## **20. UNOFFICIAL FUNDS**

- 20.1 Unofficial funds are those funds which the school raises and spends through activities which do not relate to the delegated funds received from the LA.
- 20.2 Schools are expected to apply the similar standards to the control and custody of School Funds or any funds administered by employees of the school as they are required to apply to funds delegated by the LA. In particular, schools should ensure that:
- a. Bank mandates require at least two signatures on cheques and instructions to transfer fund from the bank accounts;
  - b. Expenditure is relevant to the activities and purposes of the fund;

- c. Expenditure is for the benefit of the pupils;
- d. Income is properly recorded and receipted;
- e. Bank statements are reconciled on receipt to the accounting records;
- f. Staff activities are self-financing;

20.3 The funds **must** be audited annually by a person who has no responsibility for deciding how the funds are spent or for the financial administration of the school. An Audit Certificate signed by the Auditor and the Headteacher must be submitted to the LA annually accompanied by the Accounts, which should also be circulated to Governors, staff and made available to parents.

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## Annexure A. Functions Which Could Be Delegated by the Full Governing Body

Below are some examples of functions which could be delegated by the full Governing Body to the Headteacher or a Committee of the Governing Body.

Function	See also
Responsibility for notifying the CFO of the annual revenue budget.	
Monitoring and reporting of actual expenditure and income against the revenue budget.	
The maximum value of virement, without recourse to the full Governing Body.	Internal Financial Procedures Manual
The maximum value of a single transaction, without recourse to the full Governing Body.	
Responsibility for maintaining the register of pecuniary interests.	
The selection of suppliers.	
Responsibility for the awarding of contracts.	
Responsibility for entering lease agreements.	
Responsibility for setting scales of charges for lettings and the extent to which these can be varied or waived and by whom.	
Responsibility for the safe custody of the assets financed from the school's delegated budget.	
Responsibility for maintaining inventory (stocks and stores book).	
Responsibility for seeking the approval of the CFO for the writing off of items in the inventory book with a value exceeding £1,000.	
The authority to dispose of surplus, obsolete or unserviceable items of equipment.	
Responsibility for seeking approval to the write-off of sums due to the local authority.	
Responsibility for notifying the Finance Manager (Education) of all voluntary funds.	
Day to day financial management and operation of financial controls.	

## **Annexure B - Financial Control Procedures**

### **B.1. Governance**

- 1) A financial control framework conforming as a hierarchy detailed below:

- Scheme for Financing Schools
- Financial Regulation for Schools with Delegated Budgets
- Schools Internal Financial Procedures Document

***See also:***

School Standards and Framework Act 1998 - Section 48

Schools Internal Procedures Manual

- 2) Financial systems and procedures have been documented in a Schools Internal Procedures Manual/Document and reviewed on an annual basis.

***See also:***

Schools Internal Procedures Manual

- 3) Terms of reference are documented for the Governing Body and its committees and reviewed on an annual basis.

- 4) Minutes are properly produced.

***See also:***

Keeping a register of financial interests' section of the Financial Regulation for Schools with Delegated Budgets

- 5) A register of pecuniary interests is maintained for governors and staff.
- 6) Governors have received appropriate induction training.
- 7) A three-year school development, improvement plan is completed in conjunction with a current detailed annual costed plan.
- 8) The Governing Body is aware of the risks not covered by its insurance cover.
- 9) An annual review process of financial control procedures by a designated independent person is undertaken.

### **B.2. Local expenditure and Direct Credit Bank Accounts**

- 1) Reconciliation is promptly completed on at least a monthly basis.
- 2) Bank mandate is accurate.

### **B.3. Financial Management and Controls**

- 1) Budget plan is approved and minuted by the Governing Body.
- 2) There is an accurate record of the approved budget on the schools accounting system.
- 3) Budget revisions are approved in accordance with the written scheme and recorded on the schools accounting system.

***See also:***

Revenue Budget

- 4) Appropriate levels (budget holders, senior school staff, Headteacher, Finance Committee, Governing Body) within the school monitors the budget on either a monthly or quarterly basis.
- 5) A comprehensive budget monitoring statement including original and revised budgets, commitment and explanations where appropriate.

***See also:***

Budget Monitoring

- 6) Accounting and other required returns to the TwS – Schools Finance are completed accurately and dispatched promptly.

#### **B.4. Financial Procedures**

- 1) There are written descriptions of current financial systems, policies and procedures held within the School's Internal Procedures Document.

***See also:***

Schools Internal Procedures Manual

- 2) The Governing Body implements the findings from the annual independent review on the adequacy and effectiveness of the internal financial control framework (SFVS).

#### **B.5. Income**

- 1) All income due is identified, collected, held securely, banked into the Official Account and posted correctly into the accounting system.
- 2) A charging policy and associated scale of charges are reviewed and approved annually by the Governing Body.
- 3) Transfers of money between two members of staff are evidenced by means of a signature.
- 4) All bad debts are reported to the Governing Body and the Children Services Directorate.

***See also:***

Write-off process in paragraph 13.7

#### **B.6. Expenditure**

- 1) Purchasing arrangements for goods and services reflect the need to obtain quotation or tenders in accordance with approved limits.

***See also:***

## Purchasing and Contracts in Section 7

- 2) Official orders are used and invoices are authorised for payment.
- 3) The payments system contains clear separation of duties between staff who administer it.

### **B.7. Asset Management**

- 1) A comprehensive inventory of equipment is maintained containing serial numbers, date acquired, warranty, security marked, electrical tested.
- 2) An annual inventory and stock check against actual assets is undertaken and evidenced.
- 3) Portable, desirable and valuable equipment is properly secured and security marked.
- 4) Procedure for the write-off and disposal of equipment is recorded and followed.

### **B.8. Personnel/Payroll**

- 1) Appointments and payments are made in accordance with procedures formally adopted by the Governing Body.
- 2) The administration of all documents and claims relating to appointments, terminations or pay adjustments is organised in such a way as to ensure that they are not the sole responsibility of one person.

### **B.9. Information Systems**

- 1) A disaster recovery plan in relation to loss of accounting and other critical data is annually approved by the Governing Body and regularly tested.
- 2) Back up of the school's critical data is regularly taken and stored in a fireproof location or offsite.
- 3) There is a formal procedure to review all computer application software, data, equipment and access arrangements.

### **B.10. Unofficial Funds**

- 1) An auditor independent of the school staff has produced an audited statement that is presented annually to the Governing Body.

#### ***See also:***

Unofficial Funds at Section 20

- 2) Funds are accounted for separately in financial statements to the Governing Body.

## **Annexure C - MODEL INTERNAL FINANCIAL PROCEDURES MANUAL - POLICY DOCUMENT**

### **XXXXX SCHOOL**

#### **INTERNAL FINANCIAL PROCEDURES MANUAL - POLICY DOCUMENT**

##### **Introduction**

The purpose of this document is to summarise the policies adopted by the Governing Body in order to discharge its responsibilities for the sound financial management of the school within the financial regulations, standing orders and the scheme for financing schools issued by Bristol City Council (BCC).

The document should be used in conjunction with the Financial Regulations for Schools with Delegated Budgets; Scheme for Financing Schools and BCC Standing Orders.

##### **Financial Standards**

1. Organisation of responsibility and accountability
2. Headteacher's role in Financial Control
3. Budgeting
4. Internal Control
5. Insurance
6. Computer Systems
7. Purchasing
8. Personnel and Payroll
9. Asset Security
10. Income
11. Banking arrangements
12. Petty Cash
13. Voluntary Funds
14. External Control

## 1. ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

- 1.1 The Governing Body is responsible for the financial management and control of the school's budget and ensuring compliance with the Scheme for Financing Schools and BCC Financial Regulations.
- 1.2 The Governors will delegate authority to a Committee, an individual Governor, or the Headteacher. Any delegated authority to a Committee the Governing Body will be established through 'terms of reference' for that Committee. To delegate authority to an individual Governor or the Headteacher, the Governing Body will establish a 'schedule of delegation'. The 'terms of reference' and the 'schedule of delegation' will be documented, minuted as approved by the Full Governing Body and annually reviewed and updated where needed.
- 1.3 The financial role of the Finance Committee is set out in the Committee's Terms of Reference approved annually by the Governing Body.
- 1.4 The Finance Committee interacts with the other Committees, to advise on appropriate means by which their requirements which have budget implications can best be met.
- 1.5 The Headteacher/Senior Leadership Team is responsible for ensuring that Budget Plans are drawn up that reflect the educational priorities for the school as set out in the School Development/Improvement Plan.
- 1.6 (Job/Post Title) is responsible for:
  - Preparing annually a Budget in accordance with 1.5 above, discussing it with and obtaining the approval of the Headteacher/Senior Leadership Team and thereafter the Finance Committee and Governing Body, subsequently submitting the Budget to BCC within the statutory outlined timescale as detailed in **section 3.2 below**, and obtaining their validation.
  - Ensuring the prompt and accurate recording of all financial transactions on the school's accounting records, ensuring that sound systems of internal control are in place that enables the proper processing of the school's transactions.
  - Liaising with external agencies including major suppliers and BCC's finance officers to ensure the school's best financial interests are met.
  - Monitoring all income and expenditure and acting accordingly.
  - Working within the financial limits agreed by the Governing Body. These are set annually and are equal to the agreed budget for each cost centre.
- 1.7 Individuals within the school are responsible for ensuring that expenditure necessarily charged to their cost centre is made within the educational priorities of the school and their department's part in those.
- 1.8 The Finance Office staff are responsible for the financial administration of the school including:
  - accounting records,
  - the placing of approved orders,
  - the processing and payment of agreed invoices,
  - the periodic production for cost centre managers of individual financial statements,
  - monthly and weekly reconciliation of finance data with local financial records and bank balances,
  - setting up school budget and financial structure,
  - receiving, recording and banking school income,
  - finance administration of staff appointments, resignations etc., and
  - **maintaining input of personnel data to SIMS system and financial administration of school trips**

- 1.9 The school has a Register of Pecuniary Interests for the governors and staff, which is kept by **(Job/Post Title)**. In addition, anyone involved in purchasing items or services in school is required to declare any personal interest in the transaction.
- 1.10 A strategic development plan is formulated and agreed each year for the next three years, the first year to be produced in detail, the following two years in draft. This plan is prepared in the first instance by the Headteacher/Senior Leadership Team/Finance Committee. It is then put to the full Governing Body for approval.
- It includes details of projected expenditure on buildings (looking at both capital and repairs and renewals), long term contracts and commitments and staff development. Governors assess long term staffing costs, particularly when restructuring is being considered. The plans must conform to the school's aims and objectives and reflect the integration of cost related academic proposals as shown in the curriculum development plans.
  - The plan is reviewed and updated annually with objective criticism, review and assessment minuted.
- 1.11 Compliance with these Internal Financial Procedures and the BCC's Financial Manual of Guidance is mandatory, and any contravention of procedures must be brought to the attention, in the first instance, of the Headteacher.
- 1.12 All policy documents, including this document, maintained by the school will be annually reviewed and considered and agreed by the Governing Body.

## **2 HEADTEACHER'S ROLE IN FINANCIAL CONTROL**

- 2.1 Leading and managing the creation of the Development/Improvement Plan underpinned by sound resource planning that identifies priorities and targets for ensuring that pupil achieve high standards and make progress, increasing teacher effectiveness and securing improvement.
- 2.2 Ensuring that the relevant BCC financial regulations are implemented.
- 2.3 Establishing and overseeing sound internal financial controls that are managed on a daily basis by the finance officer/Bursar/finance/business manager. This includes a regular review of budget monitoring information.
- 2.4 Ensuring the effective implementation of current financial systems and procedures in accordance with BCC best practice.
- 2.5 Approving draft budgets for submission to the Governing Body and thereafter to the LA.
- 2.6 Ensuring that regular budget reports are prepared for the Governing Body.
- 2.7 Obtaining governor approval for any virements above his/her delegated authority (see section 3.6 below).
- 2.8 Ensuring a timely response to finance audit reports and advising governors of any remedial action.
- 2.9 Ensuring the maintenance of accurate and current inventories of all designated and moveable assets and equipment as prescribed in the Scheme for Financing Schools.



- 2.10 Ensuring that adequate insurance provision is made as part of the annual budget.
- 2.11 Implementing the Governors pay policy.
- 2.12 Implementing safe recruitment policy and procedures.
- 2.13 Setting appropriate priorities for expenditure, allocating funds and establishing effective administrative controls.

### **3 BUDGETING**

- 3.1 The school's aims and objectives are set out in the School Development/Improvement Plan and supported by other appropriate plans such as Asset Management Plan, as approved by the Governing Body.
- 3.2 The timing of the preparation of the annual Budget will by necessity be largely driven by the provision by BCC of Schools Budget Share (income) figures. Formal submission of the Budget, as approved by the Governing Body or nominated sub- committee, is required by the specified date of the relevant financial year.
- 3.3 The detailed preparation of the Budget can be completed with the aid of the prescribed budget planning tool/software (there is a paid for software available at TwS Schools Finance – BPS), approved by BCC. Budget plans will cover a three-year rolling period unless BCC has specified a different period.
- 3.4 Individual Departments (including curriculum and administrative) are allocated sums on the basis of costed development plans. These plans are translated into bids for funding and are accepted alongside:
  - Statement of account for the previous financial year.
  - The previous financial years bid.
- 3.5 Budget Monitoring reports, for use in school with governors and the local authority, have been developed in which variances are highlighted for discussion and appropriate action. A summary printout of departmental budgets is provided to cost centre holders each month, with more detailed breakdowns of costs supplied on request. Monthly budget monitoring reports showing each cost centre is provided to the Headteacher/ Senior Leadership Team. The monitoring report supported by appropriate financial statements are presented to the Finance Committee at least six times (quarterly) a year, and after approval from this body, are reported to the full Governing Body.
- 3.6 Governors may give the Headteacher/Senior Leadership Team the authority to vire between accounts during the course of the year, provided the total budget amount is not exceeded and all such virements are reported to the Finance Committee.

### **4 INTERNAL CONTROL**

- 4.1 All elements of the approved Budget are in the charge of the respective cost centre holder on whose authority monies may be spent from that cost centre. Control and authorization hierarchy is specified by the governing body and where possible incorporated into the financial/accounting system.
- 4.2 Financial orders are made by means of purchase orders being produced from the school's accounting computer records. These are generated by the Finance Office from purchase order requisitions that have been duly authorised by cost centre holders.

4.3 Purchase orders will be approved in accordance with the school's authorization hierarchy before dispatch electronically to suppliers.

4.4 The school has **xx** authorisers. Each has delegated authorisation as follows:

(Job/Post Title) £xx

(Job/Post Title) £xx

(Job/Post Title) £xx

(Job/Post Title) £xx

(Job/Post Title) £xx

Whenever any entry is raised in the school's accounts it (and where this is available) automatically transfer to the workflow of the appropriate authoriser. The requirement to keep supporting paper documentation is not required. In all other cases, authorisers must see evidence in supporting documentation before authorising

4.5 On receipt of goods, delivery notes are checked to the numbered order for quantity and will where appropriate be goods receipted in the accounting system. This will in turn, where appropriate, generate electronic payment.

4.6 Alternatively, supplier invoices will be checked to the numbered order for quantity, price and calculation. The delivery notes/invoices are then authorised by the relevant cost centre holder to confirm receipt of goods/services. Invoices are sent electronically by the supplier to TwS Schools Finance for matching against purchase order and delivery notes, then processed for payment. Schools with their own bank accounts will set-up a similar process to ensure invoices are received by the appropriate person and the above checks are carried out before payments made to the supplier.

4.7 The (Job/Post Title) holds detailed procedures relating to the school's financial systems and is responsible for keeping them up-to-date and ensuring they comply with LA requirements. When new LA procedures are issued (Job/Post Title) is responsible for alerting staff and governors, updating the school's procedures as required and keeping copies of the latest BCC procedures.

4.8 All staff, including the (Job/Post Title), who deal with financial matters are trained in the appropriate procedures and records are kept of this training. All the duties of the (Job/Post Title) are recorded and a note kept of who can carry out the various duties in the absence of the (Job/Post Title).

4.9 Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

4.10 Any suspected irregularity will be reported to the TwS Schools Finance and/or Finance Manager (Children's and Education) who will report this the Service Directors for Finance and Education & Skills.

## 5 INSURANCE

5.1 The Governing Body will take out such insurance as it seems fit and/or as it is advised, and to comply with statutory requirements. The Governing Body will obtain cover as set out by the LA Risk and Insurance Team and must cover the following as a minimum:

- Buildings and Contents
- Employers and Public Liability (it is a legal requirement for Employers liability cover to be held)

- Motor insurance (where applicable)
- Engineering Insurance

- 5.2 All risks will be reviewed annually to ensure that the cover is adequate.
- 5.3 All contractors must have public liability insurance to a minimum level of £5million, before they are allowed to undertake work on school premises. Voluntary workers will be covered under the Schools' insurance policy (as long as they come under the direct control and supervision of a member of staff from the school).
- 5.4 People hiring the school premises and using facilities can either be covered by the school's insurance at an additional cost or must produce evidence of valid public liability insurance with indemnity up to £5million.
- 5.5 For schools within BCC Insurance scheme, the headteacher will inform the BCC Insurance Team of all new risks, property and equipment as soon as possible to ensure cover details can be updated.
- 5.6 For schools within BCC Insurance scheme, the Headteacher must notify the BCC Insurance Team of any accident, losses or incidents which might give rise to an insurance claim. Should a letter of claim be received by the school, it must be immediately passed onto the BCC Insurance Team to deal with and investigated. The school should not reply to any contact from solicitors' firms.
- 5.7 As stipulated in the Scheme for Financing Schools, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.

## 6 COMPUTER SYSTEMS

- 6.1 For schools using the RM Accounts and buying into the TwS schools finance support, the principal accounting records are held within this main accounting system. Other administrative areas, such as Pupil records, are held on the administrative computer network, using SIMS or other software, together with proprietary commercial software e.g. Microsoft Excel, Microsoft Word.
- 6.2 The school is registered annually under the 2018 Data Protection Act (and GDPR regulation). The DfE Data Protection Toolkit for Schools<sup>15</sup> provides guidance to support schools with data protection activity, including compliance with the General Data Protection Regulation (GDPR). The registration requires a single Data Controller to be named and the named Data Controller in the school will be the Headteacher.
- 6.3 The accounting system is protected by access permissions to authorised staff. Access permissions should be strictly controlled and individual log-ins should not be compromised. All leavers with previous access to the accounting system must have their access permissions formally removed.
- 6.4 The local network is under the overall control of **(Job/Post Title)**. All users have login identities and passwords, which are required to be changed on at least a termly basis.

## 7 PURCHASING

- 7.1 The immediate responsibility for ensuring that the school obtains best value for money in its buying decisions lies with individual cost centre holders, the skill and wisdom with which they make these

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<sup>15</sup> [Data protection: toolkit for schools - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674442/Data-protection-toolkit-for-schools.pdf)

decisions will clearly have an impact on their area of activity and thereby their overall effectiveness. The City Council Procurement<sup>16</sup> rule is a good guide to all matters relating to buying by all council services including Schools.

- 7.2 For items costing between **£1,000** and **£5,000** cost centre holders must obtain three written quotations. If the supplier chosen is not the cheapest or three written quotations could not be obtained then a record is kept to explain why the more expensive supplier was chosen or why three quotations were not possible.
- 7.3 For items costing between **£5,000** and **£10,000** a check should be made with the Corporate Procurement Team to fully utilise their expertise. Three quotes must be obtained and a record kept if the cheapest is not chosen. All such items will be reported to the Finance Committee.
- 7.4 For items costing between **£10,000** and **£25,000** a check should be made with the Corporate Procurement Team to fully utilise their expertise. Three quotes must be obtained and the purchase must be approved by the Finance Committee.
- 7.5 BCC's Contract Procedure Rules require competitive quotations to be sought for contracts valued between £25,000 and £75,000 over the whole life of the contract. The Corporate Procurement Team should be consulted to fully utilise their expertise.
- 7.6 For contracts between £75,000 and below the European Union (EU) threshold, BCC's Contract Procedure Rules require a sufficient number of persons or bodies to be invited to submit tenders, to ensure genuine competition. Good practice suggests that the number should be a minimum of 3 and a maximum of 6. The Corporate Procurement Team should be consulted to fully utilise their expertise.
- 7.7 For building consultancy advice, the school has/has not subscribed to the City provided service. Where the school has subscribed, and whilst there is a cost implication in this approach, because the service provider charges a fee on a percentage basis of orders placed by them on the school's behalf, it is considered that the provider can direct the school to builders whose prices are again set at Citywide levels. Furthermore, the provider can advise the school on the relevant planning, and health and safety implications of building proposals.
- 7.8 Orders for goods and services are, unless exceptional circumstances dictate otherwise and are approved by **(Job/Post Title)**, made using formal order documentation, generated from BCC's main accounting system as detailed in 4.2 above.
- 7.9 The BCC main accounting system records orders generated by it as commitments against the particular cost centre allocation.
- 7.10 Invoices are passed on receipt to the appropriate fund holder who signs them to acknowledge that the items have been received, they are satisfactory, and that payment may be made. Approved invoices are then passed to the **(Job/Post Title)** for payment as detailed in 4.6 above.
- 7.11 The Governing Body will be responsible for approving the use of Procurement cards and the named card holders in school. Any cards held by anyone other than the Headteacher/School finance officer/Bursar will be linked to a specific cost centre and should only be used to purchase goods from that cost centre.

Procurement Cards are held by **(Job/Post Titles)**. Each Cardholder is **personally responsible** for the safe custody of their card. The card should be held securely at all times and any loss of cards should

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<sup>16</sup> [Procurement rules for Bristol City Council](#)

be reported immediately. Both the Cardholder and the Cost Centre Manager are jointly liable for the integrity of all transactions and proper and controlled use of the Procurement Card. All receipts must be produced and reconciled to the monthly statement by the **(Job/Post Title)** and signed off by the Headteacher.

The monthly spending limit for cardholders is £1,000. Limits can be raised on a temporary basis when major purchases are necessary by reference to the BCC's Banking Team.

## 8 PERSONNEL AND PAYROLL

- 8.1 If a School has subscribed to the payroll service administered by BCC on school's behalf, School Business Managers have access to upload new starters, input overtime and expenses via the web based online payroll portal. Other amendments to payroll data e.g. resignations, pay changes and amendments are transacted by the centralised TWS HR Admin team via the web based payroll portal following instruction from the Headteacher/School Business Manager.
- 8.2 Personnel information is held in manual files under the guidance of the Headteacher with access strictly limited to authorised officials, and separately on the SIMS computer system, for which relevant registration under the Data Protection Act is held as detailed in 6.2 above.
- 8.3 All staff are paid monthly by bank credit transfer to their bank account from a BCC account.
- 8.4 The **(Job/Post Title)** will obtain monthly reports from the BCC's main accounting system to check that transactions for supply staff, casual staff and overtime have been made against authorised claim forms submitted and investigate whether the month's actual expenditure is within 1% of budgeted payroll transactions. The Headteacher should review and sign the report to confirm that the checks have been carried out and that they are unaware of queries raised through BCC payroll.
- 8.5 The **(Job/Post Title)** will perform a full payroll reconciliation against the employee information within the three-year budget planner at least three times a year. A copy of the payroll report will be signed and dated by the **(Job/Post Title)** completing the review and countersigned by the Headteacher to confirm that the checks have been carried out and that they are aware of any queries raised with BCC payroll.
- 8.6 The Headteacher is responsible for ensuring that the statutory obligations around the safe recruitment process are administered and the **(Job/Post Title)** will be responsible for maintaining accurate records of all staff employed by the school in a single central record.
- 8.7 Schools that have not bought into the BCC payroll service will need to sign an **Agreement** relating to HR, Payroll and Pension arrangements between Bristol City Council and The Governing Body of the School and will cover:
  - Definitions and Interpretation
  - Provision of Warranties
  - Indemnity
  - Third Parties
  - General
  - Governing Law and Jurisdiction including, Schedule 1. For General HR, Payroll and Pension requirements for schools and providers and Occupational Pensions

## 9 ASSET SECURITY

- 9.1 The Tangible Assets of the school fall into the following categories – Land and Buildings, Furniture, Fittings and Equipment and Consumables.
- 9.2 The Governing Body will produce and approve an annual maintenance plan which sets out the priorities for building matters, within the overall context of the School Development Plan and linked to the school's financial budget and giving due consideration to security and health and safety issues.
- 9.3 The immediate responsibility for the safeguarding of equipment lies with the end user departments; in support of this, the school provides security measures, including caretaker cover, burglar alarm systems, inventories, security marking, maintenance and support agreements where appropriate, and insurance cover via the BCC or other approved scheme.
- 9.4 Consumable items e.g., stationery purchased for general use are safeguarded by the **(Job/Post Title)**. The **(Job/Post Title)** keeps a watching brief on quantities ordered and the frequency of ordering.

## 10 INCOME

- 10.1 The school income (other than formula and other government grant funding) derives from the following main areas:
- Donations, sponsorship and non-LA administered grants;
  - Student teachers from universities and other institutions;
  - Hiring of premises and facilities;
  - School meals sales
- 10.2 Charges can also be made to pupils to defray the costs of certain activities. The "Policy on Charging for School Activities" set out these details. This document is reviewed annually.
- 10.3 Premises hire charges are determined by the Governors' policy on premises hire, unless exceptional circumstances require otherwise. In such circumstances charges are determined at the discretion of the Headteacher. The "Lettings/Hiring Policy" sets out the detail. This document is reviewed annually.
- 10.4 Bookings for lettings are made through the **(Job/Post Title)**. The **(Job/Post Title)** produces a list of hirers for invoices to be prepared and sent by the Finance Office with a booking form for the following terms requirements. Payments for invoices raised through the accounting system will be processed in accordance with guidance issued by the local authority. The school accounts will be credited at the time at which the invoices are raised.
- 10.5 All income is banked promptly and in full.
- 10.6 The BCC accounting system (accounts receivable service) will chase all outstanding sums on school invoices raised through it according with the agreed debt recovery protocols. Once these processes have been exhausted the debt will be passed back to the school to agree the next course of action.
- All debts can only be written off in accordance with BCC regulations.
- 10.7 Certain curriculum departments generate some income through entrepreneurial activities. Such fees should be made in accordance with the "Policy on Charging for School Activities".

## 11 BANKING ARRANGEMENTS (This section is only meant to be adopted by Schools using BCC Schools main account.)

- 11.1 The school's main bank account is held by BCC.
- 11.2 The school also holds a local expenditure (petty cash/imprest) bank account for incidental payments that cannot be made through the purchase orders process as outlined in section 4.2 above and a direct credit account to collect income made to the school by outside organizations or individuals that are swept daily into the main account.
- 11.3 The petty cash/imprest bank account holds an initial balance of £xx, which is topped up as appropriate by BACS transfer arranged through the school's accounting system. Payments are made via a cheque book/bank transfer and must be approved by XX signature for amount up to £XX and XX for amount over £XX.
- 11.4 The Bank Mandate for the local expenditure bank account requires signatories from the following:
- Headteacher
  - Job/Post Title
  - Job/Post Title
  - Job/Post Title

The authorised account signatories are held on bank mandate forms.

- 11.5 Bank Statements for the local expenditure bank account are received monthly and are reconciled to the school's record. The reconciliation of the bank account is completed by the (Job/Post Title) and reviewed and countersigned by the Headteacher.
- 11.6 The school complies with BCC's directive concerning payments to suppliers.
- 11.7 The arrangements with the bank **does not permit** the school local expenditure bank account to be overdrawn.
- 11.8 In exceptional circumstances, where neither an official computer generated purchase order or procurement card payment, school cheque drawn on the local expenditure bank account nor a petty cash payment is appropriate for a purchase collected by a member of staff, payments can be made on the school's behalf to individual members of staff. The member of staff will be reimbursed on production of supporting documentation by an authorised claim through the "My expenses" facility of the employee's BCC Payroll access.
- 11.9 Payments for travel expenses and reimbursement of child-care costs in accordance with the Allowance Policy for Governing Bodies will be made for Governor training by cheque from the local expenditure bank account against production of supporting documentation.

## 12 PETTY CASH (ONLY INCLUDE IF A PETTY CASH FACILITY HAS BEEN FORMALLY APPROVED BY THE LOCAL AUTHORITY FOR YOUR SCHOOL)

- 12.1 Petty Cash balances are under the control of the Finance Office with reimbursements made from the Finance Office on production of supporting vouchers and receipts.

- 12.2 Expenditure is recorded manually in the first instance; expenditure is then processed into the school's computerised accounting records against the appropriate department budget headings.
- 12.3 Cash for the float is drawn by means of cheque on the school's local bank account.
- 12.4 Personal cheques are not encashed from petty cash or any other cash held by the school.
- 12.5 Petty cash is regularly reconciled with the computer balance by the **(Job/Post Title)** and will be reviewed and countersigned by the Headteacher.
- 12.6 Petty cash slips will be signed by recipient and authorised by the account holder.
- 12.7 The limit for petty cash transactions is set at £**xx**.

### **13 VOLUNTARY FUNDS** *(ONLY INCLUDE IF SCHOOL ADMINISTERS PRIVATE FUNDS)*

- 13.1 "Unofficial"/"private" non-delegated funds are administered by the school through a bank account not linked to the school's main accounts and is audited annually within six months of the financial year-end, by a competent and independent person and reported to the Governing Body. A copy of the accounts will be sent to the BCC's nominated finance officer<sup>17</sup>.

### **14 EXTERNAL CONTROL**

- 14.1 The school is subject to a regular internal audit by BCC Internal Audit Services.
- 14.2 The Finance Committee annually reviews all controls and procedures of financial systems operating within the school. A self-assessment of the financial administration and management within the school is carried out at all levels by the finance officer, Headteacher, Finance Committee, and Governing Body.
- 14.3 The Governing Body is responsible for undertaking the annually required SFVS review, submit a signed copy of the review to the local authority and taking appropriate action where weakness is identified.
- 14.4 Controls and procedures of the financial systems were last reviewed on **xx/xx/xx** and by **yyyyy**. (to include the name of the person carrying out the review and his/her qualification/experience and reported to Governing Body at the meeting on **zz/zz/zz**).

Updated xx xxxxxx 20xx

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<sup>17</sup> Finance Manager (Education & Children's)



## **Annexure D - Keeping a Register of Business/financial interests**

### **2. Introduction**

- 1.1. Everyone who is involved in spending public money must be able to demonstrate that they do not benefit from the decisions that they make. People should not take part in decisions from which they could benefit. For example, school Governors should declare interests that they have in businesses from whom the school could buy goods or services. There may be disciplinary action or prosecution if decisions are taken which benefit the people who take them.
- 1.2. The Governing Body of each school must take appropriate steps to prevent these problems. One key step is that Governing Bodies must set up and maintain a register of business/financial interests and must ensure that decisions are not taken by people who will benefit from them directly or indirectly. The register will allow interests to be declared and it can be checked if there are concerns; or if there is an investigation into decisions that have been made.
- 1.3. A register is required by:
  - a) Section 2.14 Register of business interests of Scheme for Financing Schools requires that a register should be kept of the business/financial interests of governors, the Headteacher and other staff involved in financial management, as evidence that private or personal interests do not influence decisions taken in the school.
  - b) Section 3.4 of the Financial Regulation.
- 1.4. An interest is defined as one in which the “individual stands to gain direct or indirect benefit or reward from a transaction made with the school, e.g., ownership or interest in local businesses or where members of their family are either working at or attending the school.”
- 1.5. Governors should:
  - a) Resist any temptation or outside pressure to use the position of governor to benefit himself or herself or other individuals or agencies,
  - b) Declare openly and immediately any personal conflict of interest arising from a matter before the governors or from any other aspect of governorship. (Complete a Declaration of Interest annually);”
- 1.5. This guidance continues by considering a series of questions about this issue.

### **2. Guidance for Headteachers & School Governors**

#### **2.1. Who must sign the register of business/financial interests?**

Anyone who has the power to make a financial decision involving public money for the school should complete and sign the register declaring their business/financial interests.

#### **2.2. What if decisions are delegated?**

Many purchasing decisions at schools are delegated to the Headteacher or other members of staff, by the Governors.

Any members of staff who have delegated powers to make purchases or financial decisions must declare their business/financial interests in the register.

### **2.3. What if partners or relatives may benefit?**

If partners or close relatives of any of the Governors, the Headteacher or members of staff involved in financial decisions may benefit from the decisions, this must be declared in the register.

Partners or close relatives may work at the school. Relatives may attend the school. In either case, it is important to declare a business/financial interest.

A 'close relative' would normally include at least:

- Parents or stepparents or parents-in-law,
- Sons or stepsons or sons-in-law,
- Daughters or stepdaughters or daughters-in-law,
- Brothers and sisters,
- And the spouses or partners of any of the above people

### **2.4. What is a 'business/financial interest'?**

- 2.4.1 A 'business/financial interest' is defined as one in which the individual stands to gain direct or indirect benefit or reward from a transaction made with the school. For example, if a Governor or Headteacher owned or had an interest in a business that provided services that the school paid for, there would be a 'business/financial interest'.
- 2.4.2 With respect to schools, an interest is defined as "one in which the individual stands to gain direct or indirect benefit or reward from a transaction made with the school, e.g., ownership or interest in local businesses or where members of their family are either working at or attending the school."
- 2.4.3 An 'interest' in a business means being the owner, or sole proprietor, or a partner, or a significant shareholder.
- 2.4.4 Holding a few shares in large companies that might be used by the school is not a business/financial interest. For example, if the school installed an additional telephone line or switchboard using British Telecom, it is very unlikely that there would be a substantial benefit for someone who held a few shares in that company. Thus, a small shareholding in a publicly quoted company (also known as PLC) need not be disclosed.
- 2.4.5 In summary, a business/financial interest should be registered if it is significant, or 'material'. Factors that need to be considered include:
- a) Is the scale of the interest significant?
  - b) Does the individual stand to gain direct or indirect reward from the transactions?
  - c) What value do the transactions have?
- 2.4.6 Where any doubt exists the best advice would be to declare the interest.

## 2.5. What if you have no business/financial interests?

2.5.1 If a person has no interests to declare, a signed and dated ***Nil return*** to this effect should be made.

## 2.6. What decisions shouldn't you take?

Governors, the Headteacher and staff should not take part in any decisions to select suppliers, or which could be seen to be in their own (or their partner or close relatives) interest. Also, they should not authorise for payment claims or vouchers relating to:

- Expenditure they have incurred, or
- Expenditure for services they have supplied, or
- Expenditure claimed by their partners or close relatives, or
- Expenditure for services supplied by their partners or close relatives, or
- Expenditure involving an organisation in which they have an interest.

## 2.7. What should the register of business/financial interests contain?

2.7.1 The register must list any business/financial interests of the Headteacher, each Governor, any other member of staff and associate governor member who can make or influence financial decisions. The register must include each person's business /financial interests and any business/financial interests held by partners or close relatives.

2.7.2 There is no prescribed form that a register of business/financial interests should take. The following headings are, however, suggested as being appropriate for a register to be maintained at schools:

	Description	Use
1	Name	The name of the member of staff who is declaring the business/financial interest should be recorded under column 1 and the position held (Headteacher, Governor, Bursar, Teacher etc.) under column 2.
2	Position	
3	Beneficiary - Self / Partner / Other close Relative / Business	'Beneficiary' is the person or business who could potentially benefit from the business/financial interest.
4	Role of Partner/other close relative	The role of the partner or other relative, for example they may be a teacher in that school.
5	Nature of Interest (or statement of no business/financial interests)	Details of the interest should be specified. <ul style="list-style-type: none"><li>• governance roles in other educational institutions,</li><li>• any material interests arising from relationships between governors or relationships between governors and school staff (including spouses, partners and close relatives),</li></ul> This might for example, be a partnership or a significant holding in a business. This column can also be used to state that the person has no business/financial interests to declare
6	Date of declaration	Date on which the declaration is made, followed by a signature in Column 7
7	Signature (when declaring an interest)	
8	Date Terminated	Date on which the 'interest' is terminated, followed by a

9	Signature (confirming that the interest ends)	second signature in Column 9 confirming this
10	Other information or comment	for any other information or comment

## **2.8. Who can inspect the register?**

2.8.1 The register must be available for inspection by governors, staff, parents of pupils and the LA.

## **2.9. Will a register prevent all abuses?**

2.9.1 Even though there is a register, people may decide (or neglect) to declare their business/financial interests. Thus, having a register will not always prevent abuse. However, a conscious decision not to comply with the requirement to disclose any interest has to be made by each individual. Thus, there is a risk that failure to disclose will be detected. This could lead, at best, to embarrassment and potentially, to disciplinary or legal action.

## **2.10. Should the register of business/financial interests be kept up to date?**

2.10.1 The register of business/financial interests must be kept up to date. New Governors, Headteachers and staff should add their declarations of business/financial interest to the register as they are appointed. New business/financial interests should be declared as they arise.

2.10.2 The register should be reviewed annually. Each year, each person must review their declarations, amend them as appropriate and then sign and date their declarations.

2.10.3 The Governing Body is responsible for ensuring that the register is kept up to date. The responsibility for maintaining the register may be delegated to the Headteacher or another member of staff. In this case the delegation should be formally minuted in accordance with Section 2.2 of the Financial Regulations.

## **2.11. Should business/financial interests be declared at meetings?**

2.11.1 Neither governors nor staff should be involved in making decisions where their personal interests may conflict with the interests of the school. Thus business/financial interests should be declared at meetings where decisions about spending are taken.

2.11.2 All interests should be declared immediately. These declarations of interests should be recorded in the minutes. People with a business/financial interest should take no part in the decision-making process and may withdraw from the meeting.

2.11.3 The DfE publication "Governance handbook and competency framework"<sup>18</sup> latest publication in October 2020 gives advice on the circumstances under which governors should withdraw from meetings where decisions are being made.

2.11.4 Different processes can be used to select suppliers. Whatever process is used to select suppliers, people with a business/financial interest should not be involved.

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<sup>18</sup> [Governance handbook and competency framework - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/governance-handbook-and-competency-framework)

## **Annexure E - Code of Conduct for School Governors, Headteacher and Other Staff in Respect of Commercial Practices, Gifts and Hospitality**

### **1. Introduction**

- 1.1 The principal aim of the City Council's Code of Conduct on Gifts and Hospitality is to ensure that business at schools is conducted in accordance with the very highest standards. School Governors and employees should never use their office for personal gain and should seek to uphold and enhance the standing of the school and the City Council by:
- (a) maintaining a high standard of integrity in all business relationships,
  - (b) fostering the highest possible standards of professional competence amongst those for whom they are responsible,
  - (c) complying both with the letter and the spirit of:
    - (i) the law,
    - (ii) the City Council's Corporate Governing Policy, these Financial Regulations and Instructions for Schools with Delegated Budgets,
    - (iii) any additional guidance supplied by the relevant Executive and Service Strategic Directors of the City Council,
    - (iv) the Conditions of Service of Employees of the City Council,
    - (v) the Code of Conduct for Officers,
  - (d) rejecting any business practice, which might reasonably be deemed improper.
- 1.2 The following guidelines express the obligations of school Governors or employees which exist in legislation or are expressed or implied in the conditions of appointment. Throughout these guidelines use of the words "Director for Education and Skills" refers to individual education officers supporting the school.
- 1.3 The Code of Conduct on Gifts and Hospitality covers:
- 1. Introduction
  - 2. Gifts
  - 3. Hospitality
  - 4. Private Transactions
  - 5. Transactions between Governors or employees and the school involving pecuniary interest
  - 6. Protection of Commercially Valuable Information
  - 7. Action in the Event of Breaches

## **2. Gifts**

### **2.1 Gifts by way of Inducement or Reward**

The Bribery Act 2010<sup>19</sup> prohibit individuals from soliciting or receiving any gift or consideration of any kind from contractors or their agents, or from any organisations, firms or individuals with whom they are brought into contact by reason of their official duties, as an inducement or reward for:

- (a) doing or refraining from doing anything in their official capacity, or
- (b) showing favour or disfavour to any person or firm in their official capacity.

2.2 The Act automatically assumes that gifts or considerations are corrupt and where public sector contracts are concerned it is for the individual to prove otherwise. Because of this, it is good practice for individuals and managers to keep a simple record of any instances which might later be open to misinterpretation, e.g., the return of an unsolicited gift or offers of excessive hospitality etc.

2.3 It should be noted that offers of inducements of gifts include promotions such as:

- (a) competitions where entries are based on the school purchasing items or services as a qualification,
- (b) other free gifts associated with the placing of orders,
- (c) gifts based on attendance at exhibitions or seminars on behalf of the school.

2.4 Free gifts based on the collection of coupons or vouchers from the packaging of items purchased with City Council funds would not be acceptable unless the gifts were clearly applicable to the school or the City Council and not the individual.

### **2.5 Casual Gifts**

2.6 Headteachers should give consideration to the maintenance of a record of all gifts given or received by their staff. The Governing Body should consider maintaining a similar record in respect of gifts given to or received by Governors.

2.7 Although casual gifts offered by contractors or others, for example at Christmas time, may not be in any way connected with the performance of duties so as to constitute any offence under the Bribery Acts, such offers should be politely but firmly declined and the Finance Manager (Education and Children's) informed. The only gifts, which may be accepted, are calendars, diaries and other simple items of office equipment of modest value, and then only if they bear the company's name or insignia. In any case of doubt, the Finance Manager (Education and Children's) should be informed.

## **3. Hospitality**

3.1 The utmost discretion should be exercised in accepting offers of hospitality from contractors, potential contractors or their representatives, or from other organisations or individuals involved in

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<sup>19</sup> [untitled \(legislation.gov.uk\)](#)

commerce. Whether hospitality can suitably be accepted depends on the nature and on the circumstances. A precise rule cannot be laid down. Generally speaking, all hospitality, including reciprocal hospitality, should be such as would be seen to be reasonable and appropriate in the circumstances. Those in contact with contractors etc should be on their guard against accepting hospitality, which might later lay them open to allegations of a lack of independence and impartiality. In all cases of doubt advice should be sought from the Finance Manager (Education and Children's).

- 3.2 Hospitality, which is at an appropriate low level as part of a sales demonstration or technical instruction is acceptable, although significant "prizes" or overnight hospitality, would not be.
- 3.3 Employees should only accept offers of hospitality if there is a genuine need to impart information or represent the local authority in the community. Offers to attend purely social or sport-connected functions should be accepted only when these are part of the life of the community or where the authority should be seen to be represented. These should be properly authorised and recorded. This covers events held outside contractual hours of work e.g., during holidays or at weekends as well as in work time.
- 3.4 Headteachers should give consideration to the maintenance of a record of all hospitality given or received by their staff. The Governing Body should consider maintaining a similar record in respect of hospitality given to or received by Governors.

#### **4. Private Transactions**

- 4.1 Those having official dealings with contractors and other suppliers of goods or services should avoid transacting any kind of private business with them by any means other than normal commercial channels. No favour or preference as regards price or otherwise which is not generally available should be sought or accepted. For example, cash and carry cards obtained for the school must not be used for private purchases.
- 4.2 The purchase of goods or services for private purposes through City Council funds or using official order forms, City Council headed paper or any other formal City Council documentation is not acceptable, even if the individual reimburses the City Council.
- 4.3 Purchases are allowed through the Purchasing Services scheme which allows items to be selected from a catalogue ordered direct from supplier, in the orderer's own name.

#### **5. Transactions between employees or school Governors and the school**

- 5.1 Because of the allegations that can so easily be made, sales and purchases of goods and services between school Governors or employees and the school should, as a matter of principle, be avoided. If there are special reasons for departing from this basic rule in a particular case, then the prior approval of the Finance Manager (Education and Children's) should be obtained and the City Council's Standing Orders as to Contracts for Schools with Delegated Budgets should be adhered to strictly. In all such cases the governing body will need to ensure that the terms of any arrangement

are, and are seen to be, established in open competition and represents the best terms available for the school.

- 5.2 If it comes to the knowledge of any school Governor or employee that a contract in which he/she has any pecuniary interest, whether direct or indirect, has been or is proposed to be entered into by the school, he or she should, as soon as practicable, give notice in writing to the Finance Manager (Education and Children's).
- 5.3 Section 95 of the Local Government Act 1972<sup>20</sup> defines pecuniary interests very broadly and if an employee or school Governor is uncertain about a particular circumstance, he/she should seek further advice from the Finance Manager (Education and Children's).
- 5.4 School Governors or employees should declare to their governing body a potential conflict of interest if they or their spouse are employed by or have a financial interest (such as directorships or significant shareholding) in an organisation having or potentially having a contract with the school.
- 5.5 In certain circumstances employees may be asked to sign a declaration not to disclose information obtained as a result of their employment prior to terminating their employment with the school. This might apply, for example, to an employee who has negotiated a contract with a company, which he/she subsequently joins.
- 5.6 Where a decision is to be made concerning a purchase or sale that impacts on an employee or school Governor, it must be seen to be the case that no favour or advantage accrues to the employee or Governor. The individual concerned must take no part in the discussion or decision on the issue.
- 5.7 However well-intentioned they may be, offers, for example to carry out services such as minor repairs or decorations or to supply goods at "discount" or "nominal" charge by employees or school Governors or "friends" of the school, should always be subjected to the competitive tests and procedures outlined above.

## **6. Protection of commercially valuable information**

- 6.1 The following provisions should be observed:
  - (a) prices offered to the school must, in no circumstances, be disclosed to anyone outside the school,
  - (b) if it is necessary to discuss a contract or tender with any firm, extreme care should be taken to avoid disclosing any information which would be regarded as confidential and commercially sensitive, e.g., the position of a firm in the order of tendering, a budget for the purchase or information of a technical nature received from another firm,

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<sup>20</sup> [Local Government Act 1972 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1972/26)



- (c) those with access to commercially valuable information must be particularly careful not to reveal this information to suppliers' representatives who may try to obtain information about prices paid to their competitors under City Council contracts.

## **7. Action in the event of breaches**

- 7.1 A breach of the provisions of the Bribery Act 2010 renders those involved liable to possible prosecution. A breach of this Code by an employee may result in disciplinary action being taken including the possibility of dismissal.

Annexure F – Sample  
Budget Report

Budget by Ledger Level



School Name: A Primary School

DFE No.: 1234

Version Name: Budget Updates as at 21st April 2020

Version Description: Employee: BUDGET UPDATES 1/4/20, Funding: Original Budget 2020/2021 1, Other I/E: Working to Maintain as at Q3 1

Financial years: 2020/21 to 2024/25

Version: Submit / Waiting for Authorization

	2020/21(£)	2021/22(£)	2022/23(£)	2023/24(£)	2024/25(£)	Comments
<b><u>REVENUE INCOME</u></b>						
<b>I01-FUNDS DELEGATED BY THE LEA</b>						
10101-LMS Formula Allocation	3,095,423.13	3,045,022.61	3,045,022.61	3,045,022.61	3,045,022.61	
10102-Dedelegated Funding	-58,582.00	-58,582.00	-58,582.00	-58,582.00	-58,582.00	
10106-Other Income (Funding)	108,272.00	108,272.00	108,272.00	108,272.00	108,272.00	
10109-SEN Core Funding	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	
10113-NNDR Funding	67,243.00	67,243.00	67,243.00	67,243.00	67,243.00	
Sub Total	3,234,356.13	3,183,955.61	3,183,955.61	3,183,955.61	3,183,955.61	

**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



**I05-PUPIL PREMIUM**

10507-Pupil Premium	44,000.00	44,000.00	44,000.00	44,000.00	44,000.00
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<b>Sub Total</b>	<b>44,000.00</b>	<b>44,000.00</b>	<b>44,000.00</b>	<b>44,000.00</b>	<b>44,000.00</b>
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**I09-INCOME FROM CATERING**

10901-Sale of Staff Meals	300.00	300.00	300.00	300.00	300.00
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10902-Sale of Meals	62,000.00	90,000.00	90,000.00	90,000.00	90,000.00
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<b>Sub Total</b>	<b>62,300.00</b>	<b>90,300.00</b>	<b>90,300.00</b>	<b>90,300.00</b>	<b>90,300.00</b>
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**I13-DONATIONS / VOLUNTARY FUNDS**

11302-Donations	39,000.00	11,000.00	11,000.00	11,000.00	11,000.00	School Fund £28k, Music £11k
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<b>Sub Total</b>	<b>39,000.00</b>	<b>11,000.00</b>	<b>11,000.00</b>	<b>11,000.00</b>	<b>11,000.00</b>
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**I18-ADDITIONALGRANT FOR SCHOOLS**

**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



11801-PE grant	7,444.00	7,444.00	7,444.00	7,444.00	7,444.00	
11802-Universal Infant FSM grant	104,000.00	153,000.00	153,000.00	153,000.00	153,000.00	343 ks1 @2.30 x 130 sessions

<b>Sub Total</b>	<b>111,444.00</b>	<b>160,444.00</b>	<b>160,444.00</b>	<b>160,444.00</b>	<b>160,444.00</b>	
<b>Total</b>	<b>3,491,100.13</b>	<b>3,489,699.61</b>	<b>3,489,699.61</b>	<b>3,489,699.61</b>	<b>3,489,699.61</b>	

**REVENUE EXPENDITURE**

**E01-TEACHING STAFF**

30101-Permanent Teachers Salaries	1,230,203.48	1,325,023.19	1,393,403.64	1,446,796.31	1,476,956.23	
30104-Permanent Teachers Salaries - Superannuation	286,462.30	308,818.63	324,912.17	337,514.01	344,655.88	
30105-Permanent Teachers Salaries - National Insurance	123,988.54	136,343.96	146,262.44	153,620.90	157,782.96	
30109-Salaries (Casual) - Basic Pay	0.00	0.00	0.00	0.00	0.00	Auto populated by Budget Builder
39101-Permanent Teachers overtime	0.00	0.00	0.00	0.00	0.00	Auto populated by Budget Builder

<b>Sub Total</b>	<b>1,640,654.32</b>	<b>1,770,185.79</b>	<b>1,864,578.26</b>	<b>1,937,931.22</b>	<b>1,979,395.07</b>	
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**E02-SUPPLY TEACHING STAFF**

30201-Supply Teachers Salaries	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	
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**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



	Sub Total	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	
<b>E03-EDUCATION SUPPORT STAFF</b>							
30309-HLTAs Supply (External)	224,865.00	224,865.00	224,865.00	224,865.00	224,865.00	224,865.00	add sen
30321-LSAs / Gas and Nursery Nurses Salaries	95,667.43	98,257.97	100,245.50	102,250.14	102,250.14		
30324-LSAs / Gas and Nursery Nurses Salaries - Superannuation	20,405.87	20,958.43	21,382.37	22,925.34	23,722.04		
30325-LSAs / Gas and Nursery Nurses Salaries - National Insurance	3,504.59	3,862.06	4,136.33	4,412.95	4,412.95		
30341-Librarian Salaries	20,344.01	21,166.01	22,021.01	22,911.01	22,911.01		
30344-Librarian Salaries - Superannuation	4,339.38	4,514.71	4,697.08	5,136.84	5,315.35		
30345-Librarian Salaries - National Insurance	1,595.28	1,708.72	1,826.71	1,949.53	1,949.53		
39322-LSA - TA Salaries - Overtime	0.00	0.00	0.00	0.00	0.00	0.00	Auto populated by Budget Builder
<b>Sub Total</b>	<b>370,721.56</b>	<b>375,332.90</b>	<b>379,174.00</b>	<b>384,450.82</b>	<b>385,426.03</b>		
<b>E04-PREMISES STAFF</b>							
30401-Caretaking /Cleaning Salaries	19,945.01	20,344.01	20,751.01	21,166.01	21,166.01		
30405-Caretaking /Cleaning Salaries - National Insurance	1,540.22	1,595.28	1,651.45	1,708.72	1,708.72		
39402-Salaries - Overtime	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00		

**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



	Sub Total	24,485.23	24,939.29	25,402.46	25,874.72	25,874.72
<b>E05-ADMINISTRATIVE &amp; CLERICAL STAFF</b>						
30501-Administrative staff		157,506.31	178,409.12	182,812.02	187,334.14	188,224.30
30504-Administrative staff Salaries - Superannuation		28,991.16	33,357.58	34,202.66	36,865.04	38,352.70
30505-Administrative staff Salaries - National Insurance		13,048.50	14,922.92	15,530.52	16,154.58	16,277.41
30509-Administrative staff Supply		17,000.00	17,000.00	17,000.00	17,000.00	17,000.00
30511-Clerk to Governors fees		2,499.59	2,622.07	2,727.89	2,838.11	2,838.11
30514-Clerk to Governors Salaries - Superannuation		533.16	559.28	581.86	636.33	658.44
39502-Salaries - Overtime		15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
<b>Sub Total</b>		<b>234,578.72</b>	<b>261,870.98</b>	<b>267,854.95</b>	<b>275,828.19</b>	<b>278,350.95</b>
<b>E08-INDIRECT EMPLOYEE EXPENSES</b>						
30851-Staff travel		1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
30852-Advertising (Recruitment only)		500.00	500.00	500.00	500.00	500.00 ETeach and TWS Admin Fee
30853-Interview Expenses		25.00	25.00	25.00	25.00	25.00
30854-Staff subsistence inc med fees		4,300.00	4,300.00	4,300.00	4,300.00	4,300.00 Flue £500 Occ Health £800
30855-Police Checks		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00

**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



30856-Adult Duty Meals	5,100.00	5,100.00	5,100.00	5,100.00	5,100.00
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30858-Apprenticeship Levy	7,631.00	7,783.00	7,939.00	8,098.00	8,260.00
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<b>Sub Total</b>	<b>22,056.00</b>	<b>22,208.00</b>	<b>22,364.00</b>	<b>22,523.00</b>	<b>22,685.00</b>
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**E09-STAFF DEVELOPMENT & TRAINING**

30951-Staff training	24,036.00	24,036.00	24,036.00	24,036.00	24,036.00
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<b>Sub Total</b>	<b>24,036.00</b>	<b>24,036.00</b>	<b>24,036.00</b>	<b>24,036.00</b>	<b>24,036.00</b>
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**E12-BUILDING MAINT.& IMPROVEMENTS**

31202-Building Maintenance	43,268.00	43,268.00	43,268.00	43,268.00	43,268.00	Skips    locking up
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31203-Fixtures & Fittings (Buildings)	0.00	0.00	0.00	0.00	0.00	Auto populated by Budget Builder
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31204-Service Charges	24,500.00	24,500.00	24,500.00	24,500.00	24,500.00	Legionella Works Air Con Mtce Door Audit Remove
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31205-Fair Funding Property	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	
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<b>Sub Total</b>	<b>107,768.00</b>	<b>107,768.00</b>	<b>107,768.00</b>	<b>107,768.00</b>	<b>107,768.00</b>
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**E13-GROUNDS MAINT.& IMPROVEMENTS**

31301-Grounds Maintenance	15,577.00	15,577.00	15,577.00	15,577.00	15,577.00
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<b>Sub Total</b>	<b>15,577.00</b>	<b>15,577.00</b>	<b>15,577.00</b>	<b>15,577.00</b>	<b>15,577.00</b>
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## Annexure F – Sample Budget Report

### Budget by Ledger Level



#### E14-CLEANING AND CARETAKING

31401-Cleaning incl materials	93,000.00	93,000.00	93,000.00	93,000.00	93,000.00	BCC Contract £68k and contingency
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<b>Sub Total</b>	<b>93,000.00</b>	<b>93,000.00</b>	<b>93,000.00</b>	<b>93,000.00</b>	<b>93,000.00</b>	
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#### E15-WATER AND SEWERAGE

31501-Water & Sewerage Charges	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	
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<b>Sub Total</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>	
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#### E16-ENERGY

31601-Gas	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	
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31602-Electricity	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	
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<b>Sub Total</b>	<b>47,000.00</b>	<b>47,000.00</b>	<b>47,000.00</b>	<b>47,000.00</b>	<b>47,000.00</b>	
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#### E17-RATES

31701-NNDR & Council Tax	67,243.00	67,243.00	67,243.00	67,243.00	67,243.00	This includes the rates for the field and the Centre
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<b>Sub Total</b>	<b>67,243.00</b>	<b>67,243.00</b>	<b>67,243.00</b>	<b>67,243.00</b>	<b>67,243.00</b>	
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#### E18-OTHER OCCUPATION COSTS

31811-Health & Safety / Electrical test	2,924.00	2,924.00	2,924.00	2,924.00	2,924.00	
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31813-Security Measures	10,541.00	10,541.00	10,541.00	10,541.00	10,541.00	Fire Equipment (Extinguishers)
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**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



31814-Hygiene Svces incl Waste Disposal	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
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<b>Sub Total</b>	<b>17,465.00</b>	<b>17,465.00</b>	<b>17,465.00</b>	<b>17,465.00</b>	<b>17,465.00</b>
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**E19-LEARNING RESOURCES (NOT ICT)**

31901-Subscriptions & memberships	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
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31902-Educational Equipment & Materials	108,000.00	102,000.00	102,000.00	102,000.00	102,000.00
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31903-Books	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
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31904-Personal Needs of Students/Clothing	900.00	900.00	900.00	900.00	900.00
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31906-Sporting Expenses	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00
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31911-Paper & Photocopying - Curriculum	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
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31913-Furniture & Fittings - Curriculum	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
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<b>Sub Total</b>	<b>195,900.00</b>	<b>189,900.00</b>	<b>189,900.00</b>	<b>189,900.00</b>	<b>189,900.00</b>
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**E20-ICT LEARNING RESOURCES**

32010-Computer Costs - Curriculum	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
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<b>Sub Total</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>
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**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



**E22-ADMINISTRATIVE SUPPLIES**

32210-Printing & General Office Exp	9,710.00	9,710.00	9,710.00	9,710.00	9,710.00	
32211-Postage	594.00	594.00	594.00	594.00	594.00	
32212-Telephone charges, calls/rental	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00	
32215-Computer Costs - Admin	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	
32216-Equip&Furn Purch/Maint/Hire - Admin	500.00	500.00	500.00	500.00	500.00	
32218-General Holding Account	0.00	0.00	0.00	0.00	0.00	Auto populated by Budget Builder
32223-Paper & Photocopying - Admin	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	
<b>Sub Total</b>	<b>21,404.00</b>	<b>21,404.00</b>	<b>21,404.00</b>	<b>21,404.00</b>	<b>21,404.00</b>	

**E23-OTHER INSURANCE PREMIUMS**

32302-Insurance (General)	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	
<b>Sub Total</b>	<b>9,000.00</b>	<b>9,000.00</b>	<b>9,000.00</b>	<b>9,000.00</b>	<b>9,000.00</b>	

**E25-CATERING SUPPLIES**

32501-Catering	0.00	0.00	0.00	0.00	0.00	Auto populated by Budget Builder
32502-Contract Catering	181,500.00	258,500.00	258,500.00	258,500.00	258,500.00	
<b>Sub Total</b>	<b>181,500.00</b>	<b>258,500.00</b>	<b>258,500.00</b>	<b>258,500.00</b>	<b>258,500.00</b>	

**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



**E26-AGENCY SUPPLY STAFF**

32610-Agency Supply Teachers (External)	139,000.00	137,000.00	137,000.00	137,000.00	137,000.00	Cover for vacancy
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<b>Sub Total</b>	<b>139,000.00</b>	<b>137,000.00</b>	<b>137,000.00</b>	<b>137,000.00</b>	<b>137,000.00</b>	
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**E27-BOUGHT IN PROFESSIONAL SERVICES - CURRIC.**

32711-Fair Funding - Curriculum	2,145.00	2,145.00	2,145.00	2,145.00	2,145.00	
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32714-Prof / Consult Fees & Exp - Curric	132,000.00	132,000.00	132,000.00	132,000.00	132,000.00	
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<b>Sub Total</b>	<b>134,145.00</b>	<b>134,145.00</b>	<b>134,145.00</b>	<b>134,145.00</b>	<b>134,145.00</b>	
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**E28-BOUGHT IN PROFESSIONAL SERVICES - OTHER**

32811-Prof / Consult Fees & Exp - Admin	10,534.00	10,534.00	10,534.00	10,534.00	10,534.00	
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32812-Energy Advice Service	400.00	400.00	400.00	400.00	400.00	
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32813-Fair Funding - Non Curriculum	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	
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<b>Sub Total</b>	<b>65,934.00</b>	<b>65,934.00</b>	<b>65,934.00</b>	<b>65,934.00</b>	<b>65,934.00</b>	
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**E30-DIRECT REVENUE FINANCING**

33011-Long Term Development Plans	0.00	-216,001.00	-321,001.00	-408,000.00	-453,005.00	
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**Annexure F – Sample  
Budget Report**

**Budget by Ledger Level**



	<b>Sub Total</b>	<b>0.00</b>	<b>-216,001.00</b>	<b>-321,001.00</b>	<b>-408,000.00</b>	<b>-453,005.00</b>
	<b>Total</b>	<b>3,474,467.83</b>	<b>3,489,507.96</b>	<b>3,489,344.66</b>	<b>3,489,579.94</b>	<b>3,489,698.78</b>

**REVENUE BALANCES**

TOTAL REVENUE INCOME	3,491,100.13	3,489,699.61	3,489,699.61	3,489,699.61	3,489,699.61
LESS: TOTAL REVENUE EXPENDITURE	3,474,467.83	3,489,507.96	3,489,344.66	3,489,579.94	3,489,698.78
REVENUE BALANCE THIS YEAR	16,632.30	191.66	354.95	119.67	0.83

**REVENUE BALANCES FROM LAST YEAR**

**OB01    OPENING PUPIL FOCUSED REVENUE BALANCE**

39901	39901 Brought Forward Balance	226,132.00	0.00	0.00	0.00	0.00
69901	All Funding Streams B/Fwd Balances	0.00	242,764.30	242,955.96	243,310.90	243,430.57
	<b>SubTotal</b>	<b>226,132.00</b>	<b>242,764.30</b>	<b>242,955.96</b>	<b>243,310.90</b>	<b>243,430.57</b>

**OB02    OPENING COMMUNITY FOCUSED REVENUE  
BALANCE**

39907	39907 Community B/Fwd Balance	0.00	0.00	0.00	0.00	0.00
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Annexure F – Sample  
Budget Report

Budget by Ledger Level



SubTotal		0.00	0.00	0.00	0.00	0.00
REVENUE BALANCE FROM LAST YEAR		226,132.00	242,764.30	242,955.96	243,310.90	243,430.57
CUMULATIVE REVENUE BALANCE C/F		242,764.30	242,955.96	243,310.90	243,430.57	243,431.40
<b><u>REVENUE BALANCE C/F INFORMATION</u></b>						
B01	COMMITTED REVENUE BALANCE	0.00	0.00	0.00	0.00	0.00
B02	UNCOMMITTED REVENUE BALANCE	242,764.30	242,955.96	243,310.90	243,430.57	243,431.40
B06	EXTENDED SCHOOL BALANCE	0.00	0.00	0.00	0.00	0.00

## Annexure G – Sample Quarterly Financial Summary

## Financial Summary

5 YR Revenue Budget/Outturn Summary		SCHOOL TO COMPLETE YELLOW SHADED CELLS					
DfE Number :		NOT RELEVANT / NIL RETURN TO BE INDICATED WITH 0					
School Name:		A Primary School					
		ALL REPORTED FIGURES TO BE SUPPORTED BY REPORTS FROM BP SYSTEMS					
Return Prepared for : Q3		IF CELL TURNS PINK AN INCORRECT VALUE HAS BEEN ENTERED (Income = negative figure, Expenditure = positive figure)					
(Please enter either Budget / Q1 / Q2 / Q3 / YE)							
		CFR Whole School All excl. I16, I17, E31, E32	CFR Community I16, I17, E31, E32	Non CFR Childrens Centre	Non CFR HUBS	Non CFR Other	Total
		£	£	£	£	£	£
<b>Current Year - 2020/21</b>	Year End Statement B/Fwd	-226,133	-2,000				-228,133
	2020/21 Total revenue income	-3,589,400	-26,000				-3,615,400
	2020/21 Total revenue expenditure	3,657,300	25,000				3,682,300
	2020/21 In-year balance	67,900	-1,000	0	0	0	66,900
	2020/21 Balance c/f	-158,233	-3,000	0	0	0	-161,233
<b>Year 2 - 2021/22</b>	Year End Statement B/Fwd	-158,233	-3,000	0	0	0	-161,233
	2021/22 Total revenue income	-3,489,699	-26,000				-3,515,699
	2021/22 Total revenue expenditure	3,429,700	25,000				3,454,700
	2021/22 In-year balance	-59,999	-1,000	0	0	0	-60,999
	2021/22 Balance c/f	-218,232	-4,000	0	0	0	-222,232
<b>Year 3 - 2022/23</b>	Year End Statement B/Fwd	-218,232	-4,000	0	0	0	-222,232
	2022/23 Total revenue income	-3,489,699	-26,000				-3,515,699
	2022/23 Total revenue expenditure	3,447,000	25,000				3,472,000
	2022/23 In-year balance	-42,699	-1,000	0	0	0	-43,699
	2022/23 Balance c/f	-260,931	-5,000	0	0	0	-265,931
<b>Year 4 - 2023/24</b>	Year End Statement B/Fwd	-260,931	-5,000	0	0	0	-265,931
	2023/24 Total revenue income	-3,489,699	-26,000				-3,515,699
	2023/24 Total revenue expenditure	3,412,400	25,000				3,437,400
	2023/24 In-year balance	-77,299	-1,000	0	0	0	-78,299
	2023/24 Balance c/f	-338,230	-6,000	0	0	0	-344,230
<b>Year 5 - 2024/25</b>	Year End Statement B/Fwd	-338,230	-6,000	0	0	0	-344,230
	2024/25 Total revenue income	-3,489,699	-26,000				-3,515,699
	2024/25 Total revenue expenditure	3,406,600	25,000				3,431,600
	2024/25 In-year balance	-83,099	-1,000	0	0	0	-84,099
	2024/25 Balance c/f	-421,329	-7,000	0	0	0	-428,329
School Debtor position (inc Paid Meals)		0	Comments:				
Bad Debt Provision included in Budget		0					
School Carried forward excess Surplus funds		no	Comments:				
School brought f/wd Year End Deficit Balance		no					
School recording a Year End or In year deficit at any point in the 5 Year Budget/Outturn		£67k	In Year Deficit current year only				
Deficit adversely impacts sustainability		no					
School has submitted a recovery plan		n/r					
Year deficit expected to recover		21/22					
Date Presented and approved by Governing Body:							
Please send your Budget and Outturns to <a href="mailto:lareturnsfinance@bristol.gov.uk">lareturnsfinance@bristol.gov.uk</a> , please follow the signature protocol as outlined below;							
There is no requirement to add a physical signature to the individual documents required in the return.							
Please send an email to include all documents required to complete the return attached, and include a statement to confirm that the return has been reviewed, agreed and recorded in the Governor Meeting minutes							
The email (including return documents & statement as above) must be sent from the Head Teacher or Approved Governor email address (Chair of Governors/Chair of Finance Committee as appropriate for each return)							
<b>Budget 2021/22 Checklist:</b>				<b>Outturn 2021/22 Checklist:</b>			
3 or 5 Year summary				3 or 5 Year summary			
Year End Statement for 2020/21 (Q4) detailed by Ledger code for each funding stream.				Current Year Outturn detailed by Ledger for each Funding Stream			
3 or 5 year detailed by Ledger code Budget for each funding stream				to also include comment for variances			
Service Review Recovery Plan for schools in deficit at any point Years 1 to 3				Service Review Recovery Plan for schools in deficit at any point Years 1 to 3 / Progress to Plan			
Use of Excess Surplus balance form				Early Years Retro Calculator			
Early Years Retro Calculator				Nursery Class - 30hr Code check			
Nursery Class - 30hr Code check							
Non RM Accounts System Schools –				Non RM Accounts System Schools –			
Trial Balance Report,				Trial Balance Report,			
Bank Reconciliation,				Bank Reconciliation,			
12 month rolling Cash Flow Statement,				12 month rolling Cash Flow Statement,			
Aged Debtor Report				Aged Debtor Report			
Aged Creditor Report				Aged Creditor Report			

## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors


Budget Forecast : Q2 Final For Governors

Period : December (9)

Profile	Original Budget or latest Outturn (£)	Actual To Date (£)	Commitments (£)	% Spent/ Received	Calculated Remaining From Budget Months (£)	Adjustments (£)	Expected Out Turn (£)	Variance (£)	Comments
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#### REVENUE INCOME

#### I01 - FUNDS DELEGATED BY THE LEA

10101 - LMS Formula Allocation	 01	3,095,423	2,321,568	0	75	0	773,855	3,095,423	0
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020




School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

10102 - Dedelegated Funding	 01	-58,582	-43,937	0	75	0	-14,645	-58,582	0
10106 - Other Income (Funding)	 01	146,590	146,602	0	100	0	0	146,602	12
10113 - NNDR Funding	 01	67,243	67,243	0	100	0	0	67,243	0

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<b>Sub Total</b>		<b>3,250,674</b>	<b>2,491,476</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>759,210</b>	<b>3,250,686</b>	<b>12</b>
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#### I03 - SEN FUNDING

10302 - SEN Top Up Funding	 01	22,000	23,167	0	105	0	0	23,167	1,167
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

Sub Total	22,000	23,167	0	105	0	0	23,167	1,167
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#### 105 - PUPIL PREMIUM

10507 - Pupil Premium	01	44,000	52,848	0	120	0	-8,847	44,001	1	Annual Income £51110 38 pupils, defer £8847 to 2021/22
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Sub Total	44,000	52,848	0	120	0	-8,847	44,001	1
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#### 108A - INCOME FROM LETTINGS

10806 - General Rent income	01	96	96	0	100	0	0	96	0
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020



School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

Sub Total		96	96	0	100	0	0	96	0
<b>I08B - OTHER INCOME FROM FACILITIES AND SERVICES</b>									
10801 - Recoveries-General	 01	100	100	0	100	0	0	100	0
Sub Total		100	100	0	100	0	0	100	0
<b>I09 - INCOME FROM CATERING</b>									
10901 - Sale of Staff Meals	 01	300	33	0	11	0	267	300	0

## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors


Period : December (9)

10902 - Sale of Meals	 01	62,000	16,914	0	27	0	45,086	62,000	0
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Sub Total		62,300	16,948	0	27	0	45,353	62,301	1
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#### I13 - DONATIONS / VOLUNTARY FUNDS

11302 - Donations	 01	28,000	28,000	0	100	0	0	28,000	0
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Sub Total		28,000	28,000	0	100	0	0	28,000	0
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#### I18 - ADDITIONALGRANT FOR SCHOOLS

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020





School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

11801 - PE grant	 01	7,444	36,366	0	489	0	-36,366	0	-7,444	No Expenditure on PE during 20/21 defer income to 21/22
11802 - Universal Infant FSM grant	 01	132,315	132,315	0	100	0	0	132,315	0	Updated Gov advice July 2020
11821 - C-19 Exceptional Costs Mar to July 2020	 01	10,770	10,770	0	100	0	0	10,770	0	Exceptional Costs claim £10k
11831 - C-19 Catch Up Grant from July 2020	 01	38,000	16,300	0	43	0	21,700	38,000	0	Catch up Premium £38k

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<b>Sub Total</b>		<b>188,529</b>	<b>195,751</b>	<b>0</b>	<b>104</b>	<b>0</b>	<b>-14,666</b>	<b>181,085</b>	<b>-7,444</b>	
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# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors



Period : December (9)

Total	3,595,699	2,808,385	0	78	0	781,050	3,589,435	-6,264
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Profile	Original Budget (£)	Actual To Date (£)	Commitments (£)	% Spent/Received	Calculated Remaining From Budget Months (£)	Adjustments (£)	Expected Out Turn (£)	Variance (£)	Comments
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### REVENUE EXPENDITURE

#### E01 - TEACHING STAFF

30101 - Permanent Teachers Salaries	 01	1,109,537	827,845	0	75	265,550	0	1,093,395	16,141
30104 - Permanent Teachers Salaries - Superannuation	 01	264,000	192,119	0	73	68,059	0	260,178	3,822

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020






School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

30105 - Permanent Teachers Salaries - National Insurance	 01	115,148	83,102	0	72	30,425	0	113,527	1,622
39101 - Permanent Teachers overtime	 01	20,000	0	0	0	0	10,507	10,507	9,493
39102 - Salaries - Overtime	 01	0	8,177	0	0	0	0	8,177	-8,177
39104 - Salaries - Superannuation	 01	0	910	0	0	0	0	910	-910
39105 - Salaries - National Insurance	 01	0	407	0	0	0	0	407	-407

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<b>Sub Total</b>		<b>1,508,686</b>	<b>1,112,560</b>	<b>0</b>	<b>74</b>	<b>364,035</b>	<b>10,507</b>	<b>1,487,101</b>	<b>21,584</b>
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# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School




DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

### E02 - SUPPLY TEACHING STAFF

30201 - Supply Teachers Salaries	 01	42,000	7,802	0	19	0	32,252	40,054	1,946
30204 - Supply Teachers Salaries - Superannuation	 01	0	1,606	0	0	0	0	1,606	-1,606
30205 - Supply Teachers Salaries - National Insurance	 01	0	342	0	0	0	0	342	-342

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Sub Total		42,000	9,750	0	23	0	32,252	42,002	-2
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### E03 - EDUCATION SUPPORT STAFF

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020






School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

30309 - HLTAs Supply (External)		01	284,855	296,658	0	104	0	177,000	473,658	-188,803	3 weeks @ £15k per week to Dec 20 £45k 12 weeks @ £11k per week Jan to Mar 21 £132k
30321 - LSAs / Gas and Nursery Nurses Salaries		01	74,096	41,635	0	56	12,974	0	54,610	19,487	
30324 - LSAs / Gas and Nursery Nurses Salaries - Superannuation		01	15,805	9,015	0	57	2,767	0	11,783	4,022	
30325 - LSAs / Gas and Nursery Nurses Salaries - National Insurance		01	2,943	2,224	0	76	578	0	2,802	141	
30341 - Librarian Salaries		01	15,371	10,247	0	67	5,124	0	15,370	1	



# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020






School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

30344 - Librarian Salaries - Superannuation	 01	3,279	2,186	0	67	1,093	0	3,278	0
30345 - Librarian Salaries - National Insurance	 01	1,212	808	0	67	404	0	1,212	0
39322 - LSA - TA Salaries - Overtime	 01	1,697	897	0	53	0	735	1,632	65
39324 - Salaries - Superannuation	 01	0	33	0	0	0	0	33	-33
39325 - Salaries - National Insurance	 01	0	34	0	0	0	0	34	-34

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<b>Sub Total</b>		<b>399,257</b>	<b>363,736</b>	<b>0</b>	<b>91</b>	<b>22,940</b>	<b>177,735</b>	<b>564,411</b>	<b>-165,154</b>
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School





DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

#### E04 - PREMISES STAFF

30401 - Caretaking /Cleaning Salaries	 01	20,386	16,223	0	80	5,023	0	21,246	-860
30405 - Caretaking /Cleaning Salaries - National Insurance	 01	1,595	1,334	0	84	390	0	1,724	-129
39402 - Salaries - Overtime	 01	2,674	256	0	10	0	2,410	2,666	8
39405 - Salaries - National Insurance	 01	0	8	0	0	0	0	8	-8

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<b>Sub Total</b>		<b>24,655</b>	<b>17,820</b>	<b>0</b>	<b>72</b>	<b>5,413</b>	<b>2,410</b>	<b>25,643</b>	<b>-989</b>
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#### E05 - ADMINISTRATIVE &

## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School






DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

#### CLERICAL STAFF

30501 - Administrative staff		01	153,679	103,841	0	68	33,900	0	137,741	15,938	
30504 - Administrative staff Salaries - Superannuation		01	28,958	18,811	0	65	6,071	0	24,882	4,076	
30505 - Administrative staff Salaries - National Insurance		01	13,254	9,239	0	70	2,860	0	12,099	1,154	
30509 - Administrative staff Supply		01	44,752	41,678	0	93	0	18,000	59,678	-14,926	Spend for 67 weeks (17 weeks prior year spend £8k) Current year age £1k per week
30511 - Clerk to Governors fees		01	2,645	1,989	0	75	635	0	2,624	21	

## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020






School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

30514 - Clerk to Governors Salaries - Superannuation	 01	564	424	0	75	135	0	560	4
30519 - Clerk to Governors Supply	 01	0	925	0	0	0	0	925	-925
39502 - Salaries - Overtime	 01	11,129	4,032	0	36	0	6,557	10,589	540
39504 - Salaries - Superannuation	 01	0	218	0	0	0	0	218	-218
39505 - Salaries - National Insurance	 01	0	322	0	0	0	0	322	-322

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<b>Sub Total</b>	<b>254,981</b>	<b>181,480</b>	<b>0</b>	<b>71</b>	<b>43,601</b>	<b>24,557</b>	<b>249,638</b>	<b>5,342</b>
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# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School








DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

### E08 - INDIRECT EMPLOYEE EXPENSES

30851 - Staff travel	 01	1,500	154	0	10	0	1,346	1,500	0
30852 - Advertising (Recruitment only)	 01	500	1000	0	0	0	-500	500	0
30853 - Interview Expenses	 01	25	0	0	0	0	25	25	0
30854 - Staff subsistence inc med fees	 01	4,300	0	0	0	0	4,300	4,300	0
30855 - Police Checks	 01	3,000	1,325	320	44	0	1,674	2,999	1
30856 - Adult Duty Meals	 01	5,100	1,099	87	22	0	4,001	5,100	0
30858 - Apprenticeship Levy	 01	7,631	5,664	0	74	0	1,966	7,630	1

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:


Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

Sub Total	22,056	8,242	407	37	0	13,812	22,054	2
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### E09 - STAFF DEVELOPMENT & TRAINING

30951 - Staff training	 01	24,036	20,245	10,576	84	0	3,791	24,036	0
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Sub Total	24,036	20,245	10,576	84	0	3,791	24,036	0
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### E12 - BUILDING MAINT.& IMPROVEMENTS

31202 - Building Maintenance	 01	166,368	91,214	6,763	55	0	20,000	111,214	55,154	Recoded Building Projects to Capital: Gas Mains,
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# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020




School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

										Roofing, Fencing, Car Park
31203 - Fixtures & Fittings (Buildings)	 01	3,741	0	532	0	0	3,741	3,741	0	
31204 - Service Charges	 01	24,500	17,993	685	73	0	6,508	24,501	-1	
31205 - Fair Funding Property	 01	46,848	41,829	0	89	0	0	41,829	5,019	No further charges
<b>Sub Total</b>		<b>241,457</b>	<b>151,036</b>	<b>7,980</b>	<b>63</b>	<b>0</b>	<b>30,249</b>	<b>181,285</b>	<b>60,172</b>	

E13 - GROUNDS MAINT.&  
IMPROVEMENTS

## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors


Budget Forecast : Q2 Final For Governors

Period : December (9)

31301 - Grounds Maintenance	 01	15,577	10,025	0	64	0	5,551	15,576	1
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Sub Total		15,577	10,025	0	64	0	5,551	15,576	1
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#### E14 - CLEANING AND CARETAKING

31401 - Cleaning incl materials	 01	101,716	152,566	101,704	52	0	-50849	101,717	-1	Includes Annual Order to Sept 21 so £102k reduce by £51k
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Sub Total		101,716	52,566	1,704	52	0	49,151	101,717	-1
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#### E15 - WATER AND SEWERAGE



## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020


School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

31501 - Water & Sewerage Charges	 01	6,000	7,621	4,939	127	0	0	7,621	-1,621	Annual expected based on final Bill for year
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<b>Sub Total</b>		<b>6,000</b>	<b>7,621</b>	<b>4,939</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>7,621</b>	<b>-1,621</b>	
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#### E16 - ENERGY

31601 - Gas	 01	16,495	12,747	2,141	77	0	3,748	16,495	0	increase £3k in line with current use
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31602 - Electricity	 01	33,000	24,672	9,030	75	0	8,328	33,000	0	
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<b>Sub Total</b>		<b>49,495</b>	<b>37,419</b>	<b>11,171</b>	<b>76</b>	<b>0</b>	<b>12,076</b>	<b>49,495</b>	<b>0</b>	
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

#### E17 - RATES

31701 - NNDR & Council Tax	 01	67,243	47,332	0	70	0	19,910	67,242	1
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<b>Sub Total</b>		<b>67,243</b>	<b>47,332</b>	<b>0</b>	<b>70</b>	<b>0</b>	<b>19,910</b>	<b>67,242</b>	<b>1</b>
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#### E18 - OTHER OCCUPATION COSTS

31811 - Health & Safety / Electrical test	 01	2,924	3,138	0	107	0	0	3,138	-214
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31813 - Security Measures	 01	19,278	24,110	3,139	125	0	0	24,110	-4,832	Contingency for Jan to Mar
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31814 - Hygiene Svces incl	 01	4,000	1,493	0	37	0	2,508	4,001	-1
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors




Budget Forecast : Q2 Final For Governors

Period : December (9)

Waste Disposal

Sub Total	26,202	28,741	3,139	110	0	2,508	31,249	-5,047
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#### E19 - LEARNING RESOURCES (NOT ICT)

31901 - Subscriptions & memberships	 01	12,000	12,262	0	102	0	0	12,262	-262	
31902 - Educational Equipment & Materials	 01	107,500	106,825	29,204	99	0	30,675	137,500	-30,000	Teacher Walls Spend moved to Capital £30k
31903 - Books	 01	30,000	19,313	0	64	0	10,688	30,001	-1	

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020





School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

31904 - Personal Needs of Students/Clothing	 01	900	251	0	28	0	650	901	-1	
31906 - Sporting Expenses	 01	33,000	-95	0	0	0	95	0	33,000	No expenditure in 20/21 - Sports Premium funding deferred to 21/22
31911 - Paper & Photocopying - Curriculum	 01	2,000	0	0	0	0	2,000	2,000	0	
31913 - Furniture & Fittings - Curriculum	 01	58,606	24,014	0	41	0	0	24,014	34,592	Teacher Walls Expenditure moved to Capital £35k £24k - Desks, chairs and storage for classrooms - could move to capital
Sub Total		244,006	162,569	29,204	67	0	44,108	206,677	37,329	

## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

#### E20 - ICT LEARNING RESOURCES

32010 - Computer Costs - Curriculum	 01	55,000	10,007	5,937	18	0	5,000	15,007	39,993	£40k Order for New ICT and Tables moved to CApital
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<b>Sub Total</b>		<b>55,000</b>	<b>10,007</b>	<b>5,937</b>	<b>18</b>	<b>0</b>	<b>5,000</b>	<b>15,007</b>	<b>39,993</b>	
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#### E22 - ADMINISTRATIVE SUPPLIES

32210 - Printing & General Office Exp	 01	9,710	2,152	0	22	0	6,665	8,817	893	
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32211 - Postage	 01	1,094	1,908	3	174	0	80	1,988	-894	
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# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020





School Name: A Primary School

DFE No.:


Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

32212 - Telephone charges, calls/rental	 01	2,600	2,462	277	95	0	138	2,600	0
32215 - Computer Costs - Admin	 01	2,000	1,390	229	70	0	609	1,999	1
32216 - Equip&Furn Purch/Maint/Hire - Admin	 01	500	0	0	0	0	500	500	0
32223 - Paper & Photocopying - Admin	 01	6,000	3,536	240	59	0	2,464	6,000	0
<b>Sub Total</b>		<b>21,904</b>	<b>11,447</b>	<b>749</b>	<b>52</b>	<b>0</b>	<b>10,456</b>	<b>21,903</b>	<b>1</b>

### E23 - OTHER INSURANCE PREMIUMS

32302 - Insurance (General)	 01	9,000	0	0	0	0	9,000	9,000	0
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:



Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

Sub Total	9,000	0	0	0	0	9,000	9,000	0
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#### E25 - CATERING SUPPLIES

32501 - Catering	 01	400	351	49	88	0	50	401	-1
32502 - Contract Catering	 01	181,315	78,622	18,009	43	0	102,693	181,315	0

Sub Total	181,715	78,973	18,058	43	0	102,743	181,716	-1
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#### E26 - AGENCY SUPPLY STAFF

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020


School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)


32610 - Agency Supply Teachers (External)	 01	139,000	115,828	0	83	0	44,757	160,585	-21,585	To cover teacher recent teacher vacancies (Dec 20)
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<b>Sub Total</b>		<b>139,000</b>	<b>115,828</b>	<b>0</b>	<b>83</b>	<b>0</b>	<b>44,757</b>	<b>160,585</b>	<b>-21,585</b>	
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### E27 - BOUGHT IN PROFESSIONAL SERVICES - CURRIC.

32711 - Fair Funding - Curriculum	 01	2,145	1,485	0	69	0	660	2,145	0	
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32714 - Prof / Consult Fees & Exp - Curric	 01	122,000	125,040	35	102	0	0	125,040	-3,040	ED Support Budgeted £30k actual £33k
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## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:




Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

Sub Total	124,145	126,525	35	102	0	660	127,185	-3,040
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#### E28 - BOUGHT IN PROFESSIONAL SERVICES - OTHER

32811 - Prof / Consult Fees & Exp - Admin	 01	10,534	10,205	250	97	0	329	10,534	0
32812 - Energy Advice Service	 01	400	650	0	162	0	0	650	-250 Actual Charge
32813 - Fair Funding - Non Curriculum	 01	55,000	48,005	0	87	0	6,995	55,000	0

## Annexure H – Sample Quarterly Budget (Financial) Monitor

### SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

Sub Total	65,934	58,860	250	89	0	7,324	66,184	-250
Total	3,624,064	2,612,781	94,148	72	435,989	608,557	3,657,327	-33,263

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

Original Budget (£)	Actual To Date (£)	Commitments (£)	% Spent/ Received	Calculated Remaining From Budget Months (£)	Adjustments (£)	Expected Out Turn (£)	Variance (£)	Comments
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### REVENUE BALANCES

TOTAL REVENUE INCOME	3,595,699	2,808,385	0	78		781,050	3,589,435	-6,264
LESS:TOTAL REVENUE EXPENDITURE	3,624,064	2,612,781	94,148	72	435,989	608,557	3,657,327	-33,263
REVENUE BALANCE THIS YEAR	-28,365						-67,892	-39,528

### REVENUE BALANCES FROM LAST YEAR

# Annexure H – Sample Quarterly Budget (Financial) Monitor

## SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December 2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

Period : December (9)

39901 - 39901 Brought Forward Balance	226,132	226,133	0	100		0	226,133	1	
69901 - All Funding Streams B/Fwd Balances	0	0	0	0		0	0	0	
39907 - 39907 Community B/Fwd Balance	0	0	0	0		0	0	0	
REVENUE BALANCE FROM LAST YEAR	226,132	226,133	0	100		0	226,133	1	

### REVENUE BALANCES C/F INFORMATION

B01 COMMITTED REVENUE BALANCE

0
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0	0
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B02 UNCOMMITTED REVENUE BALANCE

197,767
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158,240	-39,527
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Annexure H – Sample Quarterly Budget (Financial) Monitor

SAMPLE 2020/21 LEDGER CODE LEVEL DETAILED BUDGET REPORT MONTH ENDED 31st December  
2020

School Name: A Primary School

DFE No.:

Version Description : Q3 Final For Governors

Budget Forecast : Q2 Final For Governors

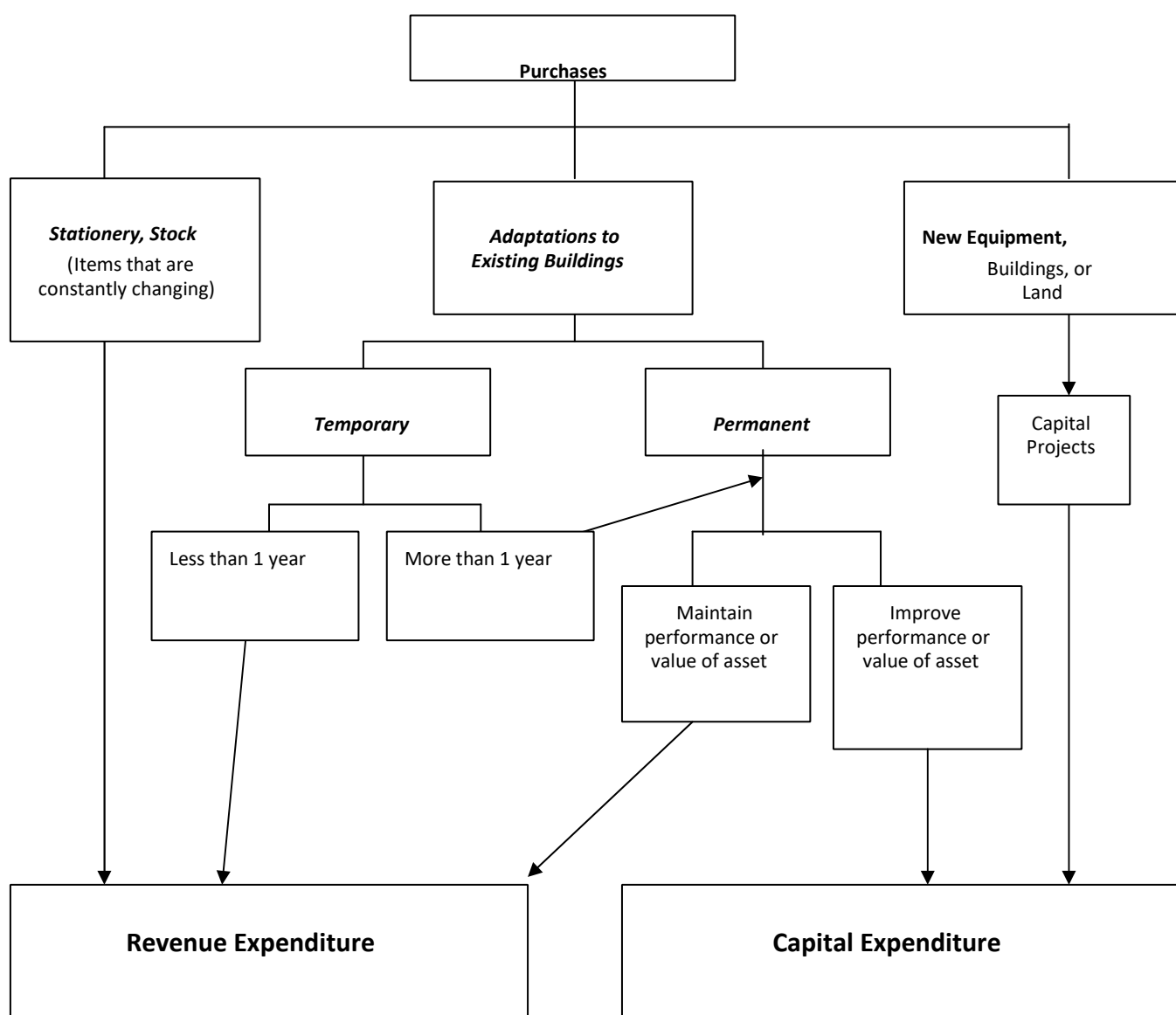
Period : December (9)

B06 EXTENDED SCHOOL  
BALANCE

	0
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0	0
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## Annexure I – Flow chart and tables to help explain the nature of Capital Expenditure – capital or revenue



Distinguishing between expenditure on existing assets that maintains the use or value of that asset and expenditure that improves use or value can be difficult and judgement will always be required. The following key words can be indicators of whether expenditure is more likely to be Capital or Revenue expenditure.

Key words indicating Capital expenditure	Key words indicating Revenue expenditure
Enhance Upgrade Extend Improve Construct Purchase	Repair Maintain Replace Like-for-like Remedial Renew

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The following pages gives some examples of the most common expenditure on existing assets and whether it should be treated as capital or revenue.

#### Detailed Examples of Capital and Revenue Expenditure

Capital Expenditure	Revenue Expenditure
Structural maintenance of roads, bridges & footpaths.	Routine maintenance of roads, bridges & footpaths (e.g. filling potholes).
Extending a building.	Maintaining a building (re-pointing, repairing minor cracks, painting etc).
Structural repairs on a building, where the value has been written down in the accounts to reflect damage.	Repairs for damage not reflected by a reduction in the value of the building in the accounts.
Major refurbishments or overhauls that extend the life or value of an asset beyond its assessed standard.	Painting and decorating, routine maintenance.
Re-roofing of buildings.	Roof repairs or replacing broken tiles.
Upgrading poor quality old windows with new, higher quality ones.	Window repairs or replacement of broken windows.
Installation of central heating.	Replacement of central heating or broken parts of a heating system.
Improvement of floor structures.	Floor coverings.
Installation of new kitchens or toilet facilities.	Repairs or replacement of kitchen or toilet fittings.
Installation of water supply services/equipment.	Repairs or replacement of water supply services/equipment.
Installation of new systems and plant, where additional or more advanced and not a like-for-like replacement.	Like-for-like replacement of systems and plant within a building.
Removal of asbestos where a risk to health and safety and affecting the use or value of the building.	Removal of asbestos where it poses no risk to health or value of the building if left in situ. Inspection, air-testing and protective sealant treatment relating to asbestos.
Remodelling to make a building fit-for purpose that it otherwise would not be.	Remodelling that does not significantly affect the service provided.
Legal & project management fees, architects', surveyors' and engineers' fees where directly attributable to an	Feasibility studies and finance fees.

Structural		
Element	Capital	Revenue
<b>Roof</b>	<p>New Structure</p> <p>Replacement of all or a substantial part of an existing structure to prevent major failure</p> <p>Screed/Insulation: New, replacement/repair of substantial part</p> <p>Edge/Finish/Trim/Fascia/Bargeboards on new build</p> <p>Drainage on new build</p>	<p>Repair/Replacement of small part of an existing structure</p> <p>Repair/Replacement of screed/insulation where defective</p> <p>Work to improve insulation standards</p> <p>Replacement of roof finish</p> <p>Repairs/replacement/Repainting Clearing gutters/downpipes</p> <p>Replacement/repair of individual gutters/pipes</p>
<b>Floors</b>	<p>Structure and Damp Proofing Course in new building.</p> <p>Replacement of all or a substantial part of an existing structure to prevent major failure.</p> <p>Screed and finish in new build.</p> <p>Replacement of all existing flooring</p>	<p>Repair and replacement of small parts of structure/DPC.</p> <p>Repair and replacement of some/part screed and flooring.</p> <p>Maintenance/Re-varnishing wooden floors</p>
<b>Ceilings</b>	<p>Suspension/membrane/fixed and access panels – new build</p> <p>Specialist removal/replacement of damaged/disturbed Asbestos based materials, planned or emergency</p>	<p>Suspension/membrane/fixed and access panels – repair or replacements including from water damage.</p> <p>Inspection/Air testing. Applying sealant coats to asbestos surface for protection.</p>
<b>External Walls and Chimneys</b>	<p>Structure Underpinning/propping for new build.</p> <p>External finish on new build</p> <p>External finish on existing builds where needed to prevent imminent or correct actual major failure of structure.</p>	<p>Repairs/Preventative measures i.e. tree works</p> <p>Repair/replacement of small parts of an existing structure e.g. repointing/re-cladding a proportion of a wall where failure has occurred.</p>
<b>Internal Walls and Partitions</b>	<p>Completion including various internal finishes, linings and decorations on new build or major refurbishment and alterations.</p>	<p>Repairs and decorations to internal plaster / linings etc.</p> <p>Minor alterations.</p>
<b>Windows and Doors</b>	<p>Framing on new build.</p> <p>Framing – structural replacement programme.</p> <p>Glazing on new build</p> <p>Glazing – upgrading all or substantial part of existing glazing</p>	<p>Repair and replacement of individual frames / windows. Repainting frames/windows.</p> <p>Replacing broken glass</p> <p>Repair/replacement or upgrading locks.</p> <p>Internal and external decoration.</p>



Sanitary		
Element	Capital	Revenue
<b>Lavatories</b>	Provision in new buildings of all toilet fittings, waste plumbing and internal drainage.  Large scale toilet refurbishment  Provision of disabled facilities and specialist facilities.	Repair or replacement of damaged sanitary ware, fittings, waste plumbing etc  Small areas of refurbishment
<b>Kitchens</b>	Kitchens in new buildings complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintenance of kitchens.  Cleaning out drainage systems  Redecoration, general refurbishment and minor repairs.
Mechanical Services		
<b>Heating and Hot Water systems</b>	Complete heating and hot water systems to new projects including fuel storage, controls distributions and flues.  Safe removal of old/damaged asbestos boilers and pipe work insulation where risk to H&S.  Planned replacement of old boiler/controls systems past the end of their useful life.  Emergency replacement of boiler plant/systems	General maintenance of all boiler house plant including replacement of defective parts including regular cleaning.
<b>Cold Water</b>	Provision of cold-water services, storage tanks, distribution, boosters, hose reels etc.  Major planned replacement of cold-water services.	Maintenance and repair/replacement of defective parts such as servicing pipes. Annual servicing of cold water systems
<b>Gas</b>	Distribution systems on new and major refurbishments.	Repairs and maintenance and gas safety. All servicing.
<b>Ventilation</b>	Mechanical ventilation and air condition on new or major replacements.	Provision of local ventilation. Repair/replacement of defective systems and units.
<b>Other mechanical services</b>	Major plant (ie swimming pool, heat recovery systems) installation.	Repair/replacement of parts to plant, pumps and controls. Water treatment equipment repair/servicing.
Electrical Services		
<b>General</b>	Main switchgear and distribution in major projects.  Replacement of obsolete and dangerous wiring systems, including distribution boards.	Testing/replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables.  All testing, earthing and bonding to meet H&S. All servicing
<b>Power</b>	Control gear, distribution, fixed equipment and protection on new build or major refurbishment.	All testing, repair and replacement of small items of equipment.

<b>Lighting</b>	Provision of luminaries and emergency lighting. Major	Ad-hoc replacement of luminaries, all testing, adjustments and
	replacement throughout building	improvements.
<b>Other Electrical Services</b>	Lightning protection in new build. Provision of alarm systems, CCTV, lifts and hoists.  New installation of communication systems, radio/TV, telephone, data transmission IT etc including provision in new build.	Repair, maintenance or minor replacement
<b>External Works</b>		
<b>Pavings</b>	Provision of new roads, car parks, paths, courts terraces, play pitches, steps and handrails as part of a major project, including disabled access.	Maintenance and repair – car parking and playground markings
<b>Other</b>	Provision of walls, fencing, gates and ancillary buildings as part of a major project.	Maintenance and repair of all perimeter/boundary retaining walls, fencing and gates.
<b>Drainage</b>	Drains, soakways, inspection chambers and sewage plant as part of major project.	Maintenance and repair of drains, gullies, grease traps and manholes. Cleaning of the above and unblocking as necessary.
<b>Open air pools</b>	Structural provision	Hygiene cleaning and maintenance and repairs.
<b>Services distribution</b>	Heating mains, gas mains, water mains, electricity mains and renewal of any above	Annual servicing.

## **Annexure J – Finance and Operating Leases explained**

Classification of Leases per International Accounting Standard IAS 17 and International Financial Reporting Standard (IFRS 16)

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Classification is made at the inception of the lease.

Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form. Situations that would normally lead to a lease being classified as a finance lease include the following:

- the lease transfers ownership of the asset to the lessee by the end of the lease term
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised
- the lease term is for the major part of the economic life of the asset, even if title is not transferred
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- the lease assets are of a specialised nature such that only the lessee can use them without major modifications being made

Other situations that might also lead to classification as a finance lease are:

- if the lessee is entitled to cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee
- gains or losses from fluctuations in the fair value of the residual fall to the lessee (for example, by means of a rebate of lease payments)
- the lessee has the ability to continue to lease for a secondary period at a rent that is substantially lower than market rent

Leases, which meet these criteria, are finance leases and count towards the local authority's borrowing limits.

