Finance Policy

Formally adopted by the Governors of: -	**Windmill Federation**
On: -	**July 2026**
Chair of Governors: -	**Louise Cousins**
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1. Governance

1.1. General

1.1.1. A list of all governors, their membership of committees and terms of reference thereof, is attached at Appendix 1a.

1.1.2. The governing board meets at least once a term.

1.1.3. The governing board agrees, no later than by the end of term, the dates of meetings for at least the next term.

1.2. The Governors

1.2.1. In keeping with withdrawal of delegation the local authority approves the annual budget and the associated policies, e.g. charging policy, bad debt and redundant equipment policy.

1.2.2. The governing board is responsible for the overall direction of the Federation. In keeping with withdrawal of delegation the governing body in conjunction with the local authority determines the Federation's spending priorities and evaluates the effectiveness of spending decisions.

1.3. The Executive Headteacher

1.3.1. The governors delegate responsibility for the day-to-day management of the Federation to the Executive Headteacher.

1.3.2. In keeping with withdrawal of delegation the local authority in conjunction with Executive Headteacher ensures compliance with the financial regulations in Norfolk's Scheme for Financing Schools.

1.3.3. In keeping with withdrawal of delegation the Executive Headteacher ensures that sound systems of internal control are in place.

1.3.4. In keeping with withdrawal of delegation the local authority compiles draft budget

1.3.5. In keeping with withdrawal of delegation the Local Authority in conjunction with the Executive Headteacher monitors the budget monthly and supplies the governing body with monitoring information.

1.4. The Staff

1.4.1. Staff comply with financial regulations in Norfolk's Scheme for Financing Schools and any Federation specific requirements.

1.5. Expenditure Limits

1.5.1. In keeping with withdrawal of delegation the Executive Headteacher can authorise expenditure outside of planned expenditure in the budget up to and including £500. Amounts above £500 must be approved by the local authorities nominated senior officer.

1.6. Orders

1.6.1. Quotations are obtained or tenders sought for purchases exceeding the limits set out in Norfolk's Scheme for Financing Schools.

1.7. Minutes

1.7.1. Minutes are taken which record the basis for any decisions made and clearly state the decisions themselves.

1.8. Register of Business Interests

1.8.1. The clerk to the governors keeps a register of business interest for governors and for those who influence financial decisions.

2. Financial Planning

2.1. The Federation's development plan includes a statement of its educational priorities to guide the planning process. The Federation development plan states the priorities in sufficient detail to provide the basis for constructing budget plans.

2.2. There is a clear, identifiable link between the Federation's annual budget and the Federation development plan.

2.3. For each of the key issues in the Federation development plan, costs and other inputs can be identified for budget preparation.

2.4. The Federation development plan is reviewed in the Autumn term to ensure that educational priorities are stated for the next three years and shows how the use of resources is linked to achieving the goals.

2.5. The Federation budget is revised after the review of the development plan and resources identified within the budget to deliver the plan's priorities

2.6. The Federation budget is maintained for the current financial year and two further years.

2.7. The budget is based on realistic estimates of all income and expenditure so that planned expenditure does not differ materially from the agreed budget.

2.8. The budget and cash flow forecast are profiled in accordance with likely spending patterns.

2.9. In the event of a budget surplus this is earmarked for a future specified use

2.10. A record is maintained of all ongoing commitments with explanations of any significant year-on-year changes.

2.11. All new initiatives are appraised in relation to their costs, benefits and sustainability.

2.12. The main elements of the budget are fundamentally reviewed within a five-year cycle. Benchmarking information helps to identify priorities.

2.13. The budget cycle is as follows:

<u>Spring Term</u>

2.13.1. In keeping with withdrawal of delegation the Local Authority will complete a third revision of the budget for the current year. This will be shared with the governing body

2.13.2. In keeping with withdrawal of delegation the budget revision, once approved, is taken to the next meeting of the governing board for their information

2.13.3. In keeping with withdrawal of delegation A draft budget plan for the coming financial year, and two further years, is prepared by the local authority.

2.13.4. In keeping with withdrawal of delegation the full governing board will carefully consider the budget plan and a report before ratifying the Federation's budget plan.

2.13.5. The Executive Headteacher submits the ratification of the budget plan to the LA by 1 May each year.

<u>Summer Term</u>

2.13.6. In keeping with withdrawal of delegation the local authority prepares a first revision of the budget. The revision takes account of the actual balance in hand or overspending for the previous financial year.

2.13.7. In keeping with withdrawal of delegation, the budget revision, once approved is taken to the next meeting of the governing board for ratification.

2.13.8. The ratified budget revision is sent to the LA by the end of the summer term.

Autumn Term

2.13.9. In keeping with withdrawal of delegation the local authority prepares a second revision of the budget. The revision takes account of any changes to the Federation development plan, staffing adjustments and changes to the number of pupils on roll.

2.13.10. In keeping with withdrawal of delegation the budget revision, once approved is taken to the next meeting of the governing board for ratification.

2.13.11. The ratified budget revision is sent to the LA by the end of the autumn term.

3. Budget Monitoring

3.1. In keeping with withdrawal of delegation the local authority produces monthly monitoring reports, which include committed expenditure.

3.2. The governing board receives the monitoring report at each meeting. The report takes the form of Norfolk's budget monitoring proforma.

3.3. In keeping with withdrawal of delegation the local authority identifies and recommends to the governing board appropriate remedial action for budget variances.

3.4. In keeping with withdrawal of delegation the local authority recommends how to vire any in-year underspends.

3.5. In keeping with withdrawal of delegation the local authority and the Executive Headteacher monitors expenditure on initiatives in the Federation development plan.

4. Purchasing

4.1. All orders comply with the LA's Standing Orders for Contracts as published in Norfolk's Scheme for Financing Schools.

4.2. The Federation demonstrates value for money through competitive tendering when appropriate or by using ESPO or other approved purchasing arrangements.

4.3. In keeping with withdrawal of delegation, prior approval is obtained from the Local Authorities Senior Officer for any expenditure in excess of £500. Orders are not artificially split to evade this limit.

4.4. The Federation will not enter into any "finance lease" and will ensure that any lease entered into is an "operating lease". Leases will be submitted to the Finance and Business Services Team to be checked as to their type before any agreement is entered into.

4.5. Three written quotations are obtained for any order whose value is estimated between £5,000 and £30,000.

4.6. If a quotation other than the lowest is accepted it is reported to the Local Authority and the reasons minuted.

4.7. Contract specifications will contain the following:

- contract duration

- definitions
- contract objectives
- services to be provided
- service quantity
- service quality standards
- contract value and payment arrangements
- information and monitoring requirements
- procedure for disputes
- review and evaluation requirements

4.8. The official pre-numbered orders are used for all services except utilities, rent, rates, petty cash and any payments due under a loan/lease agreement. Any urgent verbal order is confirmed by a written order.

4.9. Individuals will not use official orders to obtain goods or services for themselves.

4.10. All orders are signed by an authorised signatory and the finance office maintains an up-to-date list of signatories.

4.11. The signatory will be satisfied that the goods or services are appropriate and necessary, that competitive tenders have been obtained where necessary and that there is sufficient budgetary provision.

4.12. Each order placed is entered in the Federation's financial system as a commitment by the LA.

4.13. The Federation checks goods received against the delivery note and the delivery note is checked against the invoice. The invoice is also checked against the order. These checks are not done by the person who signed the order.

4.14. Payment is made within the agreed time limits after certification by an approved signatory.

4.15. Wherever possible, an invoice is not authorised for payment by the person who signed the order nor by the person who checked receipt of goods/services. Payment is only made against the original supplier's invoice and not on a statement.

5. Financial Controls

5.1. In keeping with the school's purchase of NCC central finance support all the Federation's financial systems and procedures are maintained by the local authority.

5.2. In keeping with the school's purchase of NCC central finance support the Executive Headteacher has due regard to separation of duties in organising financial duties.

5.3. In keeping with the school's purchase of NCC central finance support the local authority maintains proper accounting records. All transactions can be traced from accounting records to prime vouchers and all prime vouchers are traceable in the accounting records. The use of correcting fluid is not allowed. Any alterations to original documents are clearly made in ink and initialled to identify the person making the alteration.

5.4. In keeping with the school's purchase of NCC central finance support documents relating to financial transactions are retained in line with the LA's recommendations.

5.5. All records are securely stored and access allowed only to authorised persons

5.6. In keeping with the school's purchase of NCC central finance support, where there is a requirement to account separately for earmarked funding the Executive Headteacher ensures, with the LA, this is done and that money is spent on its intended purpose.

6. Income

6.1. The full governing board approves the Federation's charging policy and reviews it annually.

6.2. Proper records of all income due are kept. Lettings are approved by the Executive Headteacher in accordance with the governors' policy and recorded in the lettings register.

6.3. The responsibility of identifying and recording sums due is separated from the responsibility for collecting and banking income.

6.4. Cash is not collected by the Federation for trips or other Federation activity or equipment. The Federation's online payment system is used.

6.5. Pending banking, cash and cheques are locked away in a secure place or safe, as per insurance limits.

6.6. Income is banked promptly and in full. Paying-in slips show the analysis between cash and cheques and cheques are individually listed. Income is not used for making any payment or for cashing personal cheques.

6.7. Income recorded in the accounts is reconciled monthly with the bank statement.

6.8. Where invoices are required, they are issued within 30 days.

6.9. The LA sends a first reminder for any unpaid invoice after 40 days, a second reminder after 50 days and a final reminder after 60 days. Legal action is considered after a further 14 days. Debts are written off only in accordance with the Federation's Bad Debt Policy.

6.10. Any cash transfers between staff are recorded and signed for

7. Banking

7.1. Bank reconciliations are completed monthly and any discrepancies resolved.

7.2. The reconciliation statement is signed by the person undertaking the reconciliation and reviewed and countersigned by someone who understands the reconciliation process.

7.3. The person completing the reconciliation is not responsible for processing receipts and payments.

7.4. Staff never use their private bank accounts for any receipt or payment due to or from the Federation budget.

7.5. The Federation is not allowed to enter any loan agreement except with the LA. (This does not apply to loans pre-existing at 1 April, 1999).

7.6. Where the value of any cheque payment is over £500, it must be signed by two authorised signatures. Where the value of any cheque payment is less than £500, one authorised signature is acceptable, unless this relates to a staff reimbursement, in which case two authorised signatures are always required. Supporting vouchers are made available to each signatory to safeguard against inappropriate expenditure. Cheques are not pre-signed. Only manuscript signatures are allowed, i.e. not electronic or from rubber stamps.

7.7. All cheques are crossed "account payee". Cheque books are stored securely when not in use.

8. Payroll

8.1. In keeping with withdrawal of delegation, personnel procedures, including appointments, promotions and terminations are supervised by the Local Authority and the Governing Body.

8.2. The Executive Headteacher ensures that the duties of authorising any variations to the payroll are separated from the processing of claims.

8.3. The Executive Headteacher ensures that at least two people are involved in completing, checking and authorising any variations to payroll, whether temporary or permanent, and the payment of expenses.

8.4. Names and specimen signatures of authorised signatories have been sent to the payroll provider who will be promptly notified of any changes.

8.5. Only authorised staff are allowed access to personnel records, ie the Executive Headteacher, Clerical Assistant and staff from the Central Finance function, Educator Solutions.

8.6. Payroll transactions are processed only through the payroll system; this includes the payment of all expenses and benefits.

8.7. In keeping with withdrawal of delegation the LA maintains an up-to-date list of teachers and other staff employed at the Federation. This is amended, as necessary, on a monthly basis.

8.8. The monthly reports on payroll transactions are checked against the Federation's budget to ensure they match.

9. Tax

9.1. The Executive Headteacher ensures that all relevant staff are aware of relevant provisions concerning VAT, tax and the Construction Industry Scheme (CIS) as the LA will pass back to the Federation any penalties imposed on it arising from an error by the Federation.

9.2. Proper VAT invoices are obtained for all transactions involving VAT.

9.3. In keeping with the school's purchase of NCC central finance support, the LA's ensures accounting for VAT and is adhered in accordance with the LA's VAT manual.

9.4. All payments falling within CIS are made in accordance with the LA's agreed procedure.

10. Assets

10.1. An up-to-date inventory is to be maintained of all items of equipment above £250 in value. Those that are portable, valuable and desirable are identified as Federation property with security marking.

10.2. The inventory is checked at least once a year, in the Autumn Term. The inventory is signed as evidence of the check having been undertaken. All discrepancies are investigated and any resulting in a loss of £250 or more will be reported to the governors. Any loss exceeding £500 will be referred to the Head of Finance and Business Services Team.

10.3. Whenever Federation property is taken off site either by pupils or staff, e.g. musical instruments/computers, they are signed for and the register noted accordingly.

10.4. The governors have approved a policy in relation to redundant equipment

10.5. The safe is kept locked and the keys removed and held elsewhere.

10.6. The Executive Headteacher will review the Federation's asset management plan.

10.7. In keeping with the school's purchase of NCC central finance support, the local authority in conjunction with the Federation maintains a Gift Register of all donations to the Federation, either in cash or kind.

11. Insurance

11.1. The Federation reviews all risks annually to ensure that the cover available and the sums insured are adequate. Advice is available from NCC's Risk and Insurance Manager.

11.2. The governors consider whether to insure against any uncovered risks.

11.3. The Federation will notify the LA/its insurers of any new risks or any other alterations affecting existing insurance.

11.4. The Federation will not give any indemnity to a third party.

11.5. The Federation will immediately advise the LA/its insurers of any accident, loss or other incident which may give rise to an insurance claim.

11.6. Insurance will cover the use of Federation property when off the premises, e.g. musical instruments/computers.

12. Data Security

12.1. Computer systems used for Federation management are protected by password security. Passwords are recommended to change every 45 days and more frequently in the event of staff changes.

12.2. All data is backed using google drive.

12.3. Only authorised external hardware and software is installed on any Federation computer to safeguard against computer viruses.

12.4. The governors ensure that the Data Protection Commissioner is notified in accordance with the Data Protection Act 2018, and that the Federation's use of any electronic or relevant manual systems to record or process personal information, and any disclosure of that information, complies with the legislation.