



## FINANCIAL PROCEDURES

Date Policy Adopted: March 17

	Date of Next Review	Signed
Date of next review	March 18	
Governors	Finance and general personnel	

## INDEX

Foreword	3
School Fund	3
Trips	3
Imprest	4
GPC	4-5
Departmental Budget	5
Departmental Monitoring	5
SAMIS accounting System	6
Budget Holder Responsibility	6
The Do's of placing orders	7
The Not's of placing orders	8
Goods Received	8
Goods Approval	9
Payments of Invoices	9-10
Budget Monitoring	10
Payment and Expenditure	10
Appendix A 1	11
Appendix A2	12
Appendix B	13
Appendix C	14
Appendix D	15

## FOREWORD

This document has been designed to assist staff in the processes to be followed for the purchase and payment of goods within prescribed audit guidelines.

All staff should adhere to the procedures to ensure that expenditure does not exceed budgetary allocations.

Although the instructions may appear a little complicated in practice they are not. Everyone follows the same system which facilitates accurate budget monitoring and enables quick identification of any areas that may give rise to concern.

Budget holders are responsible for ensuring that they manage their budget within the allocation given. In order to assist budget holders keep track on spending.

Budgetary information is presented on a regular basis to the Finance and General Personnel Committee of the Governing Body.

### **School Fund**

The school fund is a totally separate set of accounts to the school budget. It has its own bank account, cheque books, statement, and has its own set of accounts drawn up at the end of the year.

The account is used for various activities within school, including the collection of money for school trips, school visits, school uniform, fundraising and grants.

All income is received via School Money. This is an online payment service for parents to pay for trips and visits online rather than send their child in to school with money.

Should a member of staff require a cheque for items related to expenditure of school fund 2 days' notice must be given in order for the SBM to ensure there are sufficient funds available to cover the cheque.

The Office Coordinator will raise the cheque and will get it signed by our signatories. (Sarah Passey, Nikki Venables or Debbie Moore).

The School Fund is reconciled on a monthly basis. This reconciliation is printed off and signed by either the Head Teacher or SBM.

### **Trips Money**

Trip money is collected via School Money. This is a web based payment system which enables all parents/carers to pay for trips and visits online using debit or credit card. The trips / visits are set up on School Money by the office staff, each trip is allocated a bank account and the office staff are able to monitor payments from parents / carers via the system along with consent forms.

There are times when the school has no option but to receive cash, however these are minimal, however should the school need to accept call all income received is passed through to the Office coordinator who in turn will complete a receipt through School Fund and pass it on to the SBM.

## Imprest

The school holds an IMPREST account to the value of £400.00, this can be used to reimburse teachers etc on items purchased for curriculum use to the value of £30.00, all valid VAT receipts must be handed into the Office Coordinator or SBM, should a VAT receipt not be produced the school will be unable to reimburse for any items purchased.

The IMPREST ledger is recorded on an excel spreadsheet. The spreadsheet is completed as and when the imprest needs to be reimbursed to make the total of £400.00, this is then input into SAMIS which is passed through to the SBM to authorise or Head teacher in her absence.

You must:

- complete a Petty Cash Voucher (*Appendix C*);
- ensure that you have sufficient funds to cover the cost;
- ensure that you have completed all sections;
- ensure that you have added your department budget code;  
or, in the event that the items are to be financed from another's budget please ensure that you have sought their approval and that they have signed the claim form accordingly.

Please be aware that it is important to follow the above procedure as the Imprest Account is closely monitored by LA auditors.

## Government Procurement Card (GPC)

The Shropshire Government Procurement Card (GPC) is a NatWest MasterCard which will enable buyers to purchase and pay for goods in a timely and cost effective manner.

The aim of the card is to reduce time spent on administrative work associated with sending a purchase order, receipting goods and processing invoices. The GPC is ideally suited for purchases that produce high volumes of low value invoices. It is particularly useful for offsite purchases, booking hotel accommodation and internet purchases and will improve reporting and control over purchasing procedures.

### GPC Internal Procedures

**Step 1:** SBM is the cardholder and will make the purchases and record all transactions onto the Log sheet. Each transaction has an order number this appears as GPC/user initials/01 etc in sequential order.

**Step 2:** A purchase order is completed before each purchase, a vat receipt is obtained and when purchasing using the internet confirmation of the order must be requested at the time the order is placed, this should include confirmation of dispatch

**Step 3:** The GPC card has a credit card limit of £5,000 with a £500.00 per transaction limit.

**Step 4:** When the goods arrive, the cardholder will be notified, the delivery notes or invoices – are then clipped to the original order, delivery details are then noted on the Transaction Log and the school accounting system.

**Step 5:** The procurement card statement is produced by NatWest and provided on 23<sup>rd</sup> of each month an email notification is sent stating that the on line statement is available. The SBM will then ensure that the balance on the log sheet coincides with the balance on the statement

**Step 6:** Once reconciliation is complete, the School Business Manager will submit the Statement and Transaction Log to the Headteacher for authorisation. The log- sheet is then uploaded onto SAMIS

## **Absence**

**Should the SBM be on long term absent around the period reconciliation should be submitted the Office Coordinator who is aware of the location of the GPC log sheet, purchase orders and its procedures.**

## **Departmental Budgets**

There are three teams set up within the departmental budgets:

Team A: Liz Simpson

MFL

ENGLISH

HUMANITIES (History/Geography)

KS2

Team B: Katy Wootton

MATHS

HUMANITIES (RE)

PE/GAMES

Team C: Sarah Passey/Nikki Venables

SCIENCE

FOUNDATION

D&T

KS1

MUSIC

SEN

ART

SCHOOL COUNCIL

Any overspends must be agreed. Unauthorised overspends may result in a reduction in budget the following year.

When an increase to a budget is requested, the budget holder must speak to either the Head Teacher or Business Manager with an explanation for the increase. If this increase is approved the relevant changes will be made.

The Capitation budget for departments is a large budget, and when school budgets are tight this is one of the areas under scrutiny. Setting an accurate budget at the start of the year is very important.

## **Departmental Budget Monitoring**

Monthly reports are sent to budget holders via email. A download is performed on SAMIS of the expenditure.

Any queries should be reported to the SBM. A full listing can be printed off of every transaction that has gone through the account. This can help identify any miscoding, or just remind the budget holder of what has been entered onto the account.

If there is any miscoding, or the budget holder has permission to get an item of expenditure moved to another account, then the SBM can complete a Journal transfer, move the expenditure or income to another account.

Departmental Budget Monitoring is reported to the Finance and General Personnel Committee on a regular basis.

## **SAMIS Accounting System**

The School subscribe to the Shropshire financial accounting system The SAMIS financial package covers the following areas of finance:

- Purchase Orders
- Purchase Invoices
- Electronic payment for goods
- Petty Cash transactions (IMPREST ACCOUNT)
- Budget Monitoring
- Sales Ledger transactions
- Reporting

All goods purchased via the system will be set against a budget code which is made up as follows:

The cost centre for Broseley Primary School is 3040

Budget holders will be made aware at the commencement of the financial year of their allocations together with any specific information on coding goods to their budget.

### **Budget Holder Responsibility**

Budget holders are responsible for the management of funds allocated to them and they must ensure:

- that all goods are ordered via the SAMIS system by way of completing a Goods Requisition Form (*see Appendix A*)
- that budget expenditure does not exceed their budget allocation
- confirm by signing a **Budget Holder Authorisation form** that they accept responsibility for their budget (*see Appendix B*)

*The signed voucher is kept by the SBM as evidence for audit purposes.*

- Where day –to-day responsibility for the purchase of goods has been assigned to another member of staff, the budget holder must sign the relevant section on the Budget Holder Voucher confirming this is the case. In addition, the member of staff with delegated responsibility must also sign the document accepting responsibility.
- Records are kept of all goods/services ordered. This includes the recording of all SAMIS orders by way of a:
  - Goods Requisition Order Form (*Appendix A*);
  - Petty Cash expenses for Imprest (*Appendix C*)
- The SBM will keep a record of any additional money which may be received during the financial year from other sources to fund the purchase of goods.

## Orders

### **The do's of placing orders**

- DO** place orders for goods via the SAMIS accounting system;
- DO** complete an Order Requisition Form for the purchase of all goods and pass on to the School Business Manager for processing;
- DO** ensure that Order Requisition Forms are completed correctly. Remember that incomplete forms will be returned to the originator therefore causing delay in the supply of goods;
- DO** ensure that you have sufficient funds in your budget before passing on the Order Requisition Form for processing;
- DO** ensure that you have added the correct expenditure code and signed the Order Requisition form as the authorised budget holder;
- DO** order goods for the autumn term well before the end of the summer term. This will allow administration staff -
  - sufficient time to process the order
  - to receive delivery of goods before the end of term
  - time to check that the delivery is correct
  - Time to safely store goods in readiness for the commencement of the new term.

Delivery of goods and the safe storage of goods before the end of term are particularly important as any goods that are delivered during the holiday period can be left unattended for lengthy periods of time leaving one open to theft.

- DO** remember that items that have not been ordered through the SAMIS system will be referred to the Business Manager and possibly the Head teacher.
- DO** remember that the Office Coordinator/ SBM have been instructed not to process invoices received for goods that have not been ordered by the prescribed procedure. All such transactions will be referred to the Business Manager.
- DO** remember that all purchases made through Imprest will be deducted from the budget, which in the majority of cases will be from you own budget allocation.
- DO** remember that Imprest expenses should never exceed £30.00.
- DO** obtain a VAT receipt for all petty cash transactions.
- DO** remember that reimbursement of Imprest can be refused if you do not have a VAT receipt or the budget holder authority for the purchase

## Do not's of placing orders

**Don't** place verbal orders. Verbal orders will not appear on the accounting system as a commitment against the relevant budget heading. This makes it impossible to accurately monitor the budget and to report effectively to the Governing Body.

This also applies to goods where the supplier insists on a cheque to accompany the order. ALL SUCH ORDERS should be referred to the Business Manager.

**Don't** order goods at the last minute as this causes unnecessary pressure on staff as well as running the risk of goods not being in stock.

**Don't** pass on Order Requisitions to the SBM unless you are confident that you have sufficient funds in your budget to cover the cost.

**Don't** order goods against other budget codes other than your own without the written authorisation of the budget holder.

### How do I place an Order?

*Before proceeding please refer to the guidelines and the DO's and Don'ts*

#### SAMIS (Online Account System)

- before proceeding ensure that you have sufficient funds to cover the cost;
- complete a Purchase Order Requisition Form (*Appendix A*)
- ensure that you have completed all sections;
- ensure that you have added your department budget code;
- ensure that you have signed the order as the authorised signatory;
- Pass the completed form to the SBM for processing.

### Goods Received

#### What happens upon receipt of goods?

The office staff will sign for goods delivered during office hours; the teaching assistants will open the order and check the delivery note against the order.

The Office coordinator will clip the relevant delivery note to the Purchase Requisition Form prior to inputting onto SAMIS

The Office coordinator / Administrator will arrange for large volumes of goods or heavy goods to be delivered to the relevant area together with a copy of the delivery note. For small deliveries the Office coordinator will request that the person who ordered the goods collect them from the Office or Reception.

You **MUST** check as quickly as possible (*within 2 working days of delivery*) that you have received all goods listed on the delivery note, together with the correct quantity.

Any discrepancies **MUST** be reported immediately to the SBM. Delay can result in your department having to pay for goods that are faulty or missing.



## **Goods on Approval**

It is common practice for staff to receive goods on approval, in particular books. This is not encouraged as these items arrive addressed to individuals. In the majority of cases the SBM is not aware that these items have arrived until the school receives a final demand for payment. At this point it is extremely difficult to track down the item and, in many cases, staff report that they have -

- not received the goods;
- returned the items;
- not yet decided whether to keep the items or not.

Whilst the school does not want staff not to have access to this facility there has to be a system in place to manage goods on approval.

If staff receive goods on approval they must inform the SBM immediately and pass on copies of any paperwork sent with the item. The information will then be recorded.

Should you not require the goods please pass them on to the SBM as soon as possible before the date of return stipulated on the delivery note. The SBM will arrange with the Office coordinator for the return of the goods.

In some cases the supplier encloses a paid return label. However, please note that some suppliers expect the school to return the goods at their own cost. If this is the case, the cost WILL BE CHARGED to the relevant department. THE SCHOOL CANNOT AFFORD TO RETURN GOODS THAT CAN COST UP TO £8.00 A TIME.

Delay in sending back goods within the specified time can incur unnecessary costs to the school.

In the event that items arrive un-requested please inform the SBM who will contact the supplier to instruct them not to forward goods in future and to request that they make arrangements for the return/collection of the goods. The supplier is responsible in this instance for the cost of postage.

The SBM will instruct the SBM to record all returns and obtain proof of postage which enables quick tracking of items in the event that there is a query in the future.

## **Payments of Invoices**

### **What do I do when I receive an Invoice?**

In most cases invoices are addressed to the Finance or Accounts Office. In the event that invoices are addressed to a named individual the Office coordinator will automatically pass this onto the SMB, however, should you receive an invoice addressed to you please return to the office who will:

- check that the invoice has an official order number generated by the SAMIS;
- check that the invoice agrees with the order and delivery note;

Please note that delay in forwarding invoices to the Office coordinator can cost the school money as charges are liable after the specified payment date has lapsed. Any charges will be charged to your budget.

When invoices are received the Office coordinator/SBM will input the invoice on our in-house monitoring system, the Office coordinator will input the invoices into SAMIS and pass through to the SBM to authorise, Head teacher in her absence.

## **Budget Monitoring**

Shropshire County Council Finance Department works with the SBM and carries out budget monitoring, reporting back to the Head teacher and Governing Body on a termly basis. The Governing Body has legal responsibilities in ensuring that the School manages its finances correctly. Monitoring information will be forwarded to budget holders on half termly basis. However, it is the responsibility of the budget holder to monitor his/her allocation and not to go over their budget limit.

In order to carry out effective and accurate monitoring it is IMPORTANT that all purchases are placed via the SAMIS financial system. This will enable the SBM to supply accurate information relating to the balance of individual budget codes. VERBAL orders are **NOT** permitted. This practice is not acceptable as it does not enable the SBM to accurately monitor the budget status and this practice is also monitored by auditors.

The SBM will update all members of staff who have budgetary responsibility on a regular basis and will draw attention to areas of concern. In the event that the budget is overspent the budget holder will be instructed that no further orders can be processed. The SBM will not process any orders. The Head teacher will be kept informed of the situation.

## **Payments and Expenditure**

1. VAT is now reclaimable. It is important, therefore, that (where possible) VAT receipts for all purchases are obtained. It is necessary to show the name of the company, items purchased and the VAT registration number.

**BROSELEY C E PRIMARY SCHOOL**  
**PURCHASE ORDER REQUISITION FORM**  
*(Please refer to guidelines on reverse of this form)*

**DEPARTMENT NAME:**  **ORDER NO:**

**SUPPLIER NAME:**  **DATE:**

**Please order the goods listed below for which I am the budget holder and Code to Expenditure Code:**

Qty	Catalogue Reference No.	Description	Unit Price (net)	Total (net)
4	A14783	Exercise Books	2.30 9.20	
<b>Supplier details:</b>		West Mercia Supplies PO Box 265, Shrewsbury, SY3 5WR	Total Net	9.20
			Less Discount	0.00
			Total	9.20
Telephone No.	01743 241130		Discount Rate:	0%

**OFFICE USE ONLY:**

Refer to: Business Manager

Head

## GUIDELINES FOR PLACING OF ORDERS

- **BEFORE** proceeding please ensure that you have sufficient funds to cover the cost;
- **ONLY** order goods against your own budget code;
- **PLEASE** complete all sections of the order requisition form:
- **ENSURE** that you order goods in plenty of time – **DO NOT** leave it to the last minute;
- **ORDERS** for the commencement of the Autumn Term should be placed by the end of June in order that goods are received, accounted for, stored in a secure place and the invoice has been paid before the Summer Term holiday;
- **REMEMBER** that if the Order Requisition Form is not completed fully it will be returned for completion. This will cause unnecessary delay in obtaining goods;
- **REMEMBER, IF IN DOUBT**, please seek advice from the SBM.

**BROSELEY C E PRIMARY SCHOOL**

**BUDGET HOLDER SPECIMEN SIGNATURE & ACCEPTANCE OF BUDGET RESPONSIBILITY**

I confirm that I accept full responsibility for the budget headings listed below. In addition, I authorise other staff named below to purchase goods on my behalf against the said codes.

**BUDGET HOLDER NAME:** Liz Smith,  
**DESIGNATION:** Deputy Head

**SIGNATURE:**

**DATE:**

**BUDGET HEADING**

**BUDGET CODE**

**MFL  
ENGLISH  
HUMANITIES (HIST/ GEOG)**

3040U  
3040B  
3040C

Budget Holder Signature .....

**Other Authorised Staff**

**MFL  
ENGLISH  
HUMANITIES (HIST/ GEOG)**

3040U  
3040B  
3040C

Budget Holder Signature .....

**BROSELEY C E PRIMARY SCHOOL**

**PETTY CASH VOUCHER**

**CHARGE TO:** .....

**DATE:** .....

Required for:	Amount (inclusive of VAT) £	

Signature of Claimant .....

BUDGET HOLDER signature

*(I authorise reimbursement of the above amount to the named claimant)*

**GPC CARD PURCHASE ORDER FORM**

VOUCHER NUMBER \_\_\_\_\_

Name:	Date:
Purchase Details:	