The Dartmoor Federation comprises:

- **Boasley Cross Primary School**
- **Bridestowe Primary School**
- **Exbourne Church of England Primary School**
- **Lydford Primary School**
- **Northlew & Ashbury Parochial Church of England Primary**
- **Okehampton College**

FINANCIAL POLICY STATEMENT FOR SCHOOLS

This policy was adopted by the Dartmoor Federation Governing Board on

24th March 2016

A. AIMS

This document has been adopted by the Governing Board, as the basis for the administration and management of finances. The aim of the policy is to create a framework within which individual members of staff, Governors and other interested parties, can exercise financial management and stewardship in an efficient and effective way.

B. OVERALL FINANCIAL MANAGEMENT

The Governors will manage their affairs in accordance with high standards of Public Sector administration, based on a distinct set of values, the fundamental principles of which are:-

1. *Openness* - an open approach to all interested parties in the disclosure of information, that lends itself to necessary scrutiny.

2 *Integrity* - this is best described as both straightforward dealing and completeness.

3. *Accountability* - the process whereby individuals are responsible for their actions and decisions.

Governors will have regard to:-

(a) minimum standards of financial management as set out in Finance for Schools (updated 2009) which contains Devon County Council Financial Regulations and Manual;

(b) the requirements of the DfE Financial Management Standards

(c) advice and guidance relating to the financial performance of schools arising from the work of OFSTED, Internal Audit, the District Audit Service and other interested parties.

C. OVERALL FINANCIAL POLICIES

1. Organisation of Responsibility and Accountability

The responsibilities of each person and the committees involved in finances are defined to avoid duplication or omission of functions and provide a framework of accountability. This framework will be approved by the Governing Board.

2. The School Planning Process

To provide a clear focus for activity a school improvement plan will be prepared for each school within the Federation and approved annually.

This will set out the aims and objectives of the schools within the projected available resources for a period covering at least 3 years.

3. Budget Management

To allow effective financial management of resources an annual revenue budget for each phase i.e Primary and Secondary within the Federation will be prepared. The budgets will be prepared in a timely manner and in sufficient detail to allow regular meaningful budget monitoring and reporting to take place. They shall be consistent with the aims and objectives included within the schools' improvement plan.

4. Insurance

The Governing Board will annually review and approve the insurance arrangements, taking account of insurance needs, risks and costs.

5. Computer Systems

The Governors recognise the importance of protecting computerised management systems and data held within them and will approve procedures to achieve this objective.

6. Purchasing

The Governing Board aims to achieve best value for money from all its purchases and has established procedures for testing the market, placing orders and paying for goods and services in accordance with financial regulations.

7. Personnel

The Governing Board will ensure systems are in place to allow all payroll transactions to be processed correctly and only through the payroll system. Furthermore all such payments will be covered by contracts of employment rather than the use of honoraria, gratuities or any other form of emolument.

8. Security of Stocks and Other Property.

The Executive principal, Head of Secondary Education and Head of Primary Education will ensure procedures exist in each school for the safe custody of cash, the security of other property and for stock control.

A copy of School inventories are held at Okehampton College on behalf of the Dartmoor Federation. Review of each inventory will take annually.

9. Income and Banking Arrangements

Charging and remission policies will be approved annually by the Governing Board. All income and monies due to the Federated schools will be correctly accounted for and banked in accordance with procedures set out in financial regulations.

10. School Funds

Each School will ensure that there is a secure and efficient system for the custody and control of voluntary unofficial funds. The funds will be administered on behalf of the Governing Board by the Executive principal, Head of Secondary Education and Head of Primary Education or Federation Business Manager in accordance with the LA's guidance contained in the document entitled "Management of Voluntary Unofficial Funds".

11. Governors Expenses

Payment of expenses (if any) to Governors will be in accordance with the policy agreed annually by the Full Governing Board.

12. Register of pecuniary interests of Governors and Staff

The Governing Board recognises the importance of maintaining high standards of Public Sector administration and requires a register of Pecuniary Interests to be maintained and published on all school websites.

D. DETAILED POLICIES AND PROCEDURES

1. Organisation of Responsibility and Accountability

(A) Clear Limits of Delegated Authority

The Governing Board recognises the importance of clearly defining the roles and responsibilities of its committees and sub-groups, the Executive principal, Head of Secondary Education and Head of Primary Education and other staff. The terms of reference for the Board of Governors, its committees and sub-groups are laid out in separate documents. These will be subject to change as governance arrangements for the Federation evolve.

In accordance with the schools' needs and priorities as laid out in each school's improvement plan, the following arrangements have been approved in relation to LA funds:-

The full Governing Board will decide how to spend the budget allocated within the LA's scheme of delegation subject to:-

(a) Any conditions in the LA's scheme included to protect its legal duties

(b) The budget must be spent only for the purposes of the Federation's schools, but sums may be vired between schools within the Federation as seen fit and as duly authorised by the Full Governing Board.

Authority has been delegated from the Governing Board:-

(a) to the Federation Executive Committee to authorise spending on any item up to £50,000 in accordance with the terms of reference of that committee subject to the necessary budget provision being available. In exceptional cases the Chairman of Governors can authorise unplanned expenditure provided this is ratified by at least two Federation Governors or the Vice Chairman.

(b) to the Executive Committee in respect of Okehampton College only to authorise virements from one budget heading to another in accordance with the terms of reference of that committee and in any event not to exceed £50,000. Any such virements will be recorded and reported for information to the next full Governing Board.

(c) **Dartmoor Federation**: to the following officers to authorise spending on any one order up to the sums specified - unless the order covers an item in the College Improvement Plan that has been ratified by Governors. Beyond this level the approval of the Finance, Safety and Human Resources Group, the Executive Committee or the Governing Board will be required with the exception of those items of expenditure detailed and approved within the College Improvement Plan.

Executive Principal	£10,000 *
Head of Secondary Education	£10,000 *
Head of Primary Education	£5.000 *
Deputy Head of Primary Education	£1,000
Assistant Principal (Secondary)	£5,000
Federation Business Manager	£5,000 *
Head of School (Primary)	£500
Petty Cash limit (inc Debit Card)	£1,500
Petty Cash claims	£50

* Debit Card Holders: maximum transaction limit as detailed above, or the limit of the Petty Cash bank balance held by the Dartmoor Federation.

(d) **Okehampton College**: to the Executive Principal and Head of Secondary Education to authorise virements from one budget heading to another up to the sum of £10,000. For sums between £10,001 and £50,000 the approval of the Executive Committee will be required and for sums above £50,001 the approval of the full Governing Board will be required. Any such virements will be recorded and reported to the next meeting of the Governing Board.

(e) **Dartmoor Federation Primary Schools**

Head of Primary Education	£5,000
Deputy Head of Primary Education	£1000
Head of School	£500
Debit Card limit	£750
Petty Cash claim	£50

(B) Effective operation of the Finance Function

The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible to the Governing Board for ensuring the effective operation of the finance function. They will ensure that:-

(i) The roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions will as far as is practicable be distributed to ensure that key tasks are assigned to separate members of staff and that appropriate systems of internal check exist.

(ii) Devon County Council Financial Regulations and Instructions are adhered to;

(iii) systems are in place to ensure that financial control is maintained at all times including procedures in the absence of key staff;

(iv) Appropriate documentation and records of transactions are maintained to specified standards

2. The School Planning Process

Despite the uncertainties over future years' budget allocations the Governors recognise the importance of long term planning and require a school improvement plan covering 3 years in respect of each school within the Federation to be submitted annually for approval. These will be prepared by the Executive Principal, Head of Secondary Education and Head of Primary Education and each should include a Financial Summary.

3. Budget Management

The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible for preparing the annual revenue budget in sufficient detail to conform with LA requirements and to enable the effective management of the available funds by the Governing Board which is responsible for ensuring that total forecast expenditure does not exceed the available funds. To ensure this can be done, the Executive Principal, Head of Secondary Education and Head of Primary Education will provide regular reports (ideally monthly but at least termly) to the Governing Board. As a minimum standard the Governors shall expect to see:-

❁ A separate budget monitoring statement for each of the funds provided by the LA for each phase. The statement should show a comparison of expenditure to the approved budget. Expenditure should be broken down into those sums actually spent, sums already committed and amounts of expenditure that are planned. The statement should show, as accurately as possible, the forecast year end position.

❁ A written report should accompany financial statements providing details of major variations and highlighting areas of uncertainty. The report will also show virements made between budget headings and show the latest forecast pupil numbers and the financial implications of any revised forecasts.

It is essential that reports produced are accurate as far as is reasonably possible. The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible for ensuring that quality controls are in place so that reports are of a sound standard. Staff responsible for the production of financial reports must ensure they take appropriate steps to guarantee the reliability of the information.

The Executive Principal, Head of Secondary Education and Head of Primary Education may delegate elements of the budget to staff where appropriate. These budget holders must operate within the same objectives and controls as those agreed for each phase as a whole. Delegated budget holders within the school will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are to be accountable to the Executive Principal, Head of Secondary Education and Head of Primary Education who are responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored.

Governors, the Executive Principal, Head of Secondary Education and Head of Primary Education will periodically review the provision of financial information to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative information.

4. Insurance

The Executive Principal, Head of Secondary Education and Head of Primary Education will review the insurance needs of each school annually and liaise with the LA where appropriate to ensure that specific insurance arrangements remain appropriate. Following the approval of the Governing Board, the Executive Principal, Head of Secondary Education and Head of Primary Education will ensure the agreed arrangements are in place.

The Governing Board will periodically consider whether to insure risks which are not covered by an existing policy arranged by the LA or other voluntary board. The cost of premiums for any additional cover should be met from the Schools' Budget Share.

The Executive Principal, Head of Secondary Education and Head of Primary Education will be responsible for ensuring that Governors are made aware of all new risks and all incidents which may give rise to an insurance claim (e.g. accident, theft, etc.) are reported immediately to the insurers, the Authority or their agent.

5. Computer Systems

The Governors recognise the importance of protecting computerised financial management systems and the data held within them. The Executive Principal, Head of Secondary Education and Head of Primary Education will ensure that each school is registered in accordance with the Data Protection Act 1998.

The Executive Principal, Head of Secondary Education and Head of Primary Education will ensure that effective back-up procedures are in place and that all back-up disks or tapes are stored securely.

Access to school management computer systems will be limited to authorised staff. These staff will use passwords that should not be disclosed and should be changed regularly. Only authorised software will be used to prevent the import of computer viruses. Staff will only have access to those modules appropriate to their duties.

6. Purchasing

The Governing Board aims to achieve best value for money from all its purchases.

The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services in accordance with financial regulations.

A) Value for Money

Purchasing Guidelines for Staff at all schools within The Dartmoor Federation:

Estimated Value of Goods and Services £	**Number of Verbal Quotes Required and Retained**	**Number of Written Quotes Required and Retained**	**Number of Written Tenders Required and Retained**
Up to 1,000	Consider alternatives		
1,000-2,500	Minimum standard 2		
2,501-10,000 (5,000 minimum for works)		Minimum standard 3	
10,001-50,000		Minimum standard 3 **formal quotations.**	
50,001 – EU Threshold			Minimum standard 4 **formal tenders**
Over EU Threshold			Minimum standard 5 **formal tenders**

A formal quotation is one where suppliers are asked to provide a quote by a specific date and given a detailed specification i.e. an informal tender.
Where tenders are sought for expenditure the procedure for advertising, submission, receipt and opening and recording of tenders must conform to financial procedures. The Executive Principal and Head of Secondary Education at Okehampton College has delegated authority to accept the best value quotation for all expenditure below £10,000. Head of Primary Education has delegated authority to accept the best value quotation for all expenditure below £5,000. In instances where the lowest quotation is not accepted this should be reported to the Finance, Safety and Human Resources Management Group and the reasons for this decision recorded in the minutes of the meeting. For quotations above £10,000 the approval of the Governors must be sought in accordance with the provisions of the relevant paragraphs of this policy at D1A above.

(B) Orders for Goods and Services

Orders will be raised on receipt of a Requisition Form signed by the relevant budget holder. Any internet or telephone orders must be followed by a confirmation order within 24 hours. The Requisition Form should be retained with the copy order.

(C) Payments of Account

Invoices will only be paid when the budget holder has shown approval that goods or services have been received and are of the quality expected.
Payment should be made within 30 days of receipt of invoice and discounts taken for quick payment where appropriate.

(D) Petty Cash

The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible for the operation of the Petty Cash account within each school which should only be used for small items of expenditure up to £50. Every effort should be made to obtain proper receipts and VAT invoices. No expenditure may be reimbursed without an appropriate receipt

7. Personnel and Payroll

The Executive Principal, Head of Secondary Education and Head of Primary Education will, where possible, allocate duties to ensure that an appropriate division of duties exists in the area of completing, checking, and authorising of all documents and claims relating to appointments/terminations of employment and expenses (These roles must not be the sole responsibility of one person).

Payroll transactions will be processed only through the payroll system.

Payments for employment will not be made to staff or visiting lecturers etc. through any other mechanism. Payroll transactions relating to Devon County staff will be processed against a fund provided by the Authority and not a voluntary unofficial fund.

8. Security of Stocks and Other Property

The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible for the safe custody of cash, the security of other property and stock control.

The Executive Principal, Head of Secondary Education and Head of Primary Education will ensure that inventories are maintained in accordance with Financial Instruction (9) and in a format provided by the LA. Inventories will be checked and any discrepancy will be investigated. Discrepancies over the amount of £500 shall be reported to the Governing Board via the Finance, Safety and Human Resources Management Group or the Executive Committee. The write-off limit will also be £500.Inventories will be reviewed annually in July. **Copies of each schools inventory is held by the Dartmoor Federation at Okehampton College**.

Safes and similar storage facilities will be kept locked and keys removed will be held by the key holder who will be nominated by the Executive Principal, Head of Secondary Education and Head of Primary Education. Normally key holders will carry keys on their person and keys must not be left on the premises overnight except in another safe. A list of key holders will be maintained by each school and loss of any keys must be reported to the Executive Principal, Head of Secondary Education or Head of Primary Education. (or to the Chair of Governors if the Executive Principal, Head of Secondary Education and Head of Primary Education is the key holder in question) and if necessary to the LA.

9. Income and Banking Arrangements

(A) General Income Matters

The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible for the correct accounting of all income due to and cash collected for the school. Where possible, the Executive Principal, Head of Secondary Education and Head of Primary Education will ensure the responsibility for determining sums due to the school is separated from the responsibility for collecting and banking such sums (It is recognised however that for many schools this is not practical).
Where invoices are to be raised, the school will do so promptly using authorised arrangements. Where cash is collected, whether it is due to a fund provided by the LA or an unofficial fund, a receipt will be issued or in agreed circumstances Collection Listings may be used. The receipt books used will be those approved by the County Treasurer and separate receipt books will be used for LA and unofficial funds.

Cash and cheques collected will be locked away until the time of banking. Income collected will be banked in its entirety as promptly as possible and will not be used to cash personal cheques or other payments (apart from the official Imprest). At Okehampton College the majority of payments by parents are now made securely online and are reconciled to the bank regularly (at least monthly) by the Finance team.

Sums received will be reconciled to the sums banked. Through reconciling to the Devon County Council approved Financial Management System, schools will ensure that sums banked to the DCC bank account are correctly attributed to the school.

(B) Charging and Remission of Fees

The Governing Board will determine charging and remission policies annually on the basis of recommendations put forward in a written report by the Executive Principal, Head of Secondary Education and Head of Primary Education. The policies adopted will be based on the guidance issued by the authority.

(C) Banking Arrangements

The Executive Principal, Head of Secondary Education and Head of Primary Education are responsible for ensuring arrangements operated are in accordance with procedures specified by financial regulations (and if relevant the Local Payments Scheme). The ordering of cheques for the Federation is delegated to the Federation Business Manager and Federation Finance Officer.

10. School Fund

The Governing Board is responsible for each school's voluntary unofficial fund. Although the voluntary unofficial fund is not public money, the principles of sound financial management outlined in this policy apply equally. This requires the proper minuting of all decisions taken by the Governing Board.

The objectives of the school funds must be approved by the Governing Board.

The auditor will be approved annually by the Governing Board to carry out an audit of the funds accounts. The audited accounts will be presented to the Governing Board for acceptance to be minuted as soon as practicable.

Each school will ensure that there is a secure and efficient system for the custody and control of the voluntary unofficial fund. The fund will be administered on behalf of the Governing Board by the Executive Principal/Head of Secondary Education /Head of Primary Education /Federation Business Manager in accordance with the LA's guidance contained in the document entitled "Management of Voluntary Unofficial Funds".

11. Governors Expenses

The policy relating to Governor's Expenses will be approved annually and if payable will be in accordance with the LA scheme.

12. Register of Pecuniary Interests

A register will be maintained by the Clerk to the Governors and published on all school websites

13. School Census Returns

The administration of School Census returns will be the responsibility of the Systems and Applications Officer/Primary Administrator to prepare. The Executive Principal, Head of Secondary Education and Head of Primary Education will retain overall authority.

OKEHAMPTON COLLEGE

DEBT COLLECTION

This part of the policy relates to Okehampton College School Budget Share only.

Payment terms for debtors are strictly 28 days from date of invoice. Extended credit terms are not allowed excepting where a policy is drawn up for cases of hardship. Regular reports showing 'Aged Debtors' will be presented to the Principal as part of the monthly Budget Monitoring Reports and to the Governors' Finance, Safety and Human Resources Group, at each meeting.

For non-payment of invoices, the procedure is as follows:-

Written reminder to be sent after 28 days - if not settled within following 21 days :-

i) Telephone Debtor

ii) Cancel further credit arrangements

iii) Refer debt to the small claims court - not later than 12 weeks after original invoice; over £100 only

iv) Money plus costs is recovered from small claims court recovery

OR v) If debt is below £100, the Executive Principal / Head of Primary Education / Head of Secondary Education may give permission to write-off

This policy is based on guidelines within the Devon County Council Finance Manual and is to be reviewed on an annual basis by the Governors.

INVESTMENT STRATEGY/CASH FLOW

INVESTMENT

To maximise the potential of funds within the College bank account, the highest reasonable amount of cash may, on a monthly basis, be paid into an Interest Bearing Account offering optimum interest rates. The Business Manager will nominate the amount to invest, which the Executive Principal will authorise. Interest accrued on these monies are to remain in the interest bearing account until the last part of the month of the financial year when they will be transferred to the current account as part of financial year-end procedures. Investments with an agreed time span are repaid into the current account plus interest at the end of the agreed investment period. The Business Manager must ensure that adequate funds remain in the current account to avoid the possibility of the account becoming overdrawn.

CASHFLOW

Budget holders are to be encouraged to place main orders for their areas at the end of the summer term, thereby maximising interest on cash held as goods can then be delivered immediately prior to the start of the autumn term and paid in September. It is to be recognised, however, that practical coursework and modular courses often demand purchasing at other times of the year and therefore a certain amount of flexibility is required.

During the year any changes to limits or permissions to this policy will be listed within Appendix 1

Signatures:

_____ **Chair of Governors** **Date: .....**

_____ **Executive Principal** **Date: .....**

_____ **Head of Secondary Education** **Date: .....**

_____ **Head of Primary Education** **Date: .....**