



Beech Green Primary School

Respect Achieve Belong

Finance Policy

1. Purpose

This policy sets out the framework for financial management and internal control within Beech Green Primary School.

The Governing Board is committed to ensuring that public funds are managed with the highest standards of integrity, accountability, transparency and value for money.

Financial management will be undertaken in accordance with:

- Gloucestershire Scheme for Financing Schools
- Local Authority Financial Regulations
- Schools Financial Value Standard (SFVS)
- Relevant DfE guidance
- School Scheme of Delegation
- School Charging and Remissions Policy

2. Principles of Financial Management

The school will ensure:

- effective stewardship of public funds
- proper accountability for all income and expenditure
- value for money in all purchasing decisions
- clear separation of duties
- robust internal controls
- regular financial monitoring and reporting
- compliance with procurement regulations
- protection against fraud and cyber crime

3. Roles and Responsibilities

Governing Board

The Governing Board is responsible for:

- approving the annual budget
- setting financial strategy
- monitoring financial performance

- approving the Finance Policy
- ensuring compliance with financial regulations
- reviewing SFVS annually
- overseeing financial risks

Finance & Resources Committee

The committee will:

- scrutinise budget proposals
- monitor expenditure and income
- review budget forecasts
- oversee procurement and contracts
- review audit findings
- monitor financial risks
- make recommendations to the Governing Board

Headteacher

The Headteacher is responsible for:

- day-to-day financial management
- ensuring expenditure supports school priorities
- authorising expenditure within delegated limits
- ensuring value for money
- staffing expenditure and workforce planning
- ensuring compliance with this policy

School Business Manager

The School Business Manager is responsible for:

- budget preparation and monitoring
- management accounts
- procurement processes
- payroll administration
- financial reporting
- maintenance of accounting records
- operation of financial controls
- asset management
- banking arrangements

4. Budget Management

The annual budget will:

- support the School Improvement Plan
- be balanced wherever possible
- be approved before the start of each financial year

The SBM will provide:

- monthly budget monitoring reports to the Headteacher
- termly reports to governors
- year-end forecasts
- three-year financial projections

Significant variances will be investigated and appropriate corrective action taken.

5. Reserves

The school will maintain reserves to:

- manage unexpected expenditure
- support financial sustainability
- provide protection against fluctuations in funding

The Governing Board will review reserve levels annually.

As a guide, unrestricted reserves should normally be maintained between **3% and 8% of annual income**, unless approved plans require otherwise.

6. Financial Scheme of Delegation

Action	SBM	Headteacher	Chair of Governors	F&R Committee	FGB
Place orders within budget	✓	✓			
Approve budget virement up to £5,000	✓	✓			
Approve virement £5,001-£20,000		✓		✓	
Approve annual budget				Recommend	✓
Write off debts up to £500	✓	✓			
Write off debts £501-£2,500		✓		✓	
Contracts over £20,000		Recommend		✓	
Contracts over £50,000		Recommend		Recommend	✓

7. Purchasing and Procurement

All purchases must:

- represent value for money
- be within approved budgets
- comply with relevant procurement regulations
- avoid conflicts of interest

Quotations

Purchase Value	Requirement
Up to £5,000	Demonstrate value for money
£5,001 - £20,000	Minimum 3 quotations
Above £20,000	Formal procurement process
High value contracts	Consider framework agreements and tendering

Framework agreements should be used where appropriate.

All procurement decisions must be documented.

8. Separation of Duties

Wherever practicable, no individual should:

- order goods
- receive goods
- authorise invoices
- make payment

for the same transaction.

Key financial functions should be separated to minimise risk.

9. Banking and Payments

The school will maintain approved banking arrangements.

All payments must:

- be supported by appropriate documentation
- be authorised by designated officers
- be processed through approved financial systems

Supplier bank account changes must be independently verified before payment.

10. Payroll

The school will ensure:

- only authorised appointments are paid
- payroll reports are checked monthly
- staffing changes are properly authorised
- payroll reconciliations are completed regularly

Payroll audit checks will be undertaken periodically.

11. Income

The school will ensure all income is:

- promptly recorded
- securely stored
- banked promptly
- reconciled regularly

Income streams may include:

- delegated funding
- lettings
- clubs
- trips and visits
- grants
- donations

12. Debt Recovery

Outstanding debts will be monitored regularly.

The school will seek recovery of all debts whilst balancing:

- financial value
- proportionality
- family circumstances

Any debt write-off must be authorised in accordance with the Scheme of Delegation.

13. School Credit Cards and Online Purchasing

Where school credit cards or procurement cards are used:

- cards shall be issued only to authorised staff
- spending limits will be set
- receipts must be retained
- monthly reconciliation will take place
- expenditure must be school related

Amazon and other online purchasing accounts will be subject to the same controls as all other procurement.

14. Asset Management

The school will maintain an Asset Register.

The register will record:

- all assets over £1,000
- all portable IT devices regardless of value
- other assets deemed high risk

Physical checks will be undertaken annually.

15. Fraud, Theft and Irregularity

The school operates a zero-tolerance approach to fraud.

Any suspected fraud, theft or financial irregularity must be reported immediately to:

- the Headteacher
- the Chair of Governors
- the Local Authority (where required)

Appropriate investigations will be undertaken.

16. Cyber Security

Financial systems and information will be protected through:

- multi-factor authentication where available
- secure passwords
- staff cyber-security awareness
- appropriate access controls
- secure storage of financial records

Staff must remain vigilant to:

- invoice fraud
- phishing emails
- payment diversion scams

17. Gifts, Hospitality and Conflicts of Interest

Governors and staff must:

- declare relevant interests
- avoid conflicts of interest
- not accept gifts that could influence decision making

The Register of Interests will be:

- reviewed annually
- updated as circumstances change
- made available in accordance with statutory requirements

18. Monitoring and Review

The effectiveness of this policy will be reviewed annually through:

- governor monitoring

- SFVS review
- internal scrutiny and audit activity
- external audit findings
- financial benchmarking