



Thames Ditton Infant School

Finance Policy 2026-28

Written By: Melanie McGuinness – School Business Manager

Approved By: Finance and Resources Committee

Date Approved: Spring 2026

Next Review Date: Spring 2028

Governors have statutory responsibility for the financial management of maintained schools with delegated budgets.

The regulations setting out the financial management of schools are laid down in the Education Reform Act 1988, the School Standards and Framework Act 1998 and the Local Government Act 1972: s151. Detailed guidelines are contained within the Surrey Scheme for Financing Schools and the various sections of the Surrey Finance Manual, which can be found on the Surrey County Council Services for Schools website.

The Purpose of the Policy is to -

- Define the responsibilities within the school and set limits of authorisation for the headteacher and other budget holders
- Provide guidance on the application of regulations
- Identify procedures to ensure that adequate arrangements are in place to guard against fraud and theft
- Set out guidelines to achieve efficiencies and value for money in the use of resources which invests in teaching and learning and takes into account the Authority's purchasing, tendering and contracting requirements

Application

- This policy covers all funds Delegated or Devolved by the LA, locally generated income attributable to the delegated budget and the School Fund.

The role of the Governing Body in relation to this policy is to -

- Set the financial priorities of the school through the:
 - School improvement plan
 - 3 year financial plan
 - The annual budget plan
- Ensure the budget includes an allocation for expected performance pay reviews
- Approve and monitor the annual budget
- Ensure the budget is managed effectively and achieves value for money
- Ensure the school meets its statutory obligations and complies with the Local Authority's Scheme for Financing Schools and Standing Orders
- Receive and respond to auditors' reports
- Set the terms of reference for the Finance and Resources Committee
- Agree limits of authorisation for the Finance and Resources Committee/Headteacher

The role of the Finance and Resources Committee in relation to this policy is to -

- Prepare the annual budget for approval by the Governing Body
- Prepare the Schools Financial Value Standard (SFVS) for approval by the Governing Body and submission to the DfE
- Adopt the Local Authority Scheme of Delegation
- Review and maintain finance policies, including Lettings and Charging & Remissions.
- Review systems of internal financial control
- Monitor the annual budget against actual income and expenditure and changed circumstances that will impact the budget, and make recommendations to the Governing Body
- Set levels of authority for spending and virement
- Advise the Governing Body on the affordability of the School Development Plan
- Consider the impact of student numbers on the budget over short, medium and long terms
- Receive and respond to auditors' reports

Financial Planning

- The governors shall plan the school's finances through:
 - The approval and implementation of an annual budget based on the aims, objectives and priorities of the school
 - The current financial position of the school and the level of projected future reserves
 - The preparation of a medium term financial plan covering at least three years, updated annually

Annual Timetable

- The timetable for preparation, presentation and approval of the Annual Budget and School Development Plan and other key financial documents will be as follows:
 - Autumn Term
 - Review 3 year financial plan
 - Review and Approval of Draft Budget by Finance Committee
 - Spring Term
 - Approval of the SFVS (Schools Financial Value Standard)
 - Receive year end position as at 31 March on closure of the year end
 - Review and Approval of Final Budget by Finance Committee
 - Approval of Budget by Governing Body
 - Summer Term
 - Approval of School Development Plan

Expenditure and Virement Limits

- The Headteacher has the delegated authority from the Governing Body to authorise expenditure or virement funds between cost centres up to the value of £5,000 for capital expenditure and £15,000 for revenue expenditure for a single transaction without governor approval within the framework of the budget.
- Expenditure or virement of funds in excess of £5,000 for capital expenditure and £15,000 for revenue expenditure require the approval of the Finance and Resources Committee.
- The Finance and Resources Committee has authority to approve all capital purchases and building projects costing more than £5,000 but less than £10,000 for which provision has been made in the budget.
- The Full Governing Body must agree any expenditure above these limits or for which there is no budget currently allocated.

Purchasing and Achieving Best Value

- The Governing Body shall maintain a policy of Best Value for all purchases.
- All purchases will be made through the school's purchase ordering system.
- The School Business Manager shall keep records of all purchases made including quotations received but not accepted, together with the reasons.
- The performance of contractors and the outcomes of purchases shall be continually reviewed.
- The policy of Best Value will be applied using the five principles:
 - Challenging how a service or supply is provided and why it is required
 - Comparing performance with other schools
 - Consulting with relevant stakeholders
 - Competing as a means of securing efficient and effective services and supplies. What Is Best Value?
 - Collaborating within the Ember Learning Trust to increase the school's leverage.

Internal Controls

Internal authorisation, subject to the purchasing limits stated in this policy, will be as follows:

Process:	Certifying officers:
Orders, invoice approval, VAT, Expenses forms, and absence returns	School Business Manager
Cheques	Two signatories to the delegated bank account
BACS payments – any amount	Two signatories to the delegated bank account
Direct Debit card payments or bank account transfers	Two signatories to the delegated bank account
Income/expenditure return (FINU81A) – VAT claim	School Business Manager and Headteacher
Order requisitions, deliveries	Budget Holder
Payroll forms, overtime claims, supply claims	Headteacher and line manager
Changes to Head teacher's pay	Chair of Governors
Income received, banking slips	School Business Manager
Lettings approvals	School Business Manager or Headteacher

Separation of Duties

- **Purchase of Goods and Services**

- Where possible, purchase orders MUST be raised and authorised before incurring any ordering of goods/services on an ad hoc basis.
 - Staff member organising/requesting the expenditure should complete a Purchase Requisition Form with details of purchase and cost, and get the signature of the budget holder. This should be authorised by the Headteacher and certified by the School Business Manager.
 - The Purchase Requisition Form is then provided to the office staff to process and it is raised within FMS.
 - When the goods and services are received, the invoice is matched off against the purchase order in FMS by a member of the office staff.
 - When the invoice is received it is stamped and checked for accuracy of invoice/coding/amount to prevent the duplication of payment. It is then presented to the School Business Manager for certification of payment.
 - If a purchase order has not been raised (for example, for regular monthly services) the invoice is processed by the member of office staff in FMS as a non-order invoice and the same process is used as for an invoice with a Purchase Order.
 - The School Business Manager checks the invoice for accuracy, approves the invoice in FMS and certifies the invoice for payment. Payment can be either by BACS or purchase card – see below for each of these processes.
 - Either the School Business Manager or the Office Manager prepares the BACS run for authorised invoices (separate from office staff who process invoices and raise purchase orders or bank signatories). The certified invoice and BACS run are then presented to two bank signatories for them to approve.
 - For BACS runs, the two bank signatories should check each payment in the BACS report to each invoice and initial this check, and additionally sign the BACS run report at the end to authorise the total BACS run. As mentioned above, the payment requisition for each invoice should also be approved by two bank signatories.
 - Purchase card payments should only be made in emergencies and when unable to use another form of payment. The same process should be undertaken as that for BACS runs and a payment requisition must always be presented to two bank signatories for signing, together with the invoice, before any card payments are made.
 - Staff should not pay for expenses and reclaim these from Delegated bank account unless it is an emergency and there is no other form of payment possible.
 - The School Business Manager reconciles the bank account each month and reviews all transactions. The bank reconciliation report is reviewed and signed by the Headteacher each month.
- **Approval of Salary Reviews and Appointing Staff**
 - All salary reviews should be approved by the Pay Committee on the recommendation of the Headteacher.
 - All appointment of staff should be approved by the Head of the Finance and Resources Committee and Chair of Governors on the recommendation of the Headteacher.
- **Approval of Over-time Claims**
 - The employee should complete an over-time claim form which is then approved by the Line Manager.
 - This is then checked by the School Business Manager for accuracy and presented to the Headteacher who signs the over-time claim form for authorisation.
- **Approval of and process for Staff Expenditure Claims (Senior Leadership Team and Office Staff only)**
 - The Senior Leadership Team and office staff only, are able to make purchases on behalf of the school up to a limit of £200, and then be reimbursed for the expenditure. This should only be done where other forms of payment cannot be used.

- They must complete the 'Staff Refund' form including a description and amount (or estimate of the amount) which should be certified by the School Business Manager and approved by the Headteacher prior to the expenditure.
- After the expenditure has been incurred by the staff member, they must provide a VAT receipt/invoice which is to be attached to the purchase requisition. This is then processed as above for payments.
- **Quotes**
 - All expenditure over £5,000 should have three quotes and should be presented to the Finance and Resources Committee for final approval

Financial Reporting

Frequency	Document/Process	Reported to
Every two months	Financial Monitoring Report and Commentary	Headteacher, Finance and Resources Committee
Annually	Out-turn statement	Governing Body
	Consistent Financial Reporting (CFR)	Governing Body
	Unofficial Audited Accounts	Governing Body
	Draft Budget Plan	Finance and Resources Committee
	Budget Plan	Governing Body
	Three Year Financial Plan	Governing Body
	Standard Financial Value Statement (SFVS)	Finance and Resources Committee