

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 1 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

## 1.0 KEY CONTACTS

Where schools are requiring further information, advice or support relating to the School Finance Manual contact details are provided below:

For issues associated with the following areas please contact the School Finance Team via the Financial Enquiries Service at [finance.enquiries@northyorks.gov.uk](mailto:finance.enquiries@northyorks.gov.uk)

- School Budgets
- Academy Conversions
- School Sixth Form Funding including 16-19 Bursary
- Special Education Needs (SEN) Finance
- Capital Accounting / PFI
- BAFS/Oracle Prints
- VAT Returns
- Consistent Financial Reporting (CFR)
- School Grants (including Pupil Premium)
- School Loans
- Licensed Deficits
- Joint and Directed Use
- Leasing

### Early Years

For information, advice and support relating to the Early Years Funding Formula and Headcount please contact the Early Years Funding Team via email [eyft@northyorks.gov.uk](mailto:eyft@northyorks.gov.uk)

For Business Support advice and support relating to early years' provision please use the financial enquiries service contact details above.

### Financial Management in Schools (FMS)

For information, advice and support relating to the activities of the FSM Team in undertaking tasks contained within the School Finance Manual please contact the Team on 01609 798838 or by e-mail [fms.team@northyorks.gov.uk](mailto:fms.team@northyorks.gov.uk)

### Staff Absence Scheme

For queries relating to staff absence the team can be contacted by email via [staff.absence@northyorks.gov.uk](mailto:staff.absence@northyorks.gov.uk)

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 2 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

## Business Support Services (BSS)

For information on Barclaycard requests contact the Exchequer Team on 01609 532530 or email [exchequer@northyorks.gov.uk](mailto:exchequer@northyorks.gov.uk)

For stationery orders and queries contact the buying team at <https://cyps.northyorks.gov.uk/forms-and-stationery>

## Strategic Planning (Capital Programme)

Schools are advised to contact their designated Strategic Planning Officer with regard to Capital Projects.

The team can be contacted via e-mail at [ampsuitability@northyorks.gov.uk](mailto:ampsuitability@northyorks.gov.uk)

## North Yorkshire Education Service (NYES)

For issues relating to the school's current or future traded services with NYCC, please contact your school relationship manager for North Yorkshire Education Services, on 01609 533222 or e-mail at [nyes@northyorks.gov.uk](mailto:nyes@northyorks.gov.uk)

## Payroll

For any issues relating to Payroll, TUPE transfers & employee records please contact NYCCs Employment Support Service, on 01609 532190 or e-mail at [employmentsupportservice@northyorks.gov.uk](mailto:employmentsupportservice@northyorks.gov.uk)

## AUDIT – Veritau Ltd

Key Contacts	Officer	Title	Phone Extension
	Max Thomas	Head of Internal Audit	2143
	Richard Smith	Deputy Head of Internal Audit	2284
	Ian Morton	Audit Manager	2739

Email [internal.audit@veritau.co.uk](mailto:internal.audit@veritau.co.uk) Telephone 01609 535034

## Human Resources

This a traded service, details can be found on the NYES website.

<https://www.nyeducationalservices.co.uk/services/nyhr>

## Other Key Contacts

## Schools Forum

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 3 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

Deborah Wilbor                      Leadership Support Officer                      [deborah.wilbor@northyorks.gov.uk](mailto:deborah.wilbor@northyorks.gov.uk)

## Governors

Governor support can be contacted via e-mail [Governor.Support@northyorks.gov.uk](mailto:Governor.Support@northyorks.gov.uk)

## Legal Services

Advice Helpline                      01609 532347 or [schoolslegaladvice@northyorks.gov.uk](mailto:schoolslegaladvice@northyorks.gov.uk)

## Insurance Services

Insurance Services can be contacted via e-mail [insurance@northyorks.gov.uk](mailto:insurance@northyorks.gov.uk)

## ICT

Schools ICT can be contacted via e-mail [schoolsict@northyorks.gov.uk](mailto:schoolsict@northyorks.gov.uk)                      6086

## Catering (County Caterers)

Catering can be contacted via Graham Foxtan                      [Graham.Foxtan@northyorks.gov.uk](mailto:Graham.Foxtan@northyorks.gov.uk)                      6873

## Sports Related Bids & Lettings

Matthew Kettlewell                      Sites Officer                      [matthew.kettlewell@northyorks.gov.uk](mailto:matthew.kettlewell@northyorks.gov.uk)                      2610

## 2.0      INDEX

### Chapter 2.1      LMS Scheme for Financing Schools

1	Introduction
2	Financial Controls
3	Instalments of Budget Share; Banking Arrangements
4	The Treatment of Surpluses and Deficit Balances Arising In Relation To Budget Shares
5	Income
6	The Charging of School Budget Shares
7	Taxation
8	The Provision of Services and Facilities by The Authority
9	Private Finance Initiative (PFI) and Public Private Partnerships (PPP)
10	Insurance
11	Miscellaneous
12	Responsibility for Repairs and Maintenance
13	Community Facilities
Annex A	Responsibility for redundancy and early retirement costs
Annex B	LMS Financial Procedure Rules (currently subject to review)

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 4 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

## **Chapter 2.2 LMS Financial Procedure Rules (currently under review)**

## **Chapter 2.3 LMS Procurement and Contract Procedure Rules (currently under review)**

## **Chapter 3 Revenue Budgets & Long Term Financial Forecasts**

- 3.1 Introduction
- 3.2 Budget and Forecast Preparation
- 3.3 Adherence to Best Value Principles
- 3.4 Financial Benchmarking (Comparative Statistics)
- 3.5 The Budget Cycle
- 3.6 Budget Monitoring

## **Chapter 4 Capital Expenditure**

- 4.1 Definition of Capital Expenditure
- 4.2 Identifying School Building Priorities
- 4.3 LA Schools Capital Programme – Community and Voluntary Controlled Schools
- 4.4 Annual Capital Planned Maintenance Programme
- 4.5 LA Schools Capital Programme – Voluntary Aided Schools
- 4.6 School Led Capital Projects
- 4.7 Notification of Proposed School Led Capital work – Project Proposal Forms
- 4.8 Funding of Capital Expenditure
- 4.9 Financial Contributions from School towards Capital Schemes
- 4.10 Capital Accounting
- 4.11 Key Contacts
- 4.12 Other Useful References

## **Chapter 5 Banking Arrangements**

- 5.1 Introduction
- 5.2 Choice of Banker
- 5.3 Opening and Naming Accounts
- 5.4 Cheque Signatories
- 5.5 Cheque Stationery
- 5.6 Paying in Books
- 5.7 Bank Cards
- 5.8 Bank Statements
- 5.9 Standing Orders and Direct Debits
- 5.10 BACS Payments
- Appendix 1 Approved list of Financial Institutions
- Appendix 2 Minimum criteria for School Bank Accounts
- Appendix 3 Computerised Cheque printing in Schools
- Appendix 3 Annex 1 a Cheque control log
- Appendix 3 Annex 1 b Cheque stock reconciliation
- Appendix 4 BACS Payments

## **Chapter 6 Purchasing**

- 6.1 Introduction
- 6.2 General Purchasing Points
- 6.3 General Points on Selecting Suppliers
- 6.4 Leases and Rentals
- 6.5 Barclaycard Purchasing Card

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 5 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

- 6.6 Loans Scheme
- 6.7 Templates for Use
- 6.8 Guidance on the Purchase of ICT Equipment
- Appendix A Schedule of Quotations
- Appendix B Schedule of Tenders

## **Chapter 7 Ordering**

- 7.1 Rules and Procedures
- 7.2 Completion of Orders: Details to be included on all orders
- 7.3 Additional Details to be completed when ordering from YPO

## **Chapter 8 Payment of Invoices**

- 8.1 Introduction
- 8.2 Ordering of Goods and Services
- 8.3 Receipt of Goods/Services
- 8.4 Receipt of Invoices
- 8.5 Copy Invoices and Statements
- 8.6 Payments where Invoices not Received
- 8.7 Credit Notes
- 8.8 Prioritising of Invoices for Payment
- 8.9 Invoice Checking Arrangements
- 8.10 Authorisation and Cheque Production (Manual)
- 8.11 Authorisation and Cheque Production (Automated)
- 8.12 Spoiled/Cancelled Cheques
- 8.13 Paid Cheques
- 8.14 Retention of Documents
- 8.15 Enquiries Regarding Unpaid Invoices
- 8.16 Petty Cash Accounts
- Appendix 1 School's Coding Slip
- Appendix 2 Remittance Advice
- Appendix 3 Proforma Invoice
- Appendix 4 Travelling and Subsistence Payments
- Appendix 5 Travelling Expenses

## **Chapter 9 CIS**

- 9.1 Introduction
- 9.2 Schools and CIS
- 9.3 Capital Works
- 9.4 Further Information

## **Chapter 10 Catering**

- 10.1 Introduction
- 10.2 Service Provision Options
- 10.3 Income Collection Arrangements - Primary Schools
- 10.4 Income Collection Arrangements - Secondary Schools
- 10.5 Collection of Overdue Debts
- 10.6 Cash Security and Banking Arrangements
- 10.7 Accounting for Income
- 10.8 Monitoring

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 6 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

Appendix 1	Catering Primary School Weekly Meal summary email example
Appendix 2	Weekly Banking Check System
Appendix 3	Catering Income Monitoring Template
Appendix 4	School Meal Arrears Procedure

## **Chapter 11 Income**

11.1	Introduction
11.2	Ability to Trade: The Local Authorities (Goods and Services) Act 1970
11.3	Assessing Fees and Charges
11.4	Making the Charge
11.5	Records of Income Due
11.6	Raising Debtor Invoices
11.7	Receiving Payments
11.8	Security Arrangements and Banking Income
11.9	Follow-up Procedures
11.10	Online Income Systems
11.11	Writing off Bad Debts
11.12	Responsibilities of the Head Teacher in Relation to Income Collection Procedures
11.13	Retention of Records
Appendix 1	North Yorkshire pro forma invoice
Appendix 2	School Income Record
Appendix 3	Guidance on online income collection systems other than Parentpay

## **Chapter 12 Hire of Educational Premises**

12.1	Introduction
12.2	Other Types of Arrangements
12.3	Hire Arrangements
12.4	Assessing the Suitability of the School for Hire Arrangements
12.5	The Use of School Kitchens
12.6	The Use of School Grounds
12.7	The Use of Swimming Pools
12.8	Developing a Hire Arrangements Policy
12.9	Publicising the Facilities
12.10	Occasional Licences for the Consumption of Alcohol
12.11	Other Licences
12.12	Setting Charges for Hire Arrangements
12.13	VAT and Hire Arrangements
12.14	Collection of income
12.15	Indemnity and Insurance
12.16	Health and Safety
12.17	Disability Access
12.18	Security
12.19	Hire Arrangements at PFI Schools
12.20	Administration Procedures
Appendix 1	Hire Arrangement Flowchart
Appendix 2	Assessment of School Premises Suitability
Appendix 3	Sample Lettings Policy
Appendix 4	Sample Schedule of Charges
Appendix 5	VAT Regulations
Appendix 6	Sample Terms and Conditions
Appendix 7	Sample Lettings Contract
Appendix 8	Sample Lettings Checklist
Appendix 9	Forms H1 – H4

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 7 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

## **Chapter 13 Private and Commercial Sponsorship**

- 13.1 Introduction
- 13.2 Commercial Sponsorship
- 13.3 Costs and Benefits of Commercial Sponsorship
- 13.4 Principles of Commercial Sponsorship in Schools
- 13.5 Flow Chart: Making Decisions about Commercial Sponsorship

## **Chapter 14 School Private Funds**

- 14.1 Definition
- 14.2 Responsibility
- 14.3 Bank Accounts
- 14.4 Income
- 14.5 Payments
- 14.6 Security
- 14.7 Insurance
- 14.8 Accounting
- 14.9 Annual Accounts
- 14.10 VAT
- 14.11 Private Funds and the Delegated Budget
- 14.12 Income Tax Liability
- Appendix 1 Registration of School Funds under the Charities Act 2006
- Appendix 1 Annex 1a Model School Fund Constitution
- Appendix 2 Checklist for Independent Examiner or Auditor of School Funds
- Appendix 3 Register of Income Received
- Appendix 4 Format of School Fund Annual Report
- Appendix 5 Independent Examiner's report on the Accounts

## **Chapter 15 Earmarked Funds**

- 15.1 Introduction
- 15.2 Early Years Funding
  - PART 1: The Early Years National Funding Formula
  - PART 2: Accounting Arrangements
  - PART 3: Charging Parents for Early Years Provision Over and Above the Funded Entitlement
  - PART 4: Other Information Sources
- 15.3 Pupil Premium
- 15.4 Universal Infant Free School Meals
- 15.5 PE and Sports Grant
- 15.6 Post-16 Funding (including High Needs)
- 15.7 Non-Specific Earmarked Funds
- 15.8 Grants Procedures
- 15.9 Administration of Funds from Third Parties
- 15.10 Teacher's Pay Grant Methodology (TPG)
- 15.11 Teacher's Pension Employer Contribution Grant (TPECG)
- 15.12 Pension Supplementary Fund and Funding for Local Authority centrally employed teachers

## **Chapter 16 VAT**

- 16.1 Introduction
- 16.2 Rates of VAT

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 8 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

16.3	Recovering VAT on Invoices
16.4	Recovering VAT on VAT Invoices Under £250.00
16.5	Petty Cash
16.6	Pro-Forma Invoices and Cheques with Orders
16.7	Discounts for Prompt Payment
16.8	International Transactions
16.9	VAT on Income (see also list at Appendix 1)
16.10	Community Focussed Provision
16.11	VAT treatment of Specific Activities
16.12	Academy Schools and VAT
16.13	Timescales for Accounting for VAT
16.14	'E' VAT Returns
16.15	HMRC Penalties
16.16	Retaining Documentation
16.17	Other Taxes Not to be Confused with VAT
16.18	Voluntary Aided Schools and VAT Recovery
16.19	Queries on VAT Matters
Appendix 1	List - VAT Classification of Income by Type

## **Chapter 17**      **Governors**

17.1	Introduction
17.2	Register of Interests
17.3	Register of Gifts and Hospitality
17.4	Declaration of Interests
17.5	Governors Allowances
17.6	The Schools Financial Value Standard (SFVS)
Appendix 1	Proforma Register of Interests
Appendix 2	Gifts and Hospitality Protocol for School Employees
Appendix 3	Register of Gifts and Hospitality Received

## **Chapter 18**      **Bank Reconciliation**

18.1	Nature and Frequency of Reconciliation
18.2	How to Reconcile the Bank Account
18.3	Further Actions after Initial Reconciliation Completed
18.4	Retention of Records
Appendix 1	School Bank Reconciliation Statement
Appendix 2	RM Finance: "E" Bank Reconciliation and VAT Returns

## **Chapter 19**      **School Accounting**

19.1	Introduction
19.2	Monthly Financial Prints
19.3	Journals
19.4	Query Notes
19.5	Stationery
19.6	Consistent Financial Reporting
19.7	Year End Closure of Accounts
19.8	Closing Schools Accounting Arrangements
19.9	Records Retention and Disposal Schedule for Schools
19.10	Community Focussed
19.11	School Trips
19.12	Teaching Schools



# SCHOOLS FINANCE MANUAL

<b>CHAPTER 1</b> <b>List of Contacts</b>	<b>Chapter:</b> 1.0 <b>Page:</b> 9 of 9 <b>Date:</b> November 2021
---------------------------------------------	--------------------------------------------------------------------------

## **Chapter 20 Payroll**

- 20.1 Overview
- 20.2 Procedures for personnel / Payroll matters – Governing Body responsibilities
- 20.3 Headteacher's Responsibilities
- 20.4 Payroll Providers
- 20.5 Payroll – Headteacher checks and controls
- 20.6 Employment Support and payroll providers

## **Chapter 21 Security**

- 21.1 Information Governance
- 21.2 Transfer of Educational Records
- 21.3 Security of Equipment & Equipment Inventories
- 21.4 General School Security
- 21.5 Cash Handling
- 21.6 Other Useful Information

## **Chapter 22 Audit Arrangements**

- 22.1 Internal Audit
- 22.2 External Audit
- 22.3 Whistleblowers' Charter
- 22.4 Contacts
- 22.5 Fraud
- 22.6 Consequences of Breaching Controls
- Appendix 1 Procedure for dealing with Financial Irregularities

## **Chapter 23 Insurance Services to Schools**

Awaiting Update

## **Chapter 24 Charging for School Activities**

- 24.1 Introduction
- 24.2 Charging and Remissions Policies
- 24.3 Activities Schools CANNOT Charge For
- 24.4 Activities Schools CAN Charge For
- 24.5 Voluntary Contributions
- 24.6 Optional Extras
- 24.7 Music Tuition
- 24.8 Transport
- 24.9 Residential Visits
- 24.10 Eligibility for Remission for Residential Visits
- 24.11 Education Partly During School Hours
- 24.12 Tour Operator's Margin Scheme (TOMS)
- 24.13 Other Information

## **Chapter 25 Glossary of Terms**

- 25.0 Glossary of Acronyms and Terms