

# SCHOOLS FINANCE MANUAL

<b>CHAPTER 10</b> <b>Catering</b>	<b>Chapter:</b> 10.0 <b>Page:</b> 1 of 12 <b>Date:</b> November 2021
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## 10.0 CATERING

### 10.1 Introduction

This chapter sets out guidance on the various ways by which schools can provide a school meals service including the collection, accounting for and banking of income.

#### 10.1.1 This chapter should be cross referenced with the following chapters:

- i. Chapter 5: Banking Arrangements
- ii. Chapter 11: Income (includes on-line payment systems)
- iii. Chapter 21: Security

### 10.2 Service Provision Options

#### 10.2.1 Schools are free to decide how they provide a school meals service. Available options are set out below:

- i. **entering a Service Level Agreement (SLA) with North Yorkshire County Council – NYES Catering**

The main advantage of continuing to receive meals through the SLA contract is that the Corporate Director – Children & Young People’s Service, through North Yorkshire County Council – NYES Catering, arranges and monitors the contract on behalf of the school. The contract is tailored to the collective needs of schools. The school retains and banks the income from paid meals and the cost of free meals is included within schools delegated budgets. NYES Catering will charge the school for the cost of the meals service at the end of each half term for secondary schools and at the end of each month for primary schools, via Oracle.

- ii. **letting a contract independently of the LA**

A school can let its own contract. Schools considering this approach must ensure that the LMS Procedure Rules relating to the letting of contracts are complied with and be aware that significant time may need to be devoted to monitoring and liaising with the contractor. It is **essential** that Children & Young People’s Finance and Legal Services are consulted before the circulation of tender documents (see LMS Contract Procedure Rule section 9) if a school decides to pursue this option.

- iii. **employing and managing catering staff to provide a service direct**

A school can also employ and manage its own catering staff. This may be attractive to those Governing Bodies who seek directly to control the provision of catering. However, the school would need to put in place effective management arrangements. In addition, staff would transfer from the existing contractor to the school under TUPE regulations so there would be limited opportunities for the school to make its own appointments.

### 10.3 Income Collection Arrangements - Primary Schools

#### 10.3.1 Schools are advised to establish arrangements to collect income **in advance** by encouraging parents to make half termly payments where possible. Where this is not feasible, weekly payment should be sought. Half termly collections have the advantage of reducing the administrative time spent in school and can increase the amount of interest earned by the school - provided that income is banked promptly.

#### 10.3.2 The method of payment is also important and, where possible, parents should be encouraged to pay by on-line payment systems such as ParentPay rather than by cheque or cash. These methods:

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- i. reduce the risk of loss through misappropriation;
- ii. minimise the amount of cash being handled; and
- iii. has the advantage of reducing bank charges (which can often be much higher for handling cash).

10.3.3 Where payment is made by cheque, the cheque should be made out to the school and not North Yorkshire County Council. All cheques should be verified to establish that they have been correctly made out - in particular that they are not post-dated, the words and figures agree, and that they are signed.

10.3.4 Schools should be able to provide parents with a statement of account if requested that shows:

- i. the cost of the school meals per child for the forthcoming half term (no of days multiplied by the price per meal); and
- ii. any credits or debits carried over from the current/previous half term

10.3.5 All income collected and data relating to meals taken should be recorded. Queries regarding collection systems should be directed to Veritau Ltd.

## 10.4 Income Collection Arrangements - Secondary Schools

10.4.1 In Secondary Schools cash cafeteria systems are operated for lunchtime meals as well as morning breaks. It is important that, whenever practical, all income is processed through a till at the point of sale, or, where there are difficulties in doing this, counted as soon as possible after the sale by two members of staff and rung into the till as one amount.

10.4.2 At the end of each day, cash should be counted and reconciled to 'X' and 'Z' readings on the till rolls. For schools with Service Level Agreements or contract arrangements with North Yorkshire County Council – NYES Catering, checks should be made to ensure that the amounts shown on till rolls agree with the amounts actually banked. Appendix 1 shows a form that can be used for this purpose.

10.4.3 Cashless catering removes the need to collect cash at the point of sale. A cashless catering system allows parents, students and staff to credit an individual personalised account either by using income collection facilities in school or via ParentPay. Customers then pay for meals either with a swipe card or by biometric (fingerprint) recognition.

10.4.4 Where a school is managing its own catering arrangements, income should normally be passed to the school office for banking with other income, along with the till roll showing the 'X' and 'Z' readings.

## 10.5 Collection of Overdue Debts

10.5.1 Children and Young People's Service Finance have developed a policy on the management of school meal debt. This can be found at Appendix 4.

## 10.6 Cash Security and Banking Arrangements

10.6.1 It is **essential** that all schools bank at least monthly or whenever the total of cash and cheques held exceed the Department of Education's Risk Protection Arrangement (RPA) cover limits:

Cash Limit not in a safe: £5,000

Cash in a safe: £10,000

Cash at private residence of authorised Employees or Governors: £500

Any Other Loss: £500

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It is a condition of the RPA cover that a complete record shall be kept of the money and such record shall be deposited in a secure place other than in the safes containing the money. Outside business hours the safes shall be kept locked and the keys of the safes shall not be left on the premises

- 10.6.2 Primary schools should pay cash and cheques made out to the school and relating to school meals into their own BAFS account. Payments should not be made into the LA's County Fund. In practical terms banking should normally be made by Primary schools on Mondays, when most dinner monies are collected, and on Fridays, to ensure that no cash is held on the premises over the weekend.
- 10.6.3 In Secondary schools, arrangements should be made to either bank daily or ensure that the RPA cover of the school safe is sufficient to cover all cash held. Should a school wish to engage the services of a security firm to transport money to the bank the cost will be a charge against their own budget.
- 10.6.4 Further advice on security arrangements can also be obtained from the Insurance & Risk Manager or Veritau Ltd, the Internal Audit Service.

## 10.7 Accounting for Income

- 10.7.1 Since dinner money in Primary Schools now belongs to the school there is a need to account for it within the school's financial records. It is recommended that whenever monies are passed to the school administrator, the amount received should be entered into the School Income Record. As soon as it is banked or entered on to the RM Finance financial system, the date should be entered on the School Income Record.
- 10.7.2 CFR coding for school meal income is as follows:
- I09 5330 Pupil paid meals
  - I09 5220 Adult paid meals - the supply is subject to VAT
  - I09 5220 Meals for external customers – i.e. where the school has received income for catering for events, such as a PTA meeting or a private letting.
- 10.7.3 ParentPay provides schools with a statement showing the amount credited to a school every two weeks. A Service Collection Statement should be printed off from the ParentPay website to reconcile with income received for dinner money during the period. The school then enters dinner money income on code 5330, or 5220 if it were an adult meal with VAT. Charges should be processed against code 4390. Detailed instructions are provided in the ParentPay manual.

## 10.8 Monitoring

- 10.8.1 Where meals are provided under the North Yorkshire County Council NYES Catering SLA contract, meal numbers are collected via an electronic Kitchen Manager system (Cypad). Meal numbers and other cash sales are entered into this system by the school kitchen. On a Tuesday lunch-time school's nominated e-mail address will receive an e-mail summarising the meal numbers for the previous week by category. School then has until Wednesday afternoon to raise any queries with the school kitchen for amendment. It is important that the completed-mail is checked for accuracy with particular attention to meal categorisation as the meal numbers contained will form the basis of the charge to school at the end of the period.
- 10.8.2 For reasons of probity and in order to maximise the school's income, the Headteacher, when checking the e-mail, should be satisfied that all income due has been both collected and banked. Periodically checks should be made to reconcile the income banked to the number of paid meals. This can be done by:
- a. Checking the total amount of income received in the week, according to the School Meals Registers, has been banked by cross-referencing to the School Income Record and bank

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paying-in book, ensuring that the copy paying-in slip or counterfoil has been stamped by the Bank.

- b. Checking that the number of paid pupil meals, as shown on the return, when multiplied by the daily meal charge, is equivalent to the amount banked in the week. Where adult paid meals are supplied these need to be taken into account. A worked example of such a system is shown in Appendix 3.

10.8.3 If any member of staff identifies or suspects any financial irregularity, Veritau, the Internal Audit Service, should be contacted for guidance as soon as possible. This may be done in confidence if required by use of the Whistleblower hotline: tel. 0800 9179 247.

## North Yorkshire County Council – NYES Catering School Weekly Meal summary email example

**Primary Email**

Dear Sir/Madam,

Here are the weekly figures that have been entered by your kitchen supervisor. These figures should be those that were agreed as accurate by the school and kitchen supervisor. These figures will be recorded as accurate at 11am Wednesday.

If these are incorrect please contact your kitchen supervisor to make these changes prior to 11am Wednesday otherwise please contact your area admin assistant.

	Mon 08 Nov	Tue 09 Nov	Wed 10 Nov	Thr 11 Nov	Fri 12 Nov	Total
Trading Days	1	1	1	1	1	5
Pupil Lunch	0	0	0	0	0	0
Breakfast	0	0	0	0	0	0
Morning Break	0	0	0	0	0	0
Bistro	0	0	0	0	0	0
Sixth Form	0	0	0	0	0	0
Adult Cash	0	0	0	0	0	0
Vending	0	0	0	0	0	0
Cash Function	0	0	0	0	0	0
VAT On Cash	0	0	0	0	0	0
Other	0	0	0	0	0	0
Function	0	0	0	0	0	0
VAT	0	0	0	0	0	0
Pupil Paid	52	60	59	54	71	296
Pupil Free - KS1 Pupil Premium	5	5	5	5	5	25
Pupil Free - KS1 U.F.S.M	46	46	47	46	46	231
Pupil Free - KS2	8	7	10	8	6	39
Adult Paid	1	0	2	1	0	4
Adult Free	0	0	0	0	0	0
Internal Function	0	0	0	0	0	0
Pupil Paid Nursery	1.70	3.40	3.40	5.10	1.70	15.30
Pupil Free Nursery	0	0	0	0	0	0
External Function	0	0	0	0	0	0
Cash Banked	0	0	0	0	0	0
E Pay	0	0	0	0	0	0

## North Yorkshire County Council – NYES Catering School Weekly Meal summary email example

**Secondary email**

Dear Sir/Madam,

Here are the weekly figures that have been entered by your kitchen supervisor. These figures should be those that were agreed as accurate by the school and kitchen supervisor. These figures will be recorded as accurate at 11am Wednesday.

If these are incorrect please contact your kitchen supervisor to make these changes prior to 11am Wednesday otherwise please contact your area admin assistant.

	Mon 08 Nov	Tue 09 Nov	Wed 10 Nov	Thr 11 Nov	Fri 12 Nov	Total
Trading Days	1	1	1	1	1	5
Pupil Lunch	865.55	842.45	769.45	872.4	1,140.95	4,490.8
Breakfast	48.4	64.95	48.6	42.05	53.85	257.85
Morning Break	361.55	364.1	367.95	313.7	353.95	1,761.25
Bistro	0	0	0	0	0	0
Sixth Form	0	0	0	0	0	0
Adult Cash	24.2	27.95	21.25	26.65	39.65	139.7
Vending	0	0	0	0	0	0
Cash Function	0	0	0	0	0	0
VAT On Cash	4.84	5.59	4.25	5.33	7.93	27.94
Other	0	0	0	0	0	0
Function	0	0	0	0	0	0
VAT	0	0	0	0	0	0
Adult Free	0	0	0	0	0	0
Pupil Free	63.45	67.8	64.1	61.9	67.9	325.15
Internal Function	0	27.5	0	6.32	51.7	85.52
External Function	0	0	0	0	0	0
VAT On Credit	0	0	0	0	0	0
Cash Banked	0	0	0	0	0	0
E Pay	838.49	396.3	194	273.55	717	2,419.34
Other Income	0	0	0	0	0	0

**SYSTEM TO CHECK BANKINGS ON A WEEKLY BASIS**

<b>DINNER MONEY RETURNS W/E:</b>		<u>8 March 2021</u>			
<b>Dinner Registers</b>					
	Outstanding (+) Prepaid (-) Meals b/fwd	Meals Taken	Meals Paid For	Outstanding (+) Prepaid (-) Meals c/fwd	Amount Collected (= (3) x price)
Class	(1)	(2)	(3)	(4)	(5)
Mrs Jones	+5	+52	+38	19	76.00
Mr Smith	-20	+41	+45	-24	90.00
Miss Holmes	+12	+16	+13	15	26.00
<b>Totals</b>	<b>-3</b>	<b>109</b>	<b>96</b>	<b>10</b>	<b>192.00</b>
<b>Amount Banked</b>					
Mon 4 Mar	£180.00	<b>Amount Outstanding (+)</b>		£20.00	
Fri 8 Mar	£12.00	<b>Amount Prepaid (-)</b>		Nil	
	£192.00	<i>(4) x price of meal</i>			
Difference	Nil				
Reasons for Difference:					
<b>Check Performed By:</b> .....					
<b>Date:</b> .....					

..... SCHOOL					
CATERING INCOME FOR WEEK ENDING .....					
	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Float b/f					
Income					
- Till 1					
- Till 2					
-					
-					
Total cash					
less Float c/f					
<b>CASH TAKINGS</b>					
<b>Amount banked</b>					
<b>Discrepancy</b>					
<b>Reason</b>					
<b>Reviewed by</b>					
<b>Date</b>					



## School Meal Arrears Procedure

### Introduction

The following is a standard procedure to be applied when school meal arrears arise in primary and special schools. Although timescales have been *suggested* at each stage of the process it is left to the discretion of the school as to when it feels it should implement the various stages.

The letters included in the Appendices can be used or adapted to suit the requirements of the school. However, the basic information within the templates should be included in any letter sent to parents/carers regarding school meal arrears.

If your school uses the ParentPay Income management system please follow the procedures in the ParentPay Complete User Manual - Debt Letters/Emails and SMS.

***In following this procedure a pro-forma invoice should not be raised by the school at any stage nor should the school contact Legal Services direct to request the pursuance of a school meal debt.***

### Stage 1: Arrears of 1-2 weeks (suggested)

It is assumed that schools will, at the earliest opportunity, have attempted to make contact with the parents/carers either in person, by telephone or by means of a dinner money reminder slip being sent home with the child in an effort to try and resolve the issue and avoid it becoming unmanageable.

The first letter to parents/carers should detail the outstanding balance and outline the eligibility criteria for free school meal entitlement. Parents must complete an application form FMB1 in order that eligibility may be determined. As entitlement starts from when an application is made it is important to try and get parents/carers to complete and return the form as soon as possible, **as is the DfE guidance, entitlement can only start from the date the application for free school meals is made.**

Immediate payment should be requested and it is suggested that alternative lunchtime arrangements should be made for the child(ren) until the debt is settled. (see Appendix A template)

### Stage 2: Arrears of 2-3 weeks (suggested)

If payment remains outstanding, a second letter of a stronger nature should be sent by the school to the parents/carers detailing the level of the debt reached as at that week ending. Parents/carers should be encouraged to contact the school to make an appointment in order to discuss the situation and determine a resolution. It is advised that this letter should either be sent by post or hand delivered – it should not be sent home with the child. (see Appendix B template)

A meeting arranged between the parents/carers and the Head Teacher is an opportunity to identify any issues that may require support from either the school or other services such as the Education Social Work Service. Such a meeting may highlight that the parents/carers require support in making an application for free school meals. Arrangements for payment by instalment can be drawn up to help clear the debt. It should be stressed that if the child is not entitled to a free school meal the parents/carers should either (i) provide a packed lunch or (ii) commence payment for meals forthwith.

### Stage 3: Passing over debt to Legal Services under the service level agreement (suggested)

If the school has been unsuccessful in the recovery of the debt then the debt can be passed over to the legal services team in line with their service level agreement. Under instruction from the school, the legal team will chase the debt and advise on any Court proceedings that may be required to try and recover the debt. Instalment plans can be arranged to pay the amount outstanding, and all payments are made direct to the school by the debtor. To discuss/request this service, the School should be advised to contact Legal on 01609 532900 or email [schoolslegaladvice@northyorks.gov.uk](mailto:schoolslegaladvice@northyorks.gov.uk).

**Appendix A**

Dear

School Meal Arrears

It appears that as of today an amount of £(*amount*) is outstanding for school meals taken by (*name of child(ren)*). I would be grateful if you could arrange for this money to be paid as soon as possible.

Once the debt is cleared please ensure that the account is always kept in credit. To ensure that it does not increase further I would request that you make alternative arrangements for your child(ren) at lunchtime as a school meal can only be provided if payment is received in advance.

Payment can be made at a local retailer using your PayPoint card or via the secure online payment system at [www.parentpay.com](http://www.parentpay.com) using the login already provided. You can also check your account balance here and see what meals have been taken and when.

The school is keen to provide any necessary assistance and support it can to try and resolve this matter as quickly as possible so if you would like to discuss this matter please contact the school. Our contact details can be found at the top of this letter.

Free School Meal Eligibility

A free school meal is available to children whose parents have applied for free school meals and who are in receipt of certain benefits. Current details of eligible benefits, and a free school meal application form, can be found on the free school meals section of the NYCC website:-

<https://www.northyorks.gov.uk/free-school-meals>

A copy of application form FMB1 is enclosed for completion should you meet any of the above criteria for eligibility. This should be sent direct to: North Yorkshire County Council, Document Management Centre, County Hall, Racecourse Lane, Northallerton, DL7 8AE . Tel: 01609 533405. Email: [schoolwelfare@northyorks.gov.uk](mailto:schoolwelfare@northyorks.gov.uk)

Please note that entitlement to free school meals commences from the date the application is made and cannot be backdated beyond that. It is therefore important that you complete and return form FMB1 as soon as you can.

For further information about free school meal eligibility please contact either the school (details above), the North Yorkshire County Council website (link above), or the Welfare Team, contact details as above.

I look forward to this matter being resolved in the near future.

Yours sincerely

Head Teacher

Dear

School Meals Arrears

Despite my previous letter of *(date)* it appears that the amount owing for school meals remains outstanding and has now reached £*(amount)*. This amount should be paid with immediate effect.

Payment can be made at a local retailer using your PayPoint card or via the secure online payment system at [www.parentpay.com](http://www.parentpay.com) using the login already provided. You can also check your account balance here and see what meals have been taken and when.

As stated in that letter until the debt is cleared you should make alternative arrangements for your child(ren) at lunchtime as a school meal can only be provided if payment is received in advance.

Free School Meal Eligibility

A free school meal is available to children whose parents have applied for free school meals and who are in receipt of certain benefits. Current details of eligible benefits, and a free school meal application form, can be found on the free school meals section of the NYCC website:-

<https://www.northyorks.gov.uk/free-school-meals>

For further information about free school meal eligibility or to request application form FMB1 you can contact either the school (details at the top of this letter) or North Yorkshire County Council, Document Management Centre, County Hall, Racecourse Lane, Northallerton, DL7 8AE Tel: 01609 533405. Email: [schoolwelfare@northyorks.gov.uk](mailto:schoolwelfare@northyorks.gov.uk)

Please note that entitlement to free school meals commences from the date the application is made and cannot be backdated beyond that. It is therefore important that you complete and return form FMB1 as soon as you can.

If you would like to discuss this matter please do not hesitate to contact the school. The school is keen to provide any necessary assistance and support it can to try and resolve this matter as quickly as is possible.

Yours sincerely

Head Teacher

Dear

School Meals Arrears

Despite my previous letters of *(dates)* it appears that the amount owing for school meals remains outstanding and has now reached £*(amount)*. This amount should be paid with immediate effect.

Payment can be made at a local retailer using your PayPoint card or via the secure online payment system at [www.parentpay.com](http://www.parentpay.com) using the login already provided. You can also check your account balance here and see what meals have been taken and when.

As stated in that letter until the debt is cleared you should make alternative arrangements for your child(ren) at lunchtime as a school meal can only be provided if payment is received in advance.

Should you not make contact with the school within the next 14 days the debt will be passed over to the NYCC legal service. If you do not contact us within the timescale stated the legal team will contact you directly, and all further correspondence relating to the recovery of the debt will be with the NYCC legal service. This could result in Court proceedings being issued against you to recover the debt just so they understand the seriousness of not paying.

Free School Meal Eligibility

A free school meal is available to children whose parents have applied for free school meals and who are in receipt of certain benefits. Current details of eligible benefits, and a free school meal application form, can be found on the free school meals section of the NYCC website:-

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For further information about free school meal eligibility or to request application form FMB1 you can contact either the school (details at the top of this letter) or North Yorkshire County Council, Document Management Centre, County Hall, Racecourse Lane, Northallerton, DL7 8AE. Tel: 01609 533405. Email: [schoolwelfare@northyorks.gov.uk](mailto:schoolwelfare@northyorks.gov.uk)

Please note that entitlement to free school meals commences from the date the application is made and cannot be backdated beyond that. It is therefore important that you complete and return form FMB1 as soon as you can.

If you would like to discuss this matter please do not hesitate to contact the school. The school is keen to provide any necessary assistance and support it can to try and resolve this matter as quickly as is possible in order to avoid passing the debt to the NYCC legal service.

Yours sincerely

Head Teacher