

To: Education and Children's Services Policy Board

On: 19 August 2021

Report by: Director of Children's Services

Heading: Standard Circular 23: School Fund Procedures

1. Summary

- 1.1. Schools in Scotland are granted the freedom to manage a portion of funds independently to the core finances distributed by the education authority and the Scottish government. This separation provides a fully auditable means by which parental funding raising, excursions, charitable giving and the purchase of small items may be accounted for securely. These funds are managed and administered in line with standard circular 23.
 - 1.2. This standard circular was revised in 1994 and subsequently in 2000. Following consultation and review by internal audit, further revisions have been made to ensure compliance with all current financial regulations and best practice. The version attached as appendices to this paper replaces all previous versions.
 - 1.3. It should be noted that because of the stewardship role taken by the education authority in relation to the management and administration of school funds these procedures are mandatory and must be complied with by all schools in Renfrewshire.
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2. Recommendations

- 2.1. The education and children's services policy board as asked to approve the revised standard circular 23 as outlined in the appendices to this report.
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3. Background

- 3.1. Standard circular 23 provides a framework within which schools in Renfrewshire may operate an independent school fund. Such a fund allows for parental funding raising, excursions, charitable giving and the purchase of small items.

- 3.2. This standard circular was originally established by Strathclyde Regional Council and revised in 1994 and 2000. Following consultation and review by internal audit, further revisions have been made to ensure compliance with all current financial regulations and best practice.
 - 3.3. The head teacher is responsible for ensuring the school fund is managed appropriately. This responsibility is best discharged with the establishment of a school fund committee whose responsibilities are clearly defined in a school fund constitution.
 - 3.4. The purpose of the school fund should reflect the aims of the school and the education authority in relation to the provision of a service to the pupils, parents and the wider community. When decisions are being taken by the school fund committee on how to utilise the funds available, this purpose should be borne in mind.
 - 3.5. The procedures detailed in the appendices to this report provide full details of the membership and role of the school fund committee along with protocols for banking, election of office bearers, etc.
 - 3.6. It should be noted that a school fund may be registered as a charity. Details of how this can be achieved and associated accounting requirements can be found on HMRC and OSCR websites. This may provide the school with additional benefits in how they administer these funds.
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Implications of this report

1. **Financial**
The stewardship role taken by the education authority in relation to the management and administration of school funds means that these procedures are mandatory and must be complied with by all schools in Renfrewshire.
2. **HR and Organisational Development**
None.
3. **Community/Council Planning**
None.
4. **Legal**
None.
5. **Property/Assets**
None.
6. **Information Technology**
None.

7. Equality and Human Rights

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. (Report author to arrange this).

8. Health and Safety

None.

9. Procurement

None.

10. Risk

None.

11. Privacy Impact

None.

12. Cosla Policy Position

None.

13. Climate Risk

None.

List of Background Papers

None.

Children's Services

GMcK/LG

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Author:

Gordon McKinlay, Head of Schools, Gordon.mckinlay@renfrewshire.gov.uk,
0141 618 7194

RENFREWSHIRE COUNCIL

CHILDREN'S SERVICES

SCHOOL FUND PROCEDURES

**RENFREWSHIRE COUNCIL
CHILDREN'S SERVICES
SCHOOL FUND PROCEDURES**

Revised Standard Circular 23 has been in use since 1994. The procedures were revised in August 2000. This version dated June 2021 supersedes all previous versions. It should be noted that because of the stewardship role taken by the authority in relation to the management and administration of school funds these procedures are mandatory and must be complied with in schools operating an independent school fund.

The procedures are split into 3 sections:

Section A: MANAGEMENT OF THE SCHOOL FUND

Section B: ADMINISTRATION OF THE SCHOOL FUND

Section C: APPENDICES PROVIDING ADDITIONAL INFORMATION ON SPECIFIC ISSUES

Section D: GUIDANCE NOTES TO SUPPORT HEADTEACHERS AND TREASURERS/ELECTED TREASURERS

SCHOOL FUND PROCEDURES

SECTION A: MANAGEMENT OF THE FUND

A1. PURPOSE OF THE SCHOOL FUND

- A1.1** The purpose of the School Fund should reflect the aims of the school and the education authority in relation to the provision of a service to the pupils, parents and the wider community. When decisions are being taken by the School Fund Committee on how to utilise the funds available, this purpose should be borne in mind.

A2. COMMITTEE / CONSTITUTION

- A2.1** As with all management issues related to the school, the Head Teacher is ultimately responsible for ensuring the School Fund is managed appropriately regardless of their role on the School Fund Committee. Head Teachers can refer to Guidance Note 1 which has been created to provide support in this task alongside these procedures. This responsibility is best discharged with the establishment of a **School Fund Committee** whose responsibilities are clearly defined in the **School Fund Constitution** (an example is included at Appendix 1). The Constitution should be drafted and agreed by the Committee and approved at a meeting open to all staff and parents. Any subsequent changes should be dealt with in the same manner. This document should contain, as a minimum the information detailed in the following paragraphs.

A2.2 Size of the Committee

Size will vary between schools. There should be at least three members of the Committee for small schools, but normally the Committee should have between 5 and 10 members. It may be practical in larger schools to have a payments subcommittee; however, this will not be necessary in all schools.

A2.3 Membership

Membership of the Committee should be open to all schools' staff, both teaching and non-teaching and parents. If a parent holds a position on the committee, they should be made aware that they must make themselves available to any appropriate council officers including internal audit if required. The Head Teacher must be a member of the Committee. Election of members should take place at a meeting open to all schools' staff and parents every 2 years (note: elections are only necessary if more people are willing to serve than there are places available)

A2.4 Meetings

Frequency - Committees should meet as often as is necessary, but at least termly in a secondary school and annually in other schools.

Quorum - at least two thirds of the Committee should be present to validate decisions.

Minutes - it is important to record the decisions made by the Committee at each meeting. A minute of the meeting should be retained detailing meeting date; attendees; decisions made.

A2.5 Office Bearers

- A2.5.1** A Chairperson, Treasurer and Secretary must be elected by the Committee. They must be subject to elections at least every 2 years, if more people are willing to serve than there are places available. (Note: The Head Teacher can be elected to any of these offices. Also, no-one can hold more than one office at any time).

- A2.5.2 Chairperson** - principal role is to ensure the fund is managed in line with the Constitution and arrange the annual audit of the fund.

SCHOOL FUND PROCEDURES

SECTION A: MANAGEMENT OF THE FUND

A2.5.3 Secretary - duties will include arranging meetings; maintaining records of decisions made at these meetings; arranging elections / open meetings; receiving / issuing correspondence on behalf of the committee.

A2.5.4 Elected Treasurer - responsible for:

- arranging the day to day administration of the Fund, which is normally carried out by school office staff, including maintenance of the financial records; banking; making payments.
- reporting to Committee on the state of the Fund.
- producing the year end statement of account.
- ensuring that all administrative arrangements in relation to the fund are adhered to.

It is generally the practice to delegate the administrative role of the Elected Treasurer to a member of the office staff. Schools following this practice, must be aware that it is essential that the Elected Treasurer provides a clear and robust oversight role. This oversight role must ensure that ALL administrative arrangements defined in section B of these procedures, are adhered to. Where these duties are not delegated to a member of the office staff and are carried out by the Elected Treasurer, the Head Teacher/Depute Head Teacher becomes responsible for this task and must provide the oversight role. (See Guidance Notes 1 and 2 which alongside these procedures assist with discharging these roles).

A2.6 Authority to Incur Expenditure

The constitution should indicate who has authority to incur expenditure either independently or in consultation. It is suggested that the constitution does not contain fixed sums of money in this regard, rather it should indicate the levels to incur expenditure, i.e. the Elected Treasurer can spend up to £100. It should also state that monetary values will be set at the AGM of the School Fund Committee. It is important that the expenditure limits and levels of authority for the year are recorded in the minutes taken at the AGM. All known expenditure should be approved by the committee prior to the spend, or if this is not possible, expenditure should be approved retrospectively at the next committee meeting.

A2.7 Dissolution of the School Fund

If the Committee decides that it is advisable to dissolve the school fund a full meeting of the Committee should be called, and a majority of members must vote for the dissolution. Any assets remaining at this point should be distributed on a basis decided by the Committee and agreed by the Head of Schools.

A3. BANKS

A3.1 The choice of bank will depend on factors, such as accessibility and services provided.

SCHOOL FUND PROCEDURES

SECTION A: MANAGEMENT OF THE FUND

A3.2 Accounts -

Account types - most schools will require a current account for day to day transactions. If a large balance of funds is normally held an interest-bearing account, e.g. deposit account, should also be maintained.

Account Names - all bank accounts should include the name of the school but must not include any reference to Renfrewshire Council.

School Accounts - the Head Teacher must be aware of all bank accounts held in relation to the school fund. He/she should have a list showing the name of the accounts; account numbers; the branch; and the signatories.

A3.3 Signatories - all accounts should have at least 3 signatories, 2 of whom should sign all cheques. The signatories must include the Elected Treasurer and the Head Teacher and should be drawn from the School Management Team. **School office staff, including those who have been delegated administrative responsibility by the Elected Treasurer, must not be signatories to bank accounts.**

A3.4 Currently on-line banking is not permissible (unless it is view only access) for school fund bank accounts.

A4. CHARITABLE STATUS OF THE FUND

A school fund may be registered as a charity. Details of how this can be achieved and associated accounting requirements can be found on HMRC and OSCR websites.

A5. THE SCHOOL FUND AS AN EMPLOYER

It is not permissible for the School Fund Committee to make payments to individuals to undertake tasks on an ongoing basis as this is not within their normal powers and would also make them liable for HMRC payments / returns.

A6 INSURANCE

Items purchased from the school fund are owned by the School Fund Committee and as such are not covered by Renfrewshire Council's insurance arrangements. Consideration should be given to purchasing insurance where appropriate. Items purchased via the VAT Free Purchase Scheme e.g. where the money is donated to the Council prior to the items being purchased, are owned by Renfrewshire Council and in some cases may be automatically covered by the Council's insurance arrangements. Items valued at under £1,500 are self-insured. Items valued at more than £1,500 should be discussed with the Service Risk Representative to ensure appropriate insurance is in place. Details of the Service Risk Representative can be found on the intranet.

A7. VAT FREE PURCHASES

Schools may use this scheme under certain circumstances to purchase items without any liability to pay VAT. This may only occur where the School Fund donates the cash to the Council prior to the purchase being made and the items purchased comply with the Councils procurement procedures. The conditions and procedures related to this scheme are attached at Appendix 2.

SCHOOL FUND PROCEDURES
SECTION A: MANAGEMENT OF THE FUND

A8. SALE OF ITEMS INCIDENTAL TO THE PROVISION OF EDUCATION

This scheme is similar to the Vat Free Purchase scheme, but in this case the item is purchased by the parent/guardian and they are regarded as the owner of the item. As above, conditions apply and these are contained at Appendix 3.

A9. ANNUAL STATEMENT / AUDIT

At the end of the school's financial year (normally 31 July) an Annual Statement of Income & Expenditure must be produced (see format at Appendix 4). This statement must be audited by someone independent of the administration of the fund, for example the auditor could be a parent or teacher but not a member of the Committee. The audit can be carried out on a sample basis and does not require to be an audit of all transactions. The auditor must sign the Annual Statement. The audited statement must be sent to Corporate Business Support, Finance Team at Headquarters by 30 November each year.

A10. RETENTION OF DOCUMENTS

Bank documents (passbooks / statements / reconciliations / etc.)	5 years
Cash book or equivalent	Indefinite
Subsidiary records (class collection sheets / duplicate receipts etc.)	3 years
Annual Statements	Indefinite

SCHOOL FUND PROCEDURES

SECTION B: ADMINISTRATION OF THE FUND

B1 ELECTED TREASURER'S RESPONSIBILITY

The day to day administration of the school fund is the responsibility of the Elected Treasurer. However, in practice the administrative role is generally delegated to a member of the office staff. If tasks are delegated to other members of staff e.g. office staff, the Elected Treasurer must have proper oversight and ensure adequate procedures are in place and that delegated duties are carried out in accordance with these procedures. (Also, see Guidance Notes 1 and 2)

B2 BANKING AND CASH HANDLING

B2.1 To ensure the safety of the monetary assets of the school fund, proper cash handling and banking arrangements must be made by the **Elected Treasurer**, in consultation with the **Head Teacher**.

B2.2 Cash Handling –

Limits - The introduction of Parent Pay has limited the amount of cash coming into schools. However, on the rare occasion where cash is received, it should not be held in school for longer than necessary and should be banked quickly.

Security - Cash must be stored in the most secure location available i.e. the safe, and access restricted only to staff with a business need. School fund money must be kept separately from other council funds. School fund money is **not** covered by Renfrewshire Council's insurance.

B2.3 Preparing Bankings

Pay in slips should be completed prior to the bank visit. The money to be banked and the pay in slip (or book) should be placed in a sealed security bag for transportation to the bank (these may be obtained from the bank). The bank messenger should sign a log detailing, bag number, date, amount, received from and signed by the bank messenger indicating which bags were taken to the bank on which day.

B3 RECORD KEEPING

B3.1 The volume and sophistication of school fund records will be determined by the size of the fund; the variety of activities undertaken; and, the number of people involved in the administration of the fund.

B3.2 All school funds will require a **cash book**. This will be in the form of a spreadsheet or a software package. This cash book must contain as a minimum the following pieces of information:-

- separate cash and bank balances;
- an analysis of income and expenditure across a suitable number of categories;
- transaction details - date, detail, receipt or voucher number; amount
(note: ALL income and expenditure must be reflected in the cash book).

B3.3 A variety of **subsidiary records** will be needed, the exact nature of which will be determined by the activity. Appendix 5 contains examples of such activities and the types of subsidiary records which would be appropriate.

B3.4 If a **computerised spreadsheet** is used it is necessary to protect the data from unauthorised alteration by ensuring it is password protected. If a software package is used it is likely to have a password facility which should be used and the password changed regularly. Adequate backup arrangements must be in place to ensure no data is lost.

SCHOOL FUND PROCEDURES
SECTION B: ADMINISTRATION OF THE FUND

B4 RECONCILIATIONS

- B4.1 Bank** – all bank account statements should be received monthly. Whenever a bank statement is received it should be reconciled to the bank balance shown in the cash book. (see Appendix 6).
- B4.2 Cash** – physical cash waiting to be banked and the petty cash float, if required, should be checked regularly (at least weekly) against the cash book balance to ensure all cash is accounted for. Evidence of this check must be retained.
- B4.3** Reconciliations will normally be carried out by the member of the office staff delegated by the Elected Treasurer to undertake the administrative role or the Elected Treasurer themselves. It is essential that another member of the School Fund Committee checks the detail of the reconciliations to ensure that they are being completed as each bank statement is received and that they are accurate. The bank statement should record details of who completed the reconciliation and the person checking the reconciliation and this must be retained.

B5 INCOME

- B5.1 Initial recording** - income should be recorded as soon as it is received. This initial recording can take a number of forms, for example class collection sheets, savings cards, or, serially pre-numbered duplicate receipts (see Appendix 5 for examples).
- B5.2 Recording in cash book** - either on a daily or weekly basis, income details from the initial records should be transferred to the cash book or equivalent. It is appropriate to transfer summary details from the subsidiary records to the main cash book, so long as the information can be easily matched between the records.

B6 EXPENDITURE

- B6.1 Signing Cheques** - cheques should always be fully completed before being signed. Signatories should ensure that the details on the cheque agree with the details on the invoice. For Cash and Carry purchases, where all of the detail will not be known in advance, as much information as possible should be completed, also, when the invoice is returned, the signatories should check the detail and initial the cheque stub to confirm their agreement with the purchases made. School office staff must not sign cheques.
- B6.2** If a corporate purchasing card (PCard) is used to make school fund purchases, where possible the funds including the VAT element should be transferred to the council prior to the purchase being made or transferred as soon as the value is known. Adequate records must be maintained to reflect such transactions.
- B6.3 Cancelled cheques** - should be clearly marked as cancelled and retained in the cheque book.
- B6.4 Invoices / Expenditure Vouchers** - should be sequentially numbered and these numbers recorded in the cash book. The invoices / vouchers should be filed together in number order.
- B6.5 Unreceipted Expenditure** - this should be kept to a minimum. Any instances should be supported by a note showing the item purchased, the date and amount. This should be signed by the purchaser and countersigned by the member of staff delegated by the Elected Treasurer to carry out the day-to-day administrative activities.

SCHOOL FUND PROCEDURES
SECTION B: ADMINISTRATION OF THE FUND

B6.6 Personal Purchases - personal purchases e.g. personal shopping, items for personal use, must not be made using school funds. Personal store loyalty cards must not be used when purchasing items using school funds. Also, staff funds e.g. staff night out, menodge must be kept entirely separate from school funds.

B7 PETTY CASH FLOAT

If a school fund has a petty cash float to meet small purchases appropriate records should be maintained to record income, expenditure and cash balance.

(NOTE: CASH PURCHASES SHOULD NOT BE MET FROM INCOME COLLECTED).

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SCHOOL FUND PROCEDURES SAMPLE SCHOOL FUND CONSTITUTION

(School's Headed Paper)
<NAME OF SCHOOL> School Fund Constitution

At a meeting of the School Fund Committee of <NAME OF SCHOOL> held on <DATE>, the following resolutions were proposed:

1. The <NAME OF SCHOOL> School Fund will be constituted to advance the education provided by the school and always will act to directly benefit the pupils of the school.

The School Fund will be administered by the School Fund Committee:

- the Committee will comprise of at least <X> members;
- the Committee will be made up of the Head Teacher and representatives of the school staff (both teaching and non-teaching);
- the Committee will meet at least <X> times per year;
- 2/3 of the Committee shall be present to validate decisions;
- a written record will be maintained of decisions made by Committee;
- elections for the Committee will be held at least every two years at a meeting open to all staff and parents;
- the Committee will elect a Chairperson; a Secretary; and, a Treasurer.

2. The Chairperson will:-

- ensure that the school fund is managed in accordance with the constitution;
- call meetings of the Committee as necessary;
- arrange for an annual independent audit of the fund.

3. The Secretary will:-

- arrange meetings at the request of the Chairperson;
- be responsible for recording the decisions made by the Committee;
- arrange elections / open meetings;
- receive and issue correspondence on behalf of the Committee.

4. The ELECTED Treasurer will:-

- be responsible for arranging the day to day administration of the fund (which will normally be delegated to a member of the school office staff) and ensuring these arrangements are followed.

Administrative duties include: -

- recording of all income and expenditure in subsidiary records and main cash book (or equivalent);
- banking of cash;
- signing and cashing of cheques; distribute funds as agreed by the Committee;
- report regularly to the Committee on the state of the fund;
- produce an annual statement of account for the fund;

**SCHOOL FUND PROCEDURES SAMPLE
SCHOOL FUND CONSTITUTION**

5. Funds will be deposited with <NAME AND ADDRESS OF BANK> in the name of "<NAME OF SCHOOL> School Fund"

- withdrawals will require two signatures;
- authority to incur expenditure will be as follows: -
 - Level 1 - Treasurer
 - Level 2 - Payments sub-committee
 - Level 3 - In consultation with Committee

The monetary value of each level will be decided annually by the Committee and recorded in the minutes of the appropriate meeting. All expenditure must be approved by the Committee either in advance or retrospectively.

6. The Annual Accounts will be produced following the end of the financial year and will be audited by someone independent of the administration of the fund. A copy of the Audited Accounts will be sent to the Finance Team, Corporate Business Support, Headquarters by 30 November each year.
7. In the event of the school closing or the School Fund Committee being dissolved the assets of the funds (including surplus funds) will be distributed based on the decision of the Committee in consultation with the Education Authority.

SCHOOL FUND PROCEDURES VAT FREE PURCHASE SCHEME - CONDITIONS OF USE

The VAT Free Purchase Scheme enables the Council to purchase equipment from money donated by school funds, thereby enabling VAT to be reclaimed by the Council.

The following conditions **MUST** be adhered to by schools wishing to use the scheme:

1. Items may only be purchased which are for use in or by the school in the pursuit of the education of it's pupils. **PERSONAL PURCHASES MAY NOT BE MADE BY STAFF OR PUPILS USING THE SCHEME**
2. The Council must: -
 - (i) place the order
 - (ii) receive the supply
 - (iii) receive a tax invoice addressed to the Council
 - (iv) make the payment
3. Before the school places the order with the supplier the money to pay the invoice must be available in the school fund bank account.
4. The cost of items must **EXCLUDE** VAT but include any delivery charges, post, packaging, etc.
5. The authority **MUST** retain ownership of the items and use them or make them available for educational purposes.
6. The Council must keep sufficient records for the purchase to be easily identified and for the purpose for which it is to be used to be evident.
7. Items purchased via the VAT Free Purchase Scheme are owned by Renfrewshire Council and in some cases may be automatically covered by the Council's insurance arrangements. Schools should liaise with their Services Risk Representative to discuss insurance arrangements.

**SCHOOL FUND PROCEDURES
SALE OF GOODS INCIDENTAL TO THE PROVISION OF EDUCATION -
CONDITIONS**

Schools can sell goods to their pupils which are incidental to the provision of education without the addition of VAT provided that:-

- (i) Items are required for regular classroom use for a subject forming part of the normal curriculum e.g. simple calculators, musical instruments can be resold. It should be noted that HMRC do not consider laptops, etc. falling within the provision.
- (ii) Items are used regularly in the classroom i.e. the item must be portable and may be taken home but must be brought to school at least once per week and not, for example, just once per term.
- (iii) Items are incidental to the provision of education forming part of the normal curriculum i.e. the item must be used within normal school hours and not just for extracurricular activities nor merely as a useful adjunct to home study.
- (iv) Any charge to a pupil must not exceed the cost to the school.
- (v) Items are resold "in class" i.e. via the teacher or Head Teacher and not supplied directly to the pupil by an outside trader. It should be noted that some items are EXCLUDED from resale, i.e. clothing and sports equipment, e.g. school sweatshirts and PE kits, medals and trophies, laptops and items incidental to instruction which supplements the normal curriculum.

<NAME OF SCHOOL> SCHOOL FUND
RECEIPTS AND PAYMENTS STATEMENT FOR YEAR TO 31.7.XX

	RECEIPTS			PAYMENTS	
	£	£		£	£
Balance b/f					
Cash	23.56				
Current Acc.	1452.89				
Deposit Acc	5000.00	6476.45			
School Prom	897.56		School Prom	601.40	
Donations	50.00		Outings	250.00	
Charity Collections	457.89		Charities	460.00	
Uniforms	1547.85		Uniforms	1369.78	
Miscellaneous	57.98		Miscellaneous	163.24	
TOTAL INCOME		3011.28	TOTAL EXPENDITURE	2844.42	
			Balance c/f		
			Cash	25.89	
			Current Acc.	1796.53	
			Deposit Acc.	4820.89	6643.31
		<u>9487.73</u>			<u>9487.73</u>

Accounts prepared by:

(signature / designation / date)

Bank Account Signatories:

(signature / designation / date)

Accounts audited by:

(signature / designation / date)

SCHOOL FUND PROCEDURES SUBSIDIARY RECORDS – INCOME

1. **CLASSROOM COLLECTIONS**

Money may be collected in class for several activities, such as charity collections or sponsored events. The easiest way to record amounts collected is on a class register. A separate register should be produced for each activity. At the conclusion of the activity these sheets should be passed to the Elected Treasurer or the member of the office staff with delegated administrative responsibilities for retention with the rest of the school fund records. There are two approaches to classroom collections: -

- a) Money counted by class teacher - children give money to class teacher who counts the amount and records the date and amount next to the child's name on the register. The total collected would be noted at the bottom of the sheet and the sheet and the money would be taken to the Elected Treasurer or the member of the office staff with delegated administrative responsibilities. The total would be checked, and the recipient would sign the register against the daily total to acknowledge collection.
- b) Money not counted in class - parents would be asked to send money in sealed envelopes marked with the child's name and the amount enclosed. The teacher would merely mark the date the envelope was received against the child's name on the register. Daily the register and the envelopes would be taken to the Elected Treasurer or the member of the office staff with delegated administrative responsibilities. The number of envelopes received should be checked against the register and the register signed by the recipient. The Elected Treasurer or the member of the office staff with delegated administrative responsibilities should count the amount collected and prepare and sign a receipt for the income. A second person should verify the amount and sign the receipt as evidence that the money has been checked. The receipt should be retained as part of the school fund records.
- c) Where there is a general school collection e.g. bucket collection and the money is not counted by the class teacher, the monies should be collected and taken to the Elected Treasurer or the member of the office staff with delegated administrative responsibilities as soon as possible. The Elected Treasurer or the member of the office staff with delegated administrative responsibilities should count the amount collected and prepare and sign a receipt for the income. A second person should verify the amount and sign the receipt as evidence that the money has been checked. The receipt should be retained as part of the school fund records.

2. **MAJOR TRIPS**

Major trips should be self-financing e.g. income should match expenditure, and a statement should be produced at the conclusion to show that this was the case. A subsidy may be made by the school fund which should be minuted by the school fund committee and a transfer of resources made within the cash book. A separate bank account may be used to hold cash for major trips (the School Fund Elected Treasurer should be a signatory to this account along with the trip organiser and one other. School office staff must not be signatories to any bank accounts). For schools operating without a software package e.g. Fund Master which automatically receipts income, children saving for trips should be given individual savings cards which show individual payments and a running balance for each child. Each

payment towards the trip should be receipted and the receipt number noted on the savings record card. A logbook / spreadsheet should be maintained showing details of cumulative amounts of income received as well as payments made. Cash collected should be passed to the Elected Treasurer or the member of the office staff with delegated administrative responsibilities for banking as it is received. This transfer of cash should be receipted.

A ***Checklist for Trip Organisers*** has been prepared to assist the organisers in ensuring they are maintaining adequate records. When a member of staff agrees to organise a trip the Head Teacher should issue them with a copy of the checklist.

3. **OTHER INCOME**

Any income received which does not fall into one of the above categories should be receipted by the issue of a serially pre-numbered duplicate receipt if this is not automatically produced by the software package. Income generated from bake sales, coffee mornings, jumble sales etc. should be counted and recorded by the person collecting the cash and transferred to the Elected Treasurer or the member of the office staff with delegated administrative responsibilities who should verify the amount and provide a receipt for the cash.

This checklist applies to staff involved in the organisation of large-scale trips (e.g. residential trips), rather than outings which are dealt with as part of the main school fund. Schools using ParentPay should follow their processes.

1. **Savings Cards** - Issue these to all children participating in the trip.
2. **Record all payments** made by the children on the Savings Cards.
3. **Provide a receipt** for each payment - a serially pre-numbered duplicate receipt book should be used for this purpose. Staple the top copy of the receipt to the Savings Card and leave the bottom copy in the receipt book.
4. Ask parents to pay **by cheque** if possible. Advise parents to expect to receive receipts for payments made and to query when one is not received.
5. **Maintain a spreadsheet or logbook** summarising payment received (an example is attached for information).
6. **Store all money securely between** collection and banking.
7. **Bank cash regularly** either via the school fund Elected Treasurer or the member of the office staff with delegated administrative responsibilities or directly.
8. For cash banked via the school fund Elected Treasurer or the member of the office staff with delegated administrative responsibilities: -
Take the cash collected, the up to date spreadsheet and the duplicate receipt book to the Elected Treasurer or the member of the office staff with delegated administrative responsibilities. Ask him/her to check the cash to the supporting records and sign the spreadsheet to confirm receipt of the correct amount of cash. Retain the spreadsheet for future reference.

For cash banked directly: -
Once the cash has been banked take the spreadsheet / duplicate receipts and the stamped bank pay in slip to one of the other bank account signatories. Ask them to check the details and sign the spreadsheet to confirm the check.
9. Any surplus at the conclusion of the trip should be transferred to the main school fund.
10. Prepare a **statement of income and expenditure for the trip**, showing how the balance was arrived at, e.g.

<u>Income</u>		<u>Expenditure</u>	
35 children @ £180	£6300	SET invoice (no.000x)	£5950
From school fund	200	Additional meals	350
		Misc.	100
		Total	£6400
		Surplus to school fund	100
	<u>£6500</u>		<u>£6500</u>

Pass the above statement / collection spreadsheet and duplicate receipt book(s) to the school fund Elected Treasurer or the member of the office staff with delegated administrative responsibilities for retention with those records

SCHOOL FUND PROCEDURES BANK RECONCILIATION GUIDELINES

- I. A bank reconciliation is necessary because: -
 - a) the bank statement date may not coincide with or be received by the date at which you wish to check the cash book balance.
 - b) there may be entries through the cash book which may not yet appear in the latest bank statement.
2. The bank reconciliation is carried out as follows:
 - a) check that the bank lodgments and withdrawals in the cash book agree with the entries in the bank statement.
 - b) write down the balance shown on the last bank statement.
 - c) add to this figure any lodgments which you have made but which do not appear in this bank statement i.e. lodgments not yet credited.
 - d) from this subtotal figure deduct any cheques recorded in the cash book which do not appear in the bank statement i.e. cheques not yet debited (outstanding cheques).
 - e) this will now give you the adjusted bank statement balance which should agree with the cash book balance.
3. If the adjusted bank statement balance does not agree with the cash book balance carry out the following checks: -
 - a) check the bank statement for any bank charges which have not been entered in the cash book. These are usually charged on a quarterly basis. If there are any, enter them in the cash book.
 - b) check the figures in the bank reconciliation are correct and check the arithmetic.
 - c) check the cash book additions and that the balance is correctly calculated.
 - d) check the cash book figures agree with the bank statement figures.

SCHOOL FUND PROCEDURES BANK RECONCILIATION GUIDELINES

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____

Balance per Bank Statement (date) _____ £ _____

Income shown on cash book not yet on statement:

Date	Ref. No.	Amount

Total £ _____

LESS unrepresented cheques

Date	Cheque No.	Amount

Total £ _____

RECONCILED BALANCE £ _____

BALANCE PER CASH BOOK (date) _____ £ _____

ADJUSTMENT: Items on cash book not on bank statement £ _____

ADJUSTED CASH BOOK BALANCE £ _____

Prepared By _____ Date _____

Checked By _____ Date _____

SCHOOL FUND PROCEDURES: MANAGEMENT OF THE FUND – GUIDANCE NOTE 1
THIS GUIDANCE NOTE HAS BEEN PREPARED TO ASSIST MANAGEMENT IDENTIFY
GAPS IN PROCESSES WITHIN THEIR SCHOOL

NO	CHECK	YES	NO
1	A constitution has been prepared and agreed by the School Fund Committee.		
2	The School Fund Committee has met as frequently as the Constitution states and has recorded decisions made.		
3	A Chairperson; Treasurer; and, Secretary have been identified and each office bearer is aware of their responsibilities as outlined in the School Fund Procedures.		
4	Expenditure limits have been set and are adhered to and committee approval for expenditure has been appropriately sought.		
5	<p>The School Fund bank account(s) are appropriate for the size of the fund.</p> <p>Interest is paid when the account is in credit, if appropriate</p> <p>There are no bank charges applied to the bank account</p> <p>A cheque book is available and requires 2/3 signatures to operate.</p>		
6	If the School Fund has charity status, it is compliant with all associated rules and regulations.		
7	The School Fund does NOT act as an employer.		
8	The VAT Free Purchase Scheme is used as appropriate.		
9	Items bought on behalf of parents meet the criteria laid down on the "Sale of Goods Incidental to the Provision of Education" Note.		
10	The School Fund Committee are aware of the extent of insurance for items purchased via the school fund.		
11	The Annual Statement for the last school year was produced and submitted to the Finance Team, Corporate Business Support, Headquarters by 30 November.		
12	The Annual Statement is audited by someone independent of the fund.		
13	School Fund documents are retained in line with laid down timescales.		

SCHOOL FUND PROCEDURES: ADMINISTRATION OF THE FUND - GUIDANCE NOTE 2
THIS GUIDANCE HAS BEEN PREPARED TO SUPPORT THE ELECTED TREASURER AND
THE MEMBER OF THE SCHOOL OFFICE STAFF WITH DELEGATED ADMINISTRATION
RESPONSIBILITIES TO DISCHARGE THEIR ROLE EFFECTIVELY.

NO	CHECK	YES	NO
1	The Elected Treasurer and where applicable, the delegated representative is aware of their responsibility in relation to the administration of the Fund.		
2	Bankings are carried out at least weekly.		
3	Cash is held in the most secure place in the school.		
4	Cash is transferred to the bank in sealed security bags and an appropriately detailed record is maintained.		
5	All income and expenditure is appropriately recorded in the school fund records and is supported by receipts/vouchers/ invoices.		
6	The computer application / spreadsheet is password protected.		
7	School office staff are not signatories to the bank accounts.		
8	Serially pre-numbered duplicate receipts are issued for all income not covered by other records.		
9	Current account balances are reconciled every time a bank statement is received. The reconciliation/bank statement is signed by the person performing it and signed by the person checking it.		
10	Other bank balances are reconciled at least monthly.		
11	Cash balances are reconciled at least weekly.		
12	Income is recorded as soon as it is received and is counted and checked by two people.		
13	Summary information is transferred to the main cash book at least weekly.		
14	Cheques are not pre-signed.		
15	Personal purchases are not processed through the fund.		
16	The petty cash float is a fixed amount and is topped up to this amount when needed.		