

# **Rugby High School Fund Policy**

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## **1.0 Background**

This policy outlines the procedures adopted by the Governing Body of Rugby High School on the management and administration of unofficial funds. Unofficial funds are those monies which belong to the Academy and are not subject to the Funding Agreement with the DfE.

The unofficial fund exists to receive income from:

- Annual voluntary contributions requested from parents
- Charity funds raised by students
- Other monies raised by students for specific projects
- School Trips and Visits

Expenditure from the unofficial fund will be made:

- To support the raising of academic standards under guidance from the Governors
- In accordance with specific instruction from donors
- To pay over monies raised for specific purposes
- On other expenditure approved by the Governors.

## **2.0 Summary of General Requirements**

The Governing Body has management and administration measures in place to ensure:

- that an appropriate financial and managerial framework is in place,
- that unofficial fund bank accounts are clearly titled and contain the wording 'Rugby High School,
- that a minimum of two people authorise payments, and that cheques are never pre signed under any circumstances,
- that bank accounts are reconciled by the Finance Manager (FM) and never go overdrawn,
- that all income is recorded and banked promptly and in total (i.e. that payments are not made from cash received prior to it being banked) other than a transfer to petty cash,
- that appropriate and accurate financial records are maintained to account for all transactions,
- that receipts/invoices are retained in support of all payments and that accounting records are kept for six years plus the current year,
- that unofficial funds are kept completely separate from the school's other official funds,
- that accounts are audited or certified independently,
- that under no circumstances should monies collected, either for official or unofficial funds, ever be paid into personal accounts,
- that all relevant staff are aware of this policy.

## **3.0 Financial and Managerial Framework**

As the Governing Body is aware that financial control extends beyond the routine systems for income collection and payment of invoices, the school has adopted the following controls within which transactions take place.

### **3.2 Governors' Committee**

The school has a Governors' Finance Committee in place who exercise overall management of the funds but take no part in any day to day transactions. Their responsibilities are to:-

- monitor income and expenditure,
- establish authorisation procedures and delegated limits,
- approve the audited/certified year-end accounts on an annual basis,

Members may canvas the opinion of beneficiaries and/or donors where they feel it necessary before making key decisions.

When arranging the duties of staff in relation to the activities of the fund, the Governors' Committee ensures that no one is able to carry out all aspects of a transaction without authorisation from the person responsible for the activity. Duties are separated to ensure that the responsibilities of one person are automatically checked by another, thus reducing the potential for error or any misuse of funds. The administrator for the fund is not a cheque signatory.

### **3.3 Fund Treasurer**

The Finance Manager acts as the Fund Treasurer with responsibility for managing the fund's finances including banking facilities, cash security and for producing a year-end statement of accounts. The Fund Treasurer is accountable to the Governors' Committee and provides feedback on all financial activities.

The Fund Treasurer is also responsible for ensuring there is an appropriate 'management trail' meaning that each transaction is documented in some way to show the various stages of the accounting process; for example, there are records of income collected, and a receipt given when requested. The Fund Treasurer will also ensure that all entries are made in the accounts package with the bank paying-in book clearly showing when income is banked.

### **3.4 Audited Accounts**

The accounts are prepared by the Fund Treasurer and will be verified by an appropriate independent professional annually.

## **4.0 Financial Administration**

### **4.1 Bank Accounts**

The unofficial fund bank account name is 'Rugby High School Academy Trust – School Fund Account'.

There are at least two signatories to the accounts, i.e. each cheque is signed by two people. The Governing Body acknowledge that it is preferable for there to be a minimum of three signatories with any two to sign and that cheques are never pre-signed by signatories. Those authorised comprise Head, Deputies and an Assistant Head.

Bank accounts are reconciled frequently with FM, and any queries followed up immediately.

Any deposit accounts and investment accounts relating to the fund will be subject to the same controls as current accounts.

#### **4.2 Receipts**

All income is recorded. Receipts are provided on request.

#### **4.3 Banking Arrangements**

Income is recorded in the School Fund Account and banked promptly. All cash and cheques are recorded. Records are kept to identify those paying by cheque and those paying by cash.

#### **4.4 Personal /Official Funds**

Personal money is kept entirely separate from unofficial fund money and under no circumstances are personal cheques cashed via the fund. Official monies are also kept entirely separate from unofficial funds.

#### **4.5 Donations**

Donations are clearly identified in the account with a description (where required) of what the money can be spent on. This money will only be spent as intended by the donor and the expenditure always made clearly identifiable in the ledger.

#### **4.6 Expenditure**

Payments are made by electronic transfer, cheques or credit card, wherever possible. Where payments have no other option than to be made in cash, full details are kept including receipts, which account for the money spent.

Where cash is issued, it is signed for by the recipient and the reason recorded.

Appropriate authorisation is always obtained before a payment is processed. Full details of payments are made available to the cheque signatory when they are requested to sign cheques.

### **5.0 Accounting Records**

#### **5.1 Maintenance**

Financial records are maintained to account for all transactions, particularly money paid into the bank. The cashbook highlights all income and expenditure which enables the production of year-end accounts and the preparation of statements on the costs of individual events/trips/sales etc.

All entries are supported by documentary evidence such as statements of income collected, paid invoices, bank credit reference numbers.

#### **5.2 Bank and Petty Cash Reconciliations**

Bank statements are reconciled to the transactions in the cashbook on a regular basis, usually monthly. This involves matching all the individual items of income and expenditure to the items on the bank statement and agreeing back to the balance held at the bank at a specific date.

If a cheque is not presented within six months it becomes out of date and cancelled in due course. The amount is consequently deducted from the expenditure side of the cashbook.

Regular reviews of current accounts are undertaken on a monthly basis to ensure that excessive balances do not build up and that the funds are never allowed to become overdrawn.

### **5.3 Final Accounts and Auditing Arrangements**

The School Fund is audited at the same time as the Grant Accounts by the school's auditors

### **6.0 Supporting Documentation and retention of records**

The Governing Body complies with current legislation in that all organisations are required to keep complete accounting records for six years plus the current year.

### **7.0 Income Tax and National Insurance**

Unofficial funds should avoid engaging and employing staff.

### **8.0 VAT Registration**

Normally, the turnover of unofficial funds does not exceed the VAT threshold for registration purposes. In these circumstances, schools do not need to account for VAT. If the taxable turnover is expected to exceed the current VAT threshold the school will seek advice about possible registration.

### **9.0 Gift Aid Scheme**

Rugby High School is a corporate body with exempt charitable status.

The Gift Aid Scheme enables governors to increase the value of monetary gifts from UK taxpayers by claiming back the basic tax paid by the donor.

This will be reclaimed on an annual basis (fiscal year) in accordance with the Gift Aid Scheme rules currently in force.

### **10.0 School Trips**

All school trips should be of an educational nature, to comply with the Education Visits Regulations and will be accounted for through school funds. All transactions are therefore recorded through the school's financial management system. Cash received for these trips is official money and will be banked into the school's unofficial funds.