



VENERABLE EDWARD MORGAN CATHOLIC PRIMARY SCHOOL

SCHOOL FUND REGULATIONS

This Document is a statement of intent within Venerable Edward Morgan. It was developed through a process of consultation with Key stakeholders and in correspondence with the School's planning and review schedule.

This sets out a framework by which to work.

Approved On:	25th November 2019
Next Review:	September 2020
Signed:	Cllr D L Mackie

**“LOVE AND SUPPORT IN ALL WE ARE TAUGHT.”
“CARIAD A CHEFNOGAETH YM MHOPETH RHYDAN NI’N
DDYSGU.”**

Flintshire County Council
SCHOOL FUND REGULATIONS
SEPTEMBER 2017

1. School Fund Responsibilities

1.1 Governing Body

1.1.1 The Governing Body is responsible for the general oversight of the management of School funds, and must receive annually the audited accounts.

1.1.2 The School is responsible for the general oversight of the management of voluntary school funds. The accounts of such funds must be audited or independently examined by a suitably qualified or experienced person and presented annually to the Governing Body for consideration.

1.1.3 The appointment of the auditor or independent examiner is subject to the approval of the Governing Body. The Governors should consider carefully the implications of not following any Local Authority (LA) advice contained in this section, and in particular consider the risks of using a member of staff or Governor as auditor or independent examiner.

1.1.4 The Governors should satisfy themselves that the accounts fully reflect the level of fund-raising activity that they expect. An audit or independent examination does not guarantee that all transactions are accounted for; therefore Governor scrutiny is equally valuable.

1.1.5 If the Governing Body agrees to delegate the School Fund Responsibilities to a committee, usually the Finance Committee, this must be included in the committee's Terms of Reference.

1.2 Headteacher

1.2.1 The Headteacher is responsible for the administration of all school fund monies and for notifying the LA when a school fund is set up via email to Lucy.morris@flintshire.gov.uk. The Headteacher must ensure that all members of staff are aware of, and follow the established administrative procedures and ensure that appropriate transactions are channelled through the school fund account.

1.2.2 The Headteacher should arrange the division of delegation of duties to staff, including the appointment of a treasurer, approval of expenditure and arrangements for the preparation of final accounts for audit or independent examination at the close of the school fund financial year.

1.2.3 The auditor or independent examiner of the school fund should be known by the Headteacher and his/her signature and status should be recorded on the bottom of the final accounts (on the Headteacher and Audit Certificates). A set of

accounts is not formally considered to be audited/examined unless it bears the auditor or examiner's signature and statement.

1.2.4 It is the Headteacher's responsibility to check the school fund bank statements periodically ensuring that regular reconciliations take place and at the year end, to confirm the balances held and ensure that they reflect the level of balances suggested by the interim accounts. The Headteacher will normally report the position/status of the fund at intervals determined by the Governing Body.

1.2.5 The Headteacher is also responsible for ensuring that the accounts from the previous academic year are audited/examined in time for presentation to the Governing Body in the Autumn term (or by the Spring half term at the latest).

1.2.6 The Headteacher must report to Head of Audit Lisa.brownbill@flintshire.gov.uk if there is any suspicion of irregularity or mismanagement etc, of the school fund.

1.2.7 The Headteacher must provide a signed copy of the audited accounts, Audit Certificate and Headteacher's Certificate to the Schools Accounting Team.

1.3 Internal Audit

1.3.1 The LA has the right to require any employee holding school funds to account for them, and to require the production of cash books, bank statements, cheque books and all other supporting vouchers.

1.3.2 Internal Audit may as part of the normal audit review of school finances, inspect school fund records and supporting documentation.

1.3.3 Internal Audit will investigate suspected irregularities.

1.4 Fund Treasurer

1.4.1 The treasurer of the school fund (who must be an employee) will be responsible for the receipt and banking of monies, payments in respect of authorised expenditure (certified by the headteacher or other authorised person) and the maintenance of accounting procedures and records under the direction of the Headteacher.

1.4.2 The treasurer must advise the Headteacher of the fund's position/status regularly (at least termly) during the year. Should the treasurer suspect malpractice (or any other financial difficulty), the Headteacher and/or the Head of Internal Audit and the Schools Accountant, as appropriate, must be notified immediately.

1.5 Fund Auditor

1.5.1 The appointed auditor/independent examiner is responsible for carrying out the audit as soon as possible after the end of the school fund financial year.

1.5.2 It is recommended that the school fund financial year ends on the 31st July each year. This should then enable the accounts to be drawn up and audited in good time for them to be presented to the autumn meeting of the Governing Body.

1.6 **Local Authority (LA)**

1.6.1 In the context of school funds, the LA is required to protect the interest of the beneficiaries and to safeguard the various employees concerned; it must therefore seek to ensure that:

- It knows of the existence of all such school funds
- Proper accounting records are maintained
- Such funds are subject to an annual audit
- Audited final accounts are presented to the school Governing Body
- Advice on best practice is provided.

2.0 School Fund Administration

2.1 Accounting Arrangements

2.1.1 Accounts are produced in order that all interested parties can follow what has happened to the school fund over a certain period of time. The accounting system used should be clear and simple in order that it can be easily managed and interpreted.

2.1.2 School fund monies should also be kept completely separate from official County Council funds and personal monies of employees.

2.1.3 The Headteacher should decide who is authorised to incur and approve expenditure. The treasurer should only arrange for the payment of invoices or reimbursement of expenses where a supporting document is properly certified by an authorised person (not the treasurer). Similarly separate people should be responsible for recording of income and the banking of cash.

2.1.4 For the protection of leaders/teachers organising any trips and therefore handling parent/pupil cash, it is essential that detailed records are maintained. A good practice guide to costing of trips and activities is detailed in appendix 5.

2.2 Types of Accounts

2.6.1 A school fund will often cover a number of different types of activity. Different activities may need to be treated in different ways for accounting purposes. The types of account that a school may choose to use is set out in the good practice guide at appendix 5.

2.3 Financial Records

2.3.1 Cashbook - A cashbook must be maintained in which every receipt or payment is recorded (this can be an electronic record). All income and expenditure should be recorded as it happens with cross reference to supporting documents. Entries should contain sufficient description and detail to enable identification of transactions.

Transactions should always be recorded gross, i.e. total income being recorded with expenditure shown separately and not set off against an income figure.

2.4 Use of Petty Cash Facility

A petty cash account should be created and topped up by the use of cheques drawn for cash. Every effort should be made to avoid any confusion with the delegated school monies. All expenses met from petty cash should be fully reflected in the cashbook. The amount of cash actually held should be reconciled to the cash book record on a regular basis by an independent person.

2.4.1 Vouchers/receipts should support all items of income and expenditure from petty cash. These should be retained for six years.

2.4.2 Cash Advances

Although cash advances are discouraged, should the need arise a note should be kept of all cash advances made.

2.4.3 Cheques

Blank cheques must not be signed under any circumstances:

- There must be two signatories to each cheque.
- Signatories have a responsibility for ensuring the payments are justified by reference to supporting documentation.
- Cancelled cheques must be retained.

2.5 Banking Arrangements

2.5.1 All banking, cash withdrawals and cheque payments must be recorded.

2.5.2 The title of the bank account must not include any personal names e.g. the Headteacher's or the treasurer's.

2.5.3 Individuals running school trips or fund raising activities should not maintain separate bank accounts.

2.5.4 All school fund bank accounts must have the same signatories. Cheque signatories must be authorised by the Governors and minuted as such. Subsequent changes must also be minuted.

2.5.5 As cheques and withdrawals must always be authorised by two signatories, more than two people may need to be designated as signatories to the school fund account.

2.5.6 Monies should be banked without delay and any un-banked monies must be kept secure.

2.5.7 Most cheques received will already be crossed. If not, they should be crossed immediately to reduce their negotiability. Details of cheques received should be recorded on the bank paying-in-slip.

2.5.9 Schools with significant fund balances should ensure that income to the fund is maximised.

2.6 Management and Control

2.6.1 Bank statements should be requested at least monthly and reconciled with the school fund records.

2.6.2 Accurate bank reconciliations are essential to the integrity of any account information produced. It is therefore recommended that the Headteacher compares the bank statement with the reconciliation information to ensure that this procedure is being correctly and properly undertaken, and that the balance on the account(s) appears reasonable.

Reports should be submitted on a periodic basis to the Governors.

2.7 Final Accounts

2.7.1 There are two bases on which accounts may be prepared:

- the receipts and payments basis
- the accruals basis.

Receipts and payments consists of an account summarising all money received and paid out by of the school fund in the year in question, and a statement giving details of its assets and liabilities at the end of the year.

Accounts prepared on an accruals basis contain a balance sheet showing the financial position at the end of the year, and an income and expenditure account. These accounts are required, in accountancy terms, to show a 'true and fair view'.

An example format for a receipts and payment account is shown at Appendix 1.

2.8 Contributions to school budget/Interest

2.8.1 Many school funds make contributions to school budgets. The timing of such transfers may have an impact on the amount of interest a school can earn, especially if the rate of interest being earned by the school fund is significantly lower than that available to the school for official monies.

2.8.2 If the school fund is making a contribution towards a specific item bought from the delegated budget, the contribution should be made immediately.

3.0 School Fund Audit Arrangements

3.1 Appointment of Auditor/Independent Examiner

3.1.1 The Headteacher should appoint a competent person or persons to audit/examine the school fund. This appointment should be approved by the Governing Body. Auditors/independent examiners should be given a copy of the School Fund Independent Examination Guidance and a copy of these Regulations so that they are aware of what is expected.

3.1.2 The auditor/Independent examiner should be a person independent of the running of the school fund, who may be a professional accountant or competent lay person. Any payment made to an auditor/independent examiner must be reflected in the school fund accounts.

3.1.3 An auditor/independent examiner should not be the Headteacher, treasurer or acting treasurer, and ideally not a Governor or a relative of any of these.

3.2 Frequency of Audit

3.2.1 The school fund accounts should be audited/independently examined annually and this should generally take place after the end of the Summer Term, in time for the presentation of final accounts to the Governing Body at the following Autumn Term or at the very latest the Spring Term meeting.

3.2.2 When either the Headteacher or the person who is acting as Treasurer to the School fund gives notice of termination of employment, it is recommended in order to minimise risk to all concerned, that the accounts are reconciled. This should be checked by the Auditor/independent examiner, and a record made of the point at which a changeover occurs.

3.3 School Fund Constitutions

3.3.1 Schools must adopt a 'School Fund Constitution'. This is a document which outlines the scope of the fund, expenditure limits, audit arrangements and the responsibilities of the Treasurer, Headteacher and governors.

3.3.2 The Governing Body must approve the constitution and a copy should be sent to the Schools Finance Team.

3.3.3 A Constitution template is provided at Appendix 2. Schools can modify this to better suit their needs if required.

3.4 End of Year Arrangements

3.4.1 A receipts and payments account and a statement giving details of its assets and liabilities at the end of the year should be drawn up by the Treasurer and submitted, with all supporting documents and vouchers, to the auditor/independent examiner. It is good practice for the accounts to be signed by the Treasurer before submission to the auditor/independent examiner.

3.4.2 If during the course of the audit/independent examination any additional documentation or information is required the Headteacher should be made aware of this request.

3.4.3 The accounts should be audited/examined in accordance with the School Fund Audit Guidance Notes. (Appendix 3)

3.4.4 Immediately after acceptance by the Governing Body, a complete copy of the accounts signed by the auditor/independent examiner, treasurer and head teacher, together with Audit Certificate should be sent to the Schools Accounting Team, County Hall, Mold. (Appendix 4)

3.4.5 When an auditor/independent examiner issues an adverse report or declines to sign the audit certificate, the Headteacher must inform the Schools Accounting Team immediately.

3.4.6 A complete set of the audited final accounts must be presented to the next meeting of the Governing Body after completion of the audit/examination for approval. This should normally be in the Autumn Term or Spring Term at the latest.

3.5 Availability of Accounts

3.5.1 The accounts, as approved by the Governing Body and signed off by the auditor/independent examiner, should form a part of the minutes of the Governing Body meeting which are available for inspection by staff, parents and other interested parties.

3.6 Retention of Records

3.6.1 All accounts, ledgers, voucher, receipts and bank statements, must be retained for 6 financial years in addition to the current year.

4. ***Taxation***

4.1 **Income Tax**

4.1.1 School funds do not count as County Council Funds and are not therefore covered by any concessions that the Local Authority enjoys. In principle, income, interest and profits earned by the school fund could be subject to a tax assessment. Such an assessment, if made by the Inland Revenue would be the responsibility of the school.

4.1.2 A ruling obtained from HM Revenue and Customs has confirmed, however, that provided school funds are clearly established solely for the purpose of generating income which would then be used for education purposes only, then the school fund (usually referred to as Amenity Fund for tax purposes) can be treated as having quasi-charitable status. For school funds the benefit is threefold:

- Firstly, there is no need to apply formally for charitable status.
- Secondly, the completion of a simple application form available from Banks and Building societies will enable the fund to receive interest gross, without having tax deducted at source.
- Thirdly, there is no question of any profit earned on sales being taxable.

4.2 **School funds and VAT**

4.4.1 Schools can generate income independently of the Local Authority, for example, from vending machines, tuck shops, the sale of items of school uniform or charges for the use of the premises outside normal hours.

4.4.2 As the voluntary fund income is generated from activities undertaken independently of the Local Authority, the voluntary fund is not part of the Local Authority for VAT purposes.

4.4.3 The voluntary fund is required to register for VAT if it makes taxable supplies that exceed the registration threshold, that is, supplies subject to VAT at any rate including those that are zero-rated.

4.4.4 The VAT registration rules are as follows:-

- The annual limit for taxable supplies above which a body must register for VAT is £85,000.
- Registration is required if taxable supplies have exceeded £85,000 in the last 12 months or less or it is believed that they will exceed this amount in the next 30 days.
- It is possible to register voluntarily for VAT where the taxable supplies for the 12 month period are less than the registration threshold.

- The entity which needs to register may be the governing body, head teacher acting as agent of the governors, parent teacher association or other body depending on the circumstances.
- A VAT registered body must account for VAT on its taxable business supplies from the date of registration. It can also recover input tax incurred in respect of its taxable supplies from that date subject to the normal VAT rules and regulations. The school fund cannot make use of the special provisions available to Local Authorities.

4.4.5 There are currently three rates of VAT:-

- 20% standard rate which applies to most goods and services
- 5% reduced rate which applies to fuel and power in some circumstances and to a limited number of other supplies
- 0% zero rate for goods and services on which you do not need to charge VAT. Examples include some food (but not hot take-away food and drink), books, newspapers and young children's clothing. This list is not exhaustive and reference should be made to H M Revenue & Customs publications and guidance for clarification.

4.4.6 Input tax recovery on purchases using voluntary school funds

If the school fund is separately registered for VAT, it can recover the input tax it incurs subject to the normal rules. Local Authorities cannot recover VAT incurred on voluntary fund purchases. Voluntary fund income can be donated to the Local Authority to be used to buy goods and services on the voluntary fund's behalf. This does not apply to:-

- direct grants to the governing bodies of foundation schools; or
- income used to fund works which are the responsibility of the governors of a voluntary aided school.

4.4.7 Where income is donated, the Local Authority can recover the VAT incurred on related purchases as long as it:-

- places the order
- receives the supply
- holds a VAT invoice on which it is shown as the customer
- pays for the supply
- retains ownership of the purchases
- uses those purchases for the Authority's non-business purposes and
- keeps sufficient records for the purchases and their purposes to be easily identified

4.4.8 Where a Local Authority school undertakes a school trip, this is treated as a non-business activity provided that the trip is related to the school curriculum. HMRC will normally accept this to be the case if the Headteacher confirms that the trip is for a curricular purpose. Any contributions received from parents or the voluntary school fund will be outside the scope of VAT.

4.4.9 VAT guidance

Help is available from H M Revenue & Customs as follows:-

- A National Advice Service which is available on 0845 010 9000
- There is a Welsh Language helpline on 0845 010 0300
- A text phone service is available for deaf, hearing impaired or speech impaired customers on 0845 000 0200
- Each service is available Monday to Friday from 8am to 6pm
- HMRC will provide copies of their publications by post. Alternatively, these can be downloaded from their website www.hmrc.gov.uk.

5. **Insurance**

5.1 **Cash**

5.1.1 Flintshire County Council has separate insurance covering loss of cash whilst on Council premises (including schools) in safes or locked receptacles. Cash is also insured whilst in the custody or control of Council employees whilst in transit. Limits of cover vary and there is a policy excess of £250 which effectively reduces the cover for cash in a locked receptacle to zero. Cash held in an unspecified safe is insured for £1,000 increasing to £1,500 when the premises is alarmed. Higher limits can be provided subject to insurers being satisfied as to the quality of the safe.

5.2 **Fidelity Guarantee**

5.2.1 The Council insures against the risk of fraud and dishonesty by Council employees. However, this insurance cover does not extend to voluntary school funds or losses of any other funds for which the Council is not legally liable.

5.3 **School Journeys**

5.3.1 Insurance cover for students taking part in offsite activities and school trips is arranged separately under a policy arranged by the Authority.

**Example Income and Expenditure Account
VOLUNTARY SCHOOL FUND:
SCHOOL:**

APPENDIX 1

	20xx/xx	Year 20xx/xx
Income		
All Visits Income		
Parental Contributions		
Contributions outside bodies		
Foreign Visits Income		
Bank Interest		
Donations		
Other Grants		
Total Income	<u>0</u>	<u>0</u>
Expenditure		
Vehicle Repair & Maintenance		
Fuel		
Transport Hire		
Journey Insurance		
Visits		
Books		
Foreign Visits		
Catering		
Printing & Stationery		
Postages		
Uses of Support Facilities		
Swimming Transport		
Use of Baths		
License Fees		
Other Expenses		
Projects		
Educational Visits		
Field Studies Expenditure		
Total Expenditure	<u>0</u>	<u>0</u>
Surplus or (Deficit)	<u>0</u>	<u>0</u>
Fund Balance brought forward		
Fund Balance carried forward	<u>0</u>	<u>0</u>
Bank Reconciliation		
Closing Bank Balance		
Cash in Hand		
Less Unpresented Cheques		
Plus Income not yet shown in bank		
Fund Balance carried forward	<u>0</u>	<u>0</u>

School Fund Constitution

Purpose of the Fund

The school fund exists to provide additional materials and opportunities to enhance the learning experiences of children. The fund is used to provide items over and above those provided for through the school's delegated budget.

Examples of Uses

Expenditure may be used for the following purposes:

- Subsidy of school educational visits
- Refreshments for children's parties
- Fund raising activities (e.g. raffles)
- Classroom materials and equipment
- Lunchtime games/toys, children's disco and entertainment
- Sale of School Ties
- School Snack / Milk
- Small token of appreciation for long / exceptional service to the school

Administration

The official title of the school fund is VENERABLE EDWARD MORGAN RC SCHOOL.

The fund is administered by **Nicola Clarke**, who holds the position of **School Business Manager** at the school.

The day to day management of the fund is the responsibility of the Headteacher although overall responsibility for the fund lies with the Governing body.

A Fund Committee exists, comprising the Headteacher, senior staff and a Governor, to decide on spending priorities and fund raising needs. This Committee meets on a termly basis.

For expenditure under £1500.00, the agreement of the Headteacher is sufficient.
For purchases over £1500.00 but below £5000.00, the approval of the Fund Committee (R Langley; N Clarke; Cllr D L Mackie;) must be obtained whereas for purchases over £5000.00, the approval of the Governing Body must be obtained.

The school fund is banked in a Lloyds Bank Current Account. Cheque signatories are the Headteacher, Deputy and School Business Manager, two from three.

Audit

The fund has a financial year end of 31st March.

Annually, a summary of income and expenditure, and a statement of balances, is prepared by the School Business Manager.

The financial statements are audited by **Mr D Griffiths**, who is an independent person with a financial background. He is considered to be a suitable person to audit the fund, having regard to the nature and complexity of it.

Audited accounts are presented to the Governing Body each year for formal approval, in accordance with the LMS Scheme of Delegation.

Prepared by **Mrs R Langley**, Headteacher

Approved by the Governing Body on ..25th November 2019.....

Flintshire County Council

Notes of guidance to auditors of school funds

1. Introduction

These notes of guidance have been prepared to provide guidance to individuals who are carrying out audits of school funds. They are intended as a general guide only and should not be seen as relieving the individual auditor of his/her responsibilities with regard to the proper performance of his/her duties, nor of being a definitive list of operations intended to cover every possible eventuality.

2. Eligibility to audit School Fund Accounts

Before accepting their appointment, auditors should be satisfied that they meet the criteria described in section 3.1 of the School Funds Regulations.

3. Internal control/security

3.1 School Fund records should be kept in accordance with the guidance provided in the School Funds Regulations.

3.2 Auditors should be satisfied that adequate controls are in place to minimise the risk of errors and misappropriation:

- ii) cheques are not signed in advance of completion by either signatory
- iii) there is adequate security over blank cheques and cash in hand
- iv) income is banked promptly
- v) income and expenditure are recorded in full and not netted off
- vi) receipts are obtained whenever cash is handed by one person to another
- vii) adequate records are kept of all transactions
- viii) all transactions are for the benefit of the pupils and/or the school generally
- ix) all transactions have the approval of the Head Teacher and/or Governing body
- x) the audited School Fund accounts are presented to the Governing Body each year
- xi) all cheques are signed by two authorised signatories.

3.3 Items reflected in the accounts should relate to the school fund only and not to official, County Council monies for the School Budget Share, which should be dealt with only through the Local Authority (LA) accounts.

4. Detailed checks

4.1 Records likely to be required:-

- Current and preceding year's summary of Receipts and Payments/Income and Expenditure
- Cash book (and petty cash book where one is kept)
- Bank statements and pass books for building society and other investment account
- Cheque books and cheque book stubs
- Cash in hand (i.e. petty cash and postage stamps)
- Paying-in books and retained counterfoils
- Income records (cash collection summaries, receipt books etc)
- Tuck shop sales and stock records where appropriate
- Receipts and vouchers to support items of expenditure.
- Claim forms for the reimbursement of VAT and other expenditure from the LA.

4.2 Ensure that:

- The cash book has been ruled off at the close of the financial year and that the balance reconciles to cash at bank and in hand.
- An annual summary of school fund transactions has been prepared and that it has been signed by the Head Teacher. The summary, in the form of a Receipts and Payments Account, should be suitably analysed and should be in agreement with the entries in the cash book.
- The opening balance(s) in the cash book and Summary of Receipts and Payments agree with the previous year's closing balance(s).
- Cash in excess of current requirements is held in an interest-earning account.
- Interest from investment accounts (banks, Building Societies etc) has been recorded in the cash book.

4.3 Check on a sample* basis that:

- Details of bankings recorded in the cash book are reflected on bank statements or pass books on the claimed days of deposit.
- Paid invoices are held to support all items of expenditure (in some cases only copies may be available where the originals have been submitted to the LA to recover VAT).
- Items of income recorded in the cash book are supported by copy receipts and/or cash collection sheets, sales records or similar evidence to confirm the amounts involved.
- Summary sheets relating to major visits have been prepared and have the approval of the Head Teacher.

* The extent of sampling will depend upon the degree of internal control and the number of transactions reflected in the fund.

**Flintshire County Council
Voluntary School Fund
AUDIT CERTIFICATE**

Voluntary School Fund Details
Please complete the following details:-

Name of school: _____

Name of voluntary school fund: _____

Headteacher: _____ Signature: _____

Name of officer responsible for Voluntary school Fund administration: _____

The accounts for the Voluntary school fund relate to the:

Financial Year ended 31 March

School Year ended 31 August

There is no Voluntary School Fund at this School *

*Please tick the appropriate option and complete the year.

Certification by Auditors

To be completed by the Auditors:-

We hereby certify that we have examined the accounts for the above named voluntary school fund and are satisfied that they accurately reflect the position of the fund.

Print Name: _____

Address: _____

Occupation: _____

Signed: _____ Date: _____

Governing Body Resolution

The audited accounts of the above named voluntary school fund were accepted at the full governing body meeting dated:

Chairperson of the governing Body: _____

Signature: _____ Date: _____

This certificate must be completed and returned to Schools Accounting Team, Flintshire County Council by 31st October.

SCHOOL	DATE
VOLUNTARY FUND ACCOUNT	

Notes to accompany the audit of the above fund:

- The records appear to be full and complete record of all transactions passing through the voluntary school fund account; the records are thorough and kept to a very high standard.
- The fund is reconciled to the bank statements on a monthly balance
- All receipts and expenditure stubs are cross referenced.

Recommendations

- N/A

Overall the school fund has been well maintained and the records are clear and accurate.

Signed: _____ Date: _____

Signed: _____ Date: _____

School Fund Good Practice Guidance

School Trips

1 Costing

A detailed "costing" should be undertaken listing all expected expenditure of the trip e.g. coach hire, admission fee, insurance etc. Therefore, based on the number of pupils expecting to attend the trip, a cost-per-pupil can be determined.

2 Income

A record by individual e.g. a class list, showing the dates and amounts received which should be completed at the time any income is collected. This provides both a complete record of detailed collection and also, therefore, an initial safeguard in the event of any dispute.

3 Expenditure

A record of all expenditure authorised in respect of the trip should be maintained by organiser.

4 End of Trip Costing

On completion of any trip, the organiser should prepare a statement clearly showing the income and expenditure incurred and demonstrating a surplus or deficit which has resulted.

5 General

All income and expenditure in respect of school activities and journeys etc. must be recorded in the school fund accounts. Where a member of staff organising such activity receives income, this should be passed to the treasurer at regular intervals and not retained. Neither should income be used to meet expenses. To ensure that all elements of the activity are accounted for, the responsible (organising) member of staff should prepare an overall financial statement at the conclusion of such activities. This is then signed and passed to the fund treasurer together with any cash balances and full supporting details including vouchers and receipts. Staff handling monies should not open separate bank accounts, or route any monies through their personal bank account.

Types of Account

6 Trading Account

This is used where items are bought and re-sold as a service to pupils and/or parents. Examples may sale of sweatshirts, book bags etc. A separate trading account should be set up for each trading activity so that the resulting surplus or deficit can be demonstrated in the accounts. A summary of the trading account transactions should be produced as part of the final accounts for the year.

7 Suspense Account/ Holding Account

This type of account is used for monies collected and paid out for a specific purpose e.g. school trips. Balances on these accounts can be carried forward at the end of the school fund year if the activity in question is continuing or has not yet taken place. Balances should not be allowed to carry on automatically – whether to carry forward should be considered annually. If at the end of the activity there is a surplus a decision needs to be taken whether to return it to the contributors or treat it as income to the accumulated

fund. In the case of a deficit on the activity again, a decision must be made on whether to meet it from the accumulated fund or seek additional contributions.

8 **Nominal Account**

This type of account is the “norm”. It should be used for all other income and expenses relating to the school fund e.g. donations. It is normal practice to use separate nominal accounts (headings) for each main type of spending/income. It is not helpful to amalgamate these into one nominal account “general” or “misc”.

For every item in the cashbook there must be a corresponding entry in the appropriate trading/suspense or nominal account except when cheques are drawn for petty cash purposes, in which case the corresponding entry will be in the cash column of the cashbook. By keeping cash and bank transactions separate in the cashbook, the balance on each may be obtained and checked at any time.

9 **Vouchers**

Expenditure – There should be vouchers to support all items of expenditure of over £1 in value. Vouchers should be cross referenced to the appropriate account entry and filed in voucher number order. The signature of the person receiving reimbursement (if appropriate) should be obtained.

Income – The school fund treasurer should issue a receipt for all items received. It is acceptable for one receipt to be issued to cover the handing over of a total sum made up of a number of individual collections (e.g. for a school trip), provided the “collector” has listed the individual contributions and drawn a total. The treasurer is then receipting the total. Receipt numbers should be detailed in the appropriate account. Carbon copies of receipts should remain in the receipt book. Pre-numbered receipt books must be used (not the County stationery). These vouchers/receipts must be retained for 6 years in addition to the current year. Cancelled or spoilt receipts must be retained.

10 **Trading Activities**

The transactions of any trading element of the school fund, such as uniform, also need to be balanced regularly, at least termly, in order to check profit margins and stock levels.

This can be achieved by preparation of the following statements:-

- Trading Accounts

Set out a brief summary of each trading activity's transactions.

- Summary Revenue Account

The summary revenue account should show for each activity the total income due for the year whether actually received or not, and all expenditure properly chargeable to that year, whether or not payments have actually been made. A simpler receipts and payments basis is also acceptable. The balance therefore is the excess income over the expenditure (or vice versa) of all the appropriate transaction relating to that year.

- Balance Sheet

The balance sheet should show the opening accumulated fund balance, the surplus or deficit from the summary revenue account, and balances from unclosed suspense accounts, together with bank and cash balances and stocks in hand. If debtors and creditors are recorded, these should also be included.