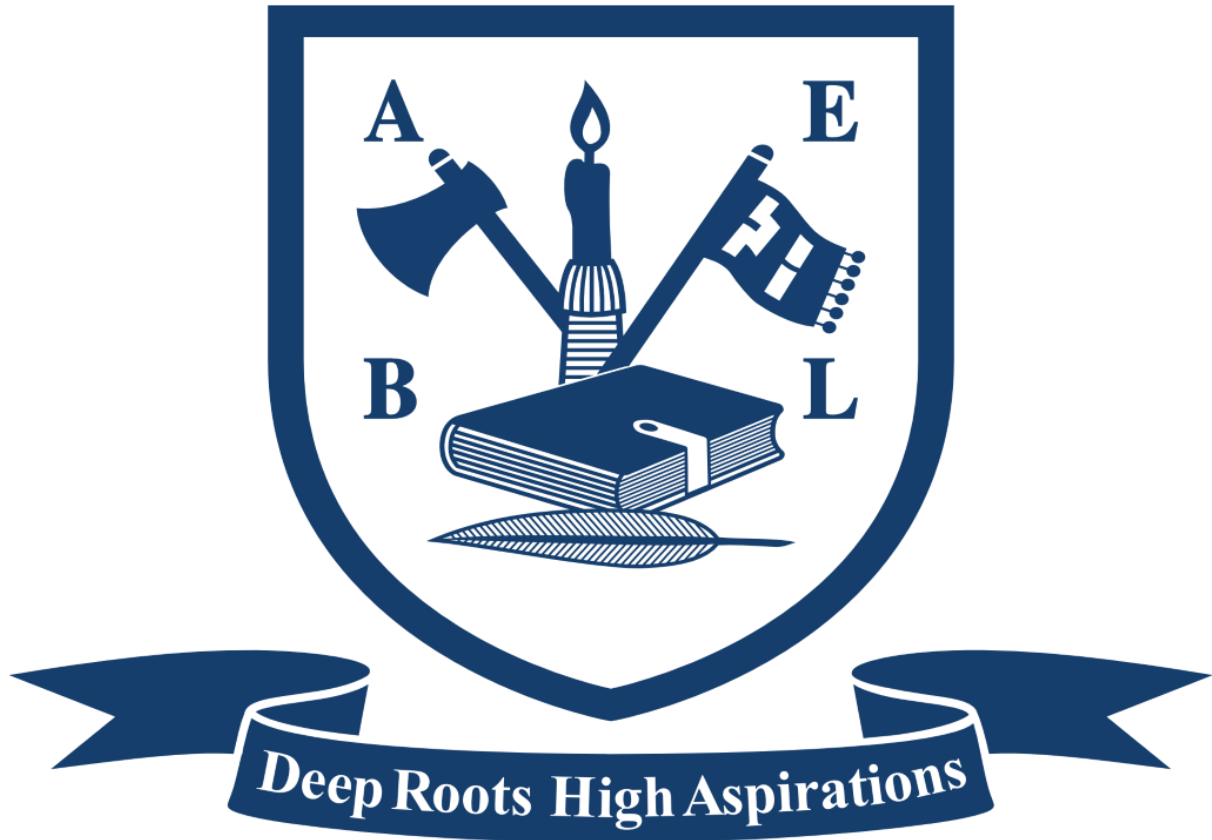


KNEBWORTH

Primary and Nursery School



Voluntary Fund Policy

*This policy is reviewed on an annual basis
Next review date: September 2024*

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Introduction

Voluntary funds, sometimes known as private or school funds, are funds established to support any school activity and are generated independently of a school's official delegated budget. Knebworth Primary and Nursery School has one Voluntary Fund.

Funds may include income from a variety of sources including monies collected from pupils for activities arranged by the school, sponsored events and any donations from parents, pupils or the local community. See Appendices for further guidance.

Schools must ensure funds are used appropriately and in an open and transparent way.

With regards to their management the Audit Commission states that:

"Voluntary funds often provide schools with a substantial additional source of income. Although such funds are not public money, the standards for the guardianship of these, need to be as rigorous as those for the administration of the school's delegated budget. Parents, pupils and other benefactors are entitled to receive the same standards of stewardship for the funds to which they have contributed". ('Keeping Your Balance' – Audit Commission, October 2000).

Statement of Intent

Knebworth Primary and Nursery School will utilise the Voluntary Funds to support activities not covered by the School's delegated budget.

The purpose of the Fund will be to provide:

- Non-mandatory items of equipment, facilities or activities that will enhance and enrich the children's education
- A contribution to school activities for any child in financial need
- A contribution to activities that will enhance the welfare of pupils or improve the school environment

Donations made to the school for specific projects will be kept in the funds, and ring fenced for the activity to which they relate. If and when it is agreed that a project will not proceed, the ring fence on those funds will be removed.

The school is committed to ensuring the effective and efficient use of all school funds and governors through the resource committee which will monitor activity within the fund on a yearly basis.

Responsibility for management of the fund resides with the Head Teacher, who is authorised to make day-to-day decisions on spending from the fund in accordance with this policy.

This policy has been established to ensure that the school meets all expected standards when handling private funds. All members of staff are required to adhere to this policy.

Roles and Responsibilities

The Governing Body (GB) will ensure:

- A Policy for managing a Voluntary Funds is in place and that all funds are administered in accordance with established procedures. The policy will be reviewed every 3 years unless circumstances necessitate an earlier review.
- The school fund has been established with clear criteria and constraints within which it will operate and be managed. It will have a clearly defined purpose which has been approved by the GB
- Suitable auditors are appointed. Where funds remain below £20,000, the auditor may be someone with financial knowledge and experience, as per the Schools Financial Value Standard (SFVS).

A member of the Governing Body may not be appointed as an auditor to the Fund.

The Governing Body through the Resource committee will:

- Receive an annual report on the administration and status of the funds
- Approve all major purchases over £500, which shall be agreed with the chair and vice chair of the resource committee
- Be kept informed of all private funds, any changes to those fund arrangements and all new major fund raising projects
- Monitor and measure the use of the fund against its approved purpose
- Ensure audited annual statements are received within three months of the financial year-end. These statements will be available for viewing by parents on request

The Head Teacher will:

- Be responsible for the organisation, administration and control of the Voluntary Fund, ensuring they are accounted for separately to the delegated school budget. Periodic checks will be carried out to monitor record keeping and fund balances
- Ensure all members of staff adopt the procedures for administering the fund
- The Head Teacher will appoint a Fund Administrator (the School Finance Administrator) to oversee the daily management of the fund, but will retain overall responsibility
- The Fund Administrator will keep the Head Teacher informed of any matters arising

Teaching staff will:

- Keep suitable records in accordance with procedures when involved in trips, visits and sponsored events
- Ensure all income collected is handed to the Fund Administrator on a daily basis
- Not pay expenditure from income collected. In 'exceptional' cases, small amounts of cash maybe used to purchase minor items but under normal circumstances, a cheque will be obtained from the Fund Administrator. In all cases expenditure will be supported by an invoice or till receipt

Procedures for operating the School Fund

General Requirements:

- An appropriate financial and managerial framework will be in place, communicated to all involved staff and a Fund Administrator appointed
- The purpose of the school fund will be established at the outset and agreed by the Governing Body
- The School Fund will be independently audited
- Appropriate and accurate financial records will be maintained for all transactions which will enable the production of termly statements, year-end accounts and facilitate the recovery of VAT where appropriate
- Accounts will be drawn up on an annual basis. The format of the accounts will depend greatly on the size and complexity of the funds. For a small fund, a simple receipts and payments account (prepared on a cash accounting basis) will be appropriate

Income

The main sources of income to the Funds will be:

- Parental contributions
- Voluntary contributions to the costs of school trips
- School fund raising activities, such as school photographs, clubs
- One-off donations from parents or others
- Interest on money on deposit

All income will have supporting paperwork. At a minimum, all transactions will have a supporting remittance record of all payments (cash and cheque) received with a copy of the paying-in slip.

Expenditure

Expenditure will be incurred only in accordance with the Funds agreed purpose. Income specifically from school fund raising activities and any deposit interest will be used for any expenditure that supports the main purpose of the fund.

Income specifically from parental contributions will be used to support expenditure on educational resources.

Income from charitable, parental or other donations for named projects will only be used for the purpose intended.

Expenditure transactions:

- Will be authorised by the Head Teacher and processed by the Fund Administrator
- Expenditure will be paid for by cheque wherever possible
- Payments will only be made when supported by an authorised invoice or voucher. Supporting paperwork will be filed in date order and sequentially numbered
- Details of all payments will be entered on the Fund spreadsheet

- No wages, honoraria, personal loans or ex-gratia payments will be made from the Fund

Banking Arrangements

The Voluntary Fund banks accounts will be clearly titled and held in the name of the School at Barclays Bank. Under no circumstance will the Fund be operated through a personal bank account. It will be held separately to the school's official funds and delegated budget.

Current account balances will be kept under review to ensure funds which are surplus to immediate requirements are lodged in a deposit account or with a building society.

Signing authorities (mandates) will detail that cheque withdrawals require two signatures which should be of suitable seniority and reviewed annually. The following persons are authorised to sign on the account:

- Headteacher
- Deputy Headteachers

The following financial procedures will be followed without exception:

- Cheques will never be pre-signed and will require a minimum of 2 signatories
- Bank accounts will be reconciled regularly
- Fund Administrator or the Office Manager will deposit the funds at the bank using the "Drop Box". Collections will be verified and receipted by the Fund Administrator
- No collected monies will ever be paid into personal accounts
- Personal cheques will never be cashed through private funds

Bank and petty cash reconciliations

Bank statements will be reconciled to the transactions in the Fund spreadsheet on a monthly basis and all individual items of income and expenditure matched to the entries on the bank statement.

A monthly review of the account will be undertaken to ensure excessive balances do not accrue.

Audit Requirements and arrangements

The SFVS standard requires the school have adequate arrangements for the audit of voluntary funds. The Governing Body will notify Internal Audit with details of any changes to the Voluntary fund, as part of the SVFS submission.

At the end of each financial year the final accounts of the voluntary funds require will be prepared and have an independent examination/audit. The school has agreed reciprocal arrangements with a local school.

The examiner will complete an audit certificate to state they are an accurate set of accounts. This proforma certificate can be found in the appendices.

The audit will seek to establish that the following controls are in place:

- Proper recording and substantiation of all receipts
- Maintenance of such additional and subsidiary records as are necessary to support the first two bullets, e.g. records of income expected and received from individual sources
- Recording of transactions and balances at a level of detail sufficient to properly reflect the sources of income to the account and the purposes for which the funds are used
- Use of the account for appropriate purposes only
- Reconciliation of account - frequency, method and evidence of proper recording
- Regular reporting of and monitoring of income, expenditure and the net position on the account by the Head Teacher and Governing Body
- Separation of duties in the key accounting functions
- Identification of turnover on 'business' activities where this may exceed the VAT registration threshold
- Clear separation of funds and transactions from other accounts

Dissolution of the School Fund

The Fund will be dissolved if the school closes or amalgamates with another school.

If the School amalgamates, any remaining assets will be given to the school for the benefit of the children in a charitable manner.

If the school is closed, any assets will be given to a local children's charity as chosen by the Governors.

This policy is reviewed on an annual basis by the governing body.

Appendix 1: School Voluntary Fund

| ACTIVITIES WITHIN THE SCOPE OF THE FUND | ACTIVITIES NOT WITHIN THE SCOPE OF THE FUND |
|--|--|
| Staff wellbeing. Staff exceptional event cards and gifts e.g. flowers. Occasional, in-house, celebratory staff meals. | Staff tea and biscuits |
| School Trips, Tours, Outdoor Pursuit Courses etc. | |
| Fetes, Bazaars, Sale of Work | |
| Concerts, Discos, Dances | Payments to staff for work undertaken e.g. HIP Income, maths hub income |
| Raffles, Prize Draws, 100 Clubs, Sponsored Events, Charity Collections | Loans, Cheques should not be made payable to cash. |
| Travelling Expenses incurred in either the banking of School Fund income or approved by the Head Teacher in relation to undertaking School Fund activities (Council employees must claim these travelling expenses by submitting an expenses claim through the Council's payroll system. The delegated budget will be reimbursed by a contribution from the School Voluntary Fund) | Travelling Expenses, (other than those incurred in either the banking of School Fund income or approved by the Head Teacher in relation to undertaking School Fund activities) |
| Sale of School Clothing, Christmas Cards, school photos etc | Reimbursement for theft of or damage to Property |
| Tuck Shops, Vending Machines, Breakfast Clubs | Course registration/examination fees |
| Donations | Grant Income e.g. Big Lottery Fund |
| Insurance relating to School Fund Monies (additional cover) | Insurance (other than that expended for the School Fund) |

Appendix 2: Pro Forma Audit Certificate

A separate certificate should be completed for each unofficial or private account run by the school or it's Governing Body.

Examiner's or auditor's report

I have examined the final accounts for the year ending _____ or the (title of account) run by

Knebworth Primary and Nursery School, and the underlying accounts and financial records.

I have obtained all the information and explanations I consider necessary to complete the statement below. Further, I have not identified any significant concerns regarding these accounts which remain either unresolved or undeclared in the accounts themselves or this report.

I certify that the accompanying final accounts (summary income and expenditure account and balance sheet) present an accurate picture of the activities and transactions undertaken through this account and of the financial position at the end of the year.

Examiner's/auditor's signature _____

Date _____

Name (please print) _____

Status (e.g. parent, accountant, etc.) _____

Contact telephone number _____