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| **Date of last approval:** | XX/XX/XXXX |
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**Manual of Model Internal Financial Procedures for Schools**

**As adopted by *[school name]***

This manual contains model versions of:

* Purchasing Procedures
* Payroll Procedures
* Procedures for Collecting and Banking Cash
* Income Collection and Debt Recovery Procedures

Which have been formulated to include proportionate and effective controls to ensure the security of schools’ finances from wastage, loss, theft and fraud as far as possible. The procedures outline physical controls, separations of duties, approval limits, and auditable trails of evidence which must be maintained and adhered to in order to prevent unnecessary loss of public funds.

Adopting all or part of these model procedures is not mandatory. All schools must have their own internal financial procedures in addition to the guidance provided to schools by Cambridgeshire County Council (CCC). Therefore, schools are welcome to build on the guidelines included in this manual and adopt all or part of it into their internal financial procedures as they see fit.

Where identified by italics, some roles and responsibilities in this manual need to be assigned and filled-in, in line with your school’s current/desired practice. This must be done before these procedures are ratified.

A model Scheme of Financial Delegation is available separately to this document, which can only be approved by the full Governing Body. Approval of the policies in this manual can be delegated as per your Scheme of Financial Delegation. This manual and your Scheme of Financial Delegation should be reviewed on an annual basis.

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1. **Purchasing Procedures**

*N.B: Before ratifying this policy, the following roles and approval limits will need to be allocated and filled into this policy, in line with your Scheme of Financial Delegation:*

1. *Expenditure approval limit belonging to the Headteacher.*
2. *The staff member responsible for raising approved orders in the digital financial system. E.g, School Business Manager or Finance Officer.*
3. *The staff member responsible for verifying invoices for payment based on a goods receipt note or equivalent.*
4. *The staff member responsible for creating BACS payment runs.*
5. *Who is responsible for reviewing requests to enter into a contract and the quotations obtained (Headteacher or Governing Body, or the Headteacher up to a certain value and the Governing Body above that value).*
6. *Who is responsible for signing cheques on behalf of the school.*
   1. **Foreword**
      1. This policy applies to all of the school’s expenditure including goods, services, supply teachers and contracts. Contracts have some of their own additional processes to be followed, which are included at the end of this policy.
      2. This policy will be reviewed, amended if necessary, and approved on an annual basis by the Governing Body. The date of the latest approval will be noted on the version control.
      3. In addition to this purchasing policy, all instances of expenditure must comply with the principles set out within the Cambridgeshire County Council’s Contract Procedure Rules, recognising that governance for approval will differ within schools. Copies of this document are available on LearnTogether or at [G7 - Contract Procedure Rules | Cambridgeshire County Council](https://www.cambridgeshire.gov.uk/council/meetings-and-decisions/council-constitution/part-g-officers/g7-contract-procedure-rules).
      4. Further guidance is available at [Buying for schools - GOV.UK](https://www.gov.uk/guidance/buying-for-schools--2) which provides resources to help you buy goods and services for your school, get better value and be compliant with procurement regulations.
   2. **Raising a Purchase Order**
      1. All requests for purchases must have a purchase order filled out by the requisitioner (the person requesting the purchase), including their name and the date, before it is passed to an authoriser for approval. This is to incorporate separation of duties into the expenditure approval process and ensure that every purchase is appropriately scrutinised before being made. See Section 1.4.2 for instructions on how to proceed if a purchase order cannot be raised due to emergency requirements.
      2. A “purchase order” is a document which records the request to make a purchase and how this has been approved. In the context of this policy can be any paper or electronic document, including a purchase order on the finance system, a requisition form or similar, as long as it shows:

* What value of expenditure is being requested.
* What the expenditure is for.
* Who is requesting the expenditure.
* The supplier.
* The date.
* Approval of the associated expenditure. This must be evidenced on the form (physically or digitally) as in Section 1.3.4, including the date of approval. The person approving the expenditure should not be the same person who is requesting the expenditure.
  1. **Approving Orders to be Placed (Including Quotation Requirements)**
     1. Purchase orders under a value of *[£xxxx]*[[1]](#footnote-1)can be authorised by the Headteacher. All purchases with a value of *[£xxxx, as above]* or over\* must be approved by the *[full Governing Body]*\*.
     2. The impact of purchases on remaining budgets should be considered when deciding whether or not to approve a purchase, as well as when filling in a purchase order.
     3. As per Section 2.15 of CCC’s Scheme for Financing Schools, the school must seek countersignature or approval from the Strategic Finance Manager responsible for Children’s and Schools for any contracts, goods or services for a value of £60,000 or above in any one year. Please send to [bank.account@cambridgeshire.gov.uk](mailto:bank.account@cambridgeshire.gov.uk)
     4. When a purchase order is approved, it will either be electronically approved in the finance system, be signed and dated by the approver (if a physical form) or the approval clearly stated in an email (if a digital form) to leave evidence that the purchase has been approved. When reviewing a purchase order, a check should be undertaken to confirm the value is within agreed budgets before being approved.
     5. When raising a purchase order, higher-value purchases require a minimum number of quotations to be sought from suppliers before a winning bidder is selected. The requirements for quotations are as follows, and written quotes must be retained on file:

|  |  |
| --- | --- |
| Total value[[2]](#footnote-2) | Quotation requirements |
| Under £500[[3]](#footnote-3) | 1 oral or written quote\* |
| £500 - £4,999.99\* | 2 written quotes\* |
| £5,000 - £29,999.99 | 3 written quotes on written specification or brief |
| £30,000 and above | Open tender in compliance with the Procurement Act 2023 |

### Please note that the **compliant** use of a framework agreement is a valid replacement for the processes described above.

* + 1. All quotations obtained should be presented to the purchase approver with the associated purchase order, to allow them to fully scrutinise the proposed expenditure with all the available information. Copies of quotations or tendering documents must be retained on file as evidence that this process has been followed. Where the value of the contract is over £30,000, the Procurement Act has specific requirements around record keeping which must be complied with.
    2. When reviewing a request for expenditure, the Headteacher or Governing Body (as applicable) has a responsibility to ensure that quotation requirements have been met.
  1. **Ordering the Goods or Services**
     1. Once a purchase order has been officially approved, it is passed to *[the School Business Manager]*\* for them to check approval is evidenced and to raise the purchase order on the school’s financial system and place the order with the supplier. This commits the expenditure against the school’s general ledger.
     2. In the event that an emergency arises and a purchase order cannot be raised before the emergency purchase is required, the Headteacher must phone Cambridgeshire County Council’s (CCC’s) School Finance Team for them to discuss and seek advice prior to making the purchase. If CCC’s School Finance team do not consider the situation constitutes an emergency, a purchase order must be raised and approved in the normal way. Wanting to speed up the purchasing process is not a legitimate reason to not raise a purchase order.
  2. **Verifying Goods or Services Delivered Before Payment**
     1. After goods or services have been delivered, the requisitioner will examine them alongside the invoice to verify that the goods or services delivered are of the correct product/s, quantity, and quality listed on the original purchase order. After checking the goods or services as delivered against the purchase order, the requisitioner must create and sign/date a goods receipt note to verify what has actually been delivered. A goods receipt note can be its own separate document, or a signed note on the invoice to say that the goods or services were delivered as ordered (or otherwise).
     2. The requisitioner will pass the goods receipt note and invoice to the *[Finance Officer/Office Administrator][[4]](#footnote-4)* to certify the invoice for payment. In certifying the invoice, the *[Finance Officer/Office Administrator]\** is responsible for ensuring that:
     3. Payment is only made where goods or services have been received or carried out and examined as to quantity and quality, i.e. based on a goods receipt note. (Note: in certain limited circumstances such as payment of course fees, payment may be required in advance. In these circumstances, if unavoidable, payment may be made but the requisitioner is responsible for ensuring that the goods or services delivered are of sufficient quality, and if not a refund obtained).

1. The expenditure is lawful.
2. Purchases are only made for school purposes. Staff and all other persons are not permitted to use school orders for non-school purchases.
3. The prices, discounts and other allowances are correct, and that all calculations on the invoice (including VAT) are arithmetically correct.
4. The expenditure is within budget limits.
5. The invoice has not previously been passed for payment.
   1. **Paying for Goods or Services Delivered**
      1. After an invoice has been certified for payment by the *[Finance Officer/Office Administrator]*\*, payment will be made following the process for either BACS or Government Procurement Card (GPC) payments below, as applicable.
      2. BACS payments should be used for all purchases unless this is entirely impossible.
      3. For payments by BACS:
6. BACS runs are created in the NatWest online banking system. Access to the NatWest online banking system is restricted to the *[Headteacher and School Business Manager]*[[5]](#footnote-5)only, and is protected by multi-factor authentication.
7. BACS runs will be created by the *[School Business Manager]*\* in the NatWest online banking system, based on the invoices certified for payment by the *[Finance Officer/Office Administrator]*\*.
8. Using the invoices certified for payment by the *[Finance Officer]*\*, the Headteacher reviews each BACS run for correctness and completeness. The Headteacher should ensure that BACS runs are for the exact expected amount, and that each payment has a certified invoice associated with it.
9. Once the Headteacher has confirmed the BACS run created by the *[School Business Manager]*\* to be correct, the Headteacher authorises the BACS run to be issued from the NatWest online banking system. This is to incorporate separation of duties into the payment process.
   * 1. For payments by Government Procurement Card (GPC):
10. The school’s GPC should only be used to make payments if a payment by BACS is not possible.
11. The school holds one GPC with which it can make payments. The [School Business Manager and the Headteacher] are the only people permitted to use the card and access the NatWest online banking system.
12. Only the School Business Manager can make payments via GPC based on an approved purchase order. After payments are made, the School Business Manager must review them in the NatWest online banking system, attaching any VAT receipts and retaining all receipts on file. It is the responsibility of the Headteacher to then review and approve each individual transaction in the NatWest online banking system, in time to meet any cut-off dates.
13. For full guidance regarding use and management of GPCs, please refer to the Council’s GPC Guide. This is available from the Council’s GPC team, who are also responsible for dealing with questions or queries regarding GPCs.
    1. **Records Retention**
       1. All purchase orders, goods receipt notes, or equivalent documents should be retained physically or digitally for audit purposes. These should be retained for six years plus the current year.
    2. **Additional Rules for Entering into Contracts**
       1. The same approval limits, approval process and quotation requirements apply as for all other purchases, including raising a purchase order and compliance with CCC’s Procurement Guide and Contract Procedure Rules. All quotations for contracts should be based on a written specification, and retained for future review.
       2. When reviewing a request to enter a contract, the Headteacher or Governing Body (as applicable) has a responsibility to ensure that procurement requirements have been met.
       3. As per Section 2.15 of CCC’s Scheme for Financing Schools, the school must seek countersignature or approval from CCC’s School Finance Team for any contracts for a value of £60,000 or above in any one year.
       4. If the inception of a contract is approved following the normal expenditure approval process laid out in this policy, the Headteacher will enter the contract on behalf of the school. Only the Headteacher can enter into contracts on the school’s behalf.
       5. Proof of valid liability insurance must be seen and retained by the school in relation to all contractors who work at the school before they are allowed to undertake any work. For long-term or repeat contractors, proof of valid liability insurance must be re-presented to the school annually. Please note that there are additional due diligence requirements for contracts valued over £30,000 and therefore subject to the Procurement Act 2023.
       6. Where contractors are procured via an agency or management firm it is sufficient for the agency to provide proof of valid insurance on the contractor’s behalf, but the documents must still be verified by the school before any work is allowed to commence.
       7. When the delivery of the contract by the supplier has completed, a goods receipt note or equivalent record of what was delivered (such as a signed note on the invoice) must be created before any invoices can be verified for payment, as with all other expenditure. The normal process laid out in this policy for making payments is then followed. No invoice should be verified for payment without a goods receipt note or equivalent record.
    3. **Emergency cheque procedures**
       1. Schools should make all payments by BACS unless there is a legitimate reason not to. If, for any reason, expenditure by cheque does occur, the following rules must be adhered to. All the other contents of this purchasing policy still apply to cheque purchases.
       2. Only the *[Headteacher][[6]](#footnote-6)* can sign cheques on the school’s behalf, based on an appropriately approved purchase order.
       3. When a cheque is filled out, the cheque stub must:
14. Be retained for 6 years plus the current year,
15. Have the number of the associated purchase order and the name of the supplier written on it,
16. Be reviewed by the Headteacher, and signed and dated by the Headteacher as authorised prior to payment being made.
    * 1. Regular bank reconciliations should capture any unauthorised cheque payments if undertaken properly. Officers undertaking bank reconciliations should therefore be mindful to make sure that all cheque payments are accounted for when undertaking bank reconciliations.
17. **Payroll Procedures**

*N.B: Before ratifying this policy, the following roles will need to be allocated and filled into this policy, in line with your Scheme of Financial Delegation:*

1. *Staff with access to the payroll system, comprised of the Headteacher and the staff with responsibilities under (b) and (c).*
2. *Office staff permitted to make amendments to salaries (ideally 2 officers, so that nobody amends their own pay). E.g., the School Business manager and/or Finance Officer/Office Administrator.*
3. *From the staff selected under (b), one staff member who is responsible for downloading the monthly Payroll Costing Reports and Previous Pay Comparison Reports, checking them for accuracy, investigating any discrepancies, and reporting discrepancies to the Headteacher/EPM.*
   1. **Foreword**
      1. The majority of schools use EPM as their payroll provider. These procedures are written on that basis. Schools who do not use EPM should amend this model procedure in line with their payroll system but must still follow the same key controls noted here and contact the School’s Finance Team for additional guidance.
      2. This policy will be reviewed, amended if necessary, and approved on an annual basis by the Governing Body. The date of the latest approval will be noted on the version control.
   2. **Payroll System Access**
      1. The EPM system is accessed by a username and password combination unique for each user - these must never be shared. If a user thinks that their login details have been compromised, they should change their password and contact EPM immediately.
      2. Only the Headteacher, *School Business Manager and Finance Officer*[[7]](#footnote-7) have access to the payroll system. These are the “payroll officers” referred to throughout this policy. If the school wishes anyone other than the Headteacher and *School Business Manager/Finance Officer*\* to have access to the EPM online payroll system, they should consult CCC’s Schools Finance Team in advance.
   3. **Making Salary Amendments**
      1. No person is allowed to make or approve amendments to their own salary, and all amendments must include separation of duties between the person making the amendment and the person authorising it on the system. The school should consult EPM to ensure that their payroll system is configured this way.
      2. For standard payroll amendments, the amendment will be entered into the EPM online system by *[e.g. the Finance Officer or School Business Manager – specify as applicable]*. The Headteacher is then responsible for reviewing and approving the amendment in the online system if it is correct.
      3. When amendments are being made in relation to an officer with access to the payroll system, that officer should not have any involvement in making amendments to their own pay. If there is only one person other than the Headteacher with access to the payroll system in post, that payroll officer may make amendments to their own pay for the Headteacher to review and approve.
      4. Payroll amendments relating to the Headteacher will be made by the Finance Officer[[8]](#footnote-8). The School Business Manager is then responsible for approving the amendment, only once they have received an instruction from EPM to do so. For EPM to give an instruction to approve an amendment to the Headteacher’s salary, the Chair of Governors must write to EPM detailing what salary amendment has been approved for the Headteacher. A copy of this instruction must be retained on file.
      5. For all payroll amendments except inflationary increases, both the digital and physical personnel records must be updated. This means that when an amendment is made to a staff member’s salary in EPM and the school’s finance system, a document signed by the Headteacher noting the new salary amount must be included in that staff member’s physical personnel file. This is to ensure that all salary changes can be substantiated by documents showing approval for the change to be made.
   4. **Monthly Payroll Checks**
      1. Before the issuing of the final payroll every month, a Payroll Costing Report[[9]](#footnote-9) will be downloaded by *[e.g. the Finance Officer or School Business Manager – specify as applicable]*, which details additions and deductions to that month’s salaries such as overtime, sick pay, or unpaid leave. This report will be checked by the *[School Business Manager]*[[10]](#footnote-10) each month, who will investigate each addition or deduction individually by reconciling with prime records (such as overtime forms). If any discrepancies are identified, the *[School Business Manager]*\* will notify the Headteacher and EPM. The *[School Business Manager]*\* will sign off and date the report (physically or by email) when it has been checked and verified as correct.
      2. A Previous Pay Comparison Report[[11]](#footnote-11) will also be downloaded at this stage every month by *[e.g. the Finance Officer or School Business Manager – specify as applicable]*. This report identifies any variances between staff members’ basic pay for the current month and that of the month before, for all staff. This report will be checked for variances each month by the School Business Manager, who will investigate each variance individually and notify the Headteacher and EPM of any discrepancies. The *[School Business Manager]*\* will sign-off and date the report (physically or by email) when it has been checked and verified as correct.
      3. Together, these reports present all the information required to reasonably identify any errors or fraudulent amendments in the payroll. The Payroll Costing Report allows the full cost of the payroll to the school to be observed. It breaks down that cost into the individual components for each employee such as employee pension and National Insurance contributions, which can be analysed to help identify the origin of any incorrect payroll figures. The Previous Pay Comparison Report highlights all salary variances against the previous month’s pay amount for all staff, which allows all variances to be identified and investigated where necessary, even where incorrect or fraudulent amendments have been through the proper approval process.
      4. Every month, before any salary payments are made, the Headteacher must approve the final payroll in the EPM system as accurate. The Headteacher will review the Payroll Costing and Previous Pay Comparison Reports verified as correct by the School Business Manager to do this. These checks should include the Headteacher reviewing individual salary payments and variances for legitimacy and accuracy, as well as investigating and rectifying any errors, before their final approval of the payroll.
      5. The Headteacher will sign and date each payroll report themselves (physically or by email) once they are satisfied that the reports are correct, before authorising the final payroll to be issued in the system. This is to leave evidence of the checks undertaken by the Headteacher.
      6. Schools should download and review the Payroll Audit Report (where applicable) as part of the monthly payroll checking process.
      7. Further checks should be undertaken using the Payroll Reconciliation tab within SBS to ensure accurate forecasting and payments to staff reconcile to contract information.
   5. **Timesheets and Overtime Forms**
      1. For casual or overtime work, all timesheets or overtime forms must be signed-off by the Headteacher and include the employee’s name, the date (or range of dates) to which the form relates, and the number of hours worked. All these pieces of information are required for a timesheet/overtime form to be valid, and will be reviewed when verifying the correctness of salaries before they are paid.
4. **Procedures for Collecting and Banking Cash**

*N.B: Before ratifying this policy, the following roles and values will need to be allocated/specified and filled into this policy, in line with your Scheme of Financial Delegation:*

1. *The staff member/s who can collect and record cash receipts on behalf of the school (e.g. Office Administrator). This must not be the same staff selected under (b) or (c).*
2. *Staff members responsible for counting cash in the safe before banking (ideally two people if staff numbers allow) and preparing cash to be banked. This must not be the same staff selected under (a).*
3. *Staff members responsible for banking income on a minimum monthly basis. This must not be the same staff selected under (a).*
4. *The maximum amount of cash allowed in the safe, which must not be higher than the safe’s insurance limit.*
5. *Who is responsible for undertaking monthly bank reconciliations.*
6. *The regularity at which the Headteacher will personally reconcile cash receipts to cash banked.*
   1. **Foreword**
      1. The risks of fraud and theft associated with the handing of cash disproportionately outweigh the benefits of using cash over digital means of payment. Consequently, Cambridgeshire County Council recommend that all schools should move to a fully cashless financial system wherever possible.

*N.B: (for advice on moving to a fully cashless system, please contact CCC’s School Finance Team).*

* + 1. Where it is not yet possible to move to an entirely cashless system of operation, schools should aim to minimise the use of cash by requesting parents/guardians make all payments via digital means. When a payment does need to be made by cash, this procedure for recording and banking the cash must be followed.
    2. This procedure will be reviewed, amended if necessary, and approved on an annual basis by the Governing Body. The date of the latest approval will be noted on the version control.
    3. To ensure adequate separation of duties in the cash collection and banking process, different people should undertake the following duties:

1. Collecting or receiving money;
2. Recording cash receipts;
3. Counting receipts before banking (ideally by two people, not those who recorded or will bank the receipts);
4. Banking receipts;
5. Reviewing and reconciling receipts to cash banked.

*N.B: it should be specified on this policy who is going to undertake the above duties before the procedure is brought into place.*

* + 1. The separation of duties outlined above at Section 3.1.5 would demonstrate best practice to mitigate the loss or theft of cash as much as is practically possible. Where the number of staff is not sufficient to achieve such separation of duties, as a minimum, the person reviewing and reconciling receipts to cash banked must not be the person responsible for collecting and/or banking receipts. This must be the only exception, and only applied where the full separation of duties outlined above is not possible.
  1. **Collecting/Receiving Money**
     1. Teachers and support staff should not handle or accept cash from pupils. If a child tries to make a payment in cash, direct them to the school office so that office staff can record and process the cash.
     2. When cash is received by a member of office staff, it should be counted twice to ensure correctness.
  2. **Recording and banking receipts**
     1. The incoming cash should be recorded in a receipt book which is retained, and a receipt should be issued to the person making the cash payment.
     2. No receipt is to be altered. If a mistake is made, approval must be sought from the Headteacher and evidenced before reversing the incorrect receipt. Copies of the incorrect receipt should be retained with details of why it was reversed.
     3. After a receipt has been issued, the income should be recorded in the school’s digital financial system (e.g. FMS).
     4. All cash must be stored in the safe until it is banked. Access to the safe must remain restricted only to those who need it, and an up-to-date register of who has access to the safe must be maintained.
     5. Cash held in the safe cannot be used as a float or “petty cash” fund for any purposes, i.e., all money in the safe must stay there until it is paid into the bank, with none being removed to pay for anything else.
     6. Cash in the safe should be counted before going to the bank, to ensure that no cash has gone missing before it goes to the bank. This count should be undertaken by *[specify role/s, not the same person who records or banks receipts]*, and ideally counted by two people together. Cash must never be counted in view of children, parents, or any other persons who are not school staff.
     7. When preparing cash to be banked, a paying in slip will be filled in as appropriate by the *[specify role]*, to be submitted with the cash.
     8. Cash being deposited must be enclosed in a deposit bag/envelope as required by the bank. A copy of the paying in slip must always be retained for bank reconciliations.
     9. Income should be banked at least monthly as far as possible, with visits to the bank not following a regular pattern. Cash held before being banked must not exceed the insurance limit of the school’s safe *[specify value]*. Cash must always be banked before school holiday periods.
     10. On handing cash over to the bank, all employees should ensure that they receive a receipt/stamped paying in slip. These receipts should be retained.
  3. **Reviewing and reconciling receipts to cash banked**
     1. When the monthly bank reconciliation is undertaken by the *[specify role in line with your Scheme of Financial Delegation]*, any discrepancies between the expected and actual values of cash banked must be reported to the Headteacher. Unreconciled items reports must always be downloaded and kept for future review, even where they show no unreconciled items.
     2. The Headteacher will carry out regular *(e.g. monthly or half-termly, specify as applicable)* reconciliations of receipts to cash banked.
     3. If the Headteacher suspects loss or theft of cash at any time, they should notify CCC Internal Audit and the Insurance team immediately. The Headteacher or any school staff should not take any steps to investigate the possible loss or theft themselves. The suspicion should not be disclosed to any other person, including school staff or those suspected of theft.

CCC Internal Audit can be contacted via email at internal.audit@cambridgeshire.gov.uk or through any of the avenues in the Council’s Whistleblowing Policy.

1. **Income Collection and Debt Recovery Procedures**

*N.B: Before ratifying this policy, the following roles will need to be allocated and filled into this policy, in line with your Scheme of Financial Delegation:*

1. *The staff member/s responsible for keeping the school’s digital financial system updated with information from the debt register, and raising income expectations.*
2. *The staff members responsible for undertaking each step of the “Chasing Debts” section of this policy, which must be filled in as agreed by your Governing Body.*
   1. **Foreword**
      1. Instances of parents, guardians or other counterparties becoming indebted to the school should be prevented wherever possible through clear communications. If it becomes apparent to school staff that a debt is likely to accrue, the Headteacher should be notified to consider whether there are any available measures to avoid accrual of the debt or support the family where applicable/eligible. It should be made clear in relation to all transactions that payment needs to be made on time, in advance of the associated goods or services being provided.

*N.B: Schools may wish to implement their own separate policies surrounding identifying and chasing different types of debt, such as those for school dinners, trips, and lettings debt. These could include provisions for supporting families of pupils where necessary.*

* + 1. This policy will be reviewed, amended if necessary, and approved on an annual basis by the Governing Body, including write-off limits. The date of the latest approval will be noted on the version control.
  1. **Recording Debts**
     1. All debts and payments towards debts must be recorded on a register which is maintained and retained, including historical records to allow reviews of individual debtors over time. The dates of all transactions (accruals, payments, or write-offs of debt) must be recorded.
     2. If this debt register is held separately to the school’s main financial system (e.g. FMS), the details of expected income and any associated debts need to be kept up-to-date on the school’s financial system by the *[specify role]*. For lettings, or transactions where an invoice is issued, an income expectation should be raised on the system. Where the exact amount of income expected cannot be quantified (e.g. for one term of school dinner sales), an estimate should be raised as an income expectation before the associated goods or services are provided by the school.
     3. For activities like catering provision where exact income expectations are not quantified, these estimates should be reviewed termly based on actual sales. If these regular reviews reveal any trends (such as increased frequency of debt or overall lower income), the Governing Body should be notified to consider whether it is a reflection of any wider financial issues in the community that the school can act on.
     4. Debt reports should be downloaded from the school’s finance system (e.g. FMS) on a monthly basis, and retained for audit purposes.
  2. **Chasing Debts**
     1. When a payment is not made by the time it is due, it becomes a debt belonging to the parent/guardian of the pupil it relates to, or other counterparty where applicable (e.g. lettings debts).

*To fill in the remainder of this section, the school’s Governing Body should agree and approve a debt recovery procedure to be followed when a debt forms, and write it here. They may wish this procedure to include steps such as:*

1. *Letter to the parent/guardian/debtor;*
2. *Phone call from finance office staff;*
3. *Phone call from the School Business Manager or Deputy Headteacher;*
4. *Phone call from the Headteacher;*
5. *Potential write-off of all or part of the debt, or pursuing other recovery methods for commercial (e.g. lettings) debt.*

*Each step should have a set timeframe associated with it (e.g. a letter to the debtor at the end of the week after the debt is incurred, and the first phone call a week after that). This procedure should be followed for all debts owed to the school.*

*The school may wish to have different procedures for different types of debt – e.g. lettings debts may result in termination of the letting agreement after repeated defaults, but school dinner debts will not result in non-provision of school dinners until the debt reaches a certain amount.*

* 1. **Writing-off Debts**
     1. No debts will be written-off without proper authorisation. The Governing Body have the power to write-off debts up to a value of £500. Decisions around debt write-offs must be clearly noted in Governors’ meeting minutes to allow for retrospective review. Schools Corporate team should be made aware of debt write off on a termly basis.
     2. To write-off debts above £500, the Governing Body must be informed but approval to actually write-off the debt must be given by Cambridgeshire County Council’s Chief Finance Officer Please submit these requests through the Schools Corporate finance team using Bank.Account@Cambridgeshire.gov.uk.
     3. All debt write-offs must be recorded on the debt register and those records retained, including the signature or email approval for the debt to be written off. Write-offs must also be recorded as expenses in the school’s finance system.

1. **Procedures for Scrutinising and Approving Requests for Agency Staff** 
   1. **Purpose**
      1. This policy establishes a consistent and transparent procedure for evaluating and approving requests for agency staff across all schools. It applies to all school staff responsible for staffing decisions, including headteachers, HR personnel, and finance officers, and aims to:

* Ensure agency staff are only procured when absolutely necessary
* Promote cost-effective staffing solutions
* Encourage internal resource optimisation
* Uphold best practices in procurement

**5.2** **Pre-Procurement Scrutiny Checklist**

5.2.1 Before initiating any request for agency staff, the following checklist must be completed and documented:

| **Question** | **Response** | **Notes/Justification** |
| --- | --- | --- |
| Are there existing staff (e.g., SLT, TAs) who can temporarily cover? | Yes / No |  |
| Are any zero-hours contract staff available and willing to cover? | Yes / No |  |
| Can part-time teachers increase their hours to provide cover? | Yes / No |  |
| Has internal redeployment been considered and exhausted? | Yes / No |  |
| Is the absence long-term or short-term? | Short / Long |  |
| What is the impact on pupils if cover is not provided? | High / Medium / Low |  |
| Has the cost of agency staff been compared to internal alternatives? | Yes / No |  |

5.2.2 This checklist must be signed off by the Headteacher or designated senior leader before proceeding.

**5.3 Best Practice for Procuring Agency Staff**

5.3.1 When agency staff are deemed necessary, schools must follow these procurement best practices:

* Use approved frameworks, such as the DfE’s STaTS (Supply Teachers and Temporary Staff) framework
* Run a mini-competition among approved suppliers to ensure best value (see STaTS section 8.3)
* Compare hourly/daily rates, cancellation policies, and service quality
* Document the rationale for selecting a particular agency

**5.4 Waivers and Exemptions**

5.4.1 In exceptional circumstances, schools may bypass standard procurement processes. Examples include:

* Emergency cover required within 24 hours
* No suitable candidates available through framework providers
* Specialist roles not covered by existing frameworks

5.4.2Procedure for Waiver/Exemption:

* Complete a waiver request detailing the justification
* Obtain approval from the school’s procurement officer or governing body
* Obtain approval from Strategic Finance Manager responsible for Children’s and Schools. Please send requests to [bank.account@cambridgeshire.gov.uk](mailto:bank.account@cambridgeshire.gov.uk)
* Retain documentation for audit purposes

5.4.3 All decisions, checklists, and procurement records must be:

* Stored securely for a minimum of 3 years
* Available for inspection by auditors or governing bodies
* Reviewed annually to ensure compliance and effectiveness

1. Change as applicable [↑](#footnote-ref-1)
2. A contract value must be calculated over the total term of the contract including any extension options. Please note there are restrictions on how a contract may be extended once it is in place so its important to get this right to begin with. [↑](#footnote-ref-2)
3. Change as applicable [↑](#footnote-ref-3)
4. Change as applicable [↑](#footnote-ref-4)
5. Change as applicable [↑](#footnote-ref-5)
6. Change as applicable [↑](#footnote-ref-6)
7. Change as applicable [↑](#footnote-ref-7)
8. Change as applicable [↑](#footnote-ref-8)
9. If your school uses an alternative payroll system to EPM, you should use the most comparable report available from your payroll system provider. [↑](#footnote-ref-9)
10. Change as applicable [↑](#footnote-ref-10)
11. If your school uses an alternative payroll system to EPM, you should use the most comparable report available from your payroll system provider. [↑](#footnote-ref-11)