BELMONT COMMUNITY PRIMARY SCHOOL

School Finance Policy 2026/27

Every Child Matters. Every Moment Counts.

Status	Approved
Based on	Lincolnshire County Council Draft School Finance Policy – August 2026
Governance model	Circular Governing Body model – collective financial responsibility
Approval date	7th October 2026
Review date	6th October 2027

1. Introduction

The Governing Body recognises that it is ultimately responsible for the financial management of the school and has produced this policy document to help it fulfil those responsibilities.

This policy is based on the Lincolnshire County Council (LCC) Draft School Finance Policy issued in August 2026. The LCC document states that its draft can be adopted and amended to suit an individual school's needs. Belmont has therefore adapted the governance arrangements to reflect its circular Governing Body model while retaining the financial responsibilities and controls set out in the LCC model.

2. Organisation and governance

Belmont Community Primary School operates a circular Governing Body model. The Governing Body retains collective responsibility for the financial management and oversight of the school.

The Governing Body will consider financial matters as part of its regular meetings. It may establish temporary working groups or delegate specific functions where appropriate, but any delegation will be recorded and will not remove the Governing Body's overall responsibility for ensuring effective financial management.

There is no separate Finance Committee at Belmont. References in the LCC model to a Finance Committee have therefore been adapted in this policy so that the relevant responsibility rests with the Governing Body or, where appropriate, the Headteacher or other named staff member.

Governors and staff will maintain strict confidentiality with respect to payroll and other sensitive financial information presented to them.

3. Roles and responsibilities

3.1 The Governing Body

- agree and record in writing the roles and responsibilities of the Governing Body, Headteacher and relevant staff;
- review those roles and responsibilities on an annual basis;
- approve the school's budget each year, ensuring that a copy of the detailed budget report is attached to the minutes;
- share the detailed medium-term finance plan with the Local Authority within the specified timescale;
- approve the school's original and revised finance plans each year;
- take appropriate steps to ensure that the school's budget does not overspend;
- contact the Local Authority and seek approval to overspend where this seems unavoidable; school funds must not be used to offset budget deficits;
- authorise the school's applications for loans from the County Council;
- satisfy itself that the Headteacher and staff with delegated financial responsibilities are fulfilling their responsibilities as set out in this policy;
- review detailed budget monitoring reports each term, ensuring that copies are attached to the minutes;
- record in writing the transaction/process authorisation limits and other relevant limits relating to the school's financial system;
- agree the school's virement policy;
- clearly state the financial levels delegated to individuals, including responsibilities for procuring goods/services, placing orders, receipting goods and virements;
- establish the school's charging policy and review it on an annual basis;
- ensure that the school fund is audited each year;
- ensure that a signed statement confirming that the school fund has been audited is issued to the County Council within its specified timescale;
- ensure that the school fund has been appropriately used during the financial year;
- review the financial training needs of governors, the Headteacher and staff on an annual basis and fund training needs as appropriate;
- ensure that the school's Register of Business Interests and Conflict of Interests is kept up to date;
- ensure that the school complies with the Local Authority's guidance relating to Extended Schools, including ensuring that the main budget share does not subsidise extended school activities;
- ensure that the Schools Financial Value Standard is completed and signed each year;
- review this Finance Policy on an annual basis.

3.2 The Headteacher

- familiarise themselves with this policy and their financial responsibilities;
- draft budget papers;
- draft original and revised finance plans;
- ensure that School Development Plan priorities are properly costed and linked to the school's budget and finance plan;
- monitor the budget on a monthly basis;
- oversee the day-to-day running of the school's financial administration and ensure that the County Council's timetable is adhered to;
- ensure that proper checks and controls are in place to cover day-to-day activities;

- authorise transactions/processes within the school's financial system up to the limits agreed by the Governing Body;
- act as an authorised signatory for the purposes of signing cheques, certifying employee claims and similar functions;
- review reconciliations and returns regularly and initial documents as evidence that checks have been carried out;
- ensure that forecasts are entered into the financial system regularly, as a minimum three times a year to coincide with governor meetings;
- monitor that a detailed employee costs report is run monthly and that reconciliation and appropriate checks are completed;
- ensure that school fund records are kept up to date;
- ensure that the school fund's annual accounts are prepared, audited and approved by the full Governing Body and submitted to the Local Authority within the specified timescale;
- agree virements up to the authorised limit set out in Appendix B;
- ensure that income collected by external companies is reconciled regularly;
- ensure VAT is correctly accounted for;
- ensure an inventory is maintained;
- ensure that delegated budgets operate within a similar control regime, including budget monitoring and reporting;
- ensure that assets with a value up to £20,000 are disposed of in accordance with the guidance set out in Section D of the Finance Handbook.

3.3 Administrator / Business Manager / Bursar

- maintain the accounting records using the school's financial package;
- carry out transactions/processes within the school's financial system up to limits agreed by the Governing Body;
- ensure that the Local Authority timetable for bank and other reconciliations is adhered to;
- contact the Schools Finance Helpdesk with concerns or queries regarding financial administration;
- ensure that purchase orders are raised prior to ordering goods/services wherever possible to aid effective budget monitoring and management;
- ensure that payments are made to suppliers within LCC's payment policy, i.e. 28 days from the date of the invoice;
- ensure that claims for Sickness Absence Insurance are made promptly and no later than one month after the relevant period;
- ensure that payroll reports are generated and reviewed monthly and that a comprehensive payroll reconciliation is completed each month;
- ensure that income collected by an external company is recorded accurately on the finance system and reconciled regularly;
- ensure that forecasts are entered into the financial system regularly, as a minimum three times a year to coincide with governor meetings;
- undertake monthly monitoring of income and expenditure transactions.

4. Authorisation limits

The Governing Body will approve and record the financial authorisation limits applicable to staff. The agreed limits will be reviewed at least annually and whenever there is a material change to roles or financial systems.

Role	Purchase order / invoice limit	Notes
Administrator / Business Manager / Bursar	Up to £1,000	
Headteacher	Up to £5,000	
Chair of Governors	Between £5,000-£10,000	
Governors	Over £10,000	3 quotes should be presented to governors

5. Virement policy

Virements are in-year changes between budgets, for example moving money from one budget heading to another.

The school's virement policy forms part of this Finance Policy. The Governing Body will set the level above which a virement requires a resolution of the full Governing Body.

Role / approval level	Agreed limit
Full Governing Body approval required for virements between departments	
Headteacher / Business Manager	Up to £5,000 within the same department

The LCC model identifies £5,000 as the recommended limit for delegating responsibility for virements to the Headteacher. Belmont will confirm its own limit in the table above.

6. Purchase cards

This section applies if the school operates a purchasing or similar card. Each cardholder will have a single transaction limit and monthly credit limit approved by the Governing Body.

Cardholder / designation	Single transaction limit	Monthly credit limit
Business Manager	£800	£1,000
Headteacher	£800	£1,000
Caretaker	£250	£600

7. Training

The Governing Body recognises the importance of financial training for governors and staff in helping them fulfil their responsibilities in relation to the financial management of the school.

The training needs of all governors and staff will be reviewed each year. Appropriate budgetary provision will be made where necessary, and governors and staff will be actively encouraged to undertake relevant training. A programme of training is available through the Local Authority.

8. Budget setting

The Governing Body recognises the importance of setting a detailed budget at the start of the year.

The Headteacher will draft a detailed budget for each line of income and expenditure. The budget will be re-evaluated each year and presented to the Governing Body for consideration and approval.

The Headteacher will include options for increased spending, as set out in the School Development Plan, and options for cost-cutting measures where appropriate.

9. Budget monitoring

The Governing Body recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under- and overspendings.

The Headteacher will monitor the budget monthly by reviewing reports from the school's financial system for errors, miscodings, large or unusual items and potential underspending or overspending against budget, and will act promptly where appropriate.

As part of regular budget monitoring, the Governing Body will review forecasts entered into the financial system at least three times a year.

10. Financial administration

The Governing Body recognises the importance of proper financial administration to safeguard against inaccuracies and out-of-date information being used to make erroneous financial decisions.

The Governing Body holds strategic responsibility for ensuring that all school funds are managed appropriately and in line with financial regulations. School funds must not be used to offset budget deficits.

The Headteacher will monitor the financial administration functions carried out by the administrator / bursar, ensuring that accounting systems are kept up to date, forecasts are submitted as required, sickness claims are completed in accordance with the Local Authority's timetable, monthly payroll reconciliation is completed, appropriate action is taken where the Local Authority identifies issues, and regular reconciliations are completed where income is collected by an external company.

11. Reporting

The Governing Body recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the school.

The Headteacher will prepare budget monitoring reports for consideration by the Governing Body.

Reports will include, for each line of income and expenditure, including Government Grants: actual expenditure to date; original budget; changes to the budget (virements); revised budget; variance; percentage spent; forecast; and forecast variance.

In addition to reports available through the school's financial system, the school will use the Local Authority's Medium Term Finance Planning software to prepare finance plans and budget monitoring reports for governors.

12. Financial planning

The Governing Body recognises the importance of financial planning beyond the current year.

The Headteacher will prepare a financial plan covering the next five years. The plan will show projected numbers on roll and the impact this has on the school's budget share, expenditure and carry forward.

The level of detail shown will include, as a minimum, the information required to produce a comprehensive financial plan and budget monitoring reports for governors, in line with the school's chosen financial planning system.

The plan will include contingency plans, setting out proposals for dealing with variations including, in particular, changes in projected pupil numbers.

The Governing Body will consider the impact that the medium-term finance plan may have upon staffing levels and develop outline plans and strategies for avoiding redundancy costs for future years.

13. Audit

The Governing Body recognises the importance of the County Council's audit regime in assessing the adequacy of the school's financial controls.

The Governing Body and Headteacher will ensure that auditors are given access to staff, all relevant records and property as auditors consider necessary.

The Headteacher will ensure that audit recommendations are implemented as soon as possible.

The Headteacher will familiarise themselves with the Financial Procedures and Finance Handbook, which provide guidance on best practice, internal controls and statutory requirements.

14. Annual timetable

The Governing Body recognises the importance of planning its financial management work throughout the year.

The Headteacher will draw up an annual timetable of key events and submit it annually to the final full Governing Body meeting in each financial year.

15. School fund

The Governing Body will ensure that the school fund is appropriately used, that records are maintained, and that the annual accounts are prepared, audited and approved by the full Governing Body and submitted to the Local Authority within the specified timescale.

16. Income collected by an external company

Where the school enters into an agreement with an external company to collect income from parents by credit or debit card for activities such as meals, trips or uniform, the arrangement will be recorded below.

Item	School arrangement
Company	ParentMail
Frequency of payments to school	Weekly
Frequency of income reconciliations	When received
Responsible person	Business Manager

17. Review

The Governing Body recognises the importance of keeping this Finance Policy up to date and will review it on an annual basis, or sooner where there is a significant change to Local Authority requirements, legislation, the school's financial systems or its governance arrangements.