

Sydenham School

Financial Procedures



High
Performance
Learning

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1. Debt Recovery

1.1. General requirements

The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- the Governing Body will approve the write-off of all debts, stocks, stores and surplus assets in line with the Write-Off Policy
- all such write-offs will be recorded in in line with the Write-Off Policy
- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- the school will seek the advice of the Council's Legal Services Section should they consider taking legal or other action to recover the debt.

In general payment for all goods and services supplied by the school should be collected in advance or 'at the point of sale'.

The procedures to secure the collection of all debts are outlined below and should be followed by all School staff.

1.2. Acceptable 'credit period'

The Governing Body has determined the length of time they deem as an acceptable 'credit settlement period' before the debt recovery procedures are applied.

The Governing Body may consider that an 'acceptable' credit period may vary between different income generating activities, for example:

- School lettings – 30 days
- Trips and activities – to be paid in full by the time the trip/ visit takes place.

Debt recovery procedures should be applied in accordance with item 1.4 of this policy.

1.3. Reporting of outstanding debt levels

The Head teacher will ensure that the level of outstanding debt is regularly monitored.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance & Resources Committee.

The *Finance Committee* will review the level of outstanding debts every *term* to determine whether this level is acceptable and whether action to recover debts is effective.

(Monitoring of outstanding debts may be differentiated by type, e.g., if lettings debts prove more of a problem, then the frequency and degree of monitoring should reflect this).

1.4. Debt Recovery Procedures

Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', the following process should be applied:

1. An invoice should be issued on official school stationery for the full amount to officially set up the debt. Where invoices are raised, they should state the date by which payment is due.
2. In all other cases (such as correspondence with parents etc.) the maximum period that the school regards as reasonable before payment is overdue should be clearly stated. For example, contributions for a school trip should be received by the date the trip takes place, and payment for items purchased should be paid prior to item being collected.
3. A record of all goods and services will be maintained detailing:
 - type of good/services supplied;
 - value;
 - date(s) good/services supplied; and
 - the identity of the 'debtor', e.g., parent, hirer, etc.

1.5. Verbal and Written Reminders

1.5.a. Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

1.5.b. Initial 'overdue payment' reminder

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone.

In general, the Finance Officer will notify the parent/guardian.

The date of the initial reminder should be recorded.

1.5.c. First 'overdue payment' reminder letter

A formal reminder letter should be issued 2 weeks after the informal reminder.

If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e., at the time that the debt first became overdue.

The date of the initial reminder should be recorded.

1.5.d. Second 'overdue payment' reminder letter

A second reminder letter will be issued 2 weeks after the First Reminder Letter.

The date of the initial reminder should be recorded.

1.6. Failure to respond to reminders / settle a debt

If after 2 reminders, a response or payment is not received, a letter will be sent to the debtor advising them that the matter will be referred to the school's legal advisers. At the discretion of the Director of Resources the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the Finance Committee

1.7. Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

However, if people are unable to pay, the school may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account:

- Hardship - where paying the debt would cause financial hardship.
- Ill health - where our recovery action might cause further ill health.
- Time - where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost - where the value of the debt is less than the cost of recovering it.
- Multiple debt - where someone owes more than one debt to the school. In this situation an attempt to agree one repayment plan to include all debts will be established.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

If a debtor requests 'repayment terms' these may be negotiated at the discretion of the Director of Resources.

A record of all such agreements entered will be retained.

In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

The settlement period should be the shortest that is judged reasonable.

The Director of Resources will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the Finance and Resources Committee.

1.8. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Finance and Resources Committee will decide whether to seek to recover such costs from the debtor.

The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt.

This decision and its basis will be recorded and reported to the Finance and Resources Committee.

1.9. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools.

Write-off of any debt requires the written approval of the Finance and Resources Committee.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

1.10. Policy Review

This policy will be reviewed and approved annually by the Finance and Resources Committee and reported to the Full Governing Body.

2. Charging & Remission

2.1. Aims

Our school aims to:

- Have robust, clear processes in place for charging and remissions
- Clearly set out the types of activity that can be charged for and when charges will be made

2.2. Legislation and guidance

This policy is based on advice from the Department for Education (DfE) on charging for school activities and the Education Act 1996, sections 449-462 of which set out the law on charging for school activities in maintained schools in England.

2.3. Definitions

- Charge: a fee payable for specifically defined activities
- Remission: the cancellation of a charge which would normally be payable

2.4. Roles and responsibilities

2.4.a The Governing Board

The governing board has overall responsibility for approving the charging and remissions policy, but can delegate this to a committee, an individual governor or the Headteacher.

The governing board also has overall responsibility for monitoring the implementation of this policy.

In our school, responsibility for approving and monitoring the charging and remissions policy has been delegated to the Finance and Resources Committee.

2.4.b. The Headteacher

The Headteacher is responsible for ensuring staff are familiar with the charging and remissions policy, and that it is being applied consistently.

2.4.c. Staff

Our staff are responsible for:

- Implementing the charging and remissions policy consistently
- Notifying the Headteacher of any specific circumstances which they are unsure about or where they are not certain if the policy applies

The senior leadership team will provide staff with appropriate training in relation to this policy and its implementation.

2.4.d. Parents

Parents are expected to notify staff or the Headteacher of any concerns or queries regarding the charging and remissions policy.

2.5. Where charges cannot be made

Below we set out **what the school cannot charge for**:

2.5.a. Education

1. Admission applications
2. Education provided during school hours (including the supply of any materials, books, instruments, or other equipment)
3. Education provided outside school hours if it is part of:
 - a. The national curriculum
 - b. A syllabus for a prescribed public examination that the pupil is being prepared for at the school
 - c. Religious education
4. Instrumental or vocal tuition, for pupils learning individually or in groups, unless the tuition is provided at the request of the pupil's parent
5. Entry for a prescribed public examination if the pupil has been prepared for it at the school
6. Examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school

2.5.b. Transport

1. Transporting registered pupils to or from the school premises, where the local authority has a statutory obligation to provide transport
2. Transporting registered pupils to other premises where the governing board or local authority has arranged for pupils to be educated
3. Transport that enables a pupil to meet an examination requirement when he or she has been prepared for that examination at the school
4. Transport provided in connection with an educational visit

2.5.c. Residential visits

1. Education provided on any visit that takes place during school hours
2. Education provided on any visit that takes place outside school hours if it is part of:
 - a. The national curriculum
 - b. A syllabus for a prescribed public examination that the pupil is being prepared for at the school
 - c. Religious education
3. Supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit

2.6. Where charges can be made

Below we set out **what the school can charge for**:

2.6.a. Education

1. Any materials, books, instruments, or equipment, where the child's parent wishes him or her to own them
2. Optional extras (see below)
3. Music and vocal tuition, in limited circumstances
4. Certain early years provision
5. Community facilities

2.6.b. Optional extras

We are able to charge for activities known as 'optional extras'. In these cases, the school can charge for providing materials, books, instruments, or equipment. The following are optional extras:

1. Education provided outside of school time that is not part of:
 - a) The national curriculum
 - b) A syllabus for a prescribed public examination that the pupil is being prepared for at the school
 - c) Religious education
2. Examination entry fee(s) if the registered pupil has not been prepared for the examination(s) at the school
3. Transport (other than transport that is required to take the pupil to school or to other premises where the local authority/governing board has arranged for the pupil to be provided with education)
4. Board and lodging for a pupil on a residential visit
5. Extended day services offered to pupils (such as breakfast clubs, after-school clubs, tea, and supervised homework sessions)

When calculating the cost of optional extras, an amount may be included in relation to:

1. Any materials, books, instruments, or equipment provided in connection with the optional extra
2. The cost of buildings and accommodation
3. Non-teaching staff
4. Teaching staff engaged under contracts for services purely to provide an optional extra (including supply teachers engaged specifically to provide the optional extra)
5. The cost, or an appropriate proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, or vocal tuition, where the tuition is an optional extra

Any charge made in respect of individual pupils will not be greater than the actual cost of providing the optional extra activity, divided equally by the number of pupils participating.

Any charge will not include an element of subsidy for any other pupils who wish to take part in the activity but whose parents are unwilling or unable to pay the full charge.

In cases where a small proportion of the activity takes place during school hours, the charge cannot include the cost of alternative provision for those pupils who do not wish to participate.

Parental agreement is necessary for the provision of an optional extra which is to be charged for.

2.6.c. Music tuition

The school can charge for vocal or instrumental tuition provided either individually or to groups of pupils, provided that the tuition is provided at the request of the pupil's parent.

Charges may not exceed the cost of the provision, including the cost of the staff giving the tuition.

Charges cannot be made:

- If the teaching is an essential part of the national curriculum
- If the teaching is provided under the first access to the Key Stage 2 instrumental and vocal tuition programme
- For a pupil who is looked after by a local authority

2.6.d. Residential visits

We can charge for board and lodging on residential visits, but the charge must not exceed the actual cost.

2.7. Voluntary contributions

As an exception to the requirements set out in section 5 of this policy, the school can ask for voluntary contributions from parents to fund activities during school hours which would not otherwise be possible.

Some activities for which the school may ask parents for voluntary contributions include:

- School trips and visits
- Resources for some technical subjects where the item made is taken home.

There is no obligation for parents to make any contribution, and no child will be excluded from an activity if their parents are unwilling or unable to pay. If the school is unable to raise enough funds for an activity or visit, then it will be cancelled.

2.8. Activities this school charges for

The school will charge for the following activities:

1. Music tuition which is not part of the national curriculum - details shared when places offered
2. Taking part in the Duke of Edinburgh award Scheme – details shared when places offered
3. Some after-school and sports clubs where third-party costs apply (such as external coaches taking the session) to cover the cost of the session

For regular activities, the charges for each activity will be determined by the governing board and reviewed in September each year. Parents will be informed of the charges for the coming year when activities are offered.

2.9. Remissions

In some circumstances the school may not charge for items or activities set out in sections 6 and 8 of this policy. This will be at the discretion of the governing board and will depend on the activity in question.

Students who are deemed to fit the Pupil Premium criteria would not normally be charged for Music Lessons for 1 instrument and will receive a subsidy for taking part in the Duke of Edinburgh Scheme

2.9.a. Remissions for residential visits

Parents who can prove they are in receipt of the following benefits will be exempt from paying the cost of board and lodging for residential visits:

- Free School Meals and Pupil Premium Students

A pupil having an entitlement to Pupil Premium will also be considered when applying an exemption, partially or, from charges attached to trips, visits, and extra-curricular activities.

2.10. Monitoring arrangements

The Finance Officer monitors charges and remissions and ensures these comply with this policy.

This policy will be reviewed by Director of Resources every 2 years. At every review, the policy will be approved by Finance and Resources Committee.

3. TOIL Policy/Breaks Policy

3.1. Introduction

It is expected that staff can complete their job within their contracted hours. However, whilst it is not encouraged, it is recognised that on occasions staff may need to work additional time, thereby accruing TOIL. It is the line manager's responsibility to ensure that staff do not regularly exceed their contracted hours. If a member of staff's time sheet indicates to the manager that this might be the case, it is the manager's responsibilities to address the issue with the member of staff, to, at least, reduce the amount of additional time being worked.

From time to time, the hours worked by employees may exceed their contracted hours. This may be due to evening meetings, trips or visits or there may be an occasional unplanned yet urgent need to extend the working day.

3.2. Aim of the policy

To promote fairness and equality across Sydenham School this policy has been drafted to provide guidance to employees and managers when actual hours of work are more than contracted hours of work.

3.3. Objectives of the policy

- To clarify the different terms used when talking about additional working time.
- To outline the different processes available to employees to compensate them for their time and flexibility.
- To promote safety in the workplace by being able to track employees easily, especially those employees working outside traditional work hours.

3.4. Outcome of the policy

To compensate employees appropriately for any additional hours worked.

3.5. Definition of Terms

3.5.a. Time off in lieu (TOIL)

Time off in Lieu (TOIL) is defined as time taken off to compensate for planned (or occasionally unplanned) time worked in addition to contracted hours. There is no provision for overtime to be paid under TOIL.

Time off in lieu will be accrued when a member of staff works, at the request, or with the agreement of their line manager, beyond their contracted hours. The time worked must be a minimum of thirty minutes worked in a single period.

3.6. Breaks

Sydenham School promotes healthy working and staff should take their full contractual unpaid break entitlement. For most support staff, this will be an hour a day.

In line with the requirements of the Working Time Regulations 1998 staff are required by law to have a minimum unpaid rest period of 30 minutes for every 6 hours worked consecutively.

Staff should be aware of their own responsibility to ensure that they comply with this legislation. If you are unable to take your lunch break at your usual time you should try, as far as possible, to take your break at another time that day.

Line managers also have a responsibility for ensuring staff within their team take their allocated lunch break.

3.7. Principles of the guidance

3.7.a. Authorisation

As far as possible, employees should avoid working additional hours. If it is necessary, then it should be agreed in advance with their Line Manager.

When an employee identifies additional hours which might justify TOIL, he/she should raise this with his/her Line Manager. If the additional hours are agreed, the employee should complete the TOIL record sheet (Appendix 1) for sign off. TOIL will only be granted if this is completed in advance and agreed with the relevant manager.

3.7.b. Procedure to be followed by staff

1. As far as practicable an employee must agree with their line manager, prior to working outside their contracted hours that specific tasks cannot be undertaken in their normal work hours and therefore TOIL will result. For example: Employee A works 8am – 4pm but must complete a project by 6pm. With the agreement of their line manager, the employee works until 5pm to complete the work, thereby accruing an hour of TOIL.
2. In the instance of it not being possible to gain the agreement of the line manager beforehand, the employee should inform the line manager as soon as possible (within 24 hours) of the extra hours worked. Failure to notify the line manager may result in the loss of hours.
3. If an employee must work slightly earlier or later than their contractual time for example to attend meeting, then this time should NOT be accrued as TOIL. An employee who attends work half an hour early for work reasons may leave half an hour earlier the same day or the next working day, but this must be agreed in advance with the line manager.
4. The employee must record the date, time, duration and reason for any 'out of hours' duties on the TOIL record sheet.
5. At the end of each week the employee should calculate the additional time engaged in 'out of hours' duties. ('The TOIL hours') and agree with their line manager a suitable time to take any time owed.
6. TOIL should be taken as soon as practicably possible after it has been accrued. If this is not possible it must be taken within 1 month (settlement period) of accrual.
7. TOIL accrued and not redeemed as outlined will be considered lost and no monetary compensation will be offered. TOIL not taken within 1 month of accrual will be lost.
 - a) Only in exceptional circumstances and with prior consent of the line manager and the HR Manager, TOIL hours not exceeding two days in any settlement period may be carried forward.
 - b) The maximum number of accrued hours can be no more than the equivalent of one day's work/one shift within each calendar month. For example, if you work 5 hours per week, you cannot accrue more than 5 hours per month. Only with good reason and the approval of the HR Manager can these limits be exceeded
 - c) The HR Manager may in exceptional circumstances agree a variation of these rules if the service requirements allow/permit.

3.7.c. Procedures to be followed by Managers

Managers must ensure that:

1. They must monitor the work done and grant permission for all work outside of normal hours
2. TOIL is only accrued if the demands of the job or the school necessitate an employee to work more hours than they are contracted to.
3. Managers must ensure that the work being carried out in addition to an employee's contracted working hours cannot be completed during their working hours. For example: An employee may choose to stay late for their own peace of mind to finish off a piece of work, but this would not count towards TOIL, as it is done of their own volition. However, if an employee's line manager requests that an employee stays late to complete a piece of work or have a meeting, then this would count as TOIL, provided the period spent undertaking this work is more than half an hour and should be logged appropriately.
4. TOIL record sheets are accurately completed by staff and that staff are not claiming additional hours as overtime in respect of hours claimed as TOIL.
5. TOIL is not accrued unnecessarily or taken in such way that there is an unduly adverse effect on services.
6. Staff take their allocated lunch breaks.
7. TOIL should be taken as soon as possible after the event.
8. TOIL not taken within the defined period will expire and the employee will lose any TOIL not taken
9. All authorised TOIL sheets should be passed to Human Resources at the end of every term.
10. TOIL cannot be taken in advance of working additional hours.

3.8. Policy Revision

This policy will be reviewed every 12 months and amended as necessary, or earlier in accordance with any forthcoming legislation.

4. Disposal of Assets/Write Off Policy

4.1. Purpose of the Policy

1. To set out a clear procedure for the writing off and (when appropriate) the sale of stock and for the writing off of debts to the school.
2. To satisfy the requirements of internal audit and to protect the interests of staff and members of the governing body by supporting decisions made concerning the disposal of assets.

4.2. Who can authorise a Disposal or Write Off?

1. The Headteacher can authorise the writing off of a debt, provided that the debt is valued (in their reasonable estimation) at £250 or less.
2. If the debt has a value more than £250, the authority of the Finance & Resources Committee must be obtained.
3. The Headteacher can authorise the disposal of an item, provided that the item is valued (in their reasonable estimation) at £50 or less.

4.3. Writing Off Debt

1. A debt may be written off when two demands for payment have been made, in writing to the debtor by the Director of Resources or Finance Officer and it is believed by the Headteacher that there is no reasonable prospect of payment without recourse to law.
2. As a general principle, the governors will take legal action to recover debts more than £500 unless there are exceptional circumstances.

4.4. Writing Off of Stock

1. An item of stock can be written off (that is disposed of without income) where the item is beyond repair or has no resaleable value.
2. A record of the disposal must be kept in the asset management system.

4.5. Sale of Stock

1. If an item of stock is surplus to requirements or is obsolete but is considered to have a resaleable value, it should be sold if possible.
2. Small items under the value of £50 can be sold at the Headteacher's discretion.
3. Sizeable items (those estimated to have a value over £200) will need to seek an estimated value from someone with more specialised knowledge related to the item e.g., IT.
4. Stock can be purchased by members of staff or by members of the governing body provided that the Finance and Resources Committee have agreed the sale and authorised the sale to the individual or company.
5. A receipt should be signed on sale by the purchaser and on behalf of the Head teacher.

4.6. What Happens to The Proceeds of Sale?

Wherever possible, the proceeds of the sale of stock shall be returned to the account that originally funded the purchase of the item e.g., equipment, books, and furniture code in school delegated budget.

4.7. Disposals Record

1. When an item is disposed of by sale or is written off without income a record of the disposal should be recorded in a separate document for signing and on the appropriate database.
2. The record shall include a description of the item and the method of disposal.
3. The record will be signed by the Chair of the Finance and Resources Committee.

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