



## **Friends of Leonard Stanley School (FOLSS)**

### **Finance Policy**

**Title: Finance Policy**

**Person(s) who created policy: Lisa Walters/Jo Byrne**

**Date created: June 2019**

**Date reviewed: March 2022**

**Date for next review: March 2023**



**Friends of Leonard Stanley School**

## **Friends of Leonard Stanley School (FOLSS)**

### **FINANCE POLICY**

In order to achieve its purpose, FOLSS recognises that steps must be taken to ensure that all profit is collected, securely held and spent or given to appropriate people to spend on items or services that improve Leonard Stanley School facilities.

The key areas are:

- The role of the Treasurer including the collection, saving and payment of monies.
- The role of the Committee in identifying and approving appropriate causes.
- The individual role of each Committee member in declaring conflict of interests.

The FOLSS Committee is collectively responsible for its finances and must formally agree to any project. However, it is the responsibility of the Treasurer to ensure that all financial transactions are presented and recorded correctly.

#### **Money Authorisations**

The following controls will be applied when managing the money raised by the FOLSS:

- All purchases over £100 must be agreed by the Committee before they are made.
- All donations to the school shall be approved by the Committee either at Committee meetings or via majority agreement email in extraordinary circumstances.
- The maximum payment that will be given for expenses without a receipt is £5. If one is not available, then a petty cash slip signed by the Treasurer and recipient will suffice.
- There will be no payment of expense claims to Committee members for petrol, telephone or childcare costs incurred when organising FOLSS events.
- All other purchases including stationery costs will be paid when accompanied by receipts as long as they have been agreed in principle by the Committee.
- Reimbursements requests will be processed on a weekly basis. Reimbursement requests can include receipts, invoices or a reimbursement request form if the receipt is missing.

#### **Bank Account Management**

The bank accounts will be maintained according to the following rules:

- The bank mandate shall require two signatories for each cheque.
- The Treasurer is authorised to operate the bank accounts and will retain passwords for electronic banking. Electronic banking will only allow viewing of transactions and statements plus movement of money between FOLSS accounts and payment of expenses.

#### **Handling Cash**

There are extra rules for the handling of cash due to the difficulty of tracking transactions:

- For large events, such as the Summer Fayre, there will be a minimum of two people counting cash.
- Money from events will be banked within a week of the event unless required for petty cash to pay outstanding expenses or for floats at future events.



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- A maximum of £120 will be held in petty cash for payments for expenses, and these will be used to provide the float for future events with exception of the Summer and Christmas Fairs and Fireworks Night. The additional funds required for this event shall be provided by the Treasurer and recovered from cash takings.

### Accounts and Recording Transactions

The Treasurer shall keep the accounts up to date in order to produce accurate reports for the Committee and to keep track of cash and bank balances:

- The Treasurer shall produce an income and expenditure statement and bank reconciliation for all Committee meetings plus breakdown of events as requested.
- The Treasurer will make arrangements for a simple audit/independent examination of the accounts at the end of the financial year. This should be a financially competent person or local accountant, who is not on the Committee or related to a Committee member.
- The Treasurer shall record the flow of money into and out of FOLSS:
- All the money received by FOLSS must be recorded, no matter how small the amount may be. The full income figure should be recorded and not netted against any expenditure[1].
- All payments made from the account or out of cash income must be recorded and the receipt should be produced before the payment is made.
- Bills must be paid when they are due.
- Donations to the school must be recorded and broken down into general headings so that everyone knows what the money was used for[2].

### Insurance

Parentkind's subscription linked insurance provides its members with cover against fraud or dishonesty by any member of the Committee, including the Treasurer.

It is a condition of the current policy that cheques bear two signatures and an independent annual examination or audit of the accounts is carried out by someone other than a Committee member or their relatives.

It is the responsibility of the Committee as a whole to ensure that the above is adhered to.

The Treasurer must also ensure that a reasonable standard of care and supervision of FOLSS monetary affairs is implemented. For limits covered please refer to the current Parentkind Insurance summary <https://www.parentkind.org.uk/For-PTAs/Member-benefits/Insurance>.

### Identifying Facilities & Spending Funds

In order to ensure that the profit the PTA makes is spent on items or services that improve the facilities for the benefit of all pupils, FOLSS will allocate in accordance with key areas, namely:

- Regular annual commitments as agreed with the Committee and Head Teacher.
- Use of funding request forms for teachers to communicate with the Committee.
- FOLSS will consider the requests taking into account: Any previous large expenditure to that area in the previous year and any other large expenditure items that have been agreed.
- Where FOLSS agrees a purchase, the requester will be informed and the Treasurer will release the money once the purchase has been confirmed and an invoice received. Where possible, the requester will make the purchase using Easyfundraising web links.



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- At any FOLSS Committee meeting which agrees expenditure members will be reminded of the Conflicts of Interests Policy and asked to declare any such conflicts before decisions are reached.

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[1] It may be useful to break down income sources within an event in order to look at profitability of each part of the event

[2] The Treasurer should request proof from the school, in the form of an invoice or a signed certificate, as confirmation that the money has been spent on the items for which it was raised.

#### **Availability of this policy**

This policy is publicly available through the FOLSS website [folss.org.uk](http://folss.org.uk), is sent to and reviewed annually by all Committee Members of FOLSS for whom an email address is held and is referenced as part of the information stated in our Data Protection Policy.