

Financial Control and Expenditure Policy

Introduction

This policy sets out the principles for Financial Control and Expenditure within the Garden Suburb Schools PTA (the "PTA"). It is relevant to all within the association and is endorsed by the Committee of the PTA. It will be reviewed annually to ensure that it remains appropriate to the Organisation and its volunteers' needs.

Applicability

This policy is applicable to all Trustees and Committee Members who are legally responsible for the running of the association and for all Members of the Association who are entitled to be reimbursed for expenses which they legitimately incur whilst supporting the delivery of the charity's objectives. The policy is designed to ensure proper separation of duties and responsibilities between the schools and the PTA and to set out stringent financial controls to ensure proper management of PTA funds.

Financial Year

The PTA's financial year runs alongside the academic year, 1st September to 31st August.

(1) Income:

Bank Account Management

The PTA is one charitable organisation that serves two schools. Each school has its own committee and runs its own events but the trustees and the overall charity are for the two schools jointly. Accordingly, the charitable funds are reported and managed together. For ease of administration, however, the charity has four bank accounts, two per school – one for main fundraising and one for gift aid donations (together, the "Accounts").

Treasurers must work together to ensure that funds are shared as per this policy. Treasurers are appointed at the AGM. Treasurers must be parents and may be members of staff, so long as they have no financial interests and responsibilities in respect of the schools.

It is the treasurers' responsibility to keep all Accounts in order, regularly updating the PTA's spreadsheets and filing the relevant paperwork.

Treasurers must keep a minimum of a monthly check on bank account transactions by reference to the monthly bank statements, by verifying every entry on the bank statements against the PTA's spreadsheets. For each entry on the statement, hard copy documentation should be stored in the PTA's banking files.

Gift Aid

For the purposes of HMRC, the Infant Gift Aid bank account is used for receipt of all Gift Aid. The Treasurer responsible for the Infant School accounting will reimburse the Junior Gift Aid account by way of cheque for the relevant amount once the claims have been made at the end of the financial year or earlier if requested.

The schools will run a quarterly reconciliation report of one-off donations (to include gift aid information) and share it with the Treasurers.

Banking

1. All cash coming in for the PTA will be received into the school office. The Treasurers will be responsible for collecting and counting the money and for ensuring that any discrepancies are brought to the attention of those involved immediately. Counting of PTA cash funds should where possible be done by two Committee members or verified by at least one other Committee member as soon as reasonably possible.
2. After every event, the Treasurers should bank the cash raised as soon as reasonably practicable. In the event money cannot be banked immediately, it will be held in the school safe, clearly separated and labelled. Money from different events should be banked separately so they appear as different entries on the bank statements. As deposits are made, these should be entered into the PTA's excel spreadsheet to be verified once the bank statements are received and reconciled.
3. If deemed necessary, the PTA Committee members may agree for money collected to be held off site from the school at either the Chairperson, Treasurer or Secretary's home. This must, however, be approved by a minimum of 3 Committee members in advance and all due care should be taken in storing it securely.
4. The PTA may make use of the schools' communications package for payments in relation to PTA events but only on the express basis that all payments made for PTA events through any such package are paid directly into the relevant PTA Accounts.
5. In respect of payments made pursuant to 4. above, the schools will set up payment items on the relevant school's communications/payment package, ensuring always that there is an option for donating above the suggested amount, should the parent/carer wish (and sometimes less, if the event is not a set price, subject to a minimum of £5). The schools will further provide the Treasurers with reports so these can be cross checked with the bank statement and the paperwork filed, as follows:
 - a. An initial report of all payments made by parents once the payment item is closed;
 - b. On receipt of the email confirming summary of payment and invoice for charges, the school gives both email and invoice to the treasurer; and
 - c. Reconciliation report once payment has been made by the company to the charity (to include gift aid information if applicable).

Floats

A float of £50 is maintained at the Infant School to be used for smaller events such as 2nd hand uniform sales, cake sales, etc. After each event the cash should be counted, and £50 must be left in the tin for future use.

A float of £100 is maintained at the Junior School to be used for smaller events such as 2nd hand uniform sales, cake sales, etc. along with subsidising floats for the bigger events if needed. After each event the cash should be counted, and £100 must be left in the tin for future use.

Card Machines

The PTA currently has 6 card machines (4 at the Junior School and 2 at the Infant School) and is therefore able to take card payments through its accounts with SumUP.

Due to a requirement of SumUp that accounts are linked to an individual name, each of the accounts is linked to the school's respective Head Teacher. This is in light of the relatively high turnover of parent Committee Members in a charity such as ours. The accounts are, however, accessed via the Treasurers' secure email addresses. For the avoidance of doubt, the SumUp accounts are managed by the Treasurers and are only used for income.

All monies raised through the machines are paid directly into the respective school's bank accounts. The treasurers receive Daily and Monthly Reports from SumUp whenever there is movement in the account.

Whenever a SumUp report is received, these must be entered into the PTA's spreadsheet. SumUp charges a commission fee for each transaction, so the amount recorded should be NET. Entries must be verified and reconciled once bank statements are received.

The PTA allows the respective schools to borrow the card machines of the other school if necessary and appropriate for a given event. In such circumstances, where monies have therefore been paid directly into the alternate school's bank account, monies will be reimbursed to the correct account at the earliest available opportunity.

Use of Bank Cards and Online Banking

Each account has a paying in slip and a cheque book. The PTA currently has no bank cards issued in respect of the Accounts and does not have online banking facilities. This decision has been made on the basis of security and the clear difficulties of maintaining sufficient protection of the Accounts and relevant passwords given the natural changes of Committee members in the PTA. The PTA's position in relation to bank cards and online banking will be reviewed at each AGM and should the position change in respect of either issue then this policy will be updated accordingly to introduce measures to manage use of those facilities.

(2) Expenditure:

Expenses

1. Members of the Association are entitled to be reimbursed for purchases made for the Association. Purchases must be pre-approved by a Treasurer or Chair.
2. Any member who has not received pre-approval for a purchase is not guaranteed reimbursement.
3. Receipts must be provided for all purchases and all claims for reimbursement must be made within 30 days of the date of purchase.
4. All requests for expenses must be made using the "Expenses Form" available from the schools' offices. This must be signed, dated and include the original receipt for the item/items as well as a brief description of the item/items purchased (a "Completed Expense Form").
5. Reimbursements will be made by cheque payment within 7 working days of receipt by the Treasurer of a Completed Expense Form. Cheques must be signed by 2 signatories. Once a cheque is collected the claimant must sign the form confirming the cheque has been collected.
6. On receipt of the cheque it is the claimants' responsibility to bank this within 6 months of receipt to ensure it is honoured. Replacement cheques will only be issued with the approval of the Chair and Treasurer and may incur an admin fee.
7. No cash should be removed from the amount raised to pay expenses. The full amount should be banked unless otherwise agreed by at least two members of the Committee. This may occur, for example, if the Treasurer has run out of cheques and cash payments are necessary while awaiting new cheque books.

Grant Making Reimbursements

The PTA is a grant making charity and, as such, makes payments to the schools by way of reimbursements from time to time when approved items are purchased. The PTA does not make one-off payments to the schools.

Intended use of PTA funds will be discussed at the AGM.

In the course of the financial year, those matters discussed at the AGM (or other spending needs as may arise) can be discussed by the Head Teachers of the Schools with the Chairs of the PTA. The Chairs must agree in writing any purchases to be made for which PTA reimbursement is sought.

The school will make any relevant purchases following its usual processes as detailed in the school's financial standards policies.

The school will invoice the PTA and the Treasurers are responsible for raising a cheque to reimburse the school.

Payment by Cheque

Due to the nature of the transition of PTA Trustees, the signatories for the cheques are taken from staff in both schools to reduce administration. The members of staff should not be part of the PTA Committee responsible for authorising payments (e.g. Head Teachers). Currently the signatories are the Deputy Head Teachers of each school and the School Business Manager of the Infant School. Additional signatories may be added, providing always that such signatories are not part of the PTA Committee responsible for authorising payments.

Once payments are authorised by the Treasurer or Chair, the Treasurer will check the invoice/expenses claim to ensure it has not already been paid, and that all authorisation is provided, and then raise the cheque for signing. Cheques must be signed by a member of staff from each school in all cases.

Reconciliations & Shared Costs/Income

As well as the Infant and Junior schools undertaking many separate events and enterprises, for which monies received are allocated accordingly in the Accounts, the schools also undertake some joint enterprises for which profit shares must be agreed by the Committee and any monies raised reconciled between the respective school's accounts at the end of the academic year.

The schools currently have the following joint fundraising initiatives with the following agreed profit shares as between the schools:

Fundraising initiative	Percentage profit/cost share as of 1st Sept 2024 (Junior/Infant)	Responsible School (reimburses/charges other school)
Second Hand Uniform Sales	60/40 (50/50 until 31/08/24)	Infant
Uniform4Kids	60/40 (50/50 until 31/08/24)	Infant
Easy Fundraising	60/40	Junior
School Lottery	60/40	Junior
Membership of ParentKind (includes PTA insurance)	60/40 (50/50 until 31/08/24)	Infant
Gift Aid	Reimburse amount of claim per school based on received donations by the individual school.	Infant

Monies paid and/or received by one school in respect of any of the above must be reconciled at the end of the academic year by way of payment by cheque to the other school in line with the percentage amounts detailed above.

Other joint fundraising initiatives may be agreed by the Committee. In each case the percentage profit/cost share must also be agreed by the Committee.

Independent Examination of Accounts

The treasurers will prepare the annual accounts and will present to the Annual General Meeting.

It is a requirement of the UK Charity Commission that charity accounts are independently examined where their income is more than £25,000 but not more than £1 million per annum, provided that if its gross income is more than £250,000, its gross assets are £3.26 million or less.

The accounts will therefore be examined on an annual basis by an individual appointed by the Trustees.

It is noted that the examiner must be independent of the charity. Independence means that the examiner must not be influenced, or could not be perceived to be influenced, by their relationships with the charity and its trustees. Therefore, the examiner cannot be a trustee of the charity. Independence is not the same as having no connection with the charity. An examiner can be a supporter of the charity, provided that they do not have a close relationship with the charity or its trustees and they are not involved in the day to day administration of the charity.

The treasurers will be responsible for uploading the annual accounts to the Charity Commission website and completing the annual return (deadline of 10 months after the end of the Charity Financial Year).

Serious Financial Incidents

Serious financial incidents will be reported in accordance with the Serious Incidents Reporting Policy of the Charity, recorded in its general Policies and Procedures document. For the avoidance of doubt, serious issues relating to the charity's finances include, but are not limited to, financial crimes such as fraud, theft and money laundering, suspicious financial activity, such as large donations from unknown or unverifiable sources and other significant financial loss.

There is no minimum loss figure that should be reported – the Trustees must decide whether incidents are serious enough to report in the context of our charity and its income, taking account of the actual harm and potential risks posed. However, the higher the value of the loss, the more serious the incident is likely to be, indicating it should be reported. Other factors that are likely to indicate seriousness include:

- where the person accused of taking the funds/assets is involved in the charity in a position of responsibility and trust, for example Treasurer or Trustee;
- numerous incidents have taken place that appear connected, indicating a pattern or trend; and/or
- where the charity has had to take serious action against an individual, such as disciplinary action, investigation or suspension.

Repeated or frequent incidents can be symptomatic of weak financial controls and poor governance, leaving a charity more vulnerable to fraud, theft or cybercrime. Therefore, if there have been repeated incidents of low value fraud, theft or cybercrime this should be reported. If the PTA Trustees decide that an incident is not serious enough to report, it is still important that the situation is handled appropriately and reasonable steps are taken to tighten financial controls and procedures, to ensure it does not happen again.

Changes to the policy

This policy will be reviewed annually by the PTA Committee prior to the AGM. The Committee reserve the right to change this policy to maintain consistency with current best practice and the needs of the Charity.