

SUMMARY OF CHANGES – 2018/19 SCHEME FOR FINANCING SCHOOLS

Section	Previous Working	New Wording	Reason For change
1.5	<p>The Head Teacher and Governing Board are responsible for producing an annual budget plan for each financial year which must be approved by the Governing Board or by a sub-committee of the Governing Board and submitted to the LA by the deadline set by the LA.</p>	<p>The 3 year budget shall be proposed by the Head Teacher and agreed and set by the Governing Board. It is recommended that the budget preparation work and ratification is completed by a committee of the Governing Board, such as a Finance Committee, but the approval of the budget cannot be delegated to a committee. The budget must be approved at a meeting of the full Governing Board and submitted to the LA by the deadline set by the LA.</p>	<p>Change in wording to provide further clarification to schools and update in accordance to the guidance issued within the Schools Financial Regulations 2018-19.</p>
2.1.2	<p>In addition, schools are required to submit a monthly FIN1 return (bank reconciliation), a quarterly budget monitoring report showing clearly the forecasted year end position and monthly VAT returns in the format prescribed by the LA. Where schools are experiencing cashflow difficulties, they may submit monthly VAT returns to help with management of their cashflow. For schools in deficit, budget monitoring reports are required each month. These must all be reviewed and signed by the Head Teacher in a timely manner and all supporting/backing documents should be submitted at the same time as the return.</p>	<p>In addition, schools are required to submit a monthly FIN1 return (bank reconciliation), a monthly Summary Trial Balance and Cumulative Expense Analysis (or equivalent), a quarterly budget monitoring report showing clearly the forecasted year end position and monthly VAT returns in the format prescribed by the LA. For schools in deficit, budget monitoring reports are required each month. These must all be reviewed and signed by the Head Teacher in a timely manner and all supporting/backing documents should be submitted at the same time as the return.</p>	<p>Change in wording to provide VAT clarification to schools as the previous wording no longer applies.</p>
2.10	Contract Value:	Contract Value:	

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	<p style="text-align: center;">Supplies & Services</p> <p>Very Low Value Contract → £0 < £24,999</p> <p>Low Value Contract → £25,000 < €</p> <p>Medium Value Contract → £164,176 < £499,999</p> <p>High Value Contract → > £500,000</p> <p>EU Threshold Values: <u>Supplies & Services (excluding Schedule 3 Services)</u> from 1st January 2016 > €164,176 <u>Schedule 3 Services</u> from 1st January 2016 > €589,148</p> <p style="text-align: center;">Works</p> <p>Very Low Value Contract → £0 < £24,999</p> <p>Low Value Contract → £25,000 < £249,999</p> <p>Medium Value Contract → £250,000 < £499,999</p> <p>High Value Contract → > £500,000</p> <p>EU Threshold Values: <u>Works</u> from 1st January 2016 > £4,104,394</p>	<p style="text-align: center;">Supplies & Services</p> <p>Very Low Value Contract → £0 < £24,999</p> <p>Low Value Contract → £25,000 < £181,302</p> <p>Medium Value Contract → £181,302 < £2m</p> <p>High Value Contract → > £5m</p> <p>EU Threshold Values: <u>Supplies & Services (excluding Schedule 3 Services)</u> from 1st January 2018 > £181,302 <u>Schedule 3 Services</u> from 1st January 2018 > £615,278</p> <p style="text-align: center;">Works</p> <p>Very Low Value Contract → £0 < £24,999</p> <p>Low Value Contract → £25,000 < £250,000</p> <p>Medium Value Contract → £250,000 < £5m</p> <p>High Value Contract → > £5m</p> <p>EU Threshold Values: <u>Works</u> from 1st January 2018 > £4,551,413</p>	<p>Contract values updated in line with the local authorities Contract Standing Orders</p>
<p>3.1</p>	<p>The centrally funded PRUs, as non-bank account schools, may draw on their entire budget shares from</p>	<p>For all maintained schools, the annual sum allocated to each school's bank account will be the total of its</p>	<p>Change in wording as PRUs are no longer centrally funded and</p>

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	<p>the start of the financial year, and will not be subject to the instalment arrangements.</p> <p>For all other schools, the annual sum allocated to each school's bank account will be the total of its individual school's budget. From April 2013 all schools are required to administer their own payroll – schools administering their own payroll shall be advanced their delegated budget on a monthly basis.</p>	<p>individual school's budget. From April 2013 all schools are required to administer their own payroll – schools administering their own payroll shall be advanced their delegated budget on a monthly basis.</p>	<p>they hold their own bank accounts, therefore the previous wording no longer applies.</p>
3.2	<p>Schools will receive their monthly payments as follows:</p> <ul style="list-style-type: none"> • By 1st April — 1/36th; • By 15th of each month (April to February) — 1/12th; • By 15th March — 1/12th minus 1/36th; 	<p>Schools will receive their monthly budget share payment consisting of Schools Block and High Needs block as follows:</p> <ul style="list-style-type: none"> • Primary, Secondary, Special and PRU schools: <ul style="list-style-type: none"> ○ 1/12th by the 15th of each month – April to March; • Nurseries <ul style="list-style-type: none"> ○ 1/12th by the 1st of each month – April to March. <p>The Early Years block is paid by the Early Years Team every mid-term.</p>	<p>It has been recognised that some schools were experiencing cash flow difficulties due to the reduced budget share allocation paid in March. To reduce this equal monthly payments will be made.</p> <p>Since September 2017 responsibility for Early Years budget share payments for School nurseries has be incorporated into the Early Years Single Funding Formula (EYSFF) system by the Early Years Team. As a result, since September onwards, the overall budget share payments paid by Schools Finance no longer included the Early Years block.</p>

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3.5.1	<p>Schools may have accounts for budget share purposes which are in the name of the school rather than the LA. However, if a school has such an account, it is required that the account mandate shows that the LA is the owner of the funds in the account and is entitled to receive statements. The LA should also be able to take control of the account if the school's right to a delegated budget is suspended by the LA. Budget share funds paid by the authority and held in school accounts remain LA property until spent (s.49(5) of the Act).</p> <p>School governors who are not members of staff must not be signatories to any school bank account containing LA provided funds but LA employees and school employees (including employee governors) can be signatories, subject to the principle of division of duties being met.</p>	<p>Schools may have accounts for budget share purposes which are in the name of the school rather than the LA. However, if a school has such an account, it is required that the account mandate shows that the LA is the owner of the funds in the account and is entitled to receive statements. The LA should also be able to take control of the account if the school's right to a delegated budget is suspended by the LA. Budget share funds paid by the authority and held in school accounts remain LA property until spent (s.49(5) of the Act).</p> <p>School governors who are not members of staff must not be signatories to any school bank account containing LA provided funds but LA employees and school employees (including employee governors) can be signatories, subject to the principle of division of duties being met.</p> <p>Where a school opts to use electronic banking facilities, staff user rights must be approved by the Head teacher and the school governing body. Schools governors who are not members of staff must not be permitted to have online access to the school bank accounts containing LA provided funds.</p>	It is recognised that many schools now wish to use electronic banking therefore additional guidance has been issued to provide clarity to schools
7.1	<p>In order to be able to utilise the LA's ability to reclaim VAT on expenditure relating to non-business activity, schools will need to submit a quarterly return to the Schools Finance Team. Schools experiencing cashflow difficulties may submit monthly returns where this has been agreed with the Schools Finance Team. All amounts so reclaimed will be passed back</p>	<p>In order to be able to utilise the LA's ability to reclaim VAT on expenditure relating to non-business activity, schools will need to submit a monthly return to the Schools Finance Team. All amounts reclaimed will be passed back to the school.</p>	Change in wording to provide clarification to schools as the previous wording no longer applies.

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	to the school.		