

Birkenhead Sixth Form College

FINANCIAL REGULATIONS AND PROCEDURES

Review Date: July 2011

CONTENTS

FINANCIAL REGULATIONS

PAGE

INTRODUCTION

FINANCIAL CONTROL

1. Corporation
2. Committee Structure
3. Audit Requirements
4. Responsibilities

FINANCIAL MANAGEMENT

1. Budgetary Procedures
2. Financial Reporting
3. Budgetary Control

SECURITY AND INTEGRITY

FINANCIAL PROCEDURES

EXPENDITURE

1. General
2. Ordering
3. Tendering & Contracts
4. Petty Cash
5. Payment of Invoices
6. Payroll
7. Staff Expenses
8. Governors' Expenses
9. Foreign Travel

INCOME

1. YPLA & SFA Income
2. Project Income
3. Other Non Invoice Income
4. Debtors
5. Adult Education Fees
6. Examination Fees
7. Other Cash Receipts
8. General Ledger Movements

BANKING & TREASURY MANAGEMENT

1. Banking Functions
2. Treasury Management
3. Direct Debits
4. Insurance

ASSET MANAGEMENT

1. Disposal of Assets
2. Purchase of Assets
3. New Ventures

INTRODUCTION

1. This document sets out Birkenhead Sixth Form College's financial regulations. It translates into practical guidance the College's broad policies relating to financial control. The document is reviewed and approved annually at the summer term meeting of the Corporation.
2. These financial regulations are subordinate to the institution's charter and statutes and to any restrictions contained within the institution's financial memorandum and the relevant audit code of practice.
3. Compliance with the financial regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action. Any such breach will be notified to the Corporation through the Audit Committee.
4. The Finance & General Purposes Committee is responsible for maintaining a continuous review of the financial regulations and advising the Corporation of any additions or changes necessary.
5. Where fraud or irregularity is identified or suspected by college management or internal audit, matters will be reported immediately to the Principal, who will then consider what action is appropriate, including the possibility of legal proceedings.
6. All aspects of fraud reporting and investigation are dealt with in further detail in the College's Fraud Policy. The College's Whistle Blowing Policy may also be referred to for advice about this area. Both are kept by the Clerk to the Corporation.
7. The Deputy Principal (Curriculum) and CIS Manager shall be responsible for the compilation and verification of all funding claims based on student data made by the College to funding councils and other external bodies. The Deputy Principal (Curriculum) and CIS Manager shall further be responsible for maintaining a system of adequate control and applying verification checks in order to ensure the accuracy and validity of such return.
8. The College complies with the Freedom of Information Act, and a separate Freedom of Information Policy is available on request and on the website.
9. Copies of these financial regulations are held by the Director of Finance, Clerk to the Corporation, all other members of the Senior Management Team, Chairs of the Corporation, Finance & General Purposes Committee and Audit Committee, all other senior staff and all Support Staff who have a formal financial function. They are also available on the website.
10. All enquiries concerning these regulations should be directed in the first instance to the Director of Finance.

FINANCIAL CONTROL

1. The Corporation

The governing body is responsible for oversight of the College's activities. Its financial responsibilities are to:

- ensure the solvency of the college
- safeguard the college's assets
- ensure the effective and efficient use of resources
- ensure that the funds provided by the YPLA and SFA are used in accordance with the terms and conditions specified in the College's financial memorandum.
- ensure that financial control systems are in place and are working effectively
- ensure that the college complies with the relevant Audit Code of Practice
- approve the college's Development Plan
- approve the annual budget of income and expenditure and the annual financial statements
- appoint the college's internal and financial statements auditors.

2. Committee Structure

The Corporation has ultimate responsibility for the institution's finances, but delegates this to the committees detailed below. These committees are accountable to the Corporation.

a) Finance & General Purposes Committee

This committee is responsible for monitoring of the College's financial position and financial control systems. The committee will examine the annual budget and accounts and recommend their approval to the Corporation. A copy of the Finance & General Purposes Committee Terms of Reference can be obtained from the Director of Finance or Clerk to the Corporation.

b) Audit Committee

The committee is independent, advisory and reports to the Corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and financial statements auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and financial statements' auditors and for monitoring their performance. It must also satisfy itself that arrangements are in place to promote economy, efficiency and effectiveness. A copy of the Audit Committee Terms of Reference can be obtained from the Director of Finance or Clerk to the Corporation.

3. Audit Requirements

a) General

Financial statements' auditors and internal auditors shall have authority to:

- access college premises at reasonable times.
- access all assets, records, documents and correspondence relating to any financial and other transactions of the institution
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of the institution to account for cash, resources or any other institution property under their control
- access records belonging to third parties, such as contractors, when required.

b) Financial Statements Audit

The appointment of financial statements' auditors will take place annually and is the responsibility of the Corporation. The Corporation will be advised by the Audit Committee.

The primary role of financial statements' audit is to report on the institution's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the relevant Audit Code of Practice and the Auditing Practices Board's auditing standards.

Financial statement auditors also undertake all work in connection with the College's annual regularity audit.

c) Internal Audit

The appointment of internal auditors will take place annually and is the responsibility of the Corporation. The Corporation will be advised by the Audit Committee.

The College's financial memorandum with the funding bodies requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Corporation, the Principal and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation and has direct access to the Corporation, Principal and chairman of the Audit Committee.

4. Responsibilities

a) The Principal

The Principal is the institution's designated accounting officer and is responsible for the financial administration of the institution's affairs. As the designated officer, the Principal may be required to justify any of the institution's financial matters to the Public Accounts Committee at the House of Commons.

b) Director of Finance

Day to day financial administration is controlled by the Director of Finance. The Director of Finance is responsible to the Principal for:

- preparing annual capital and income & expenditure budgets and financial plans
- preparing management accounts and other financial management information
- monitoring and control of expenditure against budgets
- preparing the college's annual accounts and other financial statements and accounts which the college is required to submit to other authorities.
- ensuring that the college maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures.

c) Budget Holders

Budget holders are responsible to the Principal for financial management in their own areas. They are advised by the Director of Finance in executing their financial duties. Budget holders should not exceed their budget allocation but if the situation arises the Director of Finance should be notified in advance who will decide the appropriate course of action required.

FINANCIAL MANAGEMENT

1. Budgetary Procedures

- a) A yearly College budget estimate is prepared at least two months before the start of the relevant financial year. The budget contains income and expenditure budgets for each cost centre, a capital budget, budgeted balance sheet and a cashflow prediction. It is compiled alongside the three-year financial plan. There is an overall summary, which includes all major budgetary assumptions.
- b) The budget goes through the following process:-
 - Director of Finance discusses individual budgets with budget holders and relevant Deputy Principals and Assistant Principals
 - A draft is prepared by the Director of Finance. The Senior Management team, Finance & General Purposes Committee and other senior staff are consulted
 - The final draft is presented to the Corporation for agreement and approval
 - The approved budget is then entered into the computer system and checked against the original budget
 - In addition to the yearly budget the College produces a three year plan the funding bodies. This forecast goes through the same procedure as the annual budget, from the second step onwards
- c) Once the annual budget has been approved by the Corporation any adverse movement must have prior approval as follows:

Movement from Approved Budget	Prior Approval
Adverse movements in any one of the following categories needs further approval <ul style="list-style-type: none"> ▪ Total funding income ▪ Total non funding income ▪ Total non payroll expenditure ▪ Total payroll expenditure ▪ Total capital expenditure 	Less than £5,000 – Director of Finance Less than £25,000 – Principal Less than £50,000 – Finance & General Purposes Committee £50,000 or more - Corporation

2. Financial Reporting

The Director of Finance produces monthly Management Accounts which contain:-

- An overall monthly summary
- A set of financial key indicators with a commentary
- A report on performance against funding and student number targets
- An Income and Expenditure account with expenditure to date, expenditure this month, estimated outturn for year as a whole and variance from budget, both in absolute and percentage terms
- A Balance Sheet
- A capital expenditure summary, including a special section for major projects
- A pay monitoring report
- A cashflow (rolling at least 12 months ahead), also shown graphically
- Bank account balances

These accounts are produced within 14 days of the close of the month, with the exception of July's accounts which are prepared within 28 days, and are distributed immediately to the Senior Management Team, our main banker and the Finance & General Purposes Committee of the Corporation.

The accounts are discussed and considered within 21 days of publication by the Senior Management Team. They are formally discussed at the 3 Finance & General Purposes Committee meetings each year. They are formally considered by Governors at each of the main Corporation Meetings each year.

3. Budgetary Control

- a) A monthly detailed report of cost centre expenditure as compared to budget is circulated to all budget holders. This report is reviewed by budget holders to enable them to know their position in relation to actual expenditure versus budget.
- b) All budgets are monitored by the Director of Finance on a regular basis and formally every quarter.
- c) Any significant variances are discussed by the Director of Finance with the budget holder resulting in any necessary remedial action in respect of overspends. If remedial action is not taken then further expenditure from that budget holder may be prevented subsequently.

SECURITY AND INTEGRITY

1. **Register of Interests:** All Governors and senior staff must declare any direct or indirect (where their company or a relative is involved rather than them) pecuniary interest at all times and should enter any on-going interests that may raise a conflict of loyalty in a Register of Interests kept in the college. This register should be drawn to members' attention at least once a year and amended as needed. It is held by the Clerk to the Corporation and is available for viewing by interested parties. If matters directly involving Governors' interests are raised at meetings, then they must declare any direct or indirect interest.
2. **Gifts and Hospitality:** Gifts and hospitality received must be immediately declared to the Director of Finance who will keep a central record. Such gifts and hospitality should always be declared as an interest if relevant matters are discussed in meetings of SMT, the Corporation or its Committees.
3. **Goods and Services:** The college should not obtain goods or services specifically for private use by the Governors or staff.
4. **Computer Access:** Access to the various units of financial software is restricted on the basis of need by the Network Manager.
5. **Computer Back-up:** A back-up of financial data is taken daily by the Network Manager and two tapes made, one stored in the safe, the other held off site.
6. **Stationery:** All relevant college specific stationery and cheque books are kept by the Finance Officer in a locked drawer, to which only she has keys.
7. **College Vehicles:** Use of college vehicles should be strictly confined to use required to enable the college to run its business effectively. They should not be used for private purposes. Drivers of college vehicles should hold a full current driving licence, which should be shown to the Premises Manager, who will keep a central record, before driving the vehicle for the first time and annually thereafter.
8. **Document Retention:** All documents relating to finance will be retained for 6 years, either as a paper copy or as a scanned copy, unless they relate to EU projects when they will be kept until the relevant EU programme has closed.

FINANCIAL PROCEDURES

EXPENDITURE

1. General

- a) The Director of Finance is responsible for making payment to suppliers of good and services lawfully purchased on behalf of the College.
- b) As a general principle all routine or recurring purchases of goods and services must be acquired by the College's ordering procedure and in accordance with value for money.
- c) It is imperative that all necessary paperwork is completed and approved before any commitment is given to purchase goods or services. The receipt of the purchase order by the supplier will be official notification that any commitment exists.

2. Ordering

- a) Order forms are kept in the staff room and on Moodle. Internal order forms are completed and signed by the relevant budget holder.
- b) The internal order form should be handed or transmitted electronically to the Finance Assistant responsible for ordering in the Finance office, who will undertake to transmit the order to the supplier.
- c) Consideration should always be given when choosing a supplier to quality of service and value for money, using the Crescent Purchasing Consortium where appropriate.
- d) Orders are transferred on to the computer financial system. Orders over £500 must be authorised by the Director of Finance or the Principal in their absence. Any order which causes the amount spent to exceed the budget for that cost centre must be put on hold and notified to the Director of Finance who will decide the most appropriate course of action required.
- e) A copy of the order will be kept and filed numerically.
- f) A large amount of business is conducted on a non-order basis and this is perfectly acceptable provided that instructions on the payment of invoices in Section 4 below are followed. If the Director of Finance or Finance Officer requires an order to be completed, then they reserve the right to request one.
- g) For low-value transactions (up to £750) a Government Purchasing Card (GPC) is available to the Finance Department. Transactions using this card are only entered onto the financial system after the statement has been received. One payment will then be made by BACS.
- h) GPC cards are also provided to a limited number of budget-holders with significant low-value ordering responsibility. Such staff sign a college agreement on the use of the card. Appropriate use of these cards is monitored by the Finance Officer and by the Director of Finance through monthly statements of transactions.
- i) Standing data on suppliers will be maintained and up-dated by the member of staff responsible for orders.
- j) All orders must comply with the following approval limits:

Amount	Authorised	Further Approval	3 Quotes	Tenders
0 - £500	Budget Holder	-	No	No
£501 - £5000	Budget Holder	Director of Finance	No	No
£5001 - £15000	Budget Holder	Principal	Yes	No
£15001 - £30000	Budget Holder	Senior Management Team	Yes	No
£30001 - £75000	Budget Holder	Finance & General Purposes Committee	No	Yes
> £75000	Budget Holder	Corporation	No	Yes

- k) When quotes are received, and prior to any work commencing, the quotes should be provided to the Finance team who will store them electronically and match them to the final

invoice. If you receive the quotes via e-mail then it would be helpful if you could forward the e-mail rather than print them off and hand a paper copy to Finance.

3. Tendering & Contracts

- a) All items of expenditure above £30,000 shall be subject to award by tender except where the Governors deem this process to be unnecessary. Exceptions have been approved by Governors for standard IT purchases and for utility contracts.
- b) The responsible body in the College (normally the appropriate budget holder for the relevant cost centre) shall ensure that at least three tenders are sought from appropriate companies. Consideration shall be made of whether the size of the expected contract exceeds the Lower Limit for European Union Regulations to apply. Advice on European Union Regulations should be sought from the Director of Finance.
- c) Invitation to tender shall include all details necessary for companies to undertake an assessment of an appropriate tender. Tenders must be required by a given date not less than two weeks after the issue of invitations to tender. Any information given to any potential supplier/contractor must be given to all. Employees of the College shall divulge no information which would give any party an advantage. All contact from potential suppliers/contractors shall be reported to the Director of Finance or the Principal.
- d) Tender documents shall be stored securely and must-not be opened before the expiry of the given deadline. No tender shall be communicated to another party before or after the process.
- e) The tender documents shall be opened in the presence of no less than three members of College staff of which one must be a member of senior management and one must not be involved in the process. A representative of the Governing Body may be invited to substitute for a member of staff if the Principal thinks this is necessary.
- f) A list of contractors must be made on opening contracts, detailing the amount of the tender and any relevant details. Any invited contractors who failed to tender should also be noted, alongside selection criteria and reason for selection of the successful contractor. All tender documentation must be kept securely for twelve months.
- g) A decision on the provider/contractor to be appointed shall be made on clear and careful considerations of cost, quality, timescale and value for money. The panel should account for their decision to the Governing Body if so requested within six months of the award of a contract/purchase.
- h) A contract should be drawn up and signed for all ongoing services above £30,000. If contract negotiations prevent this initially, then a Letter of Intent should be signed before services commence.
- i) Consultants may be appointed if the project/tender is deemed to be too large or too specialised. This decision will be made by the Principal and the appointment will be subject to tendering and other procedures as appropriate.
- j) Guidance on best practice issued by the funding bodies should be followed even if their approval is not required.

4. Petty Cash

- a) There is a nominated Petty Cash Officer, currently the Finance Officer.
- b) Petty cash transactions are to be used for small items under £50 (£100 in an emergency). Budget holders have authority to use petty cash within these limits.
- c) Credit card purchases by staff will be reimbursed by petty cash (or by BACS for larger amounts) with appropriate authorisation from budget holders to permit purchases to be made where no other method of purchase is available or to achieve value for money.
- d) All petty cash re-reimbursements must have an appropriate receipt. If no receipt is available a petty cash note signed by the budget holder will be accepted in lieu, at the discretion of the Director of Finance.
- e) For each petty cash transaction, a voucher will be completed and the transaction will then be entered onto the financial system by the Petty Cash Officer.

- f) The Petty Cash Officer will be responsible for the balancing of the petty cash and requesting replenishment of the balance. The Director of Finance will decide suitable minimum balance figures. Replenishment will be provided through a cheque prepared in the normal way.
- g) The petty cash will be reconciled on a monthly basis by the Petty Cash Officer and this reconciliation checked and signed at least quarterly by Director of Finance.
- h) Petty cash is posted to the General Ledger at the end of each month.

5. Payment of Invoices

- a) All invoices, delivery notes and statements will be sent to the Finance Officer in the Finance office.
- b) Invoices are scanned onto the financial system and then authorised online through Portal software. If invoices are not authorised within 10 days, then a reminder is sent.
- c) The Finance Officer then matches the authorised invoice with an order on the computer.
- d) The invoice is then held until the date of payment. At this point payment is authorised by the Finance Officer and the invoice passed for payment. Any variation from the original order of more than £250 must be separately authorised by the Director of Finance.
- e) On a weekly basis, the Finance Officer produces a list of cheques and BACS payments to be prepared and their respective invoices. This list is approved and signed by the Director of Finance and the cheques or BACS files are then prepared.
- f) Two authorised signatories who have sight of the original documents sign the cheque. Cheques over £25,000 require the signature of the Principal. BACS payments are authorised by 2 signatories on review of the BACS listing of totals by supplier.
- g) A copy of the original invoice and the cheque or BACS transaction are filed with the relevant order for one year.
- h) The bank account is reconciled on a regular basis, at least monthly, and any uncleared cheques are investigated, and re-credited to the account after 6 months.
- i) Outstanding orders are checked on a quarterly basis, and a check made against non-order invoices, clearing invoice entries where necessary.
- j) The Finance Officer must be informed of any returned goods and will be responsible for ensuring that the correct credit is received and set off against any further invoices received from the supplier.
- k) Cheques required where no order has been raised nor invoice received are prepared as journal vouchers and entered on the financial system. A Journal Voucher slip is completed and signed by the budget-holder. These vouchers are filed with a copy of the cheque or a cheque number and scanned onto the financial system.
- l) An Aged Creditor list is produced quarterly, checked, reconciled with the sales ledger and signed by the Director of Finance.

6. Payroll

- a) Payroll procedures are fully described in a separate procedures document.
- b) The Metropolitan Borough of Wirral fulfils the payroll contract. All staff will be paid monthly on the 25th of the month. Communications with the Payroll department will be in accordance with a timetable provided by them. The Payroll function should be reviewed annually by the Director of Finance and HR Manager to monitor service satisfaction and value for money.
- c) Data will be authorised as follows:

Supply Staff	HR Manager and Deputy Principal
Caretaker (Overtime)	Director of Finance
Personnel Changes	HR Manager and Deputy Principal
Travel Expenses	Finance Officer
ACT Staff	HR Manager and Deputy principal
Miscellaneous	As appropriate

- d) This information is collated and the relevant documents completed and transmitted to payroll by the required date, after authorisation of variations, new starters and completers by the Deputy Principal Curriculum or another member of SMT in their absence.
- e) On receipt of payroll data prior to payment, the data will be checked by the HR Assistant and authorised by the HR Manager.
- f) Due to the need to approve the payroll payment in a matter of hours the HR Manager will conduct an initial high level review of the net pay analysis amounts prior to authorising the payroll payments to be made. A further more detailed review will be conducted by the HR Assistant retrospectively each month and signed off by the HR Manager.
- g) The net pay and deductions listings will be checked by the Director of Finance who will arrange CHAPS bank transfers of money to the Metropolitan Borough of Wirral on the due dates. The transfers require two authorised signatures.
- h) The Director of Finance will enter the relevant information on the financial system by means of journals.
- i) Annual statutory tax returns will be prepared by the Payroll Department and authorised by the HR Manager.
- j) A detailed review of the payroll report to personnel records and payslips is conducted quarterly by the HR Manager and another member of the HR staff.
- k) The Director of Finance will produce a monthly breakdown of pay by categories, which will form part of the monthly management report. This serves as a further check on unusual pay movements. The individual category information, which lies behind this report, is distributed to relevant managers on a quarterly basis for checking. Amendments are made to categories and reports after these checks.

7. Staff Expenses

- a) Staff may be paid expenses for authorised activities in direct connection with College business. The regulations below apply to members of the Senior Management Team and all other members of staff.
- b) Travel and other subsistence expenses are claimed by completing one of two claim forms: Professional Development expenses or Travel Expenses.
- c) The expenses are administratively checked and then authorised by the Assistant Principal in charge of Staff Development (for Professional Development expenses) or the line manager (for Travel Expenses). Expenses which do not meet requirements and regulations described on the form are taken up by the Director of Finance with the member of staff and, if necessary, amended and resubmitted.
- d) Expenses are paid by BACS or cheque if not appropriate.
- e) More detailed rules on expenses are available for staff to study.

8. Governors' Expenses

- a) Governors may be paid expenses for travel, accommodation, subsistence or telephone usage in accordance with the same rules that apply to College staff.
- b) No allowances are paid to Governors in the performance of College duties.
- c) All expenses are administratively checked and authorised by the Finance Officer.

9. Foreign Travel

- a) All applications for foreign travel by staff or Governors must be authorised by the Corporation. This includes travel with or without students.
- b) Claims for expenses are checked and authorised by the Director of Finance in accordance with the decisions of the Corporation.
- c) Cash and/or travellers cheques for foreign travel are obtained by the Finance department in the most economical fashion.

INCOME

1. YPLA & SFA Income

- a) The annual Funding Agreement with YPLA and Skills Funding Agency provides the College with the bulk of its income. This is paid to the College on a monthly basis according to a profile that is circulated in advance.
- b) The Director of Finance must check the accuracy of these monthly payments against the profile and divide the payment into Revenue and Capital Receipts. This is subsequently included in cash flow predictions.
- c) On receipt of the cash each month, the Director of Finance checks the receipt statement against the monthly profile. The Principal performs a further check on the accuracy of the monthly payment and signs it. The monthly payment is then inputted into the financial system.
- d) Additions to this income or changes to the monthly profile received during the financial year are checked for accuracy by the Director of Finance and reflected in management information.
- e) Returns in order to claim funds (ILR – Individual Learner Record) are the responsibility of the CIS Manager under the overall supervision of the Deputy Principal (Curriculum). Separate instructions apply to the ILR. The Principal and the SMT are informed of the results of each ILR.

2. Project Income

- a) If opportunities arise, the Principal will allocate responsibility to members of SMT to prepare bids to funding bodies with the assistance of the Director of Finance, after consultation with the department of the college involved in delivering the project.
- b) Once bids have been ratified, it is the responsibility of the member of SMT to prepare regular claims according to agreed schedules.
- c) The Director of Finance monitors income received for large projects against expenditure undertaken in a series of spreadsheets.
- d) Income and expenditure are entered on the financial system and shown separately on the monthly Income and Expenditure account.

3. Other Non-Invoice Income

- a) This is either received as a cheque by the financial team or as a direct payment into the bank account.
- b) If the former, it is dealt with as in “Other Cash receipts” below.
- c) If the latter, the source is identified and matched whenever possible with income receipt sheets, which are then filed, after crediting to the correct budget on the financial system.

4. Debtors

- a) Any service or facility used by third parties who do not pay at the time of use will be invoiced.
- b) The terms for settlement of an invoice will be 28 days.
- c) The invoice will be prepared and sent out by the Finance Officer on instruction from the person responsible for the service or facility.
- d) The Finance Officer will monitor the debtors’ ledger on a monthly basis. Outstanding debts will be followed up and a threat of legal action used as a last resort.
- e) A quarterly review of the debtor’s ledger is performed by the Director of Finance, who will decide after consultation whether debts need to be written off or pursued.
- f) An Aged Debtor list should be produced once per quarter, checked, reconciled with the purchase ledger and signed by the Director of Finance.
- g) Debts up to £1,000 (for any one supplier on an annual basis) may be written off only with the written permission of the Principal or the Director of Finance. Debts may only be written off in the following circumstances:

- the debtor is insolvent or considered unable to pay
- there is no legal liability for the debt
- the debtor has absconded
- the debt is of such a size as to warrant its pursuit uneconomic
- known circumstances make the likelihood of recovery (including recovery through court action) unacceptably low.

h) Debts greater than £1,000 (for any one supplier on an annual basis) may only be written off by approval of the Finance & General Purposes Committee.

5. Adult Education Fees

- a) All monies paid for ACT courses, whether cash, cheque or credit/debit card, are recorded on a payment advice which records the amount, students name, method of payment, date of payment, course, exam or course fee.
- b) A receipt will be issued to the payee showing the amount, date and method of payment.
- c) The information is transferred from the payment advice to a tracking sheet recording payments against the students name by course.
- d) The portion of the payment advice containing bank or credit card details is destroyed immediately.
- e) A daily list of all financial transactions is produced and passed to the finance team.
- f) Cash, cheques and card payments are reconciled to the spreadsheet by the Finance Assistant. The cash and cheques are stored in the safe and paid into the bank at least once a week by the cash assistant, more regularly at peak times. The credit/debit card machine is read every day and receipts recorded.

6. Examination Fees

- a) Adult exam fees are paid with course fees using the same procedure as above.
- b) All daytime 16-19 students paying for exams will complete an application form, which will be transferred to the Exam Officer or their assistant.
- c) All money paid for the exam will be recorded on the application form.
- d) Students will receive a till receipt with the date and amount paid.
- e) The money is counted on a daily basis by Exams Office staff.
- f) The money in the till is reconciled to the till roll and then stored in the safe, until it is counted by the Finance Assistant and recorded on the financial system.

7. Other Cash Receipts

- a) Limited amounts of other cash are received. They relate mainly to:

Photocopying income	College Fund
Trips	Lettings
Learning Curve income	
- b) This money is passed to the Finance Office for storage in the safe.
- c) The money is then counted and entered by the Finance Assistant into the bank paying-in slips and a summary spreadsheet produced. The money is then taken to the bank on at least a weekly basis. The amounts are then entered into the financial system by the Finance Officer.

8. General Ledger Movements

- a) The General Ledger is maintained by the Director of Finance and any virement between cost centres must be approved in advance by the Director of Finance. This should not be used to avoid the approval process in Budgetary Procedures (d) above.

- b) If the College wishes to vire money from the General Reserve the Principal must request approval from the Finance & General Purposes Committee for amounts up to £50,000 and the Corporation for amounts of £50,000 or more.

BANKING AND TREASURY MANAGEMENT

1. Banking Functions

- c) The main account is held with Lloyds Bank. The Corporation is responsible for the appointment of the College's bankers on the recommendation of the Finance & General Purposes Committee. The appointment will be reviewed every two years, at which time consideration shall be given by the Finance & General Purposes Committee to tendering the service.
- d) Money is paid into the main account as described in other sections either as cash or direct transfer.
- e) The main account bank statements are downloaded on a monthly basis. The bank account is monitored online on a daily basis and reconciled monthly to the General Ledger by the Finance Officer. The bank reconciliation file is checked every 3 months and signed by the Director of Finance.
- f) Cheques must be signed by two authorised signatories. BACS payments are authorised by 2 authorised signatories.
- g) The Director of Finance is responsible for opening and closing bank accounts, having obtained authorisation from the Finance & General Purposes Committee.
- h) Bank borrowings need to be authorised by the Corporation and in certain instances by Wirral BC. The Director of Finance should consider at least three different borrowing options and explain those options to the Finance & General Purposes Committee.
- i) The College accepts inward payments by credit card. This facility uses handheld machines provided by a third party whose charges are regularly reviewed.

2. Treasury Management

- a) Cash reserves are invested to maximise the return from the investment, whilst maintaining flexibility and liquidity within the main current account.
- b) At present, following a decision by the Corporation, only one bank account is open, although cash can be invested for longer periods with the same bank.
- c) The cash position in the current account is reviewed constantly.
- d) All account transfers are undertaken by fax with two signatures. The Director of Finance keeps copies.

3. Direct Debits

- a) Regular payments by direct debits or standing orders are reviewed monthly by the Director of Finance. On a monthly basis, these are entered on to the finance system and reconciled in the normal way.
- b) Ad hoc direct debits are recorded by the Finance Officer as they fall due, matched to the invoice if necessary, any necessary documentation filed and then reconciled in the normal way.

4. Insurance

- a) The Director of Finance is responsible for effecting insurance cover as determined by the Finance & General Purposes Committee and is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance will also deal with the College's insurers and advisers about specific insurance problems. The college's insurance function should be reviewed and considered for tendering at least every 5 years.

- b) Senior Managers must ensure that any agreements negotiated within their areas with external bodies cover any legal liabilities to which the institution may be exposed. The Director of Finance's advice should be sought to ensure that this is the case. Prompt notification must be given to the Director of Finance of any potential new risks, additional property and equipment, which may require insurance and any alterations affecting existing risks.
- c) Managers must advise the Director of Finance immediately of any event, which may give rise to an insurance claim. The Director of Finance will notify the institution's insurers and, if appropriate, prepare a claim in conjunction with the relevant manager for transmission to the insurers.
- d) The Director of Finance will keep a file of all insurances held by the College and the property and risks covered.
- e) The Director of Finance is responsible for keeping suitable records of plant and equipment which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- f) All staff using their own vehicles on behalf of the College must have a valid driving licence and appropriate insurance cover for business use. This is checked annually by the Finance Assistant.

ASSET MANAGEMENT

1. Disposal of Assets

- a) Assets are defined as those single items of equipment that have a value of £500 or more at purchase. All of these items are logged on the Asset Register. Asset disposals will occur for the following reasons:
 - items break
 - items become obsolete
 - items are stolen
 - items wear out
- b) Decisions concerning the disposal of items (including land or buildings) with a value above £5,000 at the time of disposal will be made by the Corporation. Decisions concerning the disposal of other items will be made by appropriate senior member of staff and authorised by the Director of Finance.
- c) A disposal will mean that an item will permanently leave the College and be deleted from the Asset Register. In the disposal process the following information will be formally recorded:
 - The number of items disposed of
 - The date of disposal
 - The disposal value
 - The reason for disposal
 - The details of disposal

2. Purchase of Assets

- a) The College produces a Property Strategy in accordance with relevant guidelines. This strategy is updated regularly and presented to the college's Premises and Services Committee.
- b) Alongside the annual budget, the college produces an annual capital budget, which goes through the same procedures outlined in Budgeting 1 and 2 above.
- c) The ordering and purchase of capital assets goes through the same procedure as in Expenditure 1 above.
- d) All orders for capital assets are made by the Director of Finance or staff under his/her overall authorisation.
- e) All assets are added to the Asset Register, after purchase, by the Director of Finance.

3. New Ventures

- a) New ventures are defined as either the purchase of major new assets or the significant alteration of existing major assets or the movement by the college into major new business areas.
- b) New ventures must be formally approved at the planning stage by the SMT, before receiving approval by the Corporation.
- c) The Corporation should formally approve any new venture, which should be presented with a business plan, which incorporates a financial plan and considers any risk factors involved.
- d) At the completion of any major capital programme, a final post project appraisal should be completed on the proforma provided within 6 months of financial completion of the project.