

Finance Control no8

Income, Security and Banking

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Updates March 2023:
Section 2.1
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Updates Sept 2023: none

1. Introduction

All monies however received should be properly receipted and recorded. Cash/cheques should be held securely and banked promptly to the correct account. The school's accounting system should be updated as soon as possible once income is received. It is advisable to process the income entries prior to banking.

2. Key Controls and Procedures

2.1 Receipts should be issued at the time for all cash received, with pre-printed sequential numbered receipts for control purposes. If receipts are not issued an acknowledgement of collection should be made by entry in a register (e.g., for school journey collections). The source and purpose of income should be identifiable on the schools accounting system.

2.2 A member of staff handing cash to another member of staff should ensure the cash is counted and agreed at the time of hand-over.

2.3 Responsibility for the control and issue of receipt books (and pre-printed sequentially numbered invoices and chequebooks) should be designated to an appropriate member of staff.

2.4 Prior to banking, all revenue and voluntary fund monies received should be held securely, ideally in a safe or in a lockable fireproof filing cabinet, and in line with your insured limits.

2.5 The custody of safe keys should be specifically allocated to one or two members of staff and only they should open the safe. A maximum of three keys should be cut and issued to maintain adequate control, with one of these keys held by the

Headteacher or a delegated deputy for use in an emergency. Safe keys and cash-box keys must not be left on the premises overnight or at weekends.

2.6 Monies held in the safe for other persons/organisations (e.g., the PTA or catering contractors) should be held in separate locked cashboxes. It should be made clear to the person(s) responsible that this money is their sole responsibility, and the cash boxes should be locked, and the keys held in their personal possession. They should also make their own insurance arrangements to cover the risk of loss of money.

2.7 Two members of staff should be involved in the emptying, counting of cash and recording of monies collected from coin machines. If the school is satisfied that these amounts of cash are minimal, and one person can fulfil the above tasks, then a senior member of staff should overview the situation to ensure that amounts banked are reasonable and are banked regularly.

2.8 Banking should take place at least termly or sooner dependant on level of cash held. Governors should set a limit for holding cash on site, that meets the detail of and does not exceed the limits of the school's insurance policy. The schools finance policy is required to state who the school's insurer is.

2.9 Monies collected should be banked intact and personal cheques must not be cashed from monies collected.

2.10 The person responsible for banking should complete the bank paying-in slips with details of the amounts of each cheque and sufficient information to identify the source of the payment.

2.11 The Headteacher or designated deputy should always ensure the amount banked agrees with the appropriate school records.

2.12 When considering writing off income related debts over £1,000, approval must be sought from the LA Finance Business Partner CYPE. Requests should be made by email to schoolfunding@kent.gov.uk and marked for the attention of the 'CYPE Finance Business Partner'.