St John and St Nicolas Schools Federation

For the good of all through curiosity, creativity and love

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| **Policy Title:** | **Private Fund** |
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| **Description:** | Operation of Private Fund Accounts |
| **Status:** | Approved by Governing Board |
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| **Contact:** | governors@stjohnandstnicolasschools.org.uk |
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**St John and St Nicolas Schools Federation**
**Private Fund Policy**

**1: Purpose and background**
The schools undertake certain activities falling outside their public fund budget, which may generate income and expenditure. The receipt and allocation of funds for these activities is made through the Private Fund accounts.

**2: Policy objectives**
- Ensure that the Private Fund account income and expenditure is properly and transparently managed;
- Ensure there are adequate monitoring and auditing procedures and that sound internal and financial controls are maintained.

**3: Practice and procedures**
Subject to the Rules set out below, financial procedures will follow those set out in the Financial Management Policy and Procedures, whenever applicable.

**4: Private Fund Account Rules**
**a.** The Funds shall be known as the St John the Evangelist Private Fund Account and the St Nicolas Private Fund Account.
**b.** Except as below, the operation of the Private Funds shall be for the purpose and background detailed in this Policy.
**c.** In operating the Private Funds the schools will comply with the regulations and guidelines as laid down in relevant WBC publications, including: the WBC Financial Rules of Procedure*; the WBC Contract Rules of Procedure*; the WBC Anti Fraud and Corruption Policy*; and the WBC Scheme for Financing Schools*, to the extent that such regulations and guidelines apply. The schools will also comply with DfE regulations and guidelines for the spending and receipt of monies. They will operate in accordance within the requirements and standards laid down in the DfE Financial Management Standard (SFVS) and by WBC Audit and Accountancy Departments.
**d.** The Executive Headteacher, Heads of School and the School Business Managers (SBM) will administer the Private Fund, will be the trustees of all monies received and shall have the responsibility for the approval of disbursements.

**e.** Accounts shall be maintained with the National Westminster Bank (St John's) and Lloyds Bank (St Nic's) approved by the Governing Board for the purpose of administering the Private Fund. Funds may be placed on deposit to accrue additional interest where appropriate. Authorisation is given for the Executive Headteacher, Heads of School, the SBMs, and finance assistant to sign cheques and other instructions to the bank against the bank accounts, with two signatories being required. Cheque signatories will scrutinise and confirm relevant voucher documentation before signing. Only manuscript signatures are allowed.

**f.** Up-to-date accounts and balances, reconciled to bank statements, shall be prepared for review and action as appropriate at finance committee meetings at least annually.

**g.** Accounts shall be made up to 31st March each year and be audited by a suitably qualified and independent person within a period of no more than nine months from that date. The auditor shall be given access to all the Private Fund records, including bank statements, computerised reports and vouchers and this policy. Once audited, accounts shall be presented to the next meeting of the Governors' Finance Committee.

**h.** The operation of the Private Fund bank accounts provides an opportunity for administering other activities funded by donations, often from parents, which also fall outside the scope of the schools' public fund budget. Such activities may share the use of the bank account provided a monthly reconciliation takes place. Note that all transactions on the Private Fund are on the Tucasi system for St John's and Parent Pay for St Nic's.

**i.** Payments for educational activities involving VAT should be made using the main school budgets to ensure that VAT is reclaimed and expenditure minimised.

**j.** Such activities shall be run such that at their conclusion they are financially in balance. If, however, there is a surplus, the monies will remain in the account and may be used to subsidise any other loss-making activities.

**k.** The Private Fund Account may be wound up by a resolution of the Governing Board, in which event any net assets of the account shall be applied for the general benefit of pupils at the school. In the event of the winding up being as a result of the closure of the school(s) these assets shall be applied for charitable educational purposes which match as closely as possible the general benefit of the schools' pupils.