FRIENDS OF EDITH BORTHWICK SCHOOL
Financial Control and Expense Policy

Background

From https://www.parentkind.org.uk/about-us/news-and-blogs/blog/spending-of-pta-funds

Spending of PTA funds

Your committee needs to spend their funds in line with the objects of the association, as stated in the constitution. These are usually something like to advance the education of the children at the school or develop effective relationships between home and school. This means you are quite limited to anything that is "outside of the school gates".

Only the elected committee members can decide how to spend the funds at a committee meeting, but this should be done in consultation with the school, to make sure it's something the school wants and needs. We recommend that the school provides the PTA with a wish list of items they would like the PTA to fund, then the committee discuss whether it fits the objects.

> **The school shouldn't purchase things and expect the PTA to fund them without any prior agreement from the PTA.**

If it's a large spend, you could also consult your members – either hold a meeting or send out a questionnaire to find out what the members do or don't want, then the committee know who they should be voting. Remember to always ask yourself, does it fit the objects – does it advance the education of the children at the school? It doesn't have to benefit all the children all at the same time, so you could fund something for certain year groups, rather than everyone. Decisions should then be made by a majority vote of the elected committee members.

You may receive other requests from the school, for example contributing to hardship funds, teacher's gifts, foodbanks or other charities.

> **You need to refer back to the objects. How would this fit? If you were challenged, how would your committee explain how they saw it fitting?**

The problem with all of these requests, is that it probably doesn't and therefore you can't spend the funds this way. Remember when people support your events or make donations, they think their money is coming to the school and being spent on the children.

If you want to raise money for another charity, it still has to fit the objects. If it's something that the children are learning about at school then you could argue this fits because you are teaching about charitable giving and it's supporting what they are learning at the school. You also need to let your members know before raising this money, that their donations will be going to another charity. We also recommend that you donate a percentage to the other charity, together with a percentage to the PTA and you make it clear to people who are donating that the money will be split. **[always refer to the latest Charity Commission guidance with regards to fundraising on behalf of another charity]**

When it comes to teacher's gifts, this doesn't really fit, but it doesn't mean you can't use a PTA meeting to have a whip round.

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Financial Control and Expense Policy

Introduction

This policy sets out the principles for Financial Control and Expenses within The Friends of Edith Borthwick School (referred to as FOEBS) to support the Edith Borthwick School (referred to as the School).

It is relevant to all within the association and is endorsed by the committee of FOEBS.

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 Committee Members (Trustees) who are legally responsible for the running of the association and for all Members of the Association who are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur whilst supporting the delivery of the charity's objects.

Bank Account Management

- The Bank mandate will require two signatures from a pool of three to four signatories all who will be Trustees.

- The Treasurer will operate the bank accounts and retain passwords for online banking where only one is provided e.g. PayPal. All others users should retain their own unique login and password.

- Any payments made through online banking should be authorised.

Use of Bank Cards

- Any Bank card issued is the property of the PTA and should be returned to the committee if the card holder is no longer an elected committee member.
- Bank cards should only be issued and used by the authorised bank signatories named on the card.
- Any purchases made using the PTA bank card require a receipt to be handed to the Treasurer for correlation with the bank statement
- All purchases must be agreed by the committee prior to purchase

Online Banking

- Any online banking details issued are to be stored safely and only known to the person they have been issued to.

- If online banking details have been issued to an individual it is for their use only and not to be shared.
- If online banking details have been issued for the association rather than individuals then these should only be known to the current bank signatories that have authority to act on behalf of the association.
- If a single authorisation is required e.g. PayPal then any payments or transfers should be made only after agreement with the committee.
- If dual authorisation is required then one person creates the transaction and another signatory authorises the transaction. The committee should have agreed to any payments or transfers in advance.
- If a person with online bank details leaves the committee they should be removed as a bank signatory and the bank notified to remove their online access immediately.

Expenses

All Committee Members (Trustees) of the Association may be reimbursed for reasonable expenses incurred whilst carrying out their duties as a Committee Member (Trustee) of FOEBS. A detailed list is below (see also Explanatory Notes) and all expenses must be approved by two members of the Committee of whom neither may be the claimant.

- Travel -- use cheapest means of travel. Mileage for own-car travel. Taxis can be used only in exceptional circumstances (ideally shared), parking, toll costs and congestion charge may be reclaimed where unavoidable.
- Continuing professional development -- where applicable to the role.
- Conference/Joint Forums/Training/Events etc -- where applicable to the role.
- Stationery and postage.
- Printing, Photocopying and laminating -- if using a home printer then 4p per sheet may be claimed + cost of laminating pouch.
- Equipment.
- Refreshments - for others Tea/coffee/soft drinks and biscuits for meetings (to be kept to a minimum). Meetings over 5 hours may provide sandwiches and fruit to a maximum of £5 per person.
- Subsistence - For Self if refreshments not provided (by venue or meeting organiser) and if travelling away from home. More than 5 hours: meal allowance up to £5 more than 10 hours: meal allowance up to £10

If you feel there are extraordinary circumstances that warrant any additional claims to those mentioned above, the Committee (Trustees) will deal with these on an individual basis.

Threshold	PTA action
Under £10	Receipts must be provided & retained for all expenses except mileage, stationery, postage, printing, laminating.
£10 — £50	Pre-approval required. Receipts must be provided & retained for all expenses and/or individual items where total cost is over £ 10
Over £50	Pre-approval required. Bank mandate rules apply – two bank account mandate signatories to sign, receipts and invoices retained for review. All items above £100 reviewed and evidenced on statements. All recorded at regular meetings for visibility.

All claims for reimbursement must be made within 30 days of the date of expense. In exceptional circumstances, claims not made within this time may still be reimbursed but a full explanation needs to be given to the Committee (Trustees). This will be a "one-off" and further late claims will not be paid.

The Committee (Trustees). have discretion to pay amounts in advance, e.g. for advance bookings, if your budget would find it difficult to wait for reimbursement.

It is preferable to support each claim with a 'FOEBS expense Claim' form.

Purchases Made By The Association

Members of the Association are entitled to be reimbursed for purchases made for the Association. Purchases must be pre-approved by two Committee Members (Trustees) and the project/event and total cost must have already been agreed by the Committee (Trustees) as a majority. Where the purchase is for the School it must also be pre-approved by the School Senior Leadership Group (SLG), as an agreed reason for spending of funds.

All purchases on behalf of the School in excess of £100 must be requested first that the School is to purchase, as they will be able to reclaim VAT, and a proven trail of ownership is easier for the School in the event of a warranty or insurance claim. For all other purchases under £100 it is still preferred to request that the School purchases.

3 quotes/alternatives are required to be considered before purchasing anything in excess of £100, and must be presented to the Committee at the time of seeking approval.

Any member who has not received pre-approval for a purchase is not guaranteed reimbursement.

No spending must take the Charity below its minimum agreed reserve levels. Members should verify this with the Treasurer before purchasing.

Receipts must be provided & retained for all purchases.

All claims for reimbursement must be made within 90 days of the date of purchase and at least 2 weeks prior to the end of the FOEBS financial year.

Purchases Made By The School or Donations To The School

Purchases / donations must be pre-approved by two Committee Members (Trustees) and the project/event and total cost must have already been agreed by the Committee (Trustees) as a majority, and the School Senior Leadership Group (SLG), as an agreed reason for spending of funds.

It is preferable the School provides a quote or estimate to support any request for funding, and that this has been obtained in line with the School's own Expense/Spending Policy, which may include a number of comparable quotes/tenders and a decision making policy. Only the final agreed quote the School wishes to be funded for should be used to support the request to FOEBS.

All "bids" from School staff should be made on the 'FOEBS Funding Request' form and submitted to FOEBS via the Senior Leadership Group (SLG).

No spending must take the Charity below its minimum agreed reserve levels. Members should verify this with the Treasurer before approving the School to purchase.

Waiving Expenses (Donating Expenses as Gifts in Kind)

Members who generously waive their expenses or purchases as 'donations' to the Charity inadvertently create some difficulties. If reimbursement of expenses and purchases are not claimed they cannot be entered into the accounts to show both the true running costs of the Charity and the generosity of it supporters through cash-donations. If the amount of waived expenses and purchases are entered into the Charity Accounts the Charity may not claim Gift Aid on these amounts as 'Gifts In Kind' are excluded from Gift Aid. It can also lead to issues with regards to proof of ownership and warranty. It is preferred that all expenses or purchases are reimbursed and a subsequent offsetting financial donation is given back.

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Changes to the policy

The Committee (Trustees) reserve the right to change its Expense Policy to maintain consistency with current best practice and the needs of the Charity.

Explanatory Notes:

- Telephone Calls - No reimbursement will be made for telephone calls that have incurred no actual cost as they were covered by a contract which included an allocation of 'free' calls.

- Travel Expenses - Public transport should be used where possible, and if travel is by private vehicle then a mileage allowance will be paid as agreed by the Committee in line with guidance provided by HMRC, providing the vehicle used has a valid certificate of Insurance, a valid MOT certificate and road tax (if required).

- Mileage will be calculated from the normal place of Charity work: The Edith Borthwick School, Enterprise Drive, Braintree, Essex CM7 2YN

- Parking costs incurred when on Charity business away from the normal place of Charity work will be reimbursed.

This policy will be reviewed annually by the FOEBS Committee (Trustees) prior to the AGM.

Adopted at a meeting held:

At: Edith Borthwick School **On:** 9th May 2023

Signed: **Witness:**

S Dunning
Meeting Chair

Committee Member/Trustee

Treasurer
Position

Secretary
Position

Content in part has been taken from a template in March 2023 that is a benefit of Parentkind membership.