

SCHOOL BANK ACCOUNTS

The alternative to payments being made through the Authority's transactional systems is for a school to operate its own bank account.

There are two options for bank accounts:

- Non-Staffing Costs or
- Whole Budget Costs.

The "Guidelines for the Operation of a School Bank Account" should be read in conjunction with Section 3 of the "Scheme for Financing Schools".

Schools are not empowered to have overdraft facilities, any credit card or other loan arrangements.

NB. Schools operating an agreed deficit budget may not operate either of these bank accounts.

Schools wishing to operate their own bank accounts should directly approach the Director of Finance's Financial Management Section for advice. It should be noted that there is a separate charge for any advice provided by the Director of Finance's staff.

Non-Staffing Costs Bank Account

Schools make all their own non-staffing payments from an allocation made on a monthly basis.

Schools must take account of their cash flow to ensure that the bank account remains in credit at all times, but this may not be achieved at the expense of their overall financial position by creating a deficit on the centrally held staffing budget.

Schools operating a Non-Staffing Costs Bank Account will need to buy back the service described as 'Payroll'.

Schools will be required to comply with all VAT regulations, maintaining appropriate records for inspection and are responsible for the payment of any penalties levied.

Schools will be required to provide summary details of their expenditure in an Authority determined format to enable the Authority's statutory accounts to hold appropriate figures.

Whole Budget Bank Account

Schools make all their own payments, including paying for a 'Payroll

package' whether from buy back from the Authority or from elsewhere, from an allocation made on a monthly basis.

Schools must take account of their cash flow to ensure that the bank account remains in credit at all times.

Schools will be required to comply with all VAT regulations, maintaining appropriate records for inspection and are responsible for the payment of any penalties levied.

Schools will be required to provide summary details of their income and expenditure in an Authority determined format to enable the Authority's statutory accounts to hold appropriate figures.

Finance staff will process and reconcile school-based returns to the statutory accounts. The Authority incurs specific charges for the costs of each individual electronic transfer into each school bank account. These additional costs and the associated arrangement fee are included within the costs of this package.

For further details please contact:

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