



St. Monica's Catholic Primary School: Funding Streams

Basic School Delegated Budget

This is the main source of income for the school and is allocated by the Local Authority according to a national funding formula.

It consists of the following elements:

- Basic per pupil
- Deprivation
- EAL
- High incidence SEN
- High cost low incidence SEN
- Lump sum
- Rates
- Early Years
- Minimum funding guarantee (where applicable)
- De – delegation (as agreed at Schools Forum)
- Free School Meals

The school is given a detailed explanation of each element, which includes the rationale for decisions made by WBC and amounts allocated, in the 'Schools Funding Pack'.

Devolved Formula Capital Grant (DFC)

This is one of two sources of capital funding available to Voluntary Aided schools.

Voluntary aided schools are allocated DFCG on a per pupil formula. Under the Education and Inspections Act 2006, VA schools have two options on how they receive their capital grant allocation. This can be paid directly to them, or paid to the Diocese who hold these funds in a separate account. In Shrewsbury, the Diocese holds the funds for the school.

DFCG can only be used for capital expenditure (refer *CIPFA Code of Practice on Local Authority accounting in the UK 2011/12 (The Code)*).

Broadly, DFCG can be used for:

- Long term improvements to the school estate;
- Structural improvements to the buildings;
- The purchase of capital equipment, including ICT e.g. desk top computers, laptops, interactive whiteboards, printers etc.;
- Fixtures and fittings.

DFCG cannot be used for:

- Routine repairs, redecoration or maintenance included in delegated schools budgets;
- Purchase of small-value books, and training materials and services;
- Hire of accommodation (unless this can be legitimately capitalised as part of building costs);

- Service contracts, and any Private Finance Initiative (or similar) charges, which are revenue costs;
- Operating leases where risk stays with the leasing company e.g. a photocopier maintained by the lessor. Rental costs associated with this is an *expense* and cannot be treated as a capital purchase under DFCG;
- Expenditure on small value capital items where the amount falls below the Local Authority minimum capital spend threshold (De Minimis) which is generally set at £2,000 as per EFA capital funding guidance. Any expenditure of this type counts as recurrent expenditure. However, if a number of items of the same classification can be procured at the same time and the total value exceeds to threshold, this would be counted as capital.

The decision about how much DFCG is used for either buildings, external areas, or ICT, should be based on the schools' own priorities and circumstances.

DFCG allocation can be *rolled forward* to enable a large project to be funded. A school can roll forward a year's allocation for a maximum of 3 years. In exceptional circumstances and by written agreement of the Education Funding Agency if a large and specific project is being funded, the roll forward period may be extended to four years, although approval is not guaranteed.

If the allocation is not expended within three years, and permission from the EFA has not been sought to roll it forward to a fourth year, the school will lose any remaining allocation from year one.

Locally Controlled Voluntary Aided Funding

Commonly referred to as LCVAP, this is one of only two sources of capital funding currently available to voluntary aided (VA) schools. It is principally to enable schools to fund capital projects which are beyond the scope of the Devolved Formula Capital Grant (DFCG).

The LCVAP funding is allocated to each Local Authority and they are responsible for coordinating the programme of allocations against local needs and priorities.

St. Monica's presents the Diocesan surveyor with an LCVAP bid based on the Buildings Maintenance Plan, and in consultation with Atkins, and will hear of any allocated funds in March. This year, Atkins have advised that there may not be funds to allocate but have encouraged bids in case it is forthcoming.

LCVAP projects have a split funding arrangement for VA schools: 90% of the costs are met by the Government and 10% are designated 'Governors' Liability' but this sum is paid by the Diocesan Building Fund. However it should be noted that the Diocesan Surveyors, Atkins, regularly ask the Governors to contribute an extra 10% payable either from the DFC account or the school budget to expand the scope of the projects. Therefore it is necessary to ensure that 10% of allocated funds is available in either the DFC account or the capital line of the school budget, and is accounted for in tracking anticipated outgoings. Furthermore, when asked to sign the funding agreement - Form B - for the project, the school must ensure that the source of funding is as planned for.

School Fund

This is the bank account into which voluntary funds are deposited. According to the School Financial Value Standards (SFVS) it must be audited. The auditor will check for appropriateness of expenditure ie that it is primarily to benefit the children in the school. Gifts or refreshments for staff and visitors would not be considered appropriate, and alcohol should never be purchased using school funds. Funds can be transferred to the school budget or can be accessed directly to purchase goods and services. The school fund is audited annually.

Friends of St. Monica's Bank Account

The funds of the FOSM are managed by the Treasurer. Expenditure should be for items agreed between parents and staff, and should add value rather than supplying the basics. A Financial Report is presented to the FOSM AGM.

Grant Funding

There are hundreds of grant funding sources available to UK schools. These funds are available to school for a wide range of activities and projects including:

- Equipment such as PC's, Laptops, Books, and other similar resources.
- The professional development of school staff.
- Improving basic skills and raising individual achievements of students.
- Developing, improving or expanding school buildings, grounds and facilities.
- Promoting exercise and sporting activities.
- Installing green technologies and renewable energy in schools.
- The provision of special needs education and to raise attainment levels.
- Developing links with schools internationally.
- Developing and enhancing certain subject areas such as sports, music, art or science.
- Promoting closer links with the wider community.

The funding is made available to schools by:

- The Lottery
- The UK Government and its Agencies.
- European Funding
- Foundations and Charitable Trusts

There are a number of companies who offer bid writing services, either for a fee or as a condition of spending the grant with that company eg Pentagon and Grants4Schools.

Management and Accountability

The school Office Manager manages the school budget and school fund account. The school has two SLAs to support this work:

1. Financial Administration

The Finance Administration Officers visit the school according to an agreed schedule of visits to:

- Implement and administer the school's financial system – maintenance of chart of accounts, upload of original budgets, virements, journals, closedown procedures at year-end
- Reconcile school financial system to LA ledger, and investigation of any discrepancies
- Complete consistent financial reporting return, according to LA timetable
- Map codes to appropriate CFR headings

- Other ad hoc tasks - user-defined reports, other finance admin tasks in respect of school fund, extended services, capital etc. Resolution of bank errors. Completion of payroll returns

2. Finance Advisory Service

The Finance Advisory service advises and supports the head teacher and governors on the preparation, amendment and monitoring of school budgets. They provide financial reports, and assist in the planning and preparation for inspection visits and the implementation of the Schools Financial Value Standard. They facilitate the school's compliance with all relevant financial reporting and audit standards.