



**Wac Arts College
Financial Policy**

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Approved by Governors	
Date of next review	

Wac Arts College - Financial Policy

1. INTRODUCTION

1.1. Wac Arts College is a free school that provides an alternative provision curriculum in the performing arts and media to young people aged 14-19 who have been excluded from mainstream education. It is based at The Old Town Hall, 213 Haverstock Hill, London NW3 4QP

1.2. Wac Arts College is a company limited by guarantee

1.3. The Governing body of the organisation governs the running of the college. Its terms of reference are laid down in the Memorandum and Articles of Association. The Governing body comprises three members of the Wac Arts board and other elected members including two parent governors and a representative from the local authority. All Governors are unpaid

1.4. The Board of Governors currently meets monthly. Future meetings will be conducted at least termly in line with the Articles of Association, Clause 106. Meetings are attended by all members of the Governing body, including the Principal of the College

1.5. The Governing body has certain financial powers — as permitted by Clauses 95-99 and Article 5 of the Articles of Association

1.6. Responsibility for day-to-day operations of Wac Arts College lies with the Principal and the Chief Operations Officer of Wac Arts, who report directly to the Governing body

1.7. The Principal in turn may delegate certain responsibilities to the **Senior Leadership Team** of the College. Senior leaders comprise the following:

- Deputy Principal
- Senior Administrator
- Head of Pre-16

1.8. Senior Leadership Team will meet at least fortnightly

2. FINANCIAL LEVELS OF RESPONSIBILITY

2.1. Governing Body

Prime responsibilities:

- To approve the annual statutory accounts
- To approve and review the annual budget
- To approve significant changes in financial and personnel policy
- To ensure compliance with the College's statutory obligations towards Companies House, HM Revenue and Customs and other Regulators (e.g.: DfE, Health & Safety and Employment Law requirements)
- To ensure compliance with funding requirements
- To monitor the performance and ensure the accountability of the Principal and Senior

Leadership Team

- To authorise formal acceptance of conditions laid down by the College's bankers for bank facilities and loans.
- To adhere to the Articles of Association and License Agreement

2.2. Principal

Prime Financial Responsibilities:

- To monitor and assess the financial status of the College
- To receive and review financial reports before presentation to the Governing Body
- To consider requests for expenditure in excess of budgeted costs
- To co-ordinate the issuance of guidelines and instructions to Senior Leadership Team concerning all aspects of financial procedures
- Preparation of Business Plans
- To assist the Chief Operations Officer for Wac Arts in the collection of unpaid fees and grants
- To approve all spending above £50
- To approve all capital expenditure.

2.3. Senior Leadership Team

Prime Financial Responsibilities:

- Under the guidance of the Principal and Chief Operations Officer for Wac Arts, to prepare an annual budget for the College
- Once approved, to ensure adherence to such budget and give early indication of any likely significant variance from it
- To ensure that members of their department comply with financial policies and procedures
- To present applications for core/project funding to the Principal and Chief Operations Officer for Wac Arts and to ensure adequate time to review costings, cash-flow and other risks
- To meet as a team at least fortnightly to review operations cost implications

2.4. Chief Operations Officer (Wac Arts)

Prime Responsibilities:

- To maintain accurate and comprehensive books of account
- To ensure the company complies with its statutory financial obligations
- To report, on a regular and timely basis, the financial position of the company, by means of management (departmental) accounts, variance analysis and cash-flow projections
- To recommend and implement prudent and consistent financial policies
- To report significant adverse financial trends as soon as they are discovered.
- To maintain adequate insurance cover
- To liaise with the company's bankers and ensure adherence to terms and conditions
- To ensure adequate systems of internal control
- To give appropriate guidance to non-financial staff where requested
- To liaise with the company's auditors on a regular basis, and to provide all the information required for audit in order to keep audit costs to an absolute minimum.
- To agree all capital expenditure.

3. FINANCIAL POLICY

3.1. Overview

Wac Arts College runs a creative curriculum enabling key qualifications and receives funding from the DfE to run an alternative provision free school. The redeveloped Hampstead Town Hall Centre is the base for its activities, which are as follows:

- A Pre-16 programme leading to initial qualifications at KS4
- A Post-16 programme offering a range of accreditations from Level 2 to Level 3 and the potential to move into a variety of other opportunities, including work experience, apprenticeships, progression into further education

Wac Arts College rents space from Wac Arts, the umbrella organisation, which will be charged to the College at agreed rates

The annual budget aims to set realistic and prudent targets for the attainment of its income objectives

As a company limited by guarantee, the College aims to provide a comprehensive education to its students in line with their needs and the objects of the College, subject to the statutory requirements laid down in law.

3.2. Core financial policies

Income

- To manage income streams effectively
- To establish realistic and achievable budgets: once set these will be monitored on a quarterly basis with additional reporting on any exceptional items to ensure targets are being met
- To ensure any income is promptly billed and collected
- To ensure that the accounting system captures all forms of income by the use of sequentially pre-numbered invoices
- To ensure funding conditions are properly met, required returns are submitted on a timely basis, and instalments are received on time
- To ensure additional monies regarding pupil premium and SEN funding are accurately recorded and their usage monitored and reported upon

Expenditure — Personnel

- Permanent appointments of staff can only be approved by the Principal, subject to approval of the Governing Body
- Annual Performance Development Reviews will gauge staff eligibility for spinal point increases.
- The Governing body shall agree the framework and structure of salary bands and incremental increases for use with Wac Arts College staff.
- The Principal shall implement the policy as set by the Governing Body and inform them of proposed increases to salaries.
- The monthly payroll will be checked in detail by the Principal and Chief Operations Officer for Wac Arts:
- Holiday and sickness records to be maintained for all employees by the Senior Administrator
- The appointment and payment of Tutors' fees or wages must be specifically budgeted and controlled by the Senior Leadership Team. Any variances from budget will be monitored by the Principal of Wac Arts College and the Chief Operations Officer for Wac Arts

Expenditure - Other

- To establish realistic and achievable budgets based on agreed programmes of activity
- To ensure that goods and services can only be ordered by responsible persons within the limits of agreed budgets. Maximum limits on ordering capabilities should be set. Capital expenditure should be authorised by the Principal and Chief Operations Officer for Wac Arts.

- Orders should be placed in writing, using appropriate order forms in the name of the College. Purchases over the threshold limit of £5000 will require a tender process establishing three quotes and the best value for money
- To review, on a regular basis, contracts with regular service providers to ensure that best terms and conditions are obtained
- To maintain adequate controls so that invoices are only paid for properly approved expenditure
- Single transactions over £5000 require approval from the Principal and the Chair
- Segregation of duties will be maintained wherever possible
- To maintain accurate suppliers accounts within the purchase ledger and reconcile on a regular basis
- All cheque payments require a minimum of two authorised signatures (Principal/Deputy Principal of Wac Arts College, Chief Executive Officer/Chief Operations Officer of Wac Arts) in accordance with instructions issued by the Governing Body – all electronic payments are conducted by Chief Operations Officer of Wac Arts and evidence by COO and Principal
- All payments of petty cash for transactions up to £50 or staff expenses are to be supported by proper written evidence in the form of receipts and tickets. Personal credit cards should not be used without prior authorisation.

Reporting

- Detailed quarterly management accounts will be prepared, comparing actual costs to budget and identifying variances.
- Significant variances will be reported to the Principal and Senior Leadership Team
- As well as identifying variances, recommend actions to be taken to improve adverse circumstances
- Quarterly management accounts to be distributed to banks, funders, Governing Body, auditors and other approved stakeholders
- To provide the Principal and Senior Leadership Team with as much financial support information as they require and can be obtained from the current accounting system

Spending Limits summary

- Staff expenses and petty cash: up to £50 on production of receipt or written evidence and paid into recipient's account monthly
- Capital expenditure of any amount requires approval of the Principal and Chief Operations Officer
- Transactions with a value between £50 and £5000 require the approval of the Principal and will be conducted through the use of a purchase order
- Single transactions over £5000 require a tender process and the approval of the Principal and Chair
- Staff salaries will be paid monthly in arrears and any variations require the approval of the Principal and the Chief Operations Officer