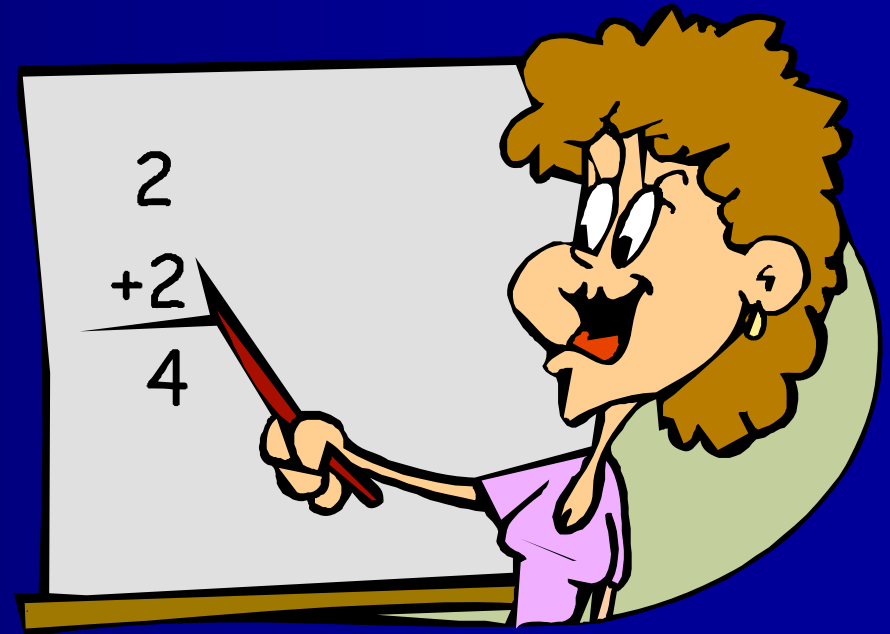


BOARD OF GOVERNORS TRAINING

School Finances An Introduction

2007-2008

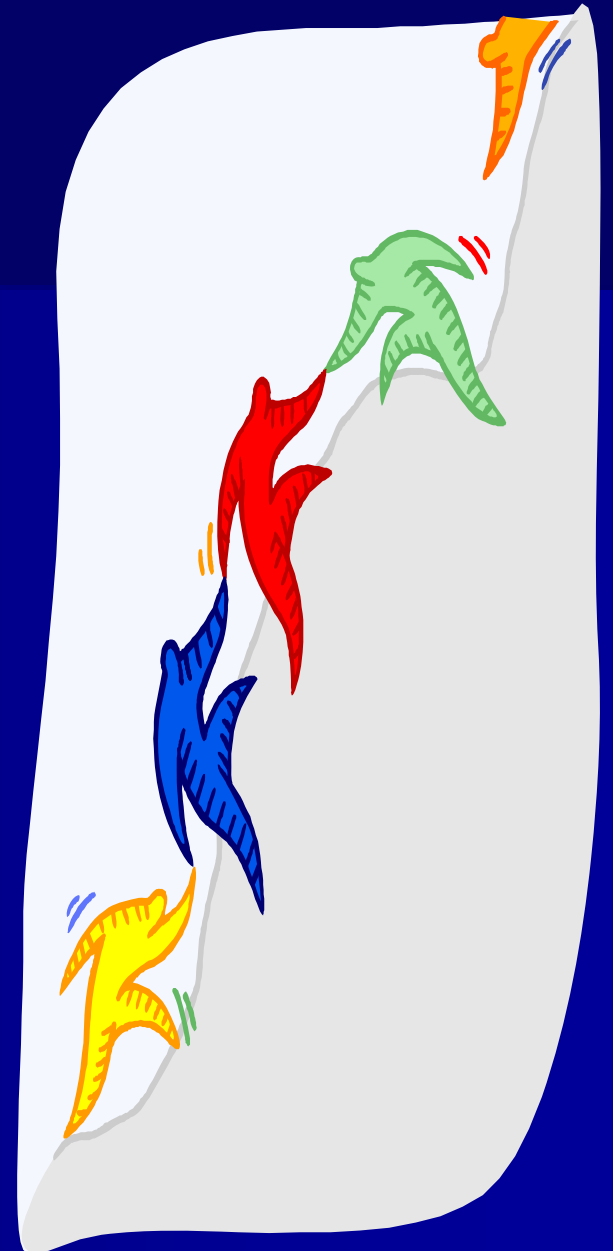


Facilitators

- **Neil Craig**
- **Lisa Cross**
- **George Blackam**

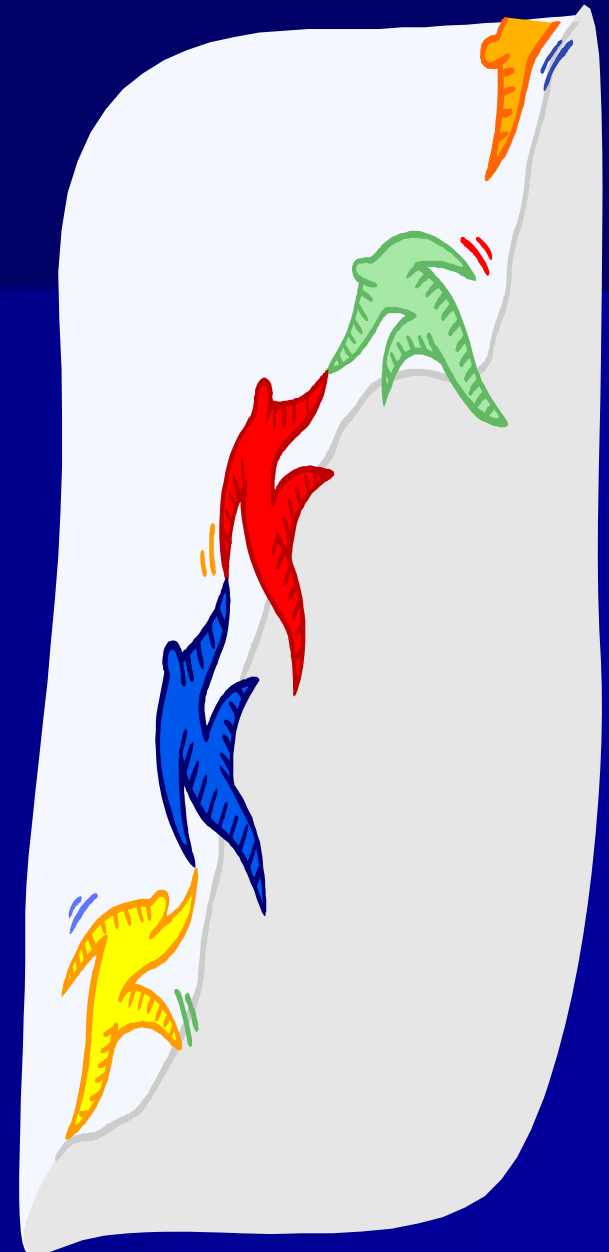
Objectives

- To raise awareness of the role of Boards of Governors in managing the school budget
- To provide an overview of the School Funding Process



Objectives

- **Explain the Financial Planning Process**
- **Provide an example of a 1 year and 3 year plan**
- **Make you aware of resources and support available to schools to assist in the financial planning process**



Role of the Governors

- **Plan and control use of resources**
- **Contain expenditure within approved budget**
- **Manage resources economically, effectively and efficiently**
- **Establish proper financial controls**
- **Participate in the financial management: *planning, reviewing, monitoring and forecasting***
- **AFFORDABILITY**

Role of the Principal

- **Keep all governors informed on a regular basis**
- **Have finance on the agenda for each BoG meeting**
- **Work closely with finance committee**
- **Manage the responsibilities that have been delegated to them by the BoG**

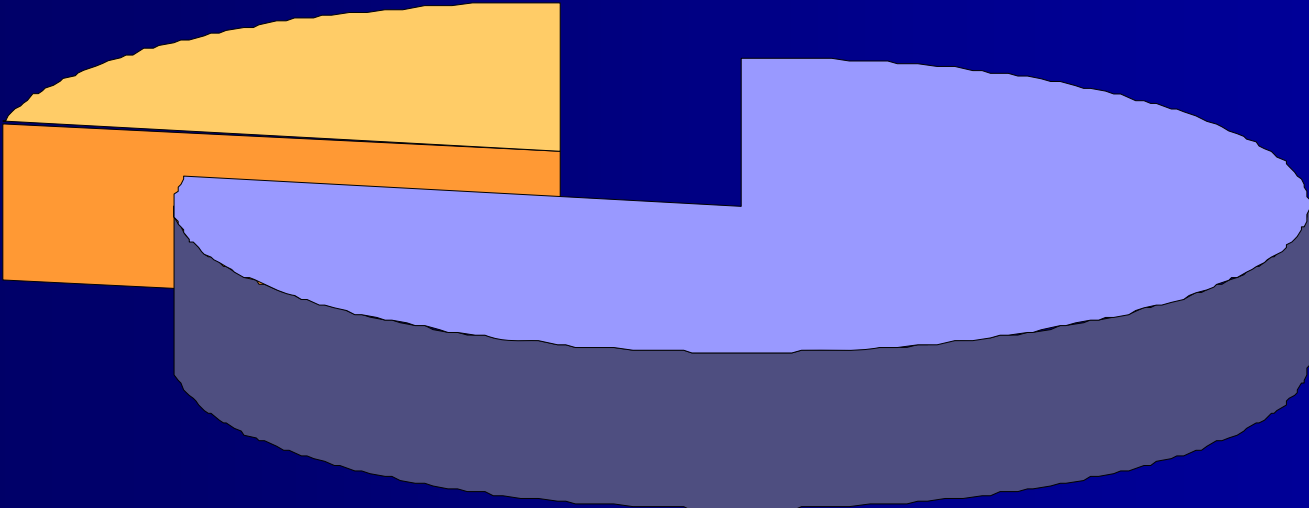
SCHOOL FUNDING

OBJECTIVE OF COMMON FUNDING FORMULA (CFF)

“To ensure that schools with similar characteristics receive similar levels of funding regardless of the area or sector in which they are located.”

SCHOOL FUNDING

Non Delegated



Delegated Funding

2008/9 FINANCIAL PLANNING PROCESS

OCTOBER

NOVEMBER

JANUARY

FEBRUARY

MAY / JUNE

LMS Final reports available on LMS website

School Allocate expenditure on budget allocation form sign, date and return to LMS

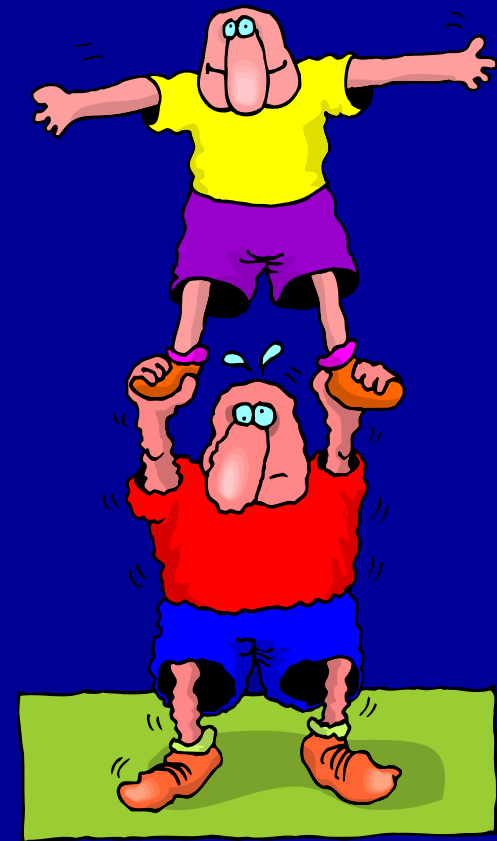
LMS Upload budget allocation onto Board financial system

School completes one year plan and three year plan from website
Sign, date and return to Board by required date

Elements of Planning

Two elements that need to be closely linked:

- School Development Plan
- School Financial Plan



PLANNING THE ANNUAL BUDGET

One Year Plan

- Total Resources Available 2008- 09
- Total Projected Spend for 2008-09
- Projected End Of Year Balance March 2009
- Amendments Made if appropriate
- Signed by Chairman of BoG and returned

3 YEAR PLAN

- **Year 1** - As per One Year Plan
- **2 & 3** - Amend pupil nos.
Increase/Decrease
budget by rise/fall in
pupils x per capita
- Expenditure assumed constant
- Review Outcome
- Amend expenditure as appropriate

DE WORKBOOK

- Requirement from Department of Education
- Surplus Deficit 5% or £75,000 of delegated budget (whichever is the lesser) by March 2008
- Re- assessment throughout the year by Department of Education
- School Performance Review Group



3 YEAR PLAN

Green

Achieved within 5% or £75,000
whichever the lesser

Yellow

Substantially achieved
(minor concerns)

Amber

Significant Concerns. Board
addressing situation

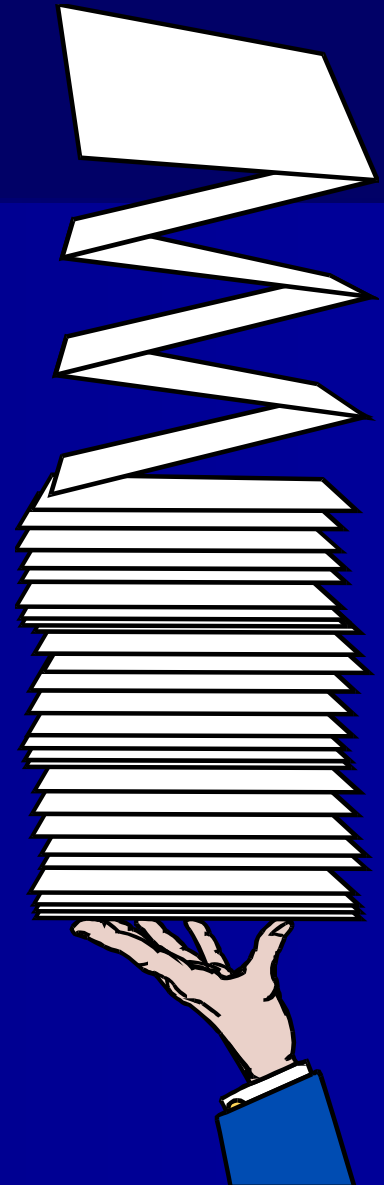
Red

Unacceptable outside the limits.
Action plan needs to be agreed
with school



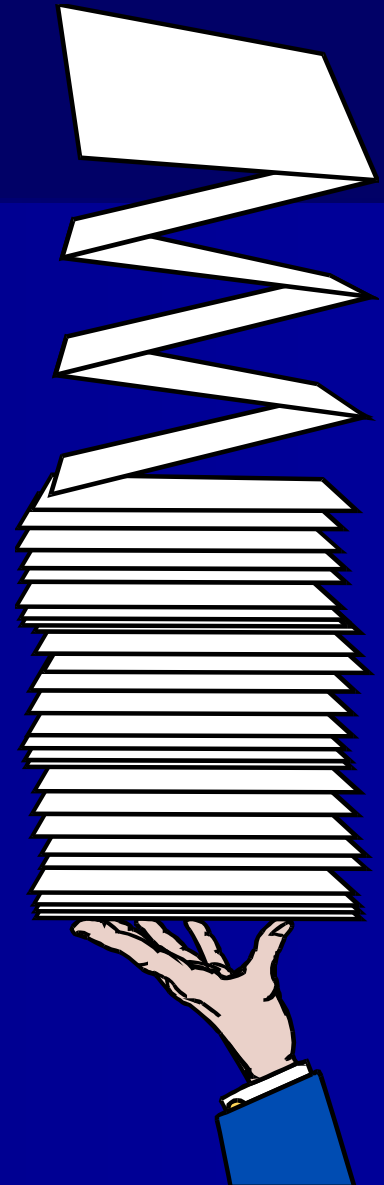
Budget Monitoring

- Reports issued monthly
- Summary and Detail available
- Available on Website
- Access from home if desired
- Review every month



REPORTS

- Budget and Expenditure Report
- Staffing Report
- Detailed Transaction Report (M3)
- Journal Adjustment Report (M4)



C2k/FMS SYSTEM

- Used in Schools for
 - Raising orders
 - Entering invoices
 - Reconciliation to Board system
- Can generate a range of reports that may supplement Board issued reports
- Must be kept up to date and reconciled

LMS STAFF

- Neil Craig Deputy Chief Finance Officer
- Lisa Cross Senior Administrative Officer
- George Blackam Administrative Officer
- Suzanne Kerr Senior Executive Officer
- Stephen Baker Nursery/Integ and Post Primary
- Fidelma Ward Controlled Primary Schools
- Jacqui Wade Maintained Primary Schools
- Harry Campbell Senior Clerical Officer
- Ann McQuillan Senior Clerical Officer

POINTS TO CONSIDER

- **Is there a strong link between the school development plan and the financial plan?**
- **Are you familiar with your school's budget setting and monitoring arrangements?**
- **Do proper financial controls exist?**
- **Do you receive timely financial information?**

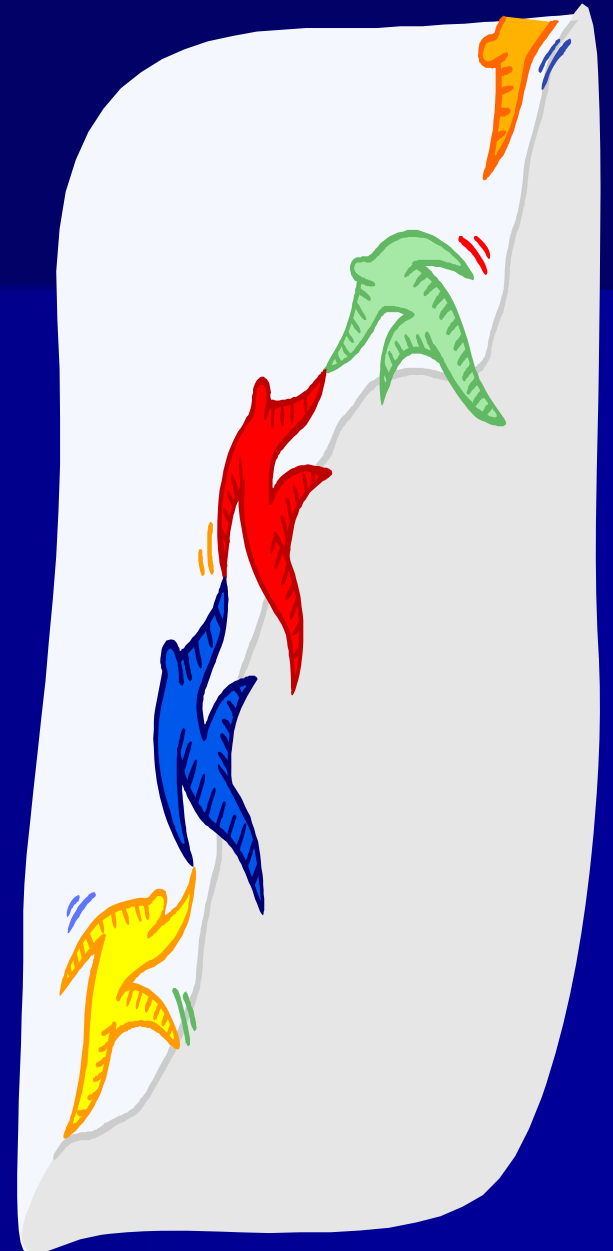
EXPECTING THE UNEXPECTED

- **What is the future enrolment trend?**
- **Has your school any outstanding commitments?**
- **Are there any options available to reduce variable costs?**



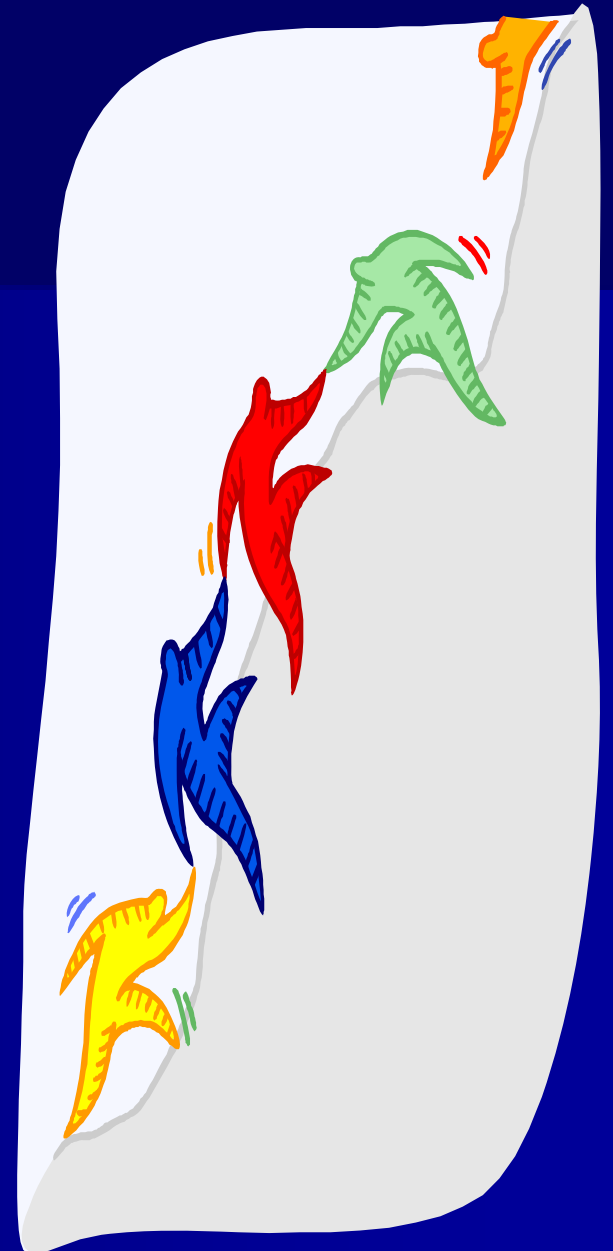
Review

- To raise awareness of the role of Boards of Governors in managing the school budget
- To provide an overview of the School Funding Process



Review

- **Explain the Financial Planning Process**
- **Provide an example of a 1 year and 3 year plan**
- **Make you aware of resources and support available to schools to assist in the financial planning process**



Sources of Information

- Three Year Financial Plans
- Budget Allocation Forms
- Budget Statements
- Outturn Statements
www.seelb.org.uk
- Monthly Financial Reports
lms.nielb.com
- Common Formula Funding Scheme
www.deni.gov.uk
- C2k/FMS Kathleen Dobbin 028 9027 9029

Open Forum

- **Questions**
- **Evaluation**
- **Close**

