

Bank accounts and petty cash

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Key Contacts

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Schools accountancy SchoolsAccountancyServices@ealing.gov.uk

Bank accounts

Most of the Local Authority's (LA) banking activities are controlled by a single contract with Lloyds Bank, which aims to provide a wide range of complex and specialist banking services to all departments, establishments and staff of the LA.

These Financial Regulations are necessary to ensure that the account is properly administered and controlled, and all transactions are posted to the LA's accounting system. Schools may, with the agreement of the Ealing LA, hold cash advanced for financing of Expenditure against Delegated and Devolved funding in any bank approved by Ealing LA Any interest earned from such an account will be retained by the School. It is recognised that certain organisations may not have branches in Ealing.

Bank accounts regulations

1.1 Governing Board (GB) cannot plan for overdrafts, loans or other forms of credit or deferred purchase, nor offer any security to a bank or other financial institution. The LA has no legal power to act as guarantor to loans taken out by the GB.

1.2 GB's are responsible for ensuring that safe and efficient arrangements are in place for controlling the operation of their local bank accounts.

1.3 All matters connected with the LA's banking activities in relation to any official account at Schools shall be made by or under arrangements approved by the Chief Finance Officer (CFO) or his/her representative Officers.

1.4 No School employee or Governor shall open a bank account in connection with the LA's banking activities.

1.5 Any official bank account required at School level will be opened by the School itself under the umbrella of the Council's contract with Lloyds Bank or any other approved by the Ealing Council's bank list with the approval of Full GB meeting.

1.6. Schools must not obtain or use credit cards as these constitute borrowing, which is not permitted. Schools are encouraged to use procurement cards as these cards can be a useful means of facilitating electronic purchasing to ensure best value for money (Ealing Council is in a process of signing a Framework Contract for Purchase cards).

1.7 No personal cheques must be cashed.

1.8 The School shall complete a timely reconciliation of bank balances.

1.9 Sufficient arrangements for the separation of duties shall be in place in relation to the preparation of any accounts, control of arrears and the collection and banking of income.

1.10 The latest listing of approved Banks and Building Societies is available on request from Schools Accountancy.

Petty cash

Where the School operates a Petty Cash account, this will be funded from the Local Expenditure Bank Account. Petty Cash accounts are intended to be used for the payment of relatively small amounts of expenditure and certain postage items as per the School's Finance Policy. Financial Regulations set out the framework within which Petty Cash accounts, funded from the School Budget share are to be operated.

Petty cash regulations

2.1 The petty cash account shall operate based on a fixed advance from the Local Expenditure Bank Account.

2.2 The person responsible for checking the claim and drawing the reimbursement cheque shall be someone other than the person responsible for day-to-day operation of the Petty Cash account.

2.3 The Petty Cash account must be balanced on a regular basis and reconciled to the cash held in the School's Cash "tin". This must also be reconciled when completing each Finance Return.

2.4 VAT will be correctly accounted for.

2.5 Petty cash floats should be kept to a minimum. Any cash at the School must be kept under lock and key, with access to the key being restricted.