**Changing to Full Budget Share**

**Full Bank Account – things to consider**

Under the Scheme for Financing Schools (“The Scheme”), a school has the option to have the full value of their Local Authority funding paid, by monthly instalments, directly into their bank account. All schools in Bradford have their own bank accounts and schools have the option to receive either a full or a part budget share.

***Part Budget Share*** – a school has the cost of their salaries, catering fees and rates paid on their behalf by the Council using the Council’s bank account. The costs of salaries, catering and rates identified in the school’s annual approved budget submitted in May, are withheld by the Council. The remaining budget for all other non staffing costs is paid into the school’s bank account on a monthly basis for the school to manage.

***Full Budget Share*** - a school has chosen to pay all of their costs including staff salaries and catering costs via their own bank account. This means that the full value of the school’s Local Authority funding is paid to the school in monthly instalments. Payroll, catering and other costs are then charged direct to the school’s bank account. The Council only retain Rates and contributions to other de-delegated funds, agreed by the Schools Forum, which are journalled to the school’s cost centre.

The Full Budget Share option does require more involvement from the school in managing payments and cash flow. However, it offers significant advantages, including more control over the cash budget of the school and the potential for increased interest, as more money is held in the school’s bank account. If you would like to discuss the advantages of the Full Budget Share option, please contact your School Funding Team Officer.

The differences between having a full bank account as opposed to a part-bank account are as follows:

* All advances are paid to the school over 13 payments.
* Any increase/decrease in funding will be accounted for in these payments and paid over to the school as advances.
* The school is responsible for paying all invoices including catering and **no** central journals must be posted **with the exception** of Rates and contributions to de-delegated funds, which are managed centrally and journalled to the school’s cost centre.
* Catering is charged via three invoices as follows:
	+ 45% in June
	+ 30% in October
	+ 25% in January
* Payroll costs are charged direct to the school’s bank account i.e. the school is responsible for paying their own payroll (managed either by Bradford Council payroll or another provider).
* Any interest earned from bank account balances is to the benefit of the school.
* The school must monitor cash flow more vigorously as the bank account is not allowed to go into an overdraft position.
* For schools using CBMDC payroll direct deductions are made from the bank account for payroll on the 6th or 7th of each month. The school must ensure that the bank account has sufficient funds to cover these amounts.
* All staff must move to monthly pay by the end of the financial year prior to moving to Full budget Share.

We advise that schools obtain internet banking facilities (‘View Only’ function is sufficient) for timely completion of bank reconciliation. The Guide to Financial Procedures gives further guidance on the security of internet banking.