



Phoenix
FEDERATION

Finance Policy

Chair of Governors: 

Executive Headteacher: Mr. Dean Gordon NPQEL

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LIST OF CONTENTS

| | |
|------------------------------------|-----------|
| 1. Aims | Page 3 |
| 2. Financial Planning | Page 3 |
| 3. Monitoring | Page 3 |
| 4. Roles & Responsibilities | Pages 4-6 |
| 5. Financial Systems | Page 6-11 |
| 6. Carry Over of Savings/Deficits | Page 11 |
| 7. Trust Funds and Investments | Page 11 |
| 8. Insurance | Page 11 |
| 9. Health and Safety | Page 12 |
| 10. Protection of Private Property | Page 12 |
| 11. Unofficial Funds | Page 12 |
| 12. Security | Page 12 |
| 13. Financial Irregularities | Page 13 |
| 14. Prevention of Fraud | Page 13 |
| 15. Internal Audit | Page 13 |
| 16. Document Retention | Page 14 |

1. AIMS

This code of practice brings together decisions made and systems established by the Governing Body of the Phoenix Federation in line with the LA's Financial Regulations, the advice of the Audit Commission, and the Borough Auditors.

The aims of the code of practice are to ensure that the school has established procedures which enable the Governors, Executive Headteacher, Deputy Headteachers, and staff to support the School Development Plan by efficient use of resources and to ensure financial accountability and integrity.

2. FINANCIAL PLANNING

Each school's budget plan is central to the achievement of the schools' educational objectives. These are contained in the Schools' Development Plans and will therefore be under constant review by the Governing Body and agreed annually to allow the schools' budget plans to be prepared before the commencement of the financial year. A final budget plan will be agreed by the Governing Body when notification of the schools' budget shares has been received.

Responsibilities devolved to the Resources Committee, the Executive Headteacher, Deputy Headteacher, and members of staff will enable the Resources Committee to make decisions and manage the schools' finances to achieve the overall aims and priorities established by the whole school as agreed by the Governing Body.

By receiving regular reports from the Resources Committee, the Governing Body will be able to evaluate the extent to which financial decisions have promoted the educational objectives of the school and monitor the effective use of resources.

3. MONITORING

Monitoring will secure value for money and financial probity while ensuring expenditure stays within budget. It will be achieved by adherence to agreed financial systems.

The Executive Headteacher, Deputy Headteachers, and Executive Business Manager will monitor expenditure to ensure accuracy, especially payroll charges.

The schools' bank accounts will be reconciled monthly and the VAT return sent to the LA by the 16th of each month. Monthly reconciliations will be reported to the LA quarterly.

The 6th monthly/yearly projected outturn reports to the LA will provide the focus for a review of the schools' spending against budget plan and spending profile and lead to an action report for the Resources Committee. This process will also enable the school to address potential overspend or underspend. A monthly budget monitoring report (budget vs actual) will be held at each school and signed off by the Executive Headteacher.

4. ROLES AND RESPONSIBILITIES

4.1. *The Governing Body*

The Governing body has overall responsibility *for* financial planning and control to secure the most effective use of available resources. It is responsible for the monitoring of financial systems to support its financial responsibilities and ensure probity.

The Governing body has devolved responsibilities to: -

Governors Resources Committee, the Executive Headteacher, Deputy Headteachers and Executive Business Manager but will -

- pay due regard to the LA's financial regulations and ensure reports are provided as requested by the LA to carry out its financial responsibilities.
- declare and monitor personal financial interest.
- agree the schools' budget plans as part of the Schools' Development Plans.
- receive regular financial reports to enable it to ensure priorities are being addressed and to monitor the effective use of resources.
- ensure the accountability of staff.
- designate the Executive Headteacher, Deputy Headteachers and Executive Business Manager as budget holders.
- designate the following people as signatories for the schools' bank account: Executive Headteacher and Executive Business Manager.

The Governing Body will receive a draft budget plan from the Executive Headteacher, Deputy Headteachers and Executive Business Manager and agree the schools' budget plan, which will be set within the available resources, when the schools' budget shares have been received.

All Governors and staff will complete a Register of Business Interests form, whether or not they have any significant financial interests. The Clerk to Governors will raise this at each Governing Body meeting when held.

4.2 *Resources Committee*

The Resources Committee will scrutinise and where necessary approve financial expenditure to ensure the achievement of the Schools' Development Plans.

To this end it will -

- have regular meetings (at least once per school term) receiving financial reports.
- scrutinise and agree the costing of staffing plans.
- supervise and agree the purchasing or tendering of any items of expenditure between £20,000 and £30,000.
- expenditure over £30,000 will be approved by the Governing Body.
- approve budget virements of over £20,000.
- regularly review security arrangements.

- report termly to the Governing Body.
- monitor all financial systems.
- seek financial advice from the LA when necessary.
- respond in detail to audit reports.

43 The Executive Headteacher

The Executive Headteacher will advise the Governing Body on financial matters, present a budget plan prepared by the Executive Business Manager and options which reflect the Schools' Development Plans priorities.

The Executive Headteacher shall have responsibility for the day-to-day and operational management of the budget and all financial procedures, as delegated by the Governing Body which will include ensuring the agreed financial procedures, are followed on:

- purchasing procedures
- budget virement for up to £20,000 from one budget heading to another but is required to inform the Chair of the Resources Committee retrospectively
- budget reports to governors and LA and
- security of stock (including stock taking)

The Executive Headteacher will: -

- be one of the signatories for the school's bank account.
- authorise orders made on official pre-numbered requisition/request to purchase order forms.
- authorise invoices on presentation of original invoices only.
- approve budget virements up to £20,000.
- have authority to spend up to £20,000.
- monitor expenditure.
- prepare updated reports on the budget for the Resources Committee.

The Executive Headteacher will carry out selective invoice checking at least yearly to ensure all sums which the designated staff have certified for payment were legally and properly payable.

44 The Deputy Headteacher

- authorise orders made on official pre-numbered requisition/ request to purchase order forms.

45 Executive Business Manager and Finance Assistant

The Executive Business Manager and Finance Assistant will:

- maintain accounting records
- prepare monthly/six monthly/yearly reports to the LA.
- prepare regular reports for the Resources Committee.
- ensure regular banking of money.
- ensure that cash held in the school safe does not exceed £1,500.
- and ensure insurance limits are adhered to.
- ensure payments are made by BACS when purchasing procedures have been completed and ensure payments are not duplicated.
- be one of the signatories for the school's bank account (EBM only).
- manage the GPC card issues and records.
- reconcile all payments from the GPC.
- make authorised payments with the GPC card.

46 Office and Resources Manager

The Office and Resources Manager will:

- make payment with the GPC card as authorised by the Executive Headteacher.

5. FINANCIAL SYSTEMS

51. Bank Account

The schools will have their own individual bank accounts as part of the LA's umbrella arrangement with the National Westminster Bank.

Signatories to BACS will be the Executive Headteacher and Executive Business Manager.

The Executive Business Manager will ensure regular banking of monies.

The Executive Business Manager will ensure that bank statements are received monthly and reconciled with the schools Financial Management Systems; this is then monitored by the Executive Headteacher.

The Executive Business Manager will investigate and resolve any discrepancies.

The Executive Headteacher will review all bank reconciliations monthly.

Overdrafts will not be incurred.

Credit cards will not be held. However, the school will have a Government Procurement Card. This card will be used for emergency purchases (i.e. building fixings or online purchases where invoicing is not used such as Amazon, eBay, Tesco etc.) by the Card holder at the instruction of the Executive Headteacher following the expenditure approval procedure.

Under no circumstances shall personal cheques, money or postal orders be cashed through the school fund account.

Under no circumstances shall money, cheques, etc. belonging to the school be paid into a private account.

The Executive Business Manager will ensure that the total amount of cash, including voluntary funds and dinner monies, held on the premises must not exceed £1,500 in the safe and £150 in a locked drawer, which the insurance will repay.

52 Accounting System

All financial transactions will be recorded on the ACCESS accounting system and/or the schools' manual records.

Monthly/six monthly/yearly reports to the LA will be completed by the Executive Business Manager.

53 Purchasing

The Executive Headteacher must approve all goods and services to ensure value for money is being taken into account both on price and quantity. This will be done through discussion with the Executive Business Manager and through the scrutiny of orders.

All orders will be made on Request to Purchase order forms.

Orders may only be authorised by the Executive Headteacher and the Deputy Headteacher.

All orders must be completed in accordance with the following procedures:

- A Request to Purchase order form (also known as a purchase requisition) is required to be completed by staff and the necessary authorisation is required to be obtained from the Executive Headteacher or Executive Business Manager.
- Where an order is made verbally or by telephone, it will be confirmed in writing within 24 hours. **Please note that this process is only able to be used under exceptional circumstances**, for example: to call a contractor to deal with a major flood on site.
 - The Request to Purchase order form (also known as a purchase requisition) is then passed to the Office and Resources Manager, once the authorisation has been obtained. The Office and Resources Manager then produces the school's official purchase order and has it authorised by the Deputy Headteachers only once the internal order has

been authorised by the Executive Headteacher *or* Executive Business Manager. The Office and Resources Manager will then dispatch the official purchase order to the supplier.

- Copies of all orders should be retained and filed appropriately for example:
 - Commitments (i.e. orders awaiting delivery)
 - Liabilities (i.e. orders delivered/received, but awaiting payment)
- Where the supplier is self-employed or a sole trader, the IR35 Employment Status check will need to be completed by the Executive Business Manager. Depending on the outcome of the check, the correct payment procedure will be followed to ensure we are compliant and not penalised by the HMRC for assisting the supplier with tax/NI evasion.

When placing an order, value for money will be ensured by comparing prices/quality and obtaining discounts where possible. For expenditure below £10,000, no quotes are required. All expenditure between £10,001 and £25,000 three quotes will be required. All expenditure between £25,001 and £50,000 four quotes should be obtained.

The final decision will be made in terms of quality, quantity and value for money by the Resources Committee. Where the quotation other than the lowest is accepted, the reasons for doing this will be recorded in writing unless the Resources Committee or the Chair of the Governing Body, through the Chair's Action, decide otherwise.

Expenditure above £50,001 will be put out to tender, the following procedures will apply:

- Tenders will be returnable to and kept in the custody of the Executive Business Manager.
- The tenders will be opened in the presence of three members of the Resources Committee.
- The Governing Body will make arrangements for the acceptance of tenders. A tender other than the lowest received, should not be accepted until the full Governing Body have considered the report.
- Official orders shall be issued for all work, goods or services to be supplied to the school and authorised by the Executive Headteacher in the consultation with the appropriate committee.
- When an order has been issued, subsequent variation or amendments to it will be made only by the Executive Headteacher, after consultation with the appropriate Committee. The alteration shall be noted on the copy of the order and confirmed in writing to the contractor.

- The Executive Business Manager will keep a register to record amounts due and payments made, under any contracts for works which are provided, in order for payments to be made in instalments.
- All payments to a contractor will be made via BACS and authorised by the Executive Headteacher or Executive Business Manager. The Executive Business Manager will produce a statement of account showing cost and adjustments to the contract, together with all supporting documents not later than twelve months, following the completion of the contract or the expiration of any defects liability period, whichever is earlier.

Payment will be made by the Executive Business Manager when the following checks/procedures have been carried out:

- good/services which were ordered have been received and are satisfactory in both quantity and quality.
- the price is as agreed at the time of ordering, correctly calculated and with appropriate discounts.
- expenditure has been coded.
- appropriate VAT and taxation regulations have been applied.
- The invoice is an original VAT invoice addressed to the school (or a certified copy invoice) and not a photocopy or faxed invoice.

Any expenditure beyond £100,001 would require a tender to be put out through the Local Authority.

54 Income

All income will be collected in advance wherever possible to improve cash flow.

The Executive Business Manager will maintain records of all income received/due, acknowledge receipt of income and ensure that all monies are banked promptly.

Every effort must be made to recover money owing to the school. Verbal requests for payment must be followed by three written warnings, before the matter is referred to the Chair of the Resources Committee and ultimately to the LA debt recovery service.

Where the debt is the result of hardship e.g. payment of dinner money, every effort should be made to ease the process.

The Governing Body have delegated powers to the Executive Headteacher to write off bad debts of £300. Debts exceeding £300 must be referred to the Resources Committee, who will decide on the method to be used for recovery.

All 'write offs' will be charged to the school's budget, except those relating to school dinner monies with the approval of the Resources Committee.

The Governing Body will have a charging policy for income generating activities i.e.

- Lettings
- Sales

- Fees and Charges
- Hire of School Equipment
- Contributions

55 Inventories and Stock Control

The Executive Headteacher is responsible for the schools' assets. A record should be kept of stock receipts and issues.

An inventory will be kept of all non-consumable items of £1000 and above. The inventory must be updated annually, but also as and when new equipment is purchased in respect of purchases and disposals. An inventory of portable electrical items having a value less than £1000 should also be kept. The Premises Officer will record all major new purchases above £1000, once the payment has been authorised.

Annual stock checks will be carried out by the Premises Team and monitored by the Executive Business Manager.

Asset registers will be available for inspection.

The Executive Headteacher will ensure that items which become obsolete are recorded. All items surplus to requirements should be advertised and sold to the highest bidder. The Resources Committee must authorise the disposal of surplus stock, furniture and equipment with a value of £1000 or above.

56 Write-Off Of Assets

Any missing item should be promptly investigated. Written records of investigations carried out for missing items should be held with the inventory records. The investigation details and outcome should be signed by the Executive Headteacher and reported to the Resources Committee.

Any item surplus to requirements or outdated should be considered for disposal in the most economical and effective way. Written records of obsolete or defective items, including their value and replacement costs, should be held with the inventory records. The records should be signed by the Executive Headteacher, Deputy Headteacher and reported to the Governors.

57. Write-Off Of Debts

The Resources Committee may write-off debts of up to £1,000. Permission must be sought from the LA to write-off debts above this amount.

58 Reimbursement of expenses

Authorisation for any purchases should be received from the Executive Headteacher, Deputy Headteachers or Executive Business Manager.

BACS may be used to claim back money paid for any school purchase and the repayment will not be immediate but will be within a fortnight of the claim being made. A receipt is required in all instances and failure to produce an appropriate receipt will result in non-reimbursement of the claim.

The claim must be brought to the Executive Business Manager within one month of the purchase or money being spent. There must be a valid and detailed receipt, handwritten receipts are unacceptable.

In most cases the claim will be reimbursed immediately.

A Claims Reimbursement Request form must be completed with all necessary receipts attached.

6. CARRY OVER OF SAVINGS/DEFICITS

Any surpluses at the end of the year will be carried over to the next financial year.

No deficits must be incurred. Where this is unavoidable, we will liaise with Lewisham Schools Finance on actions to reverse it.

7. TRUST FUNDS AND INVESTMENTS

All bank accounts and trust funds held by the school, where legally possible, must be in the name of the school.

The Governing Body shall not authorise investments of money under their control apart from the holding of bank accounts, without the authorisation of the LA.

8. INSURANCE

The Governing Body should consider taking out insurance against any personal claims made against them.

Premises insurance cover for the site is covered in Lewisham Risk and Insurance provision.

The Governing Body through the Executive Headteacher must ensure that there is adequate insurance cover for optional areas i.e. equipment, school trips and offsite sports programmes. This includes day and residential trips.

The Governing Body will meet the excess from insurance claims or losses not covered by insurance, except for fire from the schools' budget.

The Executive Headteacher must inform the Governing Body of all accidents, losses and incidents, which may give rise to an insurance claim.

The Executive Headteacher will maintain a record of all accidents, losses and incidents.

9. HEALTH AND SAFETY

The Governing Body will ensure the health and safety of all staff and that national Health and Safety Guidelines are complied with via the school's Health and Safety policy.

The Executive Headteacher will report to the Governors significant injuries to all users of the site i.e. pupils, staff, parents, visitors etc.

10. PROTECTION OF PRIVATE PROPERTY

The Executive Headteacher must inform all site users that private property taken on to the site will be at the owner's risk.

11. UNOFFICIAL FUNDS

The Governing Body will ensure that all unofficial funds e.g. school fund accounts are properly controlled and audited. The Resources Committee will ensure that voluntary funds are audited annually.

12. SECURITY

Grinling Gibbons Primary School:

Access to the safe in the Executive Headteacher's office will be limited to the Executive Headteacher.

Access to the safe in the main school office will be limited to the Executive Business Manager, and the Office and Resources Manager.

Oak Gardens Primary School:

Access to the safe in the main school office will be limited to the Admin Officers and Executive Business Manager.

School money is kept securely in the school safe.

The responsible people will keep the keys to the safe on their person at all times.

13. FINANCIAL IRREGULARITIES

The Executive Headteacher, Deputy Headteachers and Executive Business Manager must inform the Governing Body of any circumstances where a financial irregularity is suspected. The Executive Headteacher should monitor the budget on a monthly basis to ensure that sound financial probity is maintained. This will also be monitored by the Resources Committee on a termly basis.

The Governing Body accepts that a suspected financial irregularity exists when:

- a scheme of delegation is not complied with
- the school suffers un-accountable financial loss
- an employee gains an unauthorised financial benefit from his or her position in the school

In case of suspected fraud, the school should contact Education Finance, Internal Audit and the Anti-Fraud & Corruption Team Manager, who will decide whether or not the police should be contacted. Where the suspected fraud concerns a member of staff, the school should also contact Education Personnel for advice on the procedures and obligations regarding suspension of the suspected party, should that be deemed necessary.

14. PREVENTION OF FRAUD

Payment should only be made when goods are received after being checked.

Duties and responsibilities in the office should be separated to ensure that no individual has complete responsibility for an entire transaction or financial process.

No cheque documents should be pre-signed until invoices are received and attached.

Access to keys and the safes are restricted to named personnel.

No monies or documents should be left in an unsupervised area.

15. INTERNAL AUDIT

The Governing Body will co-operate fully with the LA internal auditors and allow full access to staff, premises and documents, as necessary.

The Governing Body will discuss all audit reports and agree the implementation of audit recommendations with the Executive Headteacher.

16. DOCUMENT RETENTION

The school will retain all documents in accordance with the LA's guidelines and the Records Management Society's guidelines.

The current and the previous 6 years' financial records will be retained.