

# Hauraki School Policy Document

## Cash Management Policy

### Rationale

That the financial management of the school with respect to cash is well managed.

### Guidelines

1. The Board accepts that it has a responsibility to protect the cash resources of the School. The Board has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal.
2. The Board requires the Principal to implement and manage this Policy. The Principal may from time to time further delegate some of their responsibilities.
3. This Policy must be read in conjunction with other Board Policies, and the exercising of all authority and responsibilities conferred under this policy must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.
4. The signatories for payments and/or bank accounts shall be as follows:
  - the Board Chairperson
  - the Treasurer
  - the Principal
  - the Secretary and Deputy Principal
  - one other parent representative Board member.
5. All payments for operating expenses shall be signed by at least two signatories. All payments for budgeted fixed assets over \$5,000 and long-term investments should be approved by the Principal. Any unbudgeted fixed asset purchases are to be approved by the Board Chairperson.
6. Under no circumstances is a cheque signatory to sign a blank cheque.
7. All cheques, except those for petty cash reimbursement, must be issued as 'Not Transferable – Account Payee Only'.
8. At no time shall the bank account be operated in overdraft without permission from the bank and the Ministry if the overdraft exceeds the borrowing limits.
9. The funds in the bank accounts shall be managed to maximise the interest earned on these funds. This account is to be operated by the Principal and/or Administration Officer only.
10. Separate at-call deposit accounts may also be operated for Fixed Asset Replacement and Cyclical Maintenance reserves as specified in the Board's policies for these matters.

### Investments

11. Investments of School funds may only be made in accordance with the terms of Section 73 of the Education Act 1989.
12. Notwithstanding the requirements of Section 73, no investments may be made in equity stocks or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps).
13. Investments may only be made with the written authorisation of the Principal and/or the Board Chairperson.

## **Fundraising**

14. The Board acknowledges that under Section 73 of the Education Act 1989 some professional fundraising contracts constitute an illegal fundraising contract. No such fundraising contract will be entered into by the School. If doubt exists about the legality of a proposed fundraising contract, the Principal will contact the regional Financial Adviser of the Ministry of Education for advice.

## **Cash Receipts**

15. All cash and payments received must be paid into the school office and properly receipted and reconciled.
16. No cash received can be used to pay accounts in cash.
17. Only delegated staff may handle cash.
18. All receipts must be banked as soon as possible and preferably within one working week of receipt.
19. All cash and cheques kept on the premises must be kept secure and under the control of a delegated person.

## **Accounts for Payment**

20. All accounts for payment, other than expense reimbursements and attendance fees, must be supported by a copy of the:
  - official school order form
  - the invoice, with certification by the orderer that each item has been received, prices and quantities are correct and the payee details are correct
  - the correctly completed cheque ready to be signed or the direct credit documentation ready to be approved.
21. No person can sign off the invoice/purchase order and the payment. The invoice must be certified by the person who authorises the expenditure.
22. Expense reimbursements must be certified by the manager of the individual being reimbursed provided the certifier has delegated authority to sign. An expense claim should be supported by GST receipts or invoices. Claims for the use of private motor vehicle usage must be certified by the Principal or delegate to indicate that approval was given. Scale rates as per the award will be the basis of reimbursement per kilometre.

## **Petty Cash**

23. A petty cash fund of no more than \$300 shall be held.
24. Reimbursement claims from the petty cash fund must be accompanied by a receipt and approved petty cash voucher.
25. Petty cash advances must have an approved petty cash voucher. A receipt for the actual expense with any unspent cash must be provided within 2 working days of the advance.

## **Accounting Records**

26. The Principal shall arrange for proper accounting records to be maintained. The records must satisfy all requirements specified in Acts of Parliament, financial reporting standards and other applicable standards.

27. The financial system must be organised so that the Principal and Chairperson can sign without hesitation the annual Statement of Financial Responsibility as required by Section 155 of the Crown Entities Act 2004.

### **Periodic and Annual Financial Statements**

28. For each calendar month the Principal or Treasurer shall ensure financial reports, are prepared, showing:
- Statement of Financial Performance, including comparison to budget
  - a summary Statement of Cashflow and
  - a summary Statement of Financial Position.
29. For each month the Principal or Treasurer shall present a written summary report that describes:
- key (financial) achievements from the previous month
  - significant matters and/or risks that must be addressed by the School.
30. Any recommendations made to the Board for the purchase of fixed assets, investments and other use of cash resources must refer to the impact on the School's present cash resources and projected budget for the next 12 months.

### **Approval**

31. No variations of this Policy or amendments to it can be made except with the unanimous approval of the Board.

**Signed:**

  
BRENDON CLARK

**Date:**

8 MAY 2017

**Chairperson Board of Trustees**

**Review Date**

8 MAY 2020