

Hauraki Primary School Policy Document

Finance

Rationale

Through effective governance, the Hauraki School Board (the Board) is responsible for the financial management of the school and will comply with the Education and Training Act (2020), the Public Finance Act (1989) and Public Finance Amendment Act (2004), the Financial Reporting Act (2013) and the National Education and Learning Priorities (NELP).

Purpose

- To ensure that controls and procedures are developed to enable the financial management of the school to effectively operate on a day-to-day basis.
- To extract budget information necessary to produce the Annual Report.
- To provide information in a way that is useful and meaningful to the school's management and Ministry of Education (MoE).

Guidelines

1. The Board will allocate funds to reflect the school's priorities as stated in the Charter and strategic plan.
2. A budget will be set annually and reviewed monthly for budget compliance. The budget will be prepared in December and approved by the Board at the first Board meeting of the calendar year, normally February.
3. The budget will consist of:
 - a. Statement of Financial Performance
 - b. Capital Expenditure Budget
4. The Strategic Plan includes:
 - c. Long Term Maintenance Plan
 - d. Capital Replacement Plan
6. The Board will ensure that the Annual Accounts are prepared accurately and audited as required by the Public Finance Act 1989 and the Education Amendment Act 2015.
7. The Board will take notice of any issues raised at the annual financial audit and ensure any actions necessary are taken to remedy any weaknesses that have been brought to their attention.
8. **The principal will:**
 - a. identify with staff the resources required to deliver the curriculum, provide estimates of their cost, and prioritise resource requirements from highest to lowest priority – see the Curriculum Expenditure policy for further details.
 - b. prepare recommended divisional budgets for the Treasurer.
 - c. approve payments within delegated limits.
 - d. ensure the internal control systems safeguard school funds and assets against loss, theft or other unauthorised use.

- e. provide each curriculum leader with full responsibility of monitoring expenditure within budget.
- f. provide budget books to assist with this process.
- g. ensure that all expenditures incurred have been allowed for in the budget.
- h. liaise with accountant as required.

9. The Board will:

- a. ratify the annual budget after ensuring that it accurately reflects the goals and objectives set out in the Charter and the Board's objective of ensuring every student can attain their highest possible standard of achievement.
- b. approve unbudgeted capital expenses of more than \$2,000.
- c. engage the services of an accountant to provide monthly accounts.
- d. consider the monthly financial reports prepared by the accountant.

10. The Board Treasurer will support the principal and:

- a. prepare recommended annual budget for Board.
- b. review the draft line budgets.
- c. monitor expenditure against budget.
- d. provide advice and support to the principal.
- e. ensure financial reports complying with Public Sector accounting standards are prepared annually.

11. The Board and the school will have management procedures for monitoring and controlling expenditure, as set out in Appendix 1. The controls and procedures will have processes in place to ensure there is sufficient backup of software and data, and will:

- comply with current legislative requirements,
- provide accurate accountability through financial systems and reports,
- ensure the integrity of all persons involved in the financial management of the school through compliance.

12. All unbudgeted operating and capital expenditures over \$2000 are to be offset where possible by savings elsewhere in the budget through substitution via the principal to the Board. All substitutions are to be documented by the principal and reported to the Board for their consideration and approval, through the Treasurer.

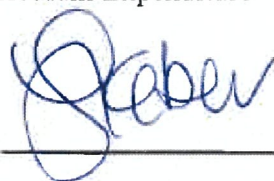
Approval and review

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

14. This policy will be **read annually** by the Board and **reviewed triennially** together with the below related policies:

- Cash Management
- Sensitive Expenditure
- Theft and Fraud
- Curriculum Expenditure

Signed: _____



Presiding Member of the Board

Date: _____

17/5/2024

Review Date: _____

Term 2 2024

Appendix 1

Assets

- The school will obtain two quotes for all Asset/Capital Purchases over \$5000.

Asset Stocktake

- The school will undertake a stocktake of assets in accordance with MoE requirements.

Banking of Receipts

- All cash received is to be counted and receipted and stored in a secure place (under lock & key) and banked within 5 working days.
- All bankings are to be coded appropriately e.g. stationery, donations etc.

Budget Reforecasting

- The Treasurer and Board will undertake regular reviews of the budget and forecast. Any major variances will be approved by the Board.
- Any reforecast variance to the approved net operational budget (income less operational expenditures), capital budget or working capital will be referred to the Board. Unless specifically approved by the Board any variances will have to be managed within the approved budget.

Chargeable Activities

- If the school undertakes activities for which the costs are to be offset by a charge, the charge is to be based on the GST inclusive cost of the activity.

Delegations

- The principal has the authority to commit capital and noncapital expenditure within budget limits.
- Commitments above this limit will require the approval of the Board.
- The principal has the authority to delegate to the deputy principal and/or assistant principal.
- The deputy principal and assistant principal cannot sub-delegate their delegations
- Reimbursing expenses for the deputy principal and assistant principal are to be authorised by the principal.
- The principal has the authority to commit capital expenditure within budget limits.

Donations

- All parents are provided with the opportunity to pay a voluntary school donation in full at the beginning of the year or by term instalment.
- A receipt is provided on payment, and parents are provided with a range of ways to pay.

Fixed Assets Register

- The school will maintain an up-to-date and accurate Fixed Asset Register.

Goods Purchased for Resale

On occasion, the school will purchase goods for resale (e.g., stationery supplies), which in the first instance will be funded from the operational grant:

- Provision should be made in the budget for the purchase of the goods for resale (under the cost of goods sold) and as an income item.
- A stocktake will be undertaken on or about 31 December, to determine what value should be transferred to the statement of financial position.
- Adequate provision should be made in the budget for the write down of surplus/obsolete stock.

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