

Hauraki School Policy Document

Finance

Rationale

Through effective governance, the Board of Trustees will be responsible for the financial management of the school and will comply with The Education Act (2015) the Public Finance Act (1989) and Public Finance Amendment Act (2004), The Financial Reporting Act (2013) and Section 4 of the National Administration Guidelines.

Purposes:

- 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.

Guidelines:

1. The controls and procedures will have process in place to ensure there is sufficient backup of software and data.
 - Comply with current legislative requirements. - Through financial systems and reports, provide accurate accountability.
 - Through compliance, ensure the integrity of all persons involved in the financial management of the school.
2. The Board will allocate funds to reflect the schools priorities as stated in the Charter and strategic plan.
3. A budget will be set annually and reviewed monthly for budget compliance. It will be prepared in January and approved by the BOT at the next Board meeting, normally February.
4. The budget will consist of:
 - a. Statement of Financial Performance
 - b. Capital Expenditure Budget
5. 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, resources required to deliver the curriculum and provide estimates of their cost and prioritise resource requirements from highest to lowest priority.
 - b. will prepare recommended divisional budgets to the Treasurer.
 - c. approve payments with delegated limits.
 - d. ensure the internal control system safeguards 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.

9. The BOT will:

- a. approve the budget which accurately reflects the goals and objectives as set out in the Charter.
- b. approve unbudgeted capital expenses of more than \$2,000.
- c. engage the services of an accountant to provide monthly accounts.

10. The BOT Treasurer will support the Principal and:

- a. review the draft budget.
- b. prepare recommended budget to BOT.
- c. monitor expenditure against budget. T
- d. table a financial report at the monthly BOT meeting.
- e. provide advice and support to the Principal.
- f. ensure financial reports complying with Public Sector accounting standards are prepared
- g. annually.
- h. Liaise with accountant as required.

11. The Board and the school will have management procedures for monitoring and controlling expenditure see Appendix 1.

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 BOT, through the Treasurer.

Signed: 

Date: 21/10/19

Chairperson Board of Trustees

Review Date: Term 3, 2022

Appendix 1

Delegations:

- The Principal has the authority to commit capital and non capital 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.

Internal Control of Finance:

- Internal control of finance will provide a reasonable assurance that errors and irregularities are discovered quickly. The internal control system will help the BOT ensure that school funds and assets are properly safeguarded against loss, theft, or unauthorised use.

Banking of Receipts

- All cash received is to be counted and receipted and stored in a secure place (under lock & key) and banked as soon as possible.
- All bankings are to be classified appropriately eg. stationery, donations etc.

Payments of Accounts

- On receipt invoices and statements will be collated.
- Check each statement to ensure any account rendered/overdue has not been paid during the previous month and not credited. If payment has been made and does not appear on the statement check with the creditor to ascertain why the payment has not been credited against the account.
- Check that there is an approved invoice for each invoice that is listed on the statement. If any invoices are missing obtain a copy from the creditor.
- Adjust the statement balance to ensure that the amount being paid represents an amount for which approved invoices are held.
- Attach all invoices to the statement.
- Prepare a schedule of creditors to be paid.

Payment Authorisation:

- Two authorisers are required for all payments, the Principal and one other.
- Principal expenditure is to be signed off by a board member.
- Blank cheques will not be issued.
- The issuing of cash cheques will be limited and will not exceed \$200.
- All cancelled cheques are to be marked as such and stapled to the cheque butt.
- Payment authorisers will be approved by the BOT.

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.

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 BOT. Unless specifically approved by the BOT any variances will have to be managed within the approved budget.

Donations

- All parents are provided with the opportunity to pay a school donation that is voluntary at the beginning of the year or termly.

- A receipt is provided on payment, and parents are provided with a range of ways to pay.

Goods Purchased for Resale

The School on occasions 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.

Assets

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

Fixed Assets Register

- The school will maintain an up-to-date and accurate fixed asset register.

Asset Stocktake

- The School will undertake a stocktake of assets in accordance with MOE requirements.

Petty Cash

- The school will operate a Petty Cash Float of \$300.

Staff Purchases

- Staff purchases from a supplier to access the school's pricing may occur occasionally if appropriate.
- The school credit card is to be used by the principal only for purchases/payments relating to school items only.

The School and Board shall be under no legal or other obligation in relation to any transactions between a staff member and supplier, and the School Board may withdraw its provision of access to school suppliers for any individual staff member or all staff members, at its sole discretion at any time.

Reimbursement /Payments to Staff

- All reimbursements/payments to staff will be made in accordance with school policy, within budget limits and delegations.
- All expenditures outside delegations require approval of the Principal prior to a commitment/ purchase/payment being made. Reimbursements/payments will only be made for pre-approved expenditures, and on presentation of GST receipts.

Related policies:

Cash Management Policy