
Ratified by B.O.T. **Date: 12 June 2017** **Review Date: 12 June 2020**

Signed by Chairman:

POLICY TITLE: **Financial Management**

POLICY NUMBER: **1** **NAG'S REF:** **4**

PURPOSE:

To provide an efficient system for the Management of the funds entrusted to the Board for the running of the school

GUIDELINES / OBJECTIVES:

1. The Board of Trustees will appoint an Executive Officer, who will be responsible for the accounting and reporting of all the Boards income and expenditure in-line with school accounting and reporting requirements (issue Dec1997).
2. The Board Treasurer will present a written statement of financial position at each Board meeting, and draw to the attention of all Board members any points of note and ensuring that budget guidelines are followed.
3. Expenditure of Board funds must be approved by all board members and be recorded in the minutes.
4. Two approvers are required to authorise payments.
5. The Executive Officer will be responsible for arranging the completion of all GST & Tax returns within the required timeframes, and for the preparation of the end of year accounts.
6. The end of year accounts will be independently audited.
7. The auditor will arrange for the End of year accounts to be sent to the MOE.

FINANCIAL MANAGEMENT PROCEDURE

Income

- a) All incoming money will go through the school office.
- b) All incoming money will be handled by two people where possible, or a receipt will be issued on the spot and given directly to the payee.
- c) All money is banked regularly. Inward cash is not used for outgoing expenses.

Expenditure

Expenditure Budget

- a) Once approved, the expenditure authority levels for the principal, treasurer and budget holders will be set. At this time the board will also set the petty cash limit. Anything over and above these levels will require board approval prior to ordering.
- b) The budget approval and authority levels will be minuted.
- c) All orders to be recorded at the office.

Payment of Monthly Accounts

- a) Payments will be made by either direct credit or cheque.
- b) All invoices and statements will be collated and checked against the order. Once checked for correctness either the principal, the person placing the order or somebody with the appropriate level of authority to spend should initial and code the invoice.
- c) The initialled invoices/statements can then be passed to the executive office for payment preparation.
- d) The batch or cheque number will be recorded on the invoice and the payments register completed. Invoices and batch summary sheet or cheque will be given to the approvers for authorisation.
- e) The signatories to the cheque account shall be as follows: The Board Chairperson, The Treasurer, The Principal, The Executive Officer and The Deputy Principal. All cheques shall be signed by either the Principal or the Executive Officer, and one other signatory, after sighting the invoice to be paid.
- f) Authorisers for direct credits shall be the Principal, the Deputy Principal and Executive Officer.
- g) The previous month's payment register is presented to the board for scrutiny and once adopted as correct then signed by the chairman.

Petty Cash

- a) The petty cash limit will be set at the same time the budget and authority levels are set each year.
- b) Each month the petty cash purchases are listed on the petty cash reimbursement sheet, receipts collated, coded, and sheet totaled. The petty cash fund is then reimbursed this amount by cheque. The reimbursement sheet must be completed at least one day before the board meeting.
- c) The petty cash cheque will show on the payment register for board inspection.

Reporting

Cashbook program to be prepared from the internet banking downloads.

The board to receive monthly:

1. A list of the month's transactions.
2. A statement of Financial Position.
3. A register of payments for the current month for approval.

The board to receive quarterly:

1. A statement of Financial Performance against budget.
2. A budget variance report.

SELF REVIEW

As part of the PMS a process of self review will be carried out throughout the year with the presentation of financial figures at monthly BOT meetings. The BOT will review expenditure against budget and make adjustments and/or suggestions where necessary to remain within annual budget constraints.

At the end of the school year the Board Treasurer will present a written report detailing income/expenditure against budget with suggestions for discussion that may be used for strategic planning.

LINKS

Policy 12 Budget