

## FINANCE POLICY

**RATIONALE:** The Board of Trustees will provide sound financial management to ensure that our resources are best used to enhance the educational purposes of the school.

### PURPOSE:

- To establish guidelines to assist with financial management of the school.
- To ensure that school resources are properly controlled within budgeted income.
- To specify budgeting, banking and reporting procedures.
- To ensure that good financial management practices are followed.
- To ensure that Audit Office and other agencies' requirements are met, including the Education Act and Public Finance Act.

### GUIDELINES:

#### Budget Holders

Budget holders have authority for expenditure within their own area of responsibility within the approved budget. Commitment of large expenditure (ie greater than \$1000 per item) should be approved by the full Board

#### Bank Accounts

The following accounts can be operated by the school:

- 1) A cheque account operated through the Auckland Savings Bank for operational expenditure and income. The Ministry of Education Operational Grant will be paid into this account and Salary Grant for Management direct credited.
  - 2) Business Saver & a term deposit account are operated in conjunction with the cheque account. This will be used to hold surplus funds, and attract interest.
  - 3) A future maintenance account for funds for capital expenditure for future maintenance of school. Two signatures will be required for withdrawals from either of the school accounts. Signatories will be the Treasurer, Principal and the Finance Officer, and other persons as elected.
- A petty cash facility of \$500.00 can also be operated by the Finance Officer and School Secretary.

#### Finance Officer

The Finance Officer will be responsible for:

- a) **Payments** of school accounts.
- b) **Deposits** of donations and other money in the school accounts as well as Term Deposits as per 3 (above) Appropriate documentation will be kept.
- c) **Reconciliation.** At the end of the month will reconcile payments and deposits against Bank statements and prepare data sheets and invoices.
- d) Filing of all completed deposit and cheque books, paid invoices and statements, data input sheets, printouts and corrections, bank statements and reconciliations.
- e) Liaison with Bank and suppliers.
- f) Fixed Asset Register.
- g) monthly report to Board of Trustees. The report will summarise information of:
  - i. expenditure and income showing annual budget, budget to date, variance
  - ii. what we own, ie current assets, bank accounts and current liabilities (accounts payable and public equity).

- iii. Liaising re annual report, service delivery and ensuring GST and ACC payments are made.
- h) IRD, MOE and other Agencies' correspondence.

### **Treasurer**

Liaising with Finance Officer re day-to-day running of finance system.

### **Principal**

The Principal will be responsible for:

- a) Maintaining list of budget holders, financial delegations and extent of delegation.
- b) Ensuring all expenditure is approved by appropriate budget holders.
- c) Liaison with all budget holders in connection with future budget requirements.
- d) Co-ordinate with budget holders re compilation of budget.

### **Budget**

Preparation of annual budget should begin in September each year and adopted by the Board. In the event of any major unforeseen additional income or expenditure, the budget may be reviewed.

### **Annual Accounts**

The Annual Report including financial statements will be forwarded to the Auditor within 90 days following the balance date of 31 December. Requirements will be notified by the Ministry of Education circular. The Audit Office will appoint the Auditor.

### **Reserve Accounts**

The Board shall determine each year an amount to be held in reserve for the purpose of maintenance in future years. The Board may establish other reserve accounts as required for the purposes of acquisition of major capital assets. Reserve funds shall be held in an account established for the purpose in a registered bank, and shall be held at the most favourable interest terms available.

### **Payments**

The Board will receive a schedule of payments from the cheque account at each monthly meeting, and confirm approval for these payments.

### **Board Fees**

Any person elected, appointed, or co-opted to the Board shall be remunerated. Trustees will be remunerated at a rate determined annually by the Board of Trustees

### **Reimbursements**

Requests for reimbursement must be in writing (using the school's claim form) detailing costs and enclosing receipts.

### **Cheques and Internet Transactions**

Authorisation of invoices for payment is made by the Principal.  
Cancelled cheques must be marked as such and stapled to the cheque butt.  
Cheques must never be made out for cash.

### **Register of Assets**

The Board of Trustees shall maintain a register of all capital items over \$500.00. An asset is deemed to be a transportable item of equipment purchased by the school from either capital or operating budgets with an expected life of greater than three years.

Depreciation will be charged based on guidelines given by the Ministry of Education.

Library books are deemed to be assets and will be capitalised each year and depreciated annually at 15%.

### **Expenditure**

All orders are to be made on an approved order form, signed by person purchasing orders and by the budget holder. (2 signatures)

Expenditure on any item is limited to amount set in the annual budget. Any expenditure over this must be submitted to the Board for prior approval and recorded in the minutes

### **Annual Audit**

The school appointed auditor meets each year with the finance officer, the principal, and the board representative, to assess and monitor:

- school circumstances
- extraordinary expenditure
- financial management
- reporting to the board
- property spending
- surplus/deficit.

Every three years the school audit is contracted by the Auditor General's office.

**Reviewed: Term 3 2015**

.....Chairperson, BOT

**Review date: Term 3 2018**