



## POLICY STATEMENT Financial Management

Version 2

Reviewed 1/4/2016

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### **1. Purpose**

To ensure that operational funding and locally raised funds are used to the maximum effect to achieve the best for school pupils.

The board is responsible for:

- And sharing resources available for the effective delivery of Education to students.
- Safeguarding the assets of the school in the interests of the future.
- Meeting Legislative requirements, including ensuring that annual accounts are prepared that meet Audit Office requirements and that these are audited by an independent auditor.

The principal is accountable for the day today financial management and control.

In order to execute these responsibilities, financial management at Riverton Primary School will be conducted in accordance with the following procedures.

### **2. Budget Procedure**

The school financial year will run from 1 January to 31 December.

An annual budget will be prepared by the board chair and one other nominated board member, in consultation with the principal. The budget for the following year will be presented to the board for approval at its December meeting.

The budget should be aligned with the objectives and targets identified in the School Strategic and Operational Plan (the Annual Plan).

The annual budget will provide for funding for ongoing maintenance of the school's property in accordance with the 10 Year Property Plan.

### **3. Expense Delegation Procedure**

The following financial delegations to the Principal have been approved by the Board:

- Capital: \$1,000
- Recurring Expenses:\$10,000
- Non Recurring Expenses: \$5,000
- Any commitments involving sums greater than the above require Board approval, regardless of whether or not those items have been identified in the budget.

### **4. Monthly Financial reporting Procedure**

In order to ensure the financial health of the school is monitored on a monthly basis and any variances against budget are adequately defined and explained monthly in the financial reports that will be submitted to the Board by the principal and allocated board member.

Monthly reports will include a current monthly statement of financial performance (income and expenditure). The report is to include actual results against budget and include variance from budget. A year to date statement of financial performance highlighting % of budget used will also be prepared and presented to the Board. The report to the Board shall include an explanation for any material\* variances. The financial report will be prepared and circulated to the Board prior to presenting to the next Board meeting. The report will be accompanied by a short covering paper, highlighting any issues of particular relevance to the Board. Where possible any queries should be directed to a nominated board member prior to the meeting. This nominated member may follow up queries with either the Principal or office staff prior to the meeting or record questions on the Google Doc made available.

- A material variance is defined as exceeding either 10% of the budgeted amount or \$1000 whichever is higher.

### **5. Year End Procedure**

The Board wished to ensure the school meets its statutory obligations and presents the financial performances, position and cash flows of the school in a professional manner.

Year end financial statements must be presented to the Auditor by no later than 31 March.

The Board must approve the audited financial statements and review the auditor's report. The audited financial statements, as approved by the Board, will be included in the School's Annual Report, four copies of which must be sent to the Ministry of Education no later than 31 May.

The Board must approve the terms on which the school's auditors are appointed by the Auditor General.

## **6. Reimbursement of Expenses Procedures**

All claims for expenses must be submitted to the Office Administrator on the appropriate claim form (see appendix), accompanied by receipts.

Payment for travel will be made at the current rate approved by the Collective Agreements.

Payment to be made at the principal's discretion and should be authorised before purchase or travel initiated.

## **7. Purchasing goods procedures**

1. All goods purchased for the school must be entered in the orderbook.
2. Before any new resources are distributed, the details must be recorded in the Asset Register kept in the office cupboard.
3. This information is transferred to an asset disk at least once a term.

## **8. Banking. Cash handling and record keeping procedure**

Responsibilities for banking, cash handling and payments and record keeping are set as follows:

### Administration officer

- Accepting payments and receipting all cash, cheques and online payments received.
- All money collected put into cash register and rung on.
- Reconciliation of cash register tapes with bank deposits.
- Preparation of banking.
- Signature on bank deposit.
- Preparation of invoices for payment/ financial tracking.
- Custody of cash and cheques.
- Preparation of online payment batches - see procedure below\*

### Principal and Board Chairperson

- authorising expenditure. Signing checks and authorising online payments. (DP Principal, board appointed staff member can also sign and authorise)

### Office assistant

- Monthly entering of expenditure and income into MYOB. Printing and distributing of monthly reports to the Board.
- Preparation of GST returns.

### Nominated Board Members

- Review and Sign off bank reconciliation
- Review of GST returns

Office assistant, Administrator and Principal

\*Authorising online payments

The administrator is required to print off pending payment report and get this signed off by the principal, DP, Principal or Board chair, prior to the online payment batch been authorised and processed.

### **9. Gift procedure**

Turn sure that the board recognises staff contribution to the school when staff leave in a consistent and fair manner the following guidelines are set for gifts.

The gift will not exceed \$25 per year of service with initial cap of \$250 after 10 years plus service. Once the Cap of \$250 is reached any additional amount is at the discretion of an must be approved by the board.

Cost of staff gifts will be shared 50/50 between the board and the Friends of the School.

### **10. Credit card procedure**

The board is responsible for ensuring that the credit card expenditure incurred by the school is clearly linked to the business of the school. **The principle is the designated cardholder.**

- a) The credit card will only be used for:
  - Payment of actual and reasonable travel fees accommodation and meal expenses incurred on well for school business; or
  - Purchase of goods where prior authorisation from the Board is given.
- b) All expenditure charged to the credit card should be supported by:
  - A detailed invoice or receipt to confirm that the expenses of property incurred on school business;
  - For expenditure incurred in New Zealand value greater than \$50 including GST there should also be a GST invoice to support the GST input credit.
- c) The credit card statement should be certified by the cardholder as evidence of the validity of expenditure.
- d) All purchases should be accounted for within five working days of receiving a credit card statement.
- e) Cash advances on not permitted except in an emergency. Where cash advances are taken, the cardholder must provide a full reconciliation, with receipts wherever possible, of how the cash was used. Any unspent monies must be returned to the school.
- f) Cardholder responsibilities:
  - The cardholder must protect the pin of the card
  - The cardholder must notify the credit card company and the school immediately if the card is lost or stolen.
  - The cardholder must return the credit card to the school upon ceasing employment there or at any time request by the board.
  - For the purpose of away from school travel and school related expenses, teachers will be issued with a debit card. All invoices must be presented to the school Administration.
  - The cardholder should never allow another person to use the card.

g) All Credit card statements will be signed off by the board chair or delegated authority.

**11. Fraud and theft prevention procedure**

The board is responsible for the protection of the physical and financial resources of the school.

The board requires the principal, as the chief executive and the board most senior employee, to implement and manage this procedure.

- a) As preventative measures against theft and fraud, the board requires the principal to ensure that:
  - The schools physical resources are keep secure and accounted for;
  - The school’s financial statements are designed to prevent and detect the occurrences of fraud. All such systems must meet the requirements and standards as set out in the Crown Entities Act 2004 and of generally accepted accounting practice promulgated
  - All staff members are aware of their responsibilities to immediately inform the principal should they suspect or become aware of any improper or fraudulent actions by staff, suppliers, contractors, students or other persons associated with the school.

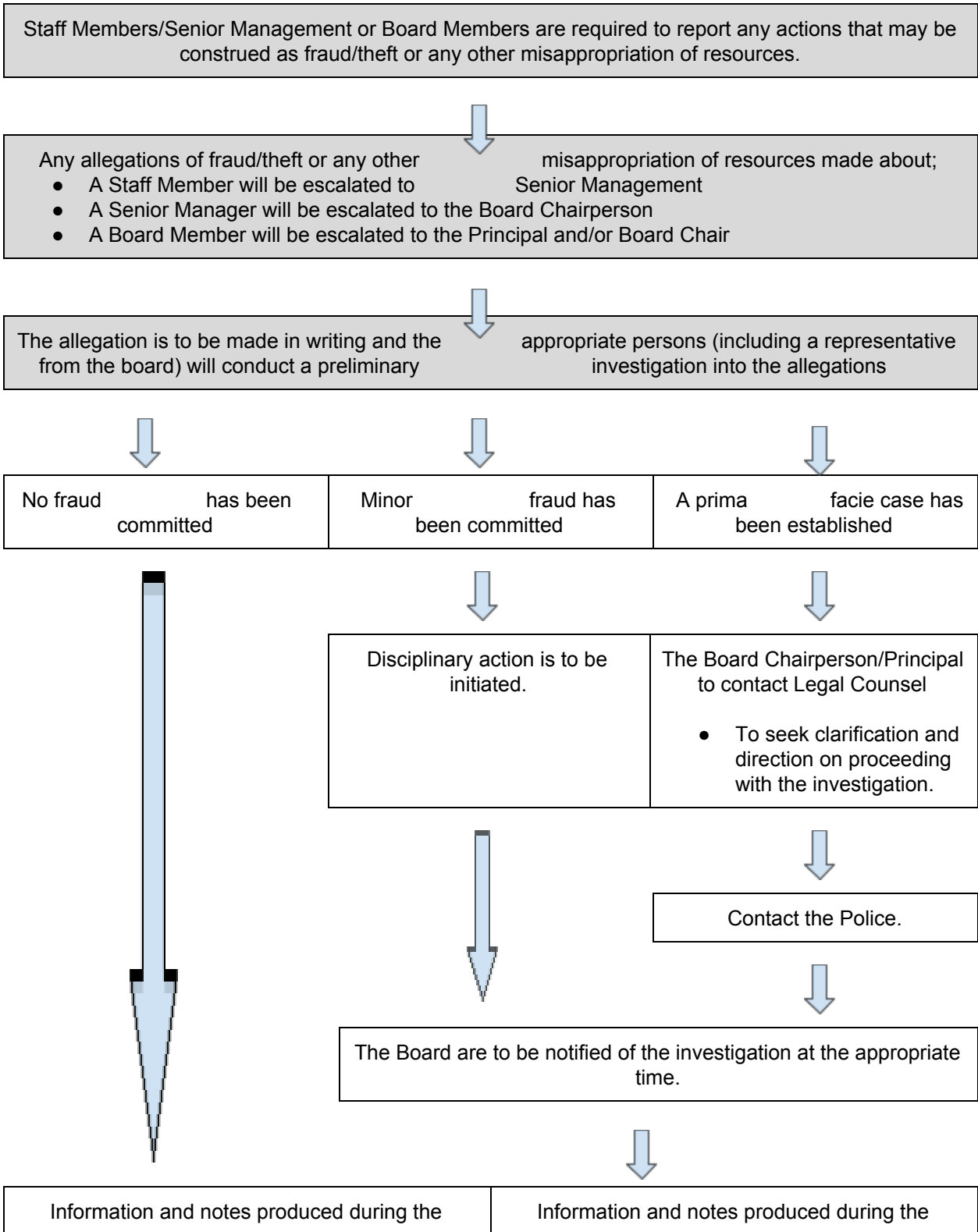
b) In the event of any allegation of theft of fraud the procedures outlined in the flow-chart on the next page of this document shall be followed.

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Reviewed /9/2017

Approved: .....

Board Chair: .....

## PROCEDURE FOR MANAGING AN ALLEGATION OF FRAUD OR THEFT



investigation kept at the discretion of the Principal.

investigation are to be kept in the personnel file of the appropriate person.