



Finance Policy

NAG 4a Finance

Toko School Board of Trustees in accordance with the legislation on financial matters, will:

1. allocate funds to reflect the school's priorities as stated in the charter;
2. monitor and control school expenditure, and ensure that annual accounts are prepared and audited as required by the Public Finance Act 1989 and the Education Act 1989.

Toko School Board of Trustees meets its obligations to **NAG 4a**, by ensuring that the following documentation is developed, implemented and reviewed as part of the Board's self review **process**.

Policy

Finance

Budgeting

Fundraising

Theft and Fraud Prevention

Key Supporting Documents

Annual Audit Report

Annual Budget

Annual Financial Statements

Annual reports to Community

Asset register and depreciation

Expense claims by staff and trustees

Insurance Portfolio

Invoices

Ministry Gazette Notices and Circulars

Minutes of Board Meetings

Monthly Financial Reports to BOT

Receipt Books

School Donations

Toko School Charter, including Strategic and Annual Plans

Procedures

Accounting

Audit

Budgeting

Financial Management

Financial Reimbursement to BOT

Financial Report to BOT

Fundraising

Investments

Payroll

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Purchasing Procedures
School donations & fees
Stationery sales
Reimbursement
Teacher allowance

This policy is reviewed on a 3 year cycle in line with the Board's document self review plan.

Approved: March 2006
BOT Reviewed September 2007
Principal and Board Review of Procedures August 2008
Principal and Board Review June 2009

FINANCIAL PROCEDURES

ACCOUNTING:

1. The Office Secretary will collate all necessary documentation needed for Education Services to prepare the school yearly accounts.

ASSET REPLACEMENT:

The Board of Trustees of Toko School pass the responsibility of Asset Register maintenance and compliance with Financial Reporting Standards to Education Services Central, a company specializing in education reporting. Education services comply with all Financial Reporting Standards. The Principal updates these yearly, identifying obsolete items. A minimum value of \$500 is set for items to be included in the asset register.

AUDIT:

1. The Board of Trustees accounts will be audited yearly.
2. The Annual Financial Accounts will be sent to the Audit Office no later than 90 days after the end of the financial year.

BUDGETING:

1. The Principal in consultation with Treasurer will prepare a draft budget for the following year for presentation at the December meeting. Delegation to experienced office staff may occur. Ultimately the entire Board are responsible for the passing of the yearly budget.
2. The budget will be prepared with reference to the previous year's expenditure, school priorities and varying Professional Development needs.
3. Potential areas of shortfall in funding will be identified.
4. The budget shall be subject to regular review.
5. Approval of the budget by the Board will authorize purchasing to proceed within the specified code allocations up to the limit of the budget figures approved.

FINANCIAL MANAGEMENT:

Bank: Taranaki Savings Bank, Stratford
Auditor: Silks Chartered Accountants Wanganui
Accountant: Education Services Limited new Plymouth

All money handled within the school must be adequately accounted for.

The Board has engaged Education Services to provide a monthly and annual financial accounting service.

The financial system is run using two accounts:

The Children's Account – cheque account. Signatory the principal and office secretary At no time shall the cheque account be operated in overdraft except in accordance with the requirement of the Public Finance Act 1989.

Board of Trustees Account – cheque account. The signatories for this account are Board Chair and Treasurer. Under no circumstances is a cheque signatory to sign a blank cheque. At no time shall the cheque account be operated in overdraft except in accordance with the requirement of the Public Finance Act 1989.

All purchases must be accompanied by a signature on the invoice, confirming the goods or services received are correct. This is done by the Principal, after consultation if necessary with the person making the order. A teacher in charge of a budget area is delegated the authority to make purchases up to the budgeted amount, conferring with Principal along the way. A GST receipt must be requested.

Check all invoices - use school 'date stamp' to record when goods were received, coded to budget by Office Secretary and approved by Principal. At a minimum the purchasers name must appear on the invoice.

Accounts paid by Treasurer

Treasurer writes up the payments schedule (cheques written from school account during the month) and Receipts Schedule for Education Service Centre. Treasurer supplies BOT members with summary prior to each Board meeting.

Bills to be paid by Education Services

Office Secretary writes up all invoices, stamps with date, gives to Principal for checking, and signing. Write up the Payment Schedule for Education Services. Sends to Treasurer for checking and signing before sending to Education Services. Supply BOT members with a summary at each Board meeting.

Payments and Invoices paid by school (Children's Account)

Office Secretary writes up all invoices, stamp with date, give to Principal for checking, and signing. Write up the Payment Schedule and receipt schedule for Education Services.

All monies coming into the school for class trips, performances etc are to be sent to the office.

Office Administrator then checks money and writes a receipt. Individual receipts are required for all items \$20 or more.

Banking of all money received should be done on a regular basis. Once a month the Principal checks banking against cash receipt records and sign. All cheques received will be stamped not negotiable Account Payee only. The deposit butt is reconciled to receipts

A small amount of petty cash is held at the School Office for any cash purchases of small amounts i.e. under \$15. In this case no order is needed and only an ordinary receipt is required with what

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was purchased and what area of the budget it should come from. No cash received can be used to pay accounts in cash.

Each fortnight a coded summary of all wages and a balance with MOE Staff Usage Report will be sent to Education Service Centre. Office Administrator to check fortnightly SUE Report. Check relievers against Absentee Book. Principal to check and sign. Keep all Staff Payroll slips in filing cabinet.

The Treasurer reviews the SUE Reports and signs prior to sending to ED Services.

Board member to conduct random check once per term of these procedures.

Personal purchases - individual people wishing to make personal purchases through the school name will do his/her own authorization and follow the same procedures as for other ordering. The individual will pay the GST on any personal purchase.

All financial statements and records will be filed for future reference. Stored in the loft above Teacher Resource room.

Financial gifts are banked as for normal procedures. A letter of acknowledgement sent by Board.

A regular "Budget to Actual" comparison will be done each month, and any significant cost or income overruns examined.

FINANCIAL REIMBURSEMENT TO B.O.T.

1. An allowance of \$70 be paid to the chairperson of each meeting and \$55 to Board members.
2. Meeting fees shall be paid to all members on an annual basis.
3. Any other expenses incurred by Board of Trustees members, given correct documentation is supplied, shall be reimbursed on application. Prior approval of the Board is also required. Budgetary constraints apply.

FINANCIAL REPORTS TO BOT:

1. Monthly Financial Management Reports from the accountant will be made available to Board members **prior to each meeting**. These will contain:
 - * Income Statement Balance Sheet
 - * Schedule of Accounts for payment

Each month, a spreadsheet showing Income, Administration, Property, Teaching, Total Costs for the year to date and prediction against the budget will be given to each Board member.

2. At each meeting the **Board will approve the payments of the accounts** shown in the Schedule of Accounts for Payment and Statement of Financial Performance.

FUNDRAISING:

Refer policy

GRANTS

The Principal will apply on a cycle to the TET and TSB for additional funds to be used in accordance with current budgets and existing school priorities and needs. Under new guidelines TSB Education
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Grants for Literacy and Numeracy must be budgeted for separately. The good/services purchased are accountable beyond the school. They should be kept separate from the schools own literacy and numeracy budgeting. They are on top of not instead of the schools own budgeting for these items.

INVESTMENTS:

1. Board funds will be invested according to predicted cash flow in order to gain maximum interest.
Investments may only be made after the written authorization is minuted at a Board meeting.
2. The Treasurer will have authority to arrange transfers to and from investments involving school accounts only.
3. All investments are to be held by a provider approved by the Ministry of Education in accordance with the terms of Section 73 of the Education Act 1989.
4. Notwithstanding the requirements of Section 73, no investments may be made in equity stocks or in synthetic money market products.

PAYROLL:

1. School Support is to be advised of any discrepancies in staff wages fortnightly as they arise.
2. School Support is to be advised at least a week prior to staff not being paid over the holiday period.
3. Correspondence sent to School Support will be copied and filed within an employees file.

PURCHASING

1. The Board delegates to the Principal authority for the purchase of all items which are needed to effectively manage the school, given that all other guidelines are adhered to.
2. The Principal delegates to staff the authority to purchase items within their delegated area of responsibility, given that all other guidelines are adhered to.
3. Purchases should stay within broad budget guidelines unless authorized by the Board. There is a 10% leeway which may be used sparingly by the **Principal** in day to day management.
4. Staff discussion will be held to identify priorities for the purchase of educational items and services.
5. 'Capital Items' are budgeted for during the budget process and written into the Capital Items Budget. These must have been discussed and passed at a Board meeting. Purchasing by the Principal will proceed in a timely manner. The Principal will refer to the Asset Replacement Register during this process. It is important that longer term planning dominates this budget. However, it must also cater for urgent needs that may develop.
6. Items **outside the capital budget** that are above one thousand dollars will be discussed with the Board prior to purchase.

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7. Attempts will be made to find the best “**value** for money”. However, there is a lot to be said for long standing business relationships. At times it may not be the lowest ‘quote’ which is accepted.
8. Purchases of substantial goods and services will be planned, keeping in mind the quarterly bulk grant payments.
9. Staff must use the purchasing order book kept in the office when making purchases. This allows a clear record to be kept.
10. Teachers with curriculum budgets must remain within budget guidelines. If staff are to go beyond the allocation this can only be done with the approval of the Principal.
11. Any purchases made on behalf of the school must be reimbursed with the invoice, accompanied with receipts, completed by the purchaser. The invoice book is kept in the school office.

REINBURSEMENT

- Reimbursement may be claimed for:
 - Travel at N.Z.E.I. Contract rates
 - Meals at N.Z.E.I. Contract rates
 - Registration fees at total cost
- Materials - Total costs of materials bought for Toko School
- School camp allowance
- Miscellaneous expense: Reasonable and actual expenses which have occurred in the proper performance of the position

Claim forms are to be completed at the **end of each month**, approved and presented for payment at the next Board meeting.

SCHOOL ACTIVITY ACCOUNT

1. The school fee is requested to be paid at the beginning of the year. This is a one off account to cover transport, pool and other events the children are involved in throughout the year. This is not a school donation. It covers real costs. In 2009 it s set at \$60.

STATIONERY SALES:

1. Children’s stationery needs will be supplied to them at school in the first week of the year.
2. Teachers have an account at Paper Plus. Teacher’s stationery taken from the office to be recorded on Whiteboard in office. Office secretary will then record in stationery book.
3. On a daily basis throughout the school year, pupils will be able to purchase their stationery needs from the school office at a time convenient to the office.
3. Accounts for stationery purchased throughout the term will be sent home at the beginning of the next term (excepting at the end of the year, when the account will be sent home in week 9 of the final term)
4. During Term 4 staff will be consulted in relation to stationery items required in the following year for all subject areas.

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5. Accounts will be sent out at the end of each term and are to be paid promptly.
6. Accounts not paid within four weeks will be considered overdue.
7. Annual stationery orders will be placed in January.
8. Payment terms can be arranged in consultation with principal.
9. Overdue accounts are to be brought to the attention of the Principal.
10. The Principal *may* decide that overdue accounts that are not settled after contact has been made will result in refusal of further credit on stationery sales until payment is made.

TEACHER ALLOWANCE:

1. Each classroom teacher is given a consumable budget of \$300 per year to spend on his or her classroom requirements above and beyond the curriculum budgets.
2. Teachers are to save receipts and claim reimbursement from the school.