



NAG 4 FINANCE & PROPERTY

FINANCIAL MANAGEMENT POLICY

Rationale:

The Board of Trustees has a responsibility to manage government provided funds and any other funds received effectively and to ensure the financial management of these funds is properly controlled. All employees and Board of Trustees of Wilson School have a duty to care for and protect the funds and assets of the school and may use those funds and assets only for the good of the school and for properly authorised purposes.

The Board or the Principal may choose to instigate an internal review or audit of financial processes in addition to the appointment of an external auditor. It is required that all staff and Board of Trustees members shall cooperate fully should such a review be required. Such cooperation is considered an essential responsibility of the individual concerned.

Purpose:

- To ensure available funds are allocated in an equitable way by preparation of an annual budget.
- To ensure the Principal and staff have necessary delegated authority to manage and control their allocated budgets.
- To ensure the Board of Trustees is advised of the school's financial position by regular reporting of actual results against budget to members.
- To ensure the school community is informed about the financial position of the school. An audited Annual Report is available for inspection.
- To ensure the school's system of internal controls are adequate to minimise the possibility of loss, either through error or deliberate theft.
- To ensure the management of the school's available liquid funds provide maximum benefit.

Policy:

- The Principal shall notify the Chairperson without delay if he/she identifies or suspects any occurrence of fraud or theft involving school assets or funds. The Principal and any other staff or Board of Trustees member with knowledge of the fraud or theft shall maintain strict confidentiality, other than informing other Board of Trustee members, to enable the Board of Trustees to meet its legal requirements. When an allegation involves the Principal, the Chairperson of the Board of Trustees should be informed directly. Where an allegation involves a member of the Board of Trustees, the Principal shall be notified. In all cases of identified or suspected occurrence of fraud the local branch of the Ministry of Education shall be notified by the chairperson of the Board of Trustees.
- Budgets will be prepared annually and provide for the following:
 - a) Achievement of the school's mission within the context of the strategic plan and annual plan.
 - b) Health and Safety of staff and pupils.
 - c) An equitable distribution of available resources.
 - d) Provision for regular replacement of fixed assets and preventative maintenance of the grounds and premises.
 - e) Maintaining sufficient monetary reserves to meet budgeted expenditure as it arises.
- The Principal and staff are responsible for identifying resources required and associated costs for all curriculum related activities and capital expenditure items on an annual basis.
- The Principal and Board of Trustees are responsible for identifying required expenditure for:
 - a) Property and Maintenance Costs



- b) Administration Costs
- c) Capital Expenditure Costs
- d) Ongoing maintenance programme.
- e) ORS
- Overall responsibility for setting and monitoring the budget preparation process and for approval of the budget rests with the Board of Trustees.
- The proposed budget should be approved by the BoT annually before 31st December of the preceding year (generally this would be in November). Any changes to the approved budget amounts (for example as a result of finalisation of funding amounts in April of the budget year) must be ratified by the Board.
- The draft budget should be approved by the Board of Trustees annually each December with final ratification in February.

Delegated Authority

- The Principal has authority to commit expenditure during each year such that at year end expenditure is no more than in the approved budget. The Principal is required to follow cash flow management instructions of the Board of Trustees as given from time to time and in conjunction with the executive manager monitor expenditure to identify if it is likely to exceed budget. The BoT should be notified if it is anticipated that actual expenditure on any individually budgeted expense will exceed \$5,000 or 10% of the amount budgeted amount (whichever is the greater). Budgeted operational expenditure must not be exceeded without prior approval of the Board of Trustees.

Monthly Reporting

- A comprehensive monthly financial report will be presented to the Board.
- Monthly reports of actual income and expenditure and comparison with budget should be presented each month to the Board of Trustees for approval with commentary on material variances.

Payments and Receipts

- The Board may, at any time, request detail of all receipts and payments.

Annual Report

- The Annual Report will meet all legal obligations.
- The Annual report will be considered at the first Board of Trustees meeting after its preparation and, after adoption by the Board of Trustees, shall be made available to the school community.

Internal Controls

- Approval of Invoices – All invoices must be approved by at least two persons. Current approvers are:
 - Principal
 - Executive Manager
 - Deputy Principal
- Cheque Signatories – All cheques require two authorised signatories. Current signatories are:
 - Chairperson
 - Principal
 - Executive Secretary
 - Deputy Principal.
- Unbudgeted Operational and Capital Expenditure must be approved by the Board. Approval can be by way of email from the Chairperson (or in their absence the Treasurer) but all approvals must ultimately be minuted by the BoT.
- Petty Cash - The petty cash float is the responsibility of the Executive Secretary.
- The person responsible for making or initiating the payment of accounts must not approve invoices.
- The person approving invoices for payment shall also code or approve the code for those invoices.

Sensitive Expenditure



- Before approval, the Principal must carefully scrutinise any expenditure which may be considered beneficial to individuals or groups of individuals.
- Before any expenditure which may be considered beneficial to the Principal it must be approved by the Board Chair.

Investment Accounts

- Investments covers both term and call account. The Treasurer is responsible in consultation with the BOT for managing investment funds to ensure funds are safe guarded and provide maximum return within the limits and constraints of the Education Act and relevant Ministry of Education directives.

Credit Cards

A credit card may be issued to the Principal of the school. This card is referred to as the School Credit Card. The BoT will approve the school credit card and the credit card limit.

The School credit card can only be used for School budgeted expenditure. If the School credit card is used for private purposes it will be cancelled and the relevant staff member must immediately reimburse the School for any private expenditure. The Principal is responsible for insuring proper use of the School credit card should it be used by another staff member.

The Executive Manager must prepare a monthly credit card payment summary and submit it to the Chairperson or Treasurer for approval. The summary must identify all expenditure incurred and relevant ledger codes. The credit card summary must be signed off as authorised by the Principal and either the Executive Manager or Deputy Principal before approval.

Ratified

BOT:

[Signature]

Principal:

[Signature]

Date:

30/07/2019

Review date:

May 2020

