



## **FINANCIAL MANAGEMENT PROCEDURES – NAG 4a**

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Inglewood Primary School has developed and implemented procedures in the following areas to ensure that Financial Management requirements are being met.

### **FINANCIAL MANAGEMENT PROCEDURES:**

- Accounting
- Audit
- Bank Loans
- Budgeting
- Entertainment
- Financial Management
- Financial Reimbursement to BOT Members
- Fundraising
- Gifts
- Hardship
- Hiring School Facilities
- Investments
- ORRS Funding
- Payroll Changes
- School Donations & Fees
- Theft & Fraud
- Travel

### **SUPPORTING SCHOOL DOCUMENTATION:**

- Annual Audit Reports
- Annual Financial Statements
- Annual School Budget
- Approved Delegations
- Expense Claims/Reimbursements
- Monthly Financial Reports
- NAG 4 Policy
- Order Books
- Asset Register & Depreciation
- MOE Notices/Circulars
- Visa Credit Card

### **ACCOUNTING:**

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- The principal and the office manager will collate all necessary documentation required for education services to prepare the monthly and annual accounts and any such documentation as required by the school auditors.

## AUDIT:

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- The school will comply with all requirements of the annual audit process.
- The responsibility for this is delegated to the principal and office manager in association with education services Central Ltd.

## BUDGETING:

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- The Principal and senior management in consultation with staff and BOT will prepare a draft budget for the following year for presentation at the November Board meeting.
- A cash flow analysis will be prepared in conjunction with the budget.
- The budget will be prepared with reference to the previous year's expenditure.
- The budget will be prepared taking into account staff and community viewpoints.
- Potential areas of shortfall in funding will be identified.
- The budget will take into account staff development, maintenance and replacement item costs.
- The budget shall be subject to regular review.
- Approval of the budget by the Board will authorise purchasing to proceed within the specified code allocations and cash flow analysis up to the limit of the budget figures approved.

## BANK LOANS:

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- From time to time the Board may approve an application from the TSB for an interest free loan for capital purchases.
- Such applications will meet all MOE requirements and be fully minuted.
- In such instances the board will use an existing investment as security for the loan.

## FINANCIAL MANAGEMENT:

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- 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 board will operate two cheque accounts. These will be an
  - **General Purpose Account** - dealing with the day to day running of the school.
  - The signatories will be any two of the Principal, Office Manager, or Associate Principal.
  - Money for school fees and activities is sent to the office for receipting and banking. A list of those who have paid is to be kept on Assembly and schedules to Education Services.
  - All money received is to be banked as soon as is practical.

- The Expenditure and Income for the month will be entered onto the relevant forms supplied by Education Services who will prepare the monthly and annual financial statements as part of its contractual arrangements.
  - **Board of Trustee Account** - dealing with the monthly accounts. This will be the main operating account of the board.
  - The signatories will be any two of Principal, Associate Principal, or Office Manager.
  - Blank cheques should not be pre-signed by any one signatory.
- Order books / order names / authorised budget codes will be used wherever possible. If this is not possible invoices to be signed by purchaser.
  - All invoices will be received and processed through the school office.
  - All Invoices will be checked against an order form or with the personnel making the purchase for. Goods received will also be matched to invoice details.
  - Invoices will be checked against monthly statement of account from each firm.
  - The Principal will check through all the accounts and countersign Invoices allocating costs to appropriate areas.
  - The Office Manager will code the invoices in consultation with the Principal and enter all Income and Expenditure on the relevant forms supplied by Education Services.
  - A copy of all income & expenditure transactions for the month will be presented at each board meeting for ratification along with a set of balanced and reconciled monthly accounts.
  - Included with the Income & Expenditure reports will be a summary outline providing a full and accurate statement of current financial position.
  - All Board monies will be deposited with an M.O.E. approved banking service.
  - The Board of Trustee Account is currently held at the Inglewood Branch of the T.S.B Bank.
  - Personnel designated a particular budget area will have the authority to purchase and the responsibility for checking documentation before the payment is made.
  - All Board of Trustees accounts will be audited yearly.
  - All financial statements and records will be filed for future reference.
  - The day-to-day management of school income / expenditure is delegated to the principal who will work in liaison with the Office Manager.

## **FINANCIAL REIMBURSEMENT TO B.O.T.**

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- Meeting attendance fees shall be determined for the following school year by November by the Board of Trustees Professional Committee and carried by vote at a general meeting of the Board.
- An allowance of \$75.00 be paid to the chairperson of each meeting plus \$55.00 to Board Members.
- Meeting fees shall be paid to all members at the end of each year or as required.
- Travel on Board business will be at the rate of 58cents per km, to a limit set by the budget and or tax guidelines.

- Any other expenses incurred by Board of Trustees members shall be reimbursed on application and have received the prior approval of the Board.

## **FUNDRAISING:**

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- The Board of Trustees will approve of all fundraising activities conducted by the school.
- Approval for this may be delegated to the principal / Parent Link.
- Board of Trustee approval must be given before any approach to the community for donations of goods or services is made.
- Under section 73 of the Education Act 1989 some professional fundraising contracts are illegal. No such fundraising contract will be entered into by the board.

## **GIFTS:**

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- From time to time it may become necessary / desirable for gifts to be purchased. Such occasions may be on the departure of staff, thank you's or Koha
- Responsibility for this is delegated to the principal.
- The principal may not purchase any gifts for personal or family related use.

## **ENTERTAINMENT:**

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- Discretionary spending on entertainment related to hospitality and / or the promotion of the school will be accepted as part of the budget allocated to principal's expenses.
- Accounts for this will be processed within normal operating protocols.

## **HARDSHIP SUBSIDIES:**

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- The principal may exercise discretion to assist in cases where financial hardship prevents a child from participating in a school activity.
- It is expected that families should contribute in some part to any activity and that any subsidy will not underwrite the full cost of the activity.

## **HIRING OF SCHOOL FACILITIES:**

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- The hall/pool may only be used by clubs and organisations approved by the Board of Trustees and Principal.
- The Board of Trustees will set the hire charges on an annual basis in consultation with the hirer.
- Clubs and organisations are required to leave the hall/pool in a tidy and clean state. Failure to do so may result in the Board of Trustees cancelling the agreement held with the hirer.
- An agreement to be signed by both parties prior to using the hall/pool would include Non Smoking Policy and charge fees.
- The Principal and/or Office Manager will be notified of the contact person for each organisation.

- The Board of Trustees will review the hire charges set for all hall users on an annual basis.
- The Principal has the delegated authority to permit the use of school grounds out of school hours

## **INVESTMENTS:**

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- Board funds will be invested according to predicted cash-flow in order to gain maximum interest.
- The Office Manager / Principal will have authority to arrange telephone transfers to and from investments involving school accounts only.
- All investments are to be held by a provider approved by the Ministry Of Education.

## **ORRS / SPECIAL NEEDS FUNDING:**

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- Money received for ORRS / special needs funding will be spent to the benefit of those students.

## **PAYROLL CHANGES:**

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- Responsibility for notifying payroll of any payroll changes relating to staff is delegated to the Principal/Office Manager.
- Such notifications must follow existing payroll guidelines.
- The principal and/or Office Manager may not approve any payroll change relating to him/herself.

## **SCHOOL DONATIONS & FEES:**

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- The school will make clear to parents what monies are fees in terms of the act and what monies are voluntary donations.

## **THEFT & FRAUD:**

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In the event of an allegation of theft or fraud the Principal shall act in accordance with the following procedures:

1. Decide to either immediately report the matter to the New Zealand Police or proceed as outlined in this paragraph.
  - So far as it is possible and within 24 hours:
  - Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the theft or fraud.
  - Request a *written statement* from the person who has informed the Principal, with details as to the nature of the theft or fraud, the time and circumstances in which this occurred, and the quantity and/or value of the theft.
  - Decide on the initial actions to be taken including consulting with the person who provided the information and, if appropriate, confidentially consulting with other senior members of staff about the person who is the subject of the allegation.
  - Inform the Board Chairperson of the information received and consult with them as appropriate.
2. On the basis of advice received and after consultation with the Board Chairperson, the Principal shall decide whether or not a *prima facie* case of theft or fraud exists, and if not, to document this decision and record that no further action is to be taken.

3. The Principal shall then carry out the following procedures:
  - Investigate the matter further in terms of procedures as set out in sub-paragraph (d);
  - If a *prima facie* case is thought to exist to continue with their investigation;
  - Invoke any disciplinary procedures contained in the contract of employment should the person be a staff member;
  - Lay a complaint with the New Zealand Police;
  - If necessary, commission an independent expert investigation;
  - In the case of fraud, require a search for written evidence of the possible fraudulent action to determine the likelihood or not of such evidence;
  - Seek legal advice; or
  - Inform the Manager, National Operations, Ministry of Education local office and/or the school's auditors.
4. Once all available evidence is obtained the Principal shall consult the Board Chairperson. The Board Chairperson may, if they consider it necessary, seek legal or other advice as to what further action should be taken.
5. If a case is considered to exist the Principal or a person designated by them shall, unless another course of action is more appropriate:
  - Inform the person in writing of the allegation that has been received and request a meeting with them at which their representative or representatives are invited to be present.
  - Meet with the person who is the subject of the allegation of theft or fraud and their representatives to explain the complaint against them.
  - Obtain a verbal or preferably a written response (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present).
  - Advise the person in writing of the processes to be involved from this point on.
6. The Board recognises that supposed or actual instances of theft or fraud can affect the rights and reputation of the person or persons implicated. All matters related to the case shall remain strictly confidential with all written information kept secure. Should any delegated staff member or any other staff member improperly disclose information the Principal shall consider if that person or persons are in breach of confidence and if further action is required. Any action the Principal considers must be in terms of the applicable conditions contained in their contract of employment and any code of ethics or code of responsibility by which the staff member is bound.
7. The Board affirms that any allegation of theft or fraud must be subject to due process, equity and fairness. Should a case be deemed to be answerable then the due process of the law shall apply to the person or persons implicated.
8. Any intimation or written statement made on behalf of the School and related to any instance of supposed or actual theft or fraud shall be made by the Board Chairperson who shall do so after consultation with the Principal and if considered appropriate after taking expert advice.

#### *Allegations Concerning the Principal or a Trustee*

9. Any allegation concerning the Principal should be made to the Board Chairperson. The Chairperson will then investigate in accordance with the requirements of paragraph 4 of this Policy.
10. Any allegation concerning a member of the Board of Trustees should be made to the Principal. The Principal will then advise the manager of the local office of the Ministry of Education and commence an investigation in accordance with the requirements of paragraph 4 of this Policy.

#### *Approval*

11. When the Board approved the Policy it was agreed that no variations of this Policy or amendments to it can be made except by the unanimous approval of the Board.

## **TRAVEL:**

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- The school will pay for / reimburse travel related to school business.
- The principal will be delegated the responsibility of approving all staff travel on school business.

- The principals expenses will be approved by the board with any budgetary guidelines set for such a purpose.

## **VISA CREDIT CARD**

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- The school will operate a Visa Credit card for the use of:
  - Principal on conferences or other school business activities
  - Booking of conference, professional development costs.
  - School purchases via internet and other electronic media
- The credit limit of this visa card will be \$4000.00
- Authority is given to the Principal to use this card to the limit outlined for all budgeted items.
- The card will be in the name of the 'Principal' – Inglewood Primary
- All purchases will be processed and recorded through the school office by the school administration officer.
- Copies of all invoices will be provided to the school office.
- Payment of visa card purchases will be done through automatic bank payment.
- The use of this visa card is restricted to school purchasing only.