

# Ross Intermediate School

TE KURA WAENGA O ROSS

## **POLICY STATEMENT - DRAFT**

### **4.1 Policy – Finance**

#### **Rationale:**

To ensure that Ross Intermediate School's financial management and reporting complies with legislative requirements, Ministry of Education policies and procedures and follows Generally Accepted Accounting Practice (GAAP) in terms of reporting and internal controls.

#### **Principles:**

1. A Finance and Property sub committee will monitor all aspects of financial and property management. Membership will be the Principal, Chairperson and two BOT members.
2. The Finance committee will provide a report at each board meeting.
3. The BOT will ensure internal controls are in place that:
  - a. Protect and maintain the assets of the school
  - b. Ensure all receipts and payments are for school purposes, within delegated authority and appropriate details are recorded and retained to maintain a complete audit trail.
  - c. Ensure all tax obligations are fulfilled.
  - d. Ensure any material contracts or commitments are approved by the BOT and are in line with legislation and Ministry of Education policies.
4. Approval of the annual budget should be completed prior to the start of the new financial year. A review and forecast of this will take place in June.

#### **Specific Policies:**

##### **1. Asset Disposal and Write Off**

All asset disposals or write offs must be approved by the BOT. All asset sales must be transparent and competitive with appropriate GST receipts and invoices completed.

All assets sales must be updated on the asset register and any gain or loss on sale reflected in the P & L.

##### **2. Asset Purchases and Capital Expenditure**

All purchases will be inline with the tables below.

A transparent and competitive process should be followed that ensures three comparative prices are available and that the schools specifications are fulfilled.

GST invoices should be obtained with appropriate details included to update the asset register.

### 3. Spending Authorities (per order)

#### **PURCHASES** (non capital)

	<b>Budget Holder</b>	<b>DP / Team Leader</b>	<b>Principal</b>	<b>BOT Chair</b>	<b>Finance Committee</b>	<b>BOT</b>
Up to \$250.00	X	X				
\$250 – \$1000		X	X			
\$1000 – \$5000			X	X		
\$5000 – \$10,000			X	X	X	
\$10,000 up			X	X	X	X

#### **CAPITAL**

	<b>Principal</b>	<b>BOT Chair</b>	<b>Finance Committee</b>	<b>BOT</b>
Up to \$1000	X			
\$1000 – \$5000	X	X		
\$5000 – \$10,000	X	X	X	
\$10,000 up	X	X	X	X

### 4. Asset Management

The Finance & Property sub committee will ensure all aspects of the Ministry of Education property manual are complied with and all financial implications are included in the five year financial plan and annual budget.

An annual review and stock take of the asset register will be undertaken with write offs reported to the BOT.

### 5. Debt Recovery and Write Off

All debts over 6 months will be forwarded to a debt collection agency. No debt can be written off without the approval of the Finance Committee or a delegated authority. Any debts written off by the principal must be reported to the Finance Committee. Debts over \$250.00 require prior approval.

Where an invoice has been raised incorrectly and a credit note is required then full details of the incorrect calculation must be supplied and the adjustments necessary to support the credit note.

A summary of credit notes should be attached with the monthly financial report similar to the cheque schedule.

### 6. Procurement

All purchases of goods and services should be for the benefit of the school. No personal expenditure should be incurred by the school unless it is included in their employment agreement and appropriate tax adjustments are made for GST, FBT and PAYE/withholding payments.

A list of approved suppliers should be maintained for normal operating expenditure and appropriate credit arrangements with appropriate discounts obtained.

For other items of capital expenditure a transparent and competitive process must be demonstrated with a minimum of three quotes.

## **7. Contracts/Commitments**

All contracts and commitments that have one of the following attributes must be approved by the BOT:

- Value greater than \$25K
- Will exceed the operating budget
- Longer than one year in duration

## **8. Sensitive Expenditure**

Refer to separate policy 4.2 Sensitive Expenditure

## **9. Staff Claims**

Staff are discouraged to use this method, rather they should be using the accounts we hold with most businesses. Where this is not possible they need to still have a GST Invoice to support their payment. The official claim form must also be completed. Claims for a term need to be lodged within that term. If staff have lost the invoice or GST receipt then NO payment will be made without approval by the Finance Committee. The Finance Committee will only consider cases of a value higher than \$50.00.

## **10. Treasury**

No bank accounts can be opened without approval from the Finance Committee.

The Board will operate three main accounts:

- Cheque account
- On call savings account
- Special Projects savings / Term Deposits

Other special purpose accounts or investments may be opened with approval from the Finance Committee for special projects but these must be held with the same bank with the same credit rating as the bank.

All receipts and payments must be processed through the cheque account and transfers to and from savings or investment accounts passed through the cheque account.

## **11. Cheque / Internet Banking Signatories**

The Finance Committee must approve all cheque signatories and the Finance and Property sub committee will maintain an up to date list of cheque signatories.

Two cheque signatories are required for all payments including Internet Banking.

Cheque signatories must set their own Internet banking password and this must never be disclosed to anyone else including cheque signatories.

The school will not make payments by cheque. Cheque payments will only be used for Petty Cash reimbursement.

## **12. Fraud**

The school will maintain an up to date asset register for all current assets over \$500.00 in value.

Processes are in place for Cash Handling and Management to ensure transparency for all concerned.

The Finance Committee is responsible for the review of payments and receipts through the Monthly Management Reports issued from Education Services.

Refer to Policy 4.3 Fraud for a more detailed explanation.

### **Related Documents:**

Cash Handling Procedures

4.3 Policy – Fraud

4.4 Policy – Sensitive Expenditure

**RATIFIED:** 3<sup>rd</sup> August 2010

Skye Kimura

**CHAIRPERSON**