

# FINANCE POLICY

**NAG 4  
NO 401**

## **Purpose**

The St Heliers School Board of Trustees affirms that it has a legal and moral obligation to ensure that all funds received and expended are accounted for responsibly. The Board will ensure that there are sufficient systems in place to monitor and control expenditure, protect the integrity of the Board and the School and enable the allocation of funds to reflect the priorities of the school.

## **Guidelines**

### **Financial Authorities**

1. The Principal has authority to approve budgeted operating expenditure, budgeted capital expenditure, and unbudgeted operating or capital expenditure up to \$2000. Unbudgeted purchases of operating expenditure or capital expenditure in excess of \$2,000 must be approved by the Board Chair or a Board representative. Where capital expenditure items are not specifically budgeted for (e.g. a placeholder has been included in the budget) then expenditure should be treated as unbudgeted. Approval by email by a majority of Board members is sufficient for urgent items, with subsequent minuting at the next Board meeting.
2. Creditors will be authorised for payment at the monthly Board meeting, unless special circumstances exist.
3. Cheques must be signed by two authorised signatories.
4. Internet payments set up by the Executive Officer must be approved by an authorised signatory. The Internet Payment Summary Report must be viewed and signed by an authorised signatory.
5. Payments from the PTA account must be approved at PTA meetings. The Principal must be a signatory of this account. The Treasurer of the PTA must prepare and submit a financial report to the Executive Officer on a monthly basis.
6. Direct debits and electronic transfers approved within the operating budget will be authorised by the Principal. A schedule of direct debits and electronic transfers will be viewed and signed by the Principal and the Board Treasurer or Chairperson on a monthly basis.
7. The school's Executive Officer is authorised to transfer money between approved school bank accounts to maximise the return on money invested.
8. Bank accounts or investments must be operated and invested at a registered bank.
9. Manual cheque payments must have an authorised payment form attached.
10. Blank cheques may not be signed in advance.
11. Bank reconciliations will be reviewed and approved monthly by the Board Treasurer and/or an independent entity such as Edtech.

### **Income**

1. Money received will be banked promptly by a person other than the person who processes the payments and enters it into the school accounting package.
2. Receipts must be issued for all school donation payments and on request for any other payments.

### **Expenditure**

1. The school runs an order book system, which is controlled and monitored by the finance officer.
2. The Principal is responsible for checking and authorizing accounts for payment.
3. All staff and tutors employed by the Board must be paid through the Ministry of Education payroll system.

### **Financial Management**

1. The Finance Committee and Board Chairperson shall be responsible for ensuring management operates within the approved budget to prevent overspending in any budget area.
2. The Board shall include all assets which are valued in excess of \$1,000.00 in the Fixed Asset Register and depreciate it at the rate fixed by the Board as listed in **Appendix A**. This accumulated depreciation shall be taken into consideration for the purpose of the annual budget.
3. The annual accounts should be completed in the month of January with the audit fieldwork taking place before the end of the previous school year or by arrangement with auditors within a reasonable timeframe after year end.

### **Budgeting**

1. Budget Managers should present their budgets to the Principal by the end of October.
2. The draft budget should be available at the December Board meeting for approval.
3. The final budget will be approved at the March Board meeting after receiving the confirmed funding and staffing figures.
4. The Property committee shall have 10 year Property Maintenance Plan drawn up every 3 years and a provision will be made in the budget in accordance with the Ministry requirements for Cyclic Maintenance.

### **Sensitive Expenditure**

1. Sensitive expenditure is any expenditure which might cause questions around the probity or financial prudence of the school's spending. Possible examples include gifts, travel, entertainment, or training. Care should also be taken for spending claimed via credit cards or expense claims, as although using credit cards or expense claims is not sensitive expenditure, spending via these methods may comprise of sensitive items.

2. Credit card: The Board has authorised the issue of a credit card in the name of the Principal. This may not be used for cash advances or for personal expenditure. It may be used for reasonable school-related expenditure, including in particular procurement of school supplies or payment of utilities. The Principal may delegate the use of the credit card for these purposes. The Principal or any other person using the card is expected to observe usual procedures for the use of the credit card, for example due care of the card, safeguarding the PIN number, immediate cancellation in the event of loss or theft, care when using the card for on-line purchases, and ensuring supporting documentation is retained for any expenditure charged to the card. The monthly credit card statement is to be reviewed by the Executive Officer and made available for the Treasurer or Chairperson to review monthly.
3. Gifts / koha: offering or receipt of gifts. A koha may be a sensitive item, as these may represent an inducement or be seen to place an obligation on the recipient. Gifts given should be as a gesture of appreciation, furthering the school's goals. Any gift over \$250 to be given by the school should be approved by the Board prior to committing to the gift. Any gift received from an individual which is over \$250 in value, or which may place the recipient under any obligation, should be reported to the Principal and recorded at the next Board meeting. The Board will decide whether the gift should be returned, retained by the school, or retained by the recipient.
4. Professional Development/Conferences/Travel: Travel and professional development (mainly relating to attending conferences) outside the approved budget needs approval from the Board.
5. Entertainment: Care should be taken for any entertainment expenditure as it is likely to be sensitive expenditure. Entertainment should typically be limited to modest expenditure celebrating special occasions or achievements, for example Christmas/End of year. Where there is any doubt, Board approval should be sought prior to committing to the expenditure.

# FINANCE POLICY – FIXED ASSETS

### Definition

Fixed assets are physical assets held by the school for use in the production or supply of goods and services, for rental to others or for administrative purposes, and have been acquired or constructed with the intention of being used on a continuing basis. Fixed assets may also include items held for the maintenance or repair of other assets.

Fixed assets are property, plant and equipment used by the school for more than 12 months, over which the school has control.

### Recognition

Items of property, plant and equipment with an individual value in excess of \$1,000 are capitalised on purchase.

Others items with an individual value below \$1,000 are expensed with the exception of furniture and fittings that are purchased in quantity where the total value exceeds \$1,000. This is to reflect their significant total value as a percentage of the total assets held by the school.

Items below \$1,000 even when purchased in quantity, are recorded as a learning resource expense and not capitalised on purchase. This reflects the high usage and frequent curriculum changes that make items obsolete.

Minor sports and teaching equipment even when purchased in quantity, are recorded as a learning resource expense and not capitalised on purchase. This reflects the need for regular replacement of these items and their overall low total value when compared to the total fixed asset holding.

### Depreciation

Fixed assets are depreciated on a systematic basis. Fixed assets, except for library books, are depreciated so as to charge their cost or value over their estimated useful life on a straight-line basis.

<b>Item</b>	<b>Depreciation Rate</b>
Sports equipment	20%
Furniture and Fittings	10%
Music Equipment	20%
Library Books	12.5%
Plant and Machinery	10%
Computer Equipment	25%
Electronic Equipment	25%
Leasehold improvements	10%
Grounds	2.5 - 10%
Buildings	2.5%

Leased equipment is depreciated over the lease term (when classified as a finance lease under NZIAS 17).

### **Gain/Loss on disposal**

Where a fixed asset is disposed of, the gain or loss recognised in the Income Statement is calculated as the difference between the sales price and the carrying amount of the fixed asset.

When a fixed asset is written off because it is now obsolete or beyond repair the loss recognised in the Income Statement is the carrying amount of the fixed asset.

### **Stocktake**

The school shall perform a physical stock-take of fixed assets at regular intervals (annually) to verify the physical existence and condition of fixed assets to ensure that the true value of fixed assets is reflected in the school's financial statements.