

# 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 responsibly accounted for. 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 (as per annual budget approved by the Board), specifically budgeted capital expenditure, and unbudgeted operating or capital expenditure up to \$2000. Unbudgeted purchases of operating expenditure or capital expenditure in excess of \$2000 must be approved by the Board of Trustees. Where capital expenditure items are not specifically budgeted (e.g. placeholder only has been included in the original budget) then expenditure should be treated as unbudgeted. Approval via email by a majority of BOT members is sufficient for urgent items, with subsequent minuting at the next BoT meeting.
2. Creditors will be authorised for payment at the monthly Board meeting, unless special circumstances exist.
3. Cheques must be signed by 2 authorised signatories.
4. Authorities for electronic transfers must be signed by 2 authorised signatories.
5. For all accounts, excluding the Imprest account, the authorised signatories have to be Board members. The Board treasurer is not eligible to be a signatory.
6. The Board may authorise the school's Financial Administrator to be a signatory of the Imprest Account.
7. Bank accounts or investments must be operated/invested at a registered bank.
8. Manual cheque payments must have an authorised payment voucher and order form attached.
9. Blank cheques must not be signed in advanced.
10. Bank reconciliations will be audited monthly by the Board and an independent entity eg. 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 accounts package.
2. Receipts must be issued for all cash received.

### **Expenditure**

1. The Principal is responsible to ensure that all orders or purchases are pre-approved by issuing an order form.
2. The Principal shall be responsible for checking the accuracy of all accounts received and signing it as approved.
3. All staff and tutors employed by the Board must be paid through Multiserve.

### **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 \$1000.00 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 reasonable timeframe after year end.

### **Budgeting**

1. Budget Managers should present their budgets to 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 is commonly sensitive items.
2. Credit card: The Board has authorized 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 particularly procurement of school supplies or payment of utilities, typically where this is more convenient than arranging a cheque or other payment means. The Principal may delegate use of the credit card for these purposes. The Principal or any other person using the card is expected to observe usual procedures with the use of the credit card, for example care of the card and any PIN number in a safe place, 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 school Financial Administrator and made available for the Treasurer or Chairperson to review upon request.

3. Gifts / koha: offering or receipt of gifts / koha may be 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 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 that are 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 \$1000 are capitalised on purchase.

Others items with an individual value below \$1000 are expensed with the exception of furniture and fittings that are purchased in quantity where the total value exceeds \$1000. This is to reflect their significant total value as a percentage of the total assets held by the school.

Items below \$1000 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>Ledger</b>	<b>Depreciation Rate</b>
Sports equipment	511	20%
Furniture and Fittings	512	10%
Music Equipment	513	20%
Library Books	514	12.5%
Plant and Machinery	515	10%
Computer Equipment	516	25%
Electronic Equipment	517	25%
Leasehold improvements	518	10%
Grounds	519	10%
Buildings	520	2.5%

Leased equipment is depreciated over the lease term (when classified as a finance lease under SSAP-18).

### **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 gain or 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 to verify the physical existence and ensure that the true cost of fixed assets are reflected in the school's financial statements.