

## **FINANCIAL POLICY**

School Vision: Developing the Character of God - Academic Excellence

*Well done, good and faithful servant. You have been faithful over a little; I will set you over much. Enter into the joy of your Master. **Matthew 25:23***

### **Rationale**

The School Board will provide sound financial management to ensure that our resources are best used to enhance the educational purposes of the school.

### **Purpose**

- To establish guidelines to assist with financial management of the school.
- To ensure that school resources are properly controlled within budgeted income.
- To specify budgeting, banking and reporting procedures.
- To ensure that good financial management practices are followed.
- To ensure that Audit Office and other agencies' requirements are met, including the Education Training Act 2020, Education Amendment Act 2019, Public Finance Act 1989, Public Finance Amendment Act 2004, Crown Entities Act 2004.

### **Guidelines**

#### **Principal**

The Principal has the authority for expenditure up to \$500 over budgets set. Any large expenditure greater than \$500 per item should be approved by the full Board.

The Principal will be responsible for:

- Maintaining list of budget holders, financial delegations and extent of delegation.
- Ensuring all expenditure is approved by appropriate budget holders.
- Liaison with all budget holders in connection with future budget requirements.
- Coordination with budget holders re: compilation of budget.
- Managing the school credit card/s

#### **Bank Accounts**

The following accounts can be operated by the school:

1. A cheque account operated through the Auckland Savings Bank for operational expenditure and income. The Ministry of Education Operational Grant will be paid into this account and Salary Grant for Management direct credited.
2. Three term deposit accounts are operated and managed by the Finance delegated committee. .
  - a. Cyclical Maintenance Term Deposit - holding funds tagged for Cyclical Maintenance.
  - b. Contingency Term Deposit - holding 15% of operations grant (\$30,000)

- c. Surplus Savings - Any funds in excess to generate interest.
- 3. An ASB VISA Card Account operates with the Principal only authorised to use the VISA card.
- 4. Authorised Limits:

Presiding Member	Glenn Benfell	\$15,000
Authorised Signatory	Murray Robinson	\$15,000
Principal	Lanea Strickland	\$10,000

## Financial Accounts

The School Secretary will be responsible for:

1. **Making up the Payment Schedule** of school accounts and checked by Presiding Member or School Board monthly and sent to The School Office for payment..
2. **Deposits** of donations and other money in the school accounts is managed by the School Secretary and checked monthly and sent to The School Office. All appropriate documentation will be kept and filed for audit purposes and archiving.
3. Filing of all completed deposit and cheque books, paid invoices and statements, data input sheets, printouts and corrections and bank statements.
4. Liaising with bank and suppliers. Also liaise with The School Office re annual report, service delivery and ensuring GST and ACC payments are made.
5. Fixed Asset Register
6. IRD, MOE and other Agencies' correspondence.

## Budget

Preparation of annual budget should begin in September each year and be adopted by the Board early in the calendar year. In the event of any major unforeseen additional income or expenditure, the budget may be reviewed.

## Annual Accounts

The Annual Report including financial statements will be forwarded to the Auditor within 90 days following the balance date of 31 December. Requirements will be notified by the Ministry of Education circular. The Audit Office will appoint the Auditor.

## Reserve Accounts

The Board shall determine each year an amount to be held in reserve for the purpose of maintenance in future years (also known as 'cyclical maintenance'). The Board may establish other reserve accounts as required for the purposes of acquisition of major capital assets. Reserve funds shall be held in an account established for the purpose in a registered bank, and shall be held at the most favourable interest terms available.

## Payments

The Board will receive a schedule of payments from the cheque account at each monthly meeting, and confirm approval for these payments.

All accounts for payment, other than expense reimbursements and attendance fees, must have appropriate invoices and documentation.

Expense reimbursements must be certified by the Principal; or for the Principal's expense reimbursements, the Presiding Member or other Account Signatory.

All expense claims should be supported by GST receipts or invoices.

Claims for the use of private motor vehicle usage must be certified by the Principal or delegate to indicate that approval was given. Scale rates as per the award will be the basis of reimbursement per kilometre.

### **Board Fees**

Any person elected appointed, or co-opted to the Board shall be remunerated. Trustees will be remunerated at a rate determined annually by the School Board and noted in the Minutes.

### **Reimbursements**

Requests for reimbursement must be in writing (using the School 's claim form) detailing costs and enclosing receipts.

### **Cheques and Internet Transactions**

Authorisation of invoices for payment is made by the Principal.

Cancelled cheques must be marked as such and stapled to the cheque butt.

Cheques must never be made out for cash.

### **Credit Cards**

There are currently two cards in operation that function as Credit Cards

- 1) School Visa ASB card as noted above
- 2) BP Fuelcard

Please refer to the Credit Card Policy for details

### **Register of Assets**

1. Statements and reconciliations will be done by The School Office.
2. Liaison with Bank and suppliers is part of School Secretary role.
3. Fixed Asset Register is kept and maintained by Principal.
4. Monthly report to School Board is produced by The School Office and passed at Board meeting. The School Office will complete the monthly financial report which summarises information of expenditure and income showing annual budget, budget to date, variance, what we own, ie current assets, bank accounts and current liabilities (accounts payable and public equity).

The School Board shall maintain a register of all capital items valued at over \$500.00. An asset is deemed to be a transportable item of equipment purchased by the school from either capital or operating budgets with an expected life of greater than three years.

Depreciation will be charged based on guidelines given by the Ministry of Education.

Library books are deemed to be assets and will be capitalised each year and depreciated annually at 15%.

### **Expenditure**

All orders are to be approved by the Principal up to \$500.

Any expenditure over this must be submitted to the Board for prior approval and recorded in the minutes

### **Investments**

Investments of School funds may only be made in accordance with the terms of Section 73 of the Education Training Act 2020.

Notwithstanding the requirements of Section 73, no investments may be made in equity stocks or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps). Investments may only be made with the written authorisation of both the Principal and the Board Presiding Member.

### **Fundraising**

The Board acknowledges that under Section 73 of the Education Training Act 2020 some professional fundraising contracts constitute an illegal fundraising contract. No such fundraising contract will be entered into by the School. If doubt exists about the legality of a proposed fundraising contract, the Principal will contact the regional Financial Adviser of the Ministry of Education for advice. Fundraising will be undertaken in line with the Proprietor requirements. Fundraising will be receipted appropriately.

### **Cash Receipts**

All cash and cheques received must be paid into the school office and properly receipted. This includes fundraising income, other local funds receipts and reimbursements for learning materials.

No cash received can be used to pay accounts in cash.

Only delegated staff (school secretary, Principal, senior teaching staff) may handle cash.

All receipts must be banked as soon as possible.

All cash and cheques kept on the premises must be kept secure within the lock-box and under the control of a delegated person who maintains the key on their person.

### **Accounting and Annual Audit**

The Principal shall arrange for proper accounting records to be maintained. The records must satisfy all requirements specified in Acts of Parliament, financial reporting standards and other applicable standards.

The financial system must be so organised by the Principal that the Principal and Presiding Member can sign without hesitation the annual Statement of Financial Responsibility as required by Section 155 of the Crown Entities Act 2004.

The school appointed auditor meets each year with, the principal, and the Presiding Member or representative, to assess and monitor:

- school circumstances
- extraordinary expenditure
- financial management
- reporting to the board
- property spending
- surplus/deficit.

Every three years the school audit is contracted by the Auditor General's office.

FORMULATED BY: Rotorua Seventh-day Adventist School Board

APPROVED: Presiding Member, Glenn Benfell \_\_\_\_\_

BOT RATIFIED: 21 March 2023

BOT REVIEWED: 22 June 2023  
21 March 2023  
18 February 2020 (acknowledgements to NZSTA Cash Management Policy)  
5 April 2017  
November 2012

**Appendix:**

1. Approval Process for Payments.

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**1. APPROVAL PROCESS FOR PAYMENTS:**

1. Hubdoc
  - Invoice/Receipt (supporting documentation) received into Hubdoc.
  - Secretary processes invoice in Hubdoc by checking invoice number – amount – code (budget) are correct.
  - Secretary Publishes invoice to Xero Awaiting Approval AND ApprovalMax.
2. Xero
  - Invoice sits in Awaiting Approval Tab in Xero.
3. ApprovalMax
  - Principal (First Approver) approves invoice in ApprovalMax.
  - Presiding Member and/or Finance Signatory (Second Approver) approves invoice.
  - Once both approvals are done – invoice goes to Awaiting Payment in Xero. The Audit Report (showing who approved etc) from ApprovalMax will be attached to the Bill in Xero together with a PDF of the invoice.
  - Batch payment with all APPROVED invoices for month is prepared and sent to ASB Bank on the 20th of the month by Secretary.
  - Secretary texts via E-tap that there is a batch payment ready for authorisation in ASB Bank.
4. ASB
  - Batch payment is authorised by 2 signatories in ASB using key code.
  - Invoice is now PAID.

**Notes:**

- All reimbursements for Principal will be approved by Presiding Member and Finance signatory as per the above instructions (via ApprovalMax)
- Supporting documentation ie: receipts/invoices for all credit card purchases to be sent to Hubdoc for processing as above

BOT RATIFIED: 22 June 2023

BOT REVIEWED: 22 June 2023