

# Finance Policy

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This policy ensures all aspects of expenditure by the School, including any committees, are for the promotion of students' learning, directly or indirectly. This will occur through properly regulated expenditure of limited funds to provide a well-resourced, attractive, safe and healthy learning environment for all students and staff. Responsible management of the School's funds is a legal requirement defined in the National Administration Guideline (NAG) 4.

The Board has overall responsibility for the financial management of the School. The Board delegates the day-to-day management of the School's finances and budget to the Principal.

## **The Principal shall:**

1. ensure that expenditure is based on the strategic goals set out in the School Charter.
2. follow financial procedures which adhere to accepted principles of good financial management.
3. ensure a draft annual budget is prepared in December each year for the following year. A final budget will be adopted by the Board before the March meeting and can only be changed by approval of the entire Board.
4. present financial reports at each Board meeting in formats approved by the Board.
5. authorise all invoices and payments.
6. notify the Board Chair and Finance delegate of any overspend on the School's total budget. If the overspend on the total budget is \$5,000 or more, the Principal must seek Board approval.
7. have the ability to move expenditure within cost categories to meet the School's strategic goals, where there is no significant impact on the bottom line outside the above tolerances. If there are any cross-category changes of \$5,000 or more, the Principal should notify the Board Finance delegate.
8. notify the Board Chair and Finance delegate of any underspend greater than 5% of the School's total budget, as the School should spend budgeted funds to meet the needs of the students and school.
9. obtain competitive quotes for capital items or operating expenses, for lease or purchase over \$5000, where appropriate.
10. make timely payment to staff and other creditors.
11. ensure that no one person has complete authority over the School's financial transactions. Expenditure transactions are prepared by delegated staff and signed off by at least two of the School's authorised signatories. The reason for each transaction is recorded.

12. have annual audited financial reports prepared. These are to be made available to the required parties within the required time frames set by the Ministry of Education and relevant legislation.
13. approve credit card purchases by staff, and seek approval from the Board Chair for credit card purchases by the Principal.
14. seek Board approval for spending beyond the \$5,000 credit card limit within any given month.

## **Cash receipts**

- Only delegated staff handle cash.
- All cash and cheques received are paid to the School office and properly receipted.
- Cash received cannot be used to pay other accounts, in cash.
- All cash and cheque receipts are banked as soon as possible, and any kept on the premises are kept secure and under control.
- Petty cash is limited to \$200 and reconciled as needed.
- Staff follow the School's cash receipts procedures.

## **Payroll**

- The Principal is responsible to the Board for the payroll processing and expenditure reports.
- The Payroll Administrator checks the SUE (Staff Usage and Expenditure) report and presents it to the Principal for checking and signing.
- Leave reports are checked by the Principal and regularly reported to the Board.
- The Principal assures the Board twice a year that a Board member has checked the process and authorisations used to make payments to staff members, particularly the payments made to the Principal, to anyone related to the Principal, and others in the school with payroll responsibilities.

## **Reimbursements**

- Reimbursements will be made and claimed in a timely manner.
- Requests for reimbursement must be in writing (using the School's claim form), detailing costs and enclosing receipts/invoices.
- The Principal authorises reimbursements. If the reimbursement is to the Principal, the Board Chair authorises the reimbursement.

## **Sensitive expenditure**

The Board acknowledges that at times there are expenses which may be considered to be beneficial to individuals or small groups of individuals. These may include expenses in

relation to travel (especially international travel), or to koha, gifts and other payments to individuals.

For sensitive expenditure the following is School policy:

- Principal's sensitive expenditure is approved by the Chairperson of the Board.
- All staff sensitive expenditure is approved by the Principal.

## **Fundraising guidelines**

Fundraising for the School by any individual or group follow these guidelines:

- It must be approved by the Principal.
- Fundraising activities are recorded, and monitored through the School's usual financial checking system. Money received or spent is recorded by at least two people.
- Money raised is spent for the approved purpose, where possible.
- Fundraising activities meet all legal requirements, including the Food Act 2014 and Gambling Act 2003.

## **Theft and Fraud Prevention**

The Board of Trustees has a responsibility to protect the physical and financial resources of the School. This includes preventing and detecting theft and fraudulent actions by persons who are employed or contracted by the School, or who are service recipients of the School.

### **Objectives:**

- To ensure preventative measures are implemented to protect the School against theft and fraud.
- To ensure there is a process for conducting an investigation into any theft or fraudulent action according to the principles of natural justice.

### **Guidelines:**

1. Physical resources are to be kept secure and accounted for by staff.
2. Financial systems are designed to prevent and detect occurrences of fraud.
3. Staff members who are formally delegated responsibility in their job descriptions for the custody of physical and financial resources shall be competent and be held accountable for carrying out those responsibilities.
4. All staff shall be made aware of their responsibility to inform the Principal should they suspect or become aware of any improper or fraudulent actions by staff, suppliers, contractors or other persons associated with the School.

## Maungaraki School

5. In the event of an allegation of theft or fraud, the Principal shall advise the Board and decide either to immediately report the matter to the New Zealand Police or proceed to investigate in accordance with the theft and fraud procedures.
6. To protect the privacy of the person(s) under investigation, those who are party to proceedings shall keep all details strictly confidential. Any improper disclosure of information shall be investigated as a breach of confidence and the Principal shall decide if further action is required.
7. The Board shall ensure that any allegation of theft or fraud will be subject to due process, equity and fairness. If a case is deemed to exist then the due process of the law shall apply to the person or persons implicated.
8. Any disclosure or written statement made on behalf of the School about any instance of supposed or actual theft or fraud shall be written by the Chairperson after consultation with the Principal and the Board.
9. Any allegation concerning the Principal shall be made to the Chairperson who shall conduct an investigation in accordance with procedures as outlined.
10. Any allegation concerning a member of the Board shall be made to the Principal who will then advise the manager of the local office of the Ministry of Education and commence an investigation in accordance with procedures as outlined.

**Approved:** June 2021  
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