

WAITUNA CREEK SCHOOL POLICIES AND PROCEDURES

NAG 4b - Financial Condition Policy

The financial viability of Waituna Creek School must be protected at all times. The board delegates the responsibility of the day to day finances of the school to the principal.

Therefore, the principal will:

- Ensure that the Schools financial systems are designed to prevent and detect the occurrence of fraud as per the Crown Entities Act 2004.
- Adhere to generally accepted accounting practices or principles.
- Ensure no unauthorised debt.
- Ensure tagged funds are not used for purposes other than those approved.
- Not spend more funds than have been allocated in the fiscal year.
- Ensure all money owed to the school is collected in a timely manner.
- Ensure that staff to who are delegated financial responsibilities is competent to carry out such responsibilities.
- Make timely payment to staff and other creditors.
- Not sell or purchase unauthorised property.
- Ensure board-established limits on purchases are not exceeded.
- Ensure that all relevant government returns are completed on time.
- Ensure that no one person has complete authority over the school's financial transactions.
- Ensure immediate reporting to the Board for action of any fraudulent actions by any staff member.
- Obtain, where appropriate and able, comparative prices and quality before purchasing services or goods.
- Adequately review ongoing costs, value and reliability for any purchase of over \$2000.

This policy is supported by the following school procedures:

- Sensitive Expenditure
- Travel Expenditure
- Entertainment Expenditure
- Gifts
- Budget
- Annual Audit
- Contribution to cost of School Activities

Date Policy reviewed:	Nov 2014	Date Policy to be reviewed:	Oct 2015
Signed BoT:		Signed Principal:	

Sensitive Expenditure Procedure

The board ensures that all expenditure of board funds is clearly linked to the business of the school and that no individual, or group of individuals (staff or students), gains unreasonable and/or personal benefit from those funds.

At times there are expenses which may be considered to be beneficial only to individuals or small groups of individuals, such as travel expenses (especially international travel), or koha, gifts and other payments to individuals. Any such expenditure will be carefully scrutinised by the board before approval and may require appropriate and specific fundraising. The board also refers to its travel policy in considering this expenditure.

Funds raised for specific expenditure which may benefit individuals or groups of individuals are raised with a full understanding of their purpose known to those contributing the funds – such as parents or other funding sources (e.g., charities). The funds raised will cover all costs (including travel and accommodation costs for teachers who may be involved).

Authorising sensitive expenditure:

The board requires the principal to take account of the following prior to authorising expenditure which may be beneficial to an individual or group:

- Would the expenditure benefit student outcomes?
- Is it the best value for money?
- Is it in the budget?
- Could the board justify this expenditure to a taxpayer, parent, or other interested party?
- How would the public react if this expenditure was reported by the media?
- Does there appear to be any personal gain from this expenditure?
- Does this expenditure occur frequently?

All expenditure which is incurred on behalf of individuals or groups of individuals will be fully accounted for and a separate income statement for management reporting purposes showing all funds raised and expenditure incurred will be provided to the board.

Travel Expenditure Procedure

The board ensures that travel expenditure incurred by the school is clearly linked to the business of the school. The principal has responsibility for the implementation of the following guidelines:

- any travel expenditure is on the school's business, and the school obtains an acceptable benefit from the travel when considered against the cost
- expenses are reimbursed on an actual and reasonable basis
- staff required to travel on business do not suffer any negative financial effect.

Process for Making Travel Arrangements

- No staff member approves their own travel.
- All booking arrangements for any travel are conducted through the school's normal purchase procedures.
- Travel bookings are not to be made using manual cheques.

Travel within New Zealand

- The justification for travel within New Zealand is documented and must relate to school business. Travel within New Zealand is to be authorised on a one-up basis (for example, the principal should authorise any travel by the deputy principal and the board should authorise any travel by the principal).

- All domestic air travel is to be economy class.

International Travel

- Any international travel is authorised by the board before it is commenced. A proposal is put to the board detailing the purpose of the trip, the expected benefit to the board which will arise from the trip and an estimate of the costs of the trip. A minute records this process and records the board's decision.
- At the end of the trip overseas, the traveller prepares a trip report, which details the costs incurred during the trip, activities which took place during the trip and the benefits to the school.
- If a staff member has a travel time without a stopover in excess of 20 hours, a rest period of 24 hours before commencing work is permitted.

Accommodation

- Staff book good but not superior accommodation.
- Staff who stay privately will be reimbursed on production of receipts, for koha or for the cost of a gift given to the people they have stayed with. Prior to travel the staff member should receive authorisation for the value of the intended koha/gift.

Vehicles

- When using rental cars, staff choose good but not superior model vehicles.
- Use of private vehicles is approved on a one-up basis and reimbursement is at the rate specified by their employment agreement or if no agreement the Inland Revenue Department.
- If taxis are used, then staff should pay for the taxis out of their own pocket, obtain a receipt, and seek reimbursement through petty cash or as part of an expense claim.

Reimbursement of Expenses

- The reimbursement for business related travel expenses is on the basis of actual and reasonable costs. Actual and reasonable expenditure is defined as "the actual cost incurred in the particular circumstance, provided that it is a reasonable minimum charge".
- For travel within New Zealand, actual and reasonable expenses are those incurred above the normal day to day costs.
- All personal expenditure is to be met by the staff member. Examples of this are mini bar purchases, in house movies, laundry, and private phone call charges, which are to be paid separately by the travelling staff member.
- All receipts must be retained and attached to the travel claim. The claim is to be authorised on a one-up basis.
- For expenditure incurred in New Zealand of value greater than \$50 (including GST) there should also be a GST invoice to ensure that GST can be reclaimed by the school.
- Authorisation can still be given for expenditure less than \$50 where there is no receipt, for example if it is not practical to obtain a receipt or if the receipt is lost. The expenditure can be reimbursed provided there is no doubt about its nature or the reasons for it.

Discretionary Travel Benefits

- Travel benefits, including airpoints and loyalty scheme rewards/points (Flybuys, Global, etc.), accrued from official travel are only to be used for subsequent travel on behalf of the school. They should not be redeemed for personal use.
- Staff must travel by the most direct route unless scheduling dictates otherwise.

- The school does not meet expenses incurred on behalf of a spouse or travelling companion. In the event of a person travelling with an employee, a reconciliation of expenses should clearly demonstrate that the school did in no way incur additional expenditure.

Entertainment Expenditure Procedure

The school may incur costs of this nature through:

- social functions, such as internal functions, representing the school socially, relationship building and providing hospitality to people in the course of school business.
- meetings, conferences, seminars, etc.

This expenditure must be monitored, and linked to the business of the school. The amount spent must be shown to be reasonable and appropriate.

In selecting venues and catering the school takes into account the nature of the event, total cost, and quality required. Alcohol should only be purchased for social functions, as appropriate, and served according to our host responsibility guidelines.

Gifts Procedure

The board ensures that expenditure on gifts incurred by the school is clearly linked to the business of the school. The board has delegated responsibility for the implementation and monitoring of this process to the principal.

- The value of gifts to be presented to staff on leaving the school is determined using a consistent formula based on length of service.
- All gifts are purchased through the school's normal purchase procedures. Gift purchases are not to be made using manual cheques or credit cards.
- A register of all gift purchases is maintained, including what was purchased, costs, and recipients. The board reviews this register periodically.
- The cost of a gift should be reasonable and appropriately reflect the benefit received.
- If the gift is to be given during travel, then the staff member should receive authorisation for the value of the intended koha/gift before the travel.

Receiving Gifts

Gifts should not be accepted if there is concern that acceptance could be seen by others as an inducement or a reward that might place the staff member under an obligation.

- If gifts received are small and of little value (under \$50), then the recipient may keep the gift.
- If the gift is larger and more valuable, then the recipients must advise the board of the gift. The gift will be given to the school to use unless the board agrees to an exception to this policy.
- If the gift arises from an employee's role as an employee of the board, then the gift remains the property of the board. Receipt of the gift should be declared to the principal.
- A formal register of gifts must be kept if the gift is obviously in excess of \$50 in value or is attractive in nature. Gifts regarded as attractive in nature include jewellery, watches, and electronic items.

Budget Procedure

The board representative consults with staff who have budgeting responsibilities to draft a budget for each year. The budgeting responsibilities of staff include monitoring expenditure and providing information for forward planning. In drafting the budget, the identified priorities of the school, and the school's local curriculum and professional development planning, are considered.

The draft budget is presented for adoption at the November meeting of the board.

The budget is used to monitor expenditure in a summary of monthly comparatives the following year. It may not be changed without a board of trustees resolution.

Annual Audit Procedure

The school appointed auditor meets each year with the finance officer, the principal, and/or the board 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.

Contribution to cost of School Activities

The Board in its guidelines provides procedures for setting contributions which are reasonable and affordable for the parent body. This contribution is to cover actual costs of extra curricular activities and having it paid termly verses event by event is more practicable for office administration. Families will be notified of which events it covers. Where events fees, such as camps, are more substantial, parents will be notified of such charges in a timely manner and fundraising options will be offered.

1. The suggested family contribution will be set and reviewed annually by the Board of Trustees.
2. This suggested amount will be published in the school or board newsletters.
3. Parents will be invoiced for their contribution termly.
4. Charges for consumable items (stationery, uniform) will be invoiced with details of the nature of the charge.